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Section 1

Overview H1 2020
H1 2020 at a glance (1/2)

H1 2020 result and one-off effects

• **Operative result**\(^1\): With EUR 84 mn the Association of Volksbanks achieved a robust operative result in the first half year 2020 (06/2019: EUR 125 mn).

• **Result after taxes**: The Association’s result after taxes stood at **EUR 30 mn** as of 30 June 2020 (06/2019: EUR 122 mn).

• The H1 2020 result was influenced by the following **one-off effects**:
  – General loan loss provisions in an amount of EUR 53 mn.
  – Mark to market losses from valuations of derivatives and SPPI loans of EUR 16 mn.
  – Profit of EUR 32 mn resulting from the sale of Volksbank Wien’s headquarter.

Development of cost basis

• The **implementation of program ADLER proceeded according to plan** in the first half year 2020 and is showing positive effects:
  – The Association’s **general administrative expenses** could be further lowered to **EUR 260 mn** as of 06/2020 (06/2019: EUR 276 mn).
  – The number of employees continued to decrease to **3,372** at the end of H1 2020 (06/2019: 3,593).

Interest and fee income

• **Net interest income** was stable in the period under review, at **EUR 211 mn** as of 06/2020 it was at the same level as in the previous year.

• **Net fee and commission income** increased to **EUR 117 mn** at the end of the first half year 2020 (06/2019: EUR 115 mn), mainly due to higher fee and commission income from the securities business.

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1) Operative results includes net interest income, net fee and commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses
H1 2020 at a glance (2/2)

Operative customer business

• A number of customers were granted relief measures due to the COVID-19 crisis in order to counter the liquidity bottlenecks caused by the lockdown. These measures include various types and combinations of payment holidays, extension of loan maturities, bridge loans and increases of overdraft facilities for existing customers.

• All Association member banks were fully operational - with respect to personnel as well as in technical and organisational terms - and branches were open throughout the crisis.

• Loans and receivables to customers remained almost unchanged in the first half year and stood at EUR 21.2 bn as of 30 June 2020 (12/2019: EUR 21.3 bn).

NPL ratio decreased

• A further improvement of NPL ratios could be achieved in the period under review. As of 30 June 2020 the Association’s NPL ratio stood at 2.1% after 2.5% at the end of H1 2019.

Capital ratios increased

• The CET1 ratio reached 13.2% at the end of H1 2020 compared to 12.9% at 12/2019.

• The equity ratio rose from 17.8% at 12/2019 to 18.2% at the end of the first half year 2020.

Outlook FY 2020

• We plan to achieve a positive result in FY 2020 for the Association as well as for Volksbank Wien.

• In 2020 the Austrian Financial Market Authority closed two smaller Austrian retail banks. Both banks are members of ESA.\(^1\)
  - ESA protects the claims of the banks’ customers. For the Association, the future burden resulting from the required additional allocations to the deposit protection fund is estimated at around EUR 8 mn p.a. over the next five years, excluding claw backs from the two banks.
  - The Association of Volksbanks does not have any direct exposure to these banks.

\(^1\) ESA: Einlagensicherung Austria (Austrian deposit protection scheme)
Economic environment in Austria (1/2)

GDP growth trend in Austria

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>2.10%</td>
</tr>
<tr>
<td>2017A</td>
<td>2.50%</td>
</tr>
<tr>
<td>2018A</td>
<td>2.40%</td>
</tr>
<tr>
<td>2019A</td>
<td>1.60%</td>
</tr>
<tr>
<td>2020E</td>
<td>-7.20%</td>
</tr>
<tr>
<td>2021E</td>
<td>4.90%</td>
</tr>
<tr>
<td>2022E</td>
<td>2.70%</td>
</tr>
</tbody>
</table>

Employment trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth of employment</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>+1.4</td>
<td>4.5</td>
</tr>
<tr>
<td>2020E</td>
<td>-2.2</td>
<td>6.8</td>
</tr>
<tr>
<td>2021E</td>
<td>+2.2</td>
<td>5.8</td>
</tr>
<tr>
<td>2022E</td>
<td>+1.5</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Favourable economic conditions before COVID-19

- Until 2019 significant reduction of public debt.
- Unemployment rate at lowest level since 2008.3)
- Current account surplus for many years.
- GDP/capita (purchasing power parity) clearly above average of EU-27 and euro zone.

Fiscal response4)

- Fiscal stimulus measures amounting to EUR 50 bn (representing ca. 12.5% of GDP).
- Easily accessible furlough schemes (Kurzarbeit) which enables companies to keep staff employed, has been prolonged until Q1 2021.
- Extensive rescue package including e.g. loan guarantees, payment holidays, tax reductions and -moratoria, direct payments to companies and households.
- Growth stimulus through investment incentives and grants to companies and households.

1) Statistic Austria; Austrian National Bank (OeNB): Economic Outlook for Austria, June 2020
2) ourworldindata.org, 17 August 2020
3) Eurostat; Eurostat definition: % of labour supply
4) Institute for Advanced Studies, Federal Ministry of Finance
After lows of approx. 25% y/y, the index has stabilised at around -4%.

Effects of lockdown and COVID-19 restrictions mitigated by stimulus measures (including furlough schemes, state guaranteed loans and subsidies.)

High competitiveness as well as political stability, historically low unemployment rates and absence of social unrest has helped restart.

Favourable structure of trading partners with Germany as No1 and close links to the dynamic CESEE economies.

H1 GDP growth rates slightly lower than in Germany, but well above those of total euro zone.

1) Source: OeNB, high frequency data such as Google’s mobility indices (retail & leisure, daily consumption, drug stores, railway stations, working places), number of unemployed (weekly from April to July, no 2-weekly data by the AMS), truck mileage, usage of power, payment transactions and others) used as proxy for weekly GDP
Section 2

Volksbank Wien and
Association of Volksbanks
### Association of Volksbanks

The Association of Volksbanks (AoV) consists of 9 primary institutions (eight regional Volksbanks and one specialised bank). Central organisation (CO) of the Association is Volksbank Wien (VBW).

### Moody's Rating (Volksbank Wien)

- **Long Term Deposit Rating:** Baa1
- **Baseline Credit Assessment (BCA):** baa2
- **Covered Bond Rating:** Aaa
- **Outlook:** Stable

### Fitch Rating (Association, Volksbanks)

- **Long Term Issuer Default Rating (IDR):** BBB
- **Viability Rating:** bbb
- **Outlook:** RWN¹)

### Association Assets & Capital²)

- **Total assets:** EUR 28.9 bn
- **Risk-weighted assets:** EUR 14.4 bn
- **CET1 ratio transitional / fully loaded:** 13.2% / 13.2%
- **Equity ratio transitional / fully loaded:** 18.2% / 17.9%

### Volksbank Wien Assets & Capital²)

- **Total assets:** EUR 14.1 bn
- **Risk-weighted assets:** EUR 4.0 bn
- **CET1 ratio transitional / fully loaded:** 15.6% / 15.4%
- **Equity ratio transitional / fully loaded:** 31.2% / 31.2%

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¹) Rating watch negative
²) As of 06/2020, capital ratios based on total risk
## Brief historical review of the Association of Volksbanks

<table>
<thead>
<tr>
<th>Period</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2009 - 2012</strong></td>
<td>• VBAG, the former central organisation of the Association, received financial support twice in response to the financial crisis. Association member banks and the Austrian government injected capital into VBAG in 2009 and 2012.</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td>• In September 2012, the members of the Association established an Association of Credit Institutions pursuant to section 30a, Austrian Banking Act / Article 10 CRR based on a joint liability scheme and a liquidity scheme.</td>
</tr>
</tbody>
</table>
| **2014 - 2015** | • In 2014 the members decided on a fundamental restructuring and reorganisation of the Association of Volksbanks:  
  ➢ Central organisation functions were transferred to Volksbank Wien in July 2015. VBAG was transformed into a wind-down company, renamed immigon portfolioabbau ag, its banking license ended and immigon left the Association.  
  ➢ Implementation of a target structure of up to eight regional Volksbanks supplemented by up to three specialised credit institutions through mergers and the sale of start:gruppe (start:bausparkasse and IMMO-BANK).  
  ➢ Several agreements were re-concluded (Association Agreement, Cooperation Agreement, Trust Agreement and Agreement on the division of Association costs).  
  ➢ To obtain state aid law approval for the restructuring from the European Commission, a participation right in the amount of EUR 300 mn was granted to the Federal Government of Austria to fulfil the commitments given by the Association vis-à-vis the Republic of Austria. Currently EUR 224 mn of the Government Participation Right is still outstanding. |
| **2016** | • In July 2016, ECB granted approval for the new Association after re-conclusion of the agreements. Key modifications included a change in the support mechanism through the establishment of a trust fund under the responsibility of the central organisation. |
| **2016 - 2018** | • The number of Association members was reduced to 9 institutions. |
Structure of the Association

**Primary banks**

- **8 Regional Volksbanks**
- **1 Specialised bank** (Österreichische Ärzte- und Apothekerbank AG)
- **9 Primary banks**

**VOLKSBANK WIEN AG**

Is one of the regional Volksbanks and at the same time *central organisation* of the Association

**VBVM (Volksbank Vertriebs- und Marketing eG)** also belongs to the Association

VBVM is responsible primarily for the promotion of cooperation in sales activities and for the harmonisation of processes

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1) ESA is responsible for the legally required deposit guarantee and investor compensation for all CRR credit institutions domiciled in Austria (except ERSTE Bank and Sparkassen)
2) VB Wien and VB Vorarlberg: Audited by KPMG / In accordance with § 61, Austrian Banking Act, ÖGV and ESA jointly perform tasks related to early warning systems
Regionally diversified business with focus on retail and SME

- Volksbank Wien’s and the Association’s business models are based on providing services to retail and SME customers. At the end of H1 2020 the Association and Volksbank Wien had approximately 1.1 mn and 338,000 customers respectively.

- As of 30 June 2020 Volksbank Wien had 65 branches, and the Association had 264 branches located throughout Austria.

- Volksbank Wien is the largest of the regional Volksbanks by balance sheet size and at the same time acts as central organisation of the Association of Volksbanks. 75% of Volksbank Wien is owned by member institutions of the Association or holding cooperatives with the Republic of Austria currently holding 25% (plus 1 share).

- As CO, Volksbank Wien has ample control rights including the centralised management of capital, funding, liquidity and risk management. It is also responsible for the Association’s planning process, for controlling and reporting as well as for the optimisation of the IT, marketing and organisation business areas.

- The high degree of economic and prudential integration allows the CO and the regional banks to be treated as one bank for regulatory purposes.

Total assets of Volksbanks as of 30 June 2020 (EUR bn)¹)

1) Consolidation effects are excluded in the graph above leading to an overstatement of total assets shown, Association’s consolidated assets as of 06/2020 EUR 28.9 bn
### Association of Volksbanks

- The Association of Volksbanks and the individual members of the Association are subject to direct supervision by the ECB.
- The Association is regulated by Article 10 CRR and Section 30a BWG (Austrian Banking Act). The Association Agreement, Cooperation Agreement, Trust Agreement and Agreement on the division of Association costs define the member bank’s rights and obligations.
- Originally a network of cooperative banks, the Volksbanks chose a legal structure with the highest degree of integration possible as described in Article 10 CRR. Therefore the Association is characterised by a high level of cohesion.
- A number of regulatory requirements (i.e. capital and liquidity requirements) have to be met on the Association level and by the central organisation (CO) only, the other members of the Association are exempt.

### Joint liability scheme
Volksbank Wien and the regional Volksbanks have established a joint liability scheme. They are mutually obliged to jointly support a member institution should difficulties arise. Liabilities and contributions are unlimited.

### Joint liquidity scheme
The CO and the Volksbanks form a strategic liquidity and funding scheme. The Volksbanks have to hold their liquidity at the CO and the CO is responsible for the Association’s compliance with regulatory liquidity requirements.

### Management of capital and risk
The CO is in charge of the Association’s equity capital planning. The CO and the other Volksbanks are also subject to common principles of risk management which are defined in an annual centralised planning process.

### Right to issue directives
The CO is authorised to issue general or individual directives to the Volksbanks. General directives are aimed at all Volksbanks while individual directives are issued to specific banks.

### Centralised processes
The CO is responsible for the Association’s planning process, for controlling and reporting, as well as for an optimisation of the IT, marketing and organisation business areas.

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1) Liabilities and contributions are limited however in the case of the CO to the point where the CO still has to fulfil regulatory capital requirements and in the case of the other members to the point where any member would come close to non viability
The Association of Volksbanks serves to ensure both the regulated transfer of liquidity between its members and mutual liability, thereby providing an indirect guarantee for the creditors of all members of the Association of Volksbanks.

### Liability and Liquidity Scheme

#### VOLKSBANK WIEN AG (CO)
Sole responsibility for tasks according to § 30a, Austrian Banking Act

- Management via issuance of directives
- Performance of control functions

#### Volksbanks "8 + 1"

#### Volksbanken Leistungsfonds
Trust fund within the consolidation group

- The **CO Volksbank Wien and the regional Volksbanks** have established a **joint liability scheme**:
  - They are mutually obliged to jointly support a member institution should difficulties arise.
  - Liabilities and contributions are unlimited.¹)
- The Association contract forms the basis of the liability scheme:
  - The CO performs significant control functions, is responsible for compliance with regulatory requirements and has the right to issue directives.
  - The CO's management can impose remedial actions on troubled primary banks if early-warning indicators (macroeconomic, market-based or breaches of capital, liquidity, profitability or asset-quality ratios) deteriorate (without consent of the bank concerned or preliminary consultation with the Association's members).
- These remedial actions may take the form of equity injections, purchase of assets, short- and medium-term liquidity support, guarantees and other liabilities, subordinated loans, payment of third-party claims, lost grants and management support.
- For covering CET1 shortfalls the central organisation has access to the trust fund (Leistungsfonds).

- The **Association's members together form a liquidity scheme.** The CO is obligated to control liquidity in the Association to ensure compliance with all material supervisory regulations at all times. The Association's member institutions are obligated to invest their liquidity at the CO.

- **Volksbanken Leistungsfonds (VL)** is a trust fund established to enable the CO to take immediate remedial action to support the CET1 basis of any Association member to prevent a threatening deterioration of its financial position.
  - The current endowment of EUR 90 mn will increase to at least EUR 100 mn by 2021.
  - If the CO estimates that VL is insufficient to cover support needs as these arise, it can call unilaterally for additional unlimited contributions from the other VBs.¹)
  - Assets of VL are included in the Association’s core capital.

The Association of Volksbanks serves to ensure both the regulated transfer of liquidity between its members and mutual liability, thereby providing an indirect guarantee for the creditors of all members of the Association of Volksbanks.

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¹) Liabilities and contributions are limited however in the case of the CO to the point where the CO still has to fulfill regulatory capital requirements and in the case of the other members to the point where any member would come close to non-viability
Program ADLER: Targets and status quo

Program ADLER – main targets

- **Centralisation of all banking operations** within the Association, covering the areas back-office, finance, legal & compliance, internal audit, risk controlling, treasury, controlling and organisation/IT.

- **Streamlining of processes**, including:
  - **Optimisation of credit process**: Standardisation and acceleration of the credit process, thereby increasing efficiency regarding manpower and IT. Faster and easier access to loans for clients.
  - **Customer service centres and market service centres**: Centralised customer service centres will release market units from all administrative tasks. Back office tasks are consolidated in centralised units to achieve cost synergies.

- **Implementation of an uniform data architecture**: Project includes standardisation of core banking systems regarding product parametrisation and streamlining of IT-infrastructure services (“Einheitsmandant”).

- **Regional focus**: Focusing of business model on the domestic Austrian market.

- **Reduction of Association’s FTEs to 3,000**\(^1\) by year-end 2022.

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Implementation of program ADLER – major milestones reached

- **Internal audit and legal & compliance**: Successful go-live of centralisation in Volksbank Wien on 01 June 2019.

- **Sale or closing of all subsidiaries outside of Austria**: Sale of VB Liechtenstein and VB Switzerland, closure of leasing companies in Slovenia and Croatia.

- **Customer service centres and market service centres**: Have already been established in several Volksbanks, the full roll out throughout the Association is currently being implemented.

- **Reduction of staff**: The number of the Association’s employees dropped y-o-y by 221 FTEs, since 06/2018 staff decreased by 552 FTEs.

- **Organisational structure**: A standardised organisation chart has been successfully implemented in all Volksbanks.

- **Implementation of uniform data architecture**: As of 06/2020 already implemented in seven of the nine Association member banks.

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\(^1\) Employees of the categories labourer and trainees excluded in this figure
Section 3

Financial performance
H1 2020 results VBW Retail, VBW CO and Association

### 30 June 2020 (IFRS)

#### Key figures

<table>
<thead>
<tr>
<th></th>
<th>Volksbank Wien Retail</th>
<th>Volksbank Wien CO</th>
<th>Volksbank Wien Total</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P&amp;L (EUR mn)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>50.4</td>
<td>11.0</td>
<td>61.4</td>
<td>210.9</td>
</tr>
<tr>
<td>Risk provisions</td>
<td>-10.7</td>
<td>-0.9</td>
<td>-11.6</td>
<td>-48.7</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>31.0</td>
<td>-2.4</td>
<td>28.7</td>
<td>117.4</td>
</tr>
<tr>
<td>Net trading income</td>
<td>0.2</td>
<td>1.3</td>
<td>1.5</td>
<td>2.2</td>
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<tr>
<td>General administrative expenses</td>
<td>-67.2</td>
<td>-53.2</td>
<td>-100.8</td>
<td>-259.9</td>
</tr>
<tr>
<td>Other operating result</td>
<td>0.1</td>
<td>80.3</td>
<td>60.8</td>
<td>29.9</td>
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<tr>
<td>Result from financial instruments and inv. prop.</td>
<td>-1.7</td>
<td>-6.1</td>
<td>-7.7</td>
<td>-16.2</td>
</tr>
<tr>
<td>Restructuring result</td>
<td>0.0</td>
<td>0.4</td>
<td>0.5</td>
<td>0.1</td>
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<tr>
<td>Result from companies measured at equity</td>
<td>0.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Result before taxes</strong></td>
<td><strong>2.3</strong></td>
<td><strong>30.4</strong></td>
<td><strong>32.7</strong></td>
<td><strong>35.7</strong></td>
</tr>
<tr>
<td>Income taxes</td>
<td>-0.6</td>
<td>-3.9</td>
<td>-4.6</td>
<td>-5.4</td>
</tr>
<tr>
<td><strong>Result after taxes</strong></td>
<td><strong>1.6</strong></td>
<td><strong>26.5</strong></td>
<td><strong>28.1</strong></td>
<td><strong>30.3</strong></td>
</tr>
</tbody>
</table>

#### Key ratios and figures

<table>
<thead>
<tr>
<th></th>
<th>Volksbank Wien</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance sheet (EUR mn)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>14,089</td>
<td>28,877</td>
</tr>
<tr>
<td>Risk weighted assets (total risk)</td>
<td>4,002</td>
<td>14,380</td>
</tr>
<tr>
<td>CET1 capital</td>
<td>622</td>
<td>1,897</td>
</tr>
<tr>
<td><strong>Ratios (%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cost-income ratio</td>
<td>65.7%</td>
<td>71.6%</td>
</tr>
<tr>
<td>ROE before taxes</td>
<td>7.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>ROE after taxes</td>
<td>6.2%</td>
<td>2.7%</td>
</tr>
<tr>
<td>NPL ratio</td>
<td>2.1%</td>
<td>2.1%</td>
</tr>
<tr>
<td>CET1 ratio (fully loaded)</td>
<td>15.4%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

1) Including consolidation effects
Association: COVID-19 affects H1 result after positive trend following reorganisation

Net interest income

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>432</td>
<td>217</td>
</tr>
<tr>
<td>2018</td>
<td>420</td>
<td>211</td>
</tr>
<tr>
<td>2019</td>
<td>422</td>
<td>211</td>
</tr>
</tbody>
</table>

Net fee and commission income

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>237</td>
<td>116</td>
</tr>
<tr>
<td>2018</td>
<td>233</td>
<td>115</td>
</tr>
<tr>
<td>2019</td>
<td>230</td>
<td>117</td>
</tr>
</tbody>
</table>

General administrative expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>586</td>
<td>-294</td>
</tr>
<tr>
<td>2018</td>
<td>568</td>
<td>-276</td>
</tr>
<tr>
<td>2019</td>
<td>534</td>
<td>-260</td>
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</table>

Operative result

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>92</td>
<td>42</td>
</tr>
<tr>
<td>2018</td>
<td>110</td>
<td>84</td>
</tr>
<tr>
<td>2019</td>
<td>201</td>
<td>125</td>
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</table>

Risk provisions

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6</td>
<td>-45</td>
</tr>
<tr>
<td>2018</td>
<td>22</td>
<td>-49</td>
</tr>
<tr>
<td>2019</td>
<td>-4</td>
<td>-49</td>
</tr>
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</table>

Result after taxes

<table>
<thead>
<tr>
<th>Year</th>
<th>January-June</th>
<th>December-February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>61</td>
<td>40</td>
</tr>
<tr>
<td>2018</td>
<td>115</td>
<td>122</td>
</tr>
<tr>
<td>2019</td>
<td>148</td>
<td>30</td>
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</tbody>
</table>

1) Operative results includes net interest income, net fee and commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses
Association: Stable customer business despite COVID-19 effects and further streamlining of staff & branches

**Loans & receivables customers** (EUR bn)

<table>
<thead>
<tr>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
<th>06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.4</td>
<td>20.5</td>
<td>21.3</td>
<td>21.2</td>
</tr>
</tbody>
</table>

**Amounts owed to customers** (EUR bn)

<table>
<thead>
<tr>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
<th>06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.9</td>
<td>21.6</td>
<td>21.7</td>
<td>21.4</td>
</tr>
</tbody>
</table>

**Total assets** (EUR bn)

<table>
<thead>
<tr>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
<th>06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.4</td>
<td>26.6</td>
<td>27.5</td>
<td>28.9</td>
</tr>
</tbody>
</table>

**Number of employees**

<table>
<thead>
<tr>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
<th>06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,129</td>
<td>3,778</td>
<td>3,496</td>
<td>3,372</td>
</tr>
</tbody>
</table>

**Number of branches**

<table>
<thead>
<tr>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
<th>06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>343</td>
<td>304</td>
<td>267</td>
<td>264</td>
</tr>
</tbody>
</table>
Volksbank Wien: COVID-19 affects H1 result after solid performance in previous years

Net interest income

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>121</td>
<td>125</td>
<td>120</td>
</tr>
<tr>
<td>Half year</td>
<td>60</td>
<td>60</td>
<td>61</td>
</tr>
</tbody>
</table>

Net fee and commission income

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>54</td>
<td>54</td>
<td>56</td>
</tr>
<tr>
<td>Half year</td>
<td>25</td>
<td>27</td>
<td>29</td>
</tr>
</tbody>
</table>

General administrative expenses

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>-205</td>
<td>-222</td>
<td>-213</td>
</tr>
<tr>
<td>Half year</td>
<td>-115</td>
<td>-107</td>
<td>-101</td>
</tr>
</tbody>
</table>

Operative result

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>40</td>
<td>67</td>
<td>76</td>
</tr>
<tr>
<td>Half year</td>
<td>29</td>
<td>50</td>
<td>44</td>
</tr>
</tbody>
</table>

Risk provisions

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Half year</td>
<td>-7</td>
<td>-4</td>
<td>-12</td>
</tr>
</tbody>
</table>

Result after taxes

(EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>12/2017</th>
<th>12/2018</th>
<th>12/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>54</td>
<td>70</td>
<td>57</td>
</tr>
<tr>
<td>Half year</td>
<td>29</td>
<td>44</td>
<td>28</td>
</tr>
</tbody>
</table>

1) Operative results includes net interest income, net fee and commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses
Section 4

Asset quality
Focus on retail and SME customers in Austria

Distribution of loans and receivables to customers by regulatory customer segments

Volksbank Wien

<table>
<thead>
<tr>
<th>Retail private</th>
<th>SME</th>
<th>Corporate</th>
<th>Public sector</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>42%</td>
<td>44%</td>
<td>43%</td>
<td>52%</td>
</tr>
<tr>
<td>12/2017</td>
<td>12/2018</td>
<td>12/2019</td>
<td>06/2020</td>
<td></td>
</tr>
</tbody>
</table>

Association of Volksbanks

<table>
<thead>
<tr>
<th>Retail private</th>
<th>SME</th>
<th>Corporate</th>
<th>Public sector</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>40%</td>
<td>53%</td>
<td>51%</td>
<td>5%</td>
</tr>
<tr>
<td>12/2017</td>
<td>12/2018</td>
<td>12/2019</td>
<td>06/2020</td>
<td></td>
</tr>
</tbody>
</table>

- The business models of the Association as well as of Volksbank Wien are based on providing services to retail and SME clients, which at the end of H1 2020 accounted for 91% of the Association’s loans and receivables to customers and for 89% of Volksbank Wien’s customer loans.
- **Clear focus on Austria:** As of 06/2020 Austria accounted for 95% of the Association’s loans and receivables to customers, followed by Germany (3%). In the case of Volksbank Wien, Austria accounted for 98% of loans and receivables to customers.

1) Deviation of total sums from 100% possible due to rounding differences
Private households and real estate dominate loan portfolios

Distribution of loans and receivables to customers by industries

Volksbank Wien

Association of Volksbanks

1) Deviation of total sums from 100% possible due to rounding differences
Granular loan portfolios without cluster risks

25 largest customer exposures as of 06/2020 (EUR ths.)

Volksbank Wien

- Both Volksbank Wien and the Association have granular credit portfolios with no significant large single credit positions reflecting the focus on small-volume retail and SME business:
  - Volksbank Wien’s top 25 exposures represent 11.3% of total loans and receivables to customers
  - The Association’s top 25 exposures represent 4.2% of total loans and receivables to customers

- As of 06/2020, the largest single customer exposure accounts for 1.1% of customer loans of Volksbank Wien and for 0.4% of the Association’s loans and receivables to customers.

1) Loans and receivables to customers based on total lines extended
A stringent NPL management process including a standardised early warning system, an optimised dunning system and an improved management of loans at risk has been established.

The implementation of this Association wide NPL management system resulted in a significant reduction of NPL ratios of the Association as well as of Volksbank Wien. Despite the COVID-19 crisis the positive trend could be continued in the first half year 2020.

1) Loans and receivables to customers based on total lines extended
Section 5

Management of COVID-19 crisis
The Association of Volksbanks reacted immediately to the crisis and offered customers packages of measures to support them. In early March 2020, customers were offered bilateral agreements, from April on also measures based on the state moratorium were available (in a first phase valid until 30 June 2020).

### Corporate customers
- **Instalment deferrals** (principal and interest, max. 6 months):
  Deviations from the above were possible at any time, subject to approval through credit risk management (e.g. tourism industry requires a longer deferral in case of loans with only one instalment per year).
- **Interim increases of credit lines** up to 180 days.
- **Bridge financing** (maturity max. 3-5 years), taking into account the use of state guarantees.

### Private customers
1. **measure:** Instalment deferrals of real estate financing:
   - Instalment deferrals (principal and interest, max. 6 months), with/without term extension.

2. **measure (i) additional to the instalment deferral or (ii) for customers without term loan facilities:**
   - Increase of the short term overdraft facility up to max. the triple amount of the last salary (maturity max. 6 months, amount max. EUR 10t).

3. **measure as an exception:**
   - Approval of an individual short term overdraft facility (more than the triple amount of the last salary).

*The state moratorium for private customers and micro-entrepreneurs came into effect on April 04, 2020.*
Management of COVID-19 crisis (2/3)

In a second phase, the following measures supported customers (valid between 01 July and 31 October 2020). Other measures which were applicable in the period March to June (as described in the previous slide), were cancelled without replacement. Only the state moratorium and the state guarantee programs continued to be applied.

• **State moratorium (instalment deferrals with term extension):**
  - Private customers and micro-entrepreneurs (company that employs fewer than 10 people and whose annual turnover or annual balance sheet does not exceed EUR 2 mn).
  - Instalment deferrals in the time from 01 April to 31 October 2020 (maximum of the current month is deferred retrospectively).
  - No forbearance flagging.

• **State guarantee programs (maturity according to conditions):**
  - The existing rules are applicable for setting the forbearance flag.

• **COVID-19 related measures:**
  - The measures were/are being used for corporate and private customers affected by the COVID-19 crisis (e.g. due to job loss, decline in sales or loss of liquidity). The impact of the COVID-19 crisis has to be documented in the application. The measures are available to those customers who were able to meet their repayment obligations before the outbreak of the crisis (private customers who previously had sufficient income or companies that were economically profitable).
  - When using a COVID-19 measure (instalment deferrals, interim increases of credit lines, bridge financing), customers are marked with a Corona flag and can therefore be managed as a sub-portfolio.
  - Corporate customers are requested to use incoming payments from non-repayable subsidies, insofar as these were pre-financed by the loan, for early loan repayment.
In May 2020 the credit portfolio was screened, whereby all customer groups with an exposure > EUR 2.5 mn were analysed (with the exception of exposures to the public sector and financing to non-profit real estate companies).

- Around 1,200 customers were analysed, corresponding to a financing volume of around EUR 6.6 bn or a share of 43% of the commercial customer portfolio. Around 38% were identified as requiring action and around 62% were identified as having no need for measures.

- At this point in time, appropriate deferrals as well as increases of credit lines with regard to liquidity bottlenecks were granted. The demand for bridge financing was addressed and processed afterwards.

- At the same time, the financing of city hotels was subjected to a more detailed analysis (46 customer groups with an exposure of EUR 138 mn, of which EUR 18 mn is unsecured). Out of this sub-portfolio, 9 customer groups have an exposure of < EUR 2.5 mn. At the time of the analysis, measures in an amount of EUR 5 mn (mostly in the form of deferrals) were taken by 30 customer groups (65% of the financing volume).

- In this context, potential risks were identified promptly and customers who anticipated or faced cash flow shortfalls were being taken care of swiftly. At this point in time no customer was handed over to the restructuring department due to the crisis.

- Customers who have been marked with a Corona flag due to the measures taken, will be reviewed timely in accordance with a defined monitoring process.
Development of customer exposure

• Stable growth in all segments since 2018 despite significant pressure from both market pricing and increased regulatory capital constraints.

• Highest growth rates can be seen in Real Estate financing.

• Growth rates flattened in first half of 2020 due to the COVID-19 crisis. An increase can be seen in commercial financing (Corp/SME), partly driven by bridge financings in connection with the COVID-19 crisis.

• Despite COVID-19, the overall customer exposure still shows positive developments: The unsecured exposure as well as the average PD (total customer exposure) decreased.

• In the last 6 months, a slightly negative development with regard to average PD could be seen in the Tourism/Recreation sector. This sector is affected stronger by the COVID-19 crisis, however, the yoy comparison shows a positive average PD development.

### Development of customer exposure

<table>
<thead>
<tr>
<th>Segment</th>
<th>12/18</th>
<th>06/19</th>
<th>12/19</th>
<th>06/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>25,002</td>
<td>25,381</td>
<td>25,665</td>
<td>25,812</td>
</tr>
<tr>
<td>Corp/SME</td>
<td>9,278</td>
<td>9,418</td>
<td>9,617</td>
<td>9,564</td>
</tr>
<tr>
<td>Retail Private</td>
<td>9,402</td>
<td>9,444</td>
<td>9,386</td>
<td>9,616</td>
</tr>
<tr>
<td>Public Sector</td>
<td>5,805</td>
<td>5,984</td>
<td>6,110</td>
<td>6,111</td>
</tr>
</tbody>
</table>

### Annualised growth rates for the total portfolio of the bank

<table>
<thead>
<tr>
<th>Segment</th>
<th>06/18-06/19</th>
<th>12/18-12/19</th>
<th>06/19-06/20</th>
<th>12/18-06/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>6.1%</td>
<td>5.2%</td>
<td>2.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Corp/SME</td>
<td>0.1%</td>
<td>-0.2%</td>
<td>1.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Retail Private</td>
<td>3.9%</td>
<td>3.7%</td>
<td>1.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Public Sector</td>
<td>6.5%</td>
<td>6.8%</td>
<td>-2.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total</td>
<td>3.0%</td>
<td>2.7%</td>
<td>1.7%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>
Development of COVID-19 portfolio

Development of COVID-19 exposure (active concessions/account level)\(^1\)

Segment split of total customer exposure vs COVID-19 customer exposure\(^2\)

- After the COVID-19 containment measures were established in mid-March 2020, the requests for payment holidays or bridge financings sharply increased until May and peaked at the end of June.
- Most current figures as of 19 August 2020 show a decreasing trend in active COVID-19 concessions to customer accounts.
- The AoV’s COVID-19 exposure with active concessions mainly consists of voluntary payment holidays/moratoria (74.8%).
- The main segment affected by COVID-19 concessions is the Corp/SME segment with a share of 64.2%.
- Currently 11.9% of the total AoV customer exposure show active COVID-19 concessions on the account level, mainly voluntary and legal payment holidays/moratoria (10.0%) which amount to EUR 2,590 mn (EUR 2,301 mn + EUR 289 mn).

---

1) COVID-19 exposure: Total lines extended of accounts with active COVID-19 concessions
2) COVID-19 customer exposure: AoV clients with at least one account with active or already cleared COVID-19 concessions
COVID-19 portfolio: Rating split and collateralisation

Rating split of total customer exposure vs COVID-19 customer exposure¹)

Total vs COVID-19 customer exposure as of 19 August 2020

- The rating split table shows a comparison between the AoV’s total customer exposure vs the COVID-19 customer exposure according to the AoV’s rating master scale.
- Customers with COVID-19 concessions are mainly found in middle-range rating classes (ratings 3A-3E with an avg. PD between 0.53% and 2.69%).
- The avg. PD of the total AoV customer portfolio as well as the avg. PD of the performing AoV customer portfolio reflect a better portfolio quality in comparison to the respective COVID-19 customer portfolio.
- With 1.7% as of 30 June 2020 the NPL ratio of the COVID-19 portfolio is lower than the total AoV’s NPL ratio (2.1%).

Collateralisation of total customer exposure vs COVID-19 customer exposure¹)

- The AoV’s COVID-19 customer exposure shows a higher collateralisation than the total AoV customer exposure, especially in the Corp/SME segment which is mainly driven by COVID-19 state guarantees.

¹) COVID-19 customer exposure: AoV clients with at least one account with active or already cleared COVID-19 concessions
COVID-19 portfolio:
Split commercial vs private sector

Total and COVID-19 customer exposure¹): Commercial vs private

Total vs COVID-19 customer exposure as of 19 August 2020

in EUR mn

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Customer Exposure</th>
<th>COVID-19 Customer Exposure</th>
<th>Share COVID-19 Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of Volksbanks</td>
<td>20.4%</td>
<td>5,264</td>
<td>26.5%</td>
</tr>
<tr>
<td>Commercial sectors</td>
<td>25,839</td>
<td>16,387</td>
<td>62.5%</td>
</tr>
<tr>
<td>Private households</td>
<td>10.0%</td>
<td>9,452</td>
<td>99.7%</td>
</tr>
</tbody>
</table>

• The share of customers with COVID-19 concessions in the commercial sectors is significantly higher than the share of customers with COVID-19 concessions in the private sector (26.5% vs. 9.7%).

• Commercial sectors are affected by the COVID-19 crisis to different degrees, details are shown on next slide.

¹) COVID-19 customer exposure: AoV clients with at least one account with active or already cleared COVID-19 concessions
Total and COVID-19 customer exposure: Commercial sectors, split by industry sector

- The COVID-19 customer exposure in the industry sector Real Estate (which is the most important sector for the Association) accounts for 15.6%, which is below the average COVID-19 share for all commercial sectors (26.5%).
- The highest impact can be seen in the industry sector Accommodation as well as in the sector Tourism/Recreation.

1) COVID-19 customer exposure: AoV clients with at least one account with active or already cleared COVID-19 concessions
The graph above shows the development in stock of risk provisions for the Association and for Volksbank Wien in the first half of 2020.

**Post-model adjustments:**
- Certain developments in the model and in the available data were not yet reflected in our models, therefore the solely model-based calculation of risk provisions did not lead to an appropriate level of risk costs as of 30 June 2020.
- The result of the model-based calculation was therefore adjusted to take into account the developments arising from the COVID-19 crisis.
- The main part of the post-model adjustment (approx. 90%) relates to the performing portfolio (stage 1+2).
In response to the COVID-19 crisis, the ECB published recommendations to banks in April 2020 regarding impairments. One recommendation was to include the macroeconomic scenarios published by ECB as an anchor point in IFRS9 models. Based on the ECB’s macroeconomic forecast of June 2020, an increase in risk provisions for loan losses of EUR 30 mn was taken into account as a post-model adjustment. The IFRS9 models were adjusted as of August 31 so that the PMA is formed bottom-up.

Ratings not yet updated -12.7 mn
Particularly in the case of corporate customers, the economic figures used as basis for the rating generally reflect the financial situation of the company in the previous year. As a result, effects of the COVID-19 crisis are not yet reflected in the rating systems. In order to adequately take into account the deterioration in creditworthiness when forming risk provisions, customers that are severely affected by the crisis were identified. A differentiation was also made by sector.

Adjustment in stage 3 -5.6 mn
The positive developments in the area of defaulted customers continued despite the COVID-19 crisis. The NPL portfolio has been further reduced and the NPL ratio has continued to decline. However, due to the COVID-19 crisis, it is expected that the opportunities for recovery of defaulted customers will be limited in the next two years, especially for customers who have already stayed non performing for a longer period of time. An increase in the category insolvency is expected. EUR 5.6 mn has been set aside for this purpose.

Immediately imminent, but not recognised default
The sub-portfolio of customers with COVID-19-related measures also includes customers who were already virtually insolvent before the crisis and were only temporarily “rescued” from default due to the COVID-19 concessions. In order to account for these cases in a timely manner, an allocation was made as a post-model adjustment.
Section 6

Capital, funding and liquidity
SREP, MREL, leverage ratio

- **SREP ratios 2020**: CET1 pillar 1 requirement 4.5%, pillar 2 requirement (P2R) 2.5%, capital conservation buffer 2.5%, maximum of systemic risk buffer 1% and systemically important institutions buffer 1%, pillar 2 guidance (P2G) 1%.

- In March 2020 ECB decided that certain amounts of AT1 and T2 capital are applicable to fulfil the pillar 2 requirement. The effective CET1 requirement\(^2\) (excl. P2G) therefore decreased from 10.5% to 9.85%.

- The overall capital requirement is 14% (excl. P2G).

- Volksbank Wien as central organisation of the Association has to fulfil the SREP capital requirements on a consolidated basis, including all member credit institutions.

- The MREL requirement of 26.2% is also applicable on the Association level and has to be met by 01 January 2025.

- Leverage ratio as of 06/2020: 7.1% (Association) and 5.5% (Volksbank Wien).

---

1) H1 2020 interim profits are not included in the 06/2020 CET1 ratios, dividends in relation to FY 2019 (primarily on AT1 capital) are deducted

2) The effective CET1 requirement includes a CET1 requirement for P2R of 1.41% (56.25% of 2.5%) as well as CET1 necessary to cover the P2R AT1 shortfall of 0.44%
Risk weighted assets

Development of risk weighted assets

Volksbank Wien

(EUR bn)

12/2017 12/2018 12/2019 06/2020

3.5 4.2 4.2 4.0

Association

(EUR bn)

12/2017 12/2018 12/2019 06/2020

13.3 14.7 14.8 14.4

Risk weighted assets¹)

Volksbank Wien

VBW: EUR 4.0 bn

Association: EUR 14.4 bn

RWA decrease in H1 2020

• The reduction of risk weighted assets of Volksbank Wien and of the Association is in particular attributable to:
  — Reduction of exposure mainly in the areas of speculative immovable property financing and loans past due.
  — Adaption of the SME supporting factor.²)

¹) Deviation of total sums from 100% possible due to rounding differences
²) SME supporting factor: RWA relief for loans to SMEs (turnover below EUR 50 mn); only 76.19% of regular RWAs have to be applied to SME exposure
Association: Stable funding structure and comfortable liquidity position

Breakdown of funding as of 06/2020\(^1\)

**Volksbank Wien:** EUR 12.0 bn

- Debts evidenced by certificates: 12%
- Saving deposits: 16%
- Other deposits: 35%
- Amounts owed to credit institutions: 37%

**Association:** EUR 24.9 bn

- Debts evidenced by certificates: 6%
- Saving deposits: 32%
- Other deposits: 54%
- Amounts owed to credit institutions: 8%

- The funding mix of the Association is dominated by an approx. 86% share of customer deposits; limited wholesale funding needs.
- Member institutions are obliged to place excess funding at the central organisation.
- The Association of Volksbanks participated in ECB’s TLTRO III program with an amount of EUR 1.5 bn.

**Expected development of Association’s liquidity pool (EUR bn)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Bonds</th>
<th>Central bank deposits</th>
<th>Cash</th>
<th>Covered bond reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/2021</td>
<td></td>
<td></td>
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<tr>
<td>02/2021</td>
<td></td>
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</tr>
<tr>
<td>03/2021</td>
<td></td>
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<td></td>
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<tr>
<td>04/2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Deviation of total sums from 100% possible due to rounding differences
The Association of Volksbanks has a covered bond program backed by mortgages of the regional Volksbanks at its disposal.

Long-term liquidity can be generated through the issuance of covered bonds rated Aaa by Moody’s.

From a liquidity perspective, currently there is no need for benchmark issues.

Irrespective of this, from today’s viewpoint we expect a required issuance volume of EUR 1.2 bn in order to meet MREL requirements by January 2025.
Section 7

MDA and ADI
Since March it has been possible for banks supervised by ECB to use a defined amount of capital, which is not classified as CET1, to fulfil P2R.

AT1 and T2 capital therefore is eligible for P2R. Consequently, the Association’s effective CET1 requirement (excluding P2G) dropped from 10.5% to 9.85%.

The effective CET1 requirement includes a CET1 requirement for P2R of 1.41% (56.25% of 2.5%) as well as CET1 necessary to cover the P2R AT1 shortfall of 0.44%.

No AT1 shortfall resulting from revised P2R on the level of Volksbank Wien.

1) CCB = capital conservation buffer
2) Maximum of systemic risk buffer 1% and systemically important institutions buffer 1%
Available distributable items (ADIs)\(^1\)

### Available distributable items

- Dividends and discretionary coupon payments are subject to regulatory requirements, results and sufficient distributable items.
- Distributable items are determined on the basis of Volksbank Wien’s unconsolidated annual financial statements, based on UGB/BWG (local Austrian GAAP).
  - Distributable items will, inter alia, depend on Volksbank Wien’s profits.
- As of 12/2019, Volksbank Wien’s ADIs are EUR 114 mn.
  - This includes Volksbank Wien’s UGB/BWG (local Austrian GAAP) profit of the year 2019 of EUR 34.6 mn.
  - ADIs do not include any effects resulting from CRR2.
- From today’s perspective, a reduction of available distributable items is not expected for FY 2020.

### § 57/1 BWG reserves\(^2\)

- Volksbank Wien has EUR 17.9 mn § 57/1 BWG-PWB reserves to cover potential risk costs or generate income from release of this reserve.

### Low asset risk

- With granular, domestic loan portfolios and NPL ratios of currently 2.1%, the Association and Volksbank Wien are well prepared for coping with expected COVID-19 related increases of default rates.
- Furthermore, the Association banks do not grant consumer financing loans.

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1) Available distributable items as defined in Article 4 (1) (128) CRR
2) (Voluntary) reserve for reasons of prudence according to § 57/1 Austrian Banking Act (BWG), reserve can be released on the basis of a resolution by the management board, source: VBW internal calculation
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