

BKS Bank

Investor Presentation
Your business is our passion



BKS Bank

Agenda

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BKS Bank Group

BKS Bank Group

- Head Office in **Klagenfurt**, Austria
- **Successful business** for over **100 years**
- Independence secured by **3 Banken Group**
- **Listed** since 1986
- **63 branches** in Austria and abroad
- **5** Leasing companies
- **~167k** retail customers
- **~28k** corporate and business customers
- **Total assets:** EUR 11.1bn
- S&P Rating: **BBB+ stable**

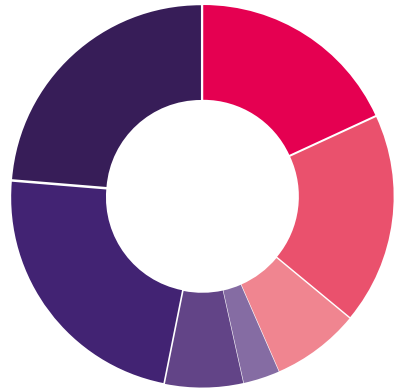


Why BKS Bank?

- **Independent** strategic decisions
 - Recognised **quality services provider** since **1922**
 - Independence and autonomy within the **3 Banken Group**
- Outstanding combination of **personal advisory services** and digital **banking products**
 - Our diverse range of products and services appeals to **retail customers as well as to corporate and business customers**
- Pioneer in **sustainable** banking in Austria
- Strong **regional roots** in Austria as a premium brand
- Success in our **foreign markets** Slovenia, Croatia, Slovakia and Serbia
- Traditionally strong in **corporate and business banking**
- Indirect participation in entire **Central European market region** due to holdings in 3 Banken Group (jointly with Oberbank AG and BTV)

Shareholder Structure

BKS Bank is part of the 3 Banken Group owned jointly with Oberbank AG and Bank für Tirol und Vorarlberg. The 3 Banken Group is an alliance of three independent regional banks. Mutual shareholdings and a shareholder structure secured by syndicate agreements also ensures BKS Bank's autonomy and independence. The banks exploit the synergies of a joint IT company and collaborate on development projects. On the market, they are competitors.



■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 ■ 7

as at 31 December 2024
Red: Syndicate partners

1. Oberbank AG (incl. sub-syndicate with Beteiligungsverwaltung GmbH)	18.1%
2. Bank für Tirol und Vorarlberg Aktiengesellschaft	17.9%
3. G3B Holding AG	7.4%
4. BKS-Belegschaftsbeteiligungsprivatstiftung	3.1%
5. UniCredit Bank Austria AG	6.6%
6. CABO-Beteiligungsgesellschaft m.b.H.	23.2%
7. Free float	23.7%

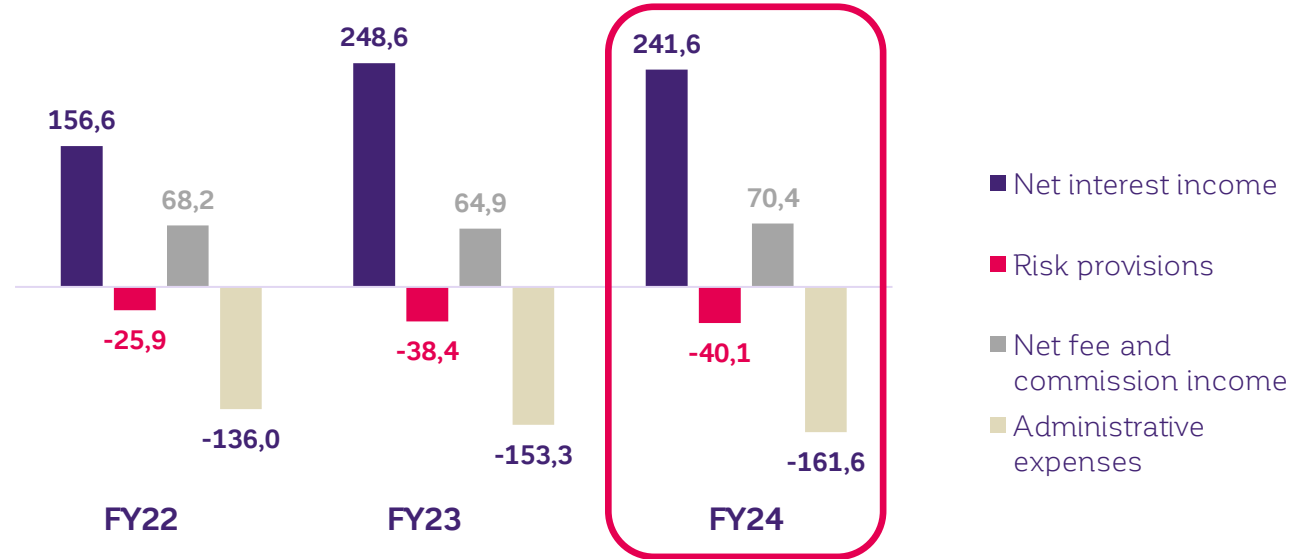
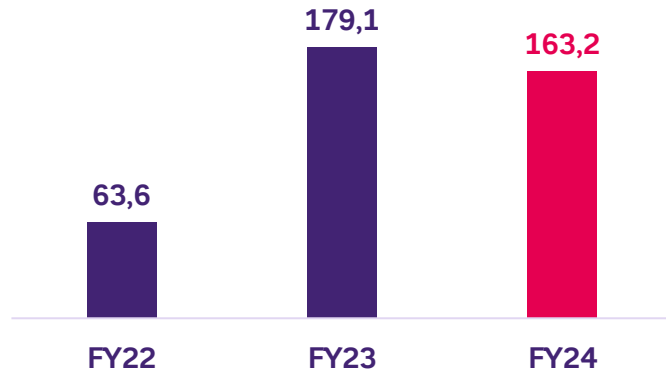
Key Figures

Key Figures at a Glance

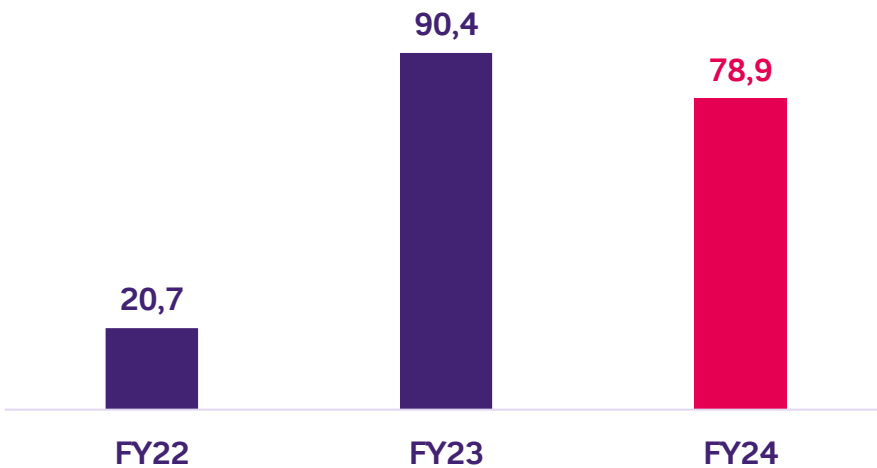
	FY22	FY23	FY24
Total assets (in EUR mn)	10,533.0	10,673.1	11,072.3
Net interest income (in EUR mn)	156.6	248.6	241.6
Risk provisions (in EUR mn)	-25.9	-38.4	-40.1
Profit for the year/period after tax (in EUR mn)	63.6	179.1	163.2
Return on equity after tax (in %)	4.2	10.8	8.8
Cost/income ratio (cost/income coefficient) (in %)	54.7	38.7	41.3
Common equity tier 1 capital ratio (in %)	12.5	13.6	15.0
Total capital ratio (in %)	17.0	17.9	19.4
NPL ratio (non-performing loan ratio in %)	2.1	2.9	3.2
LCR - Liquidity coverage ratio (in %)	190.4	223.2	213.5
NSFR - Net stable funding ratio (in %)	118.7	123.3	121.6

Key Figures in EUR mn

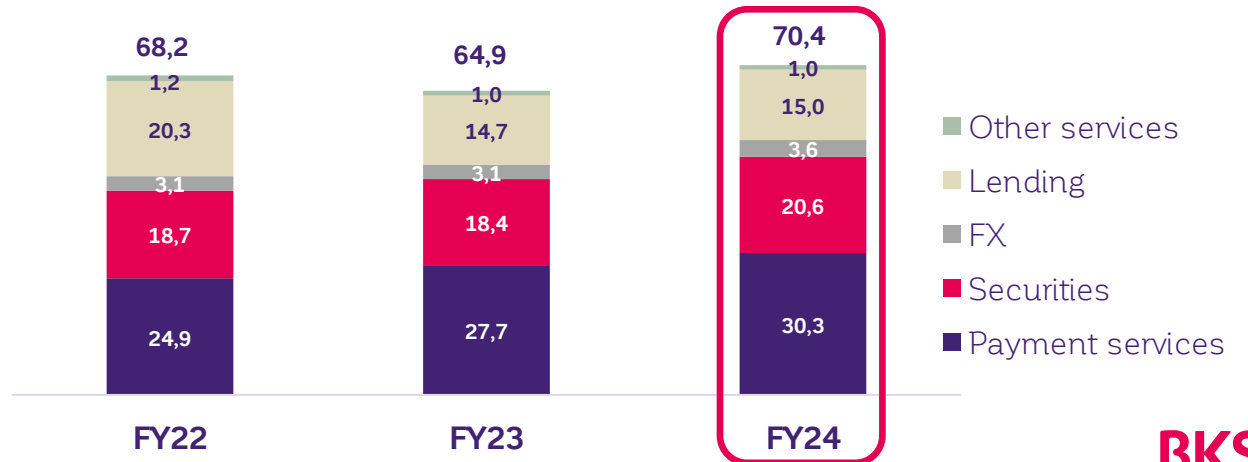
Net Profit After Tax



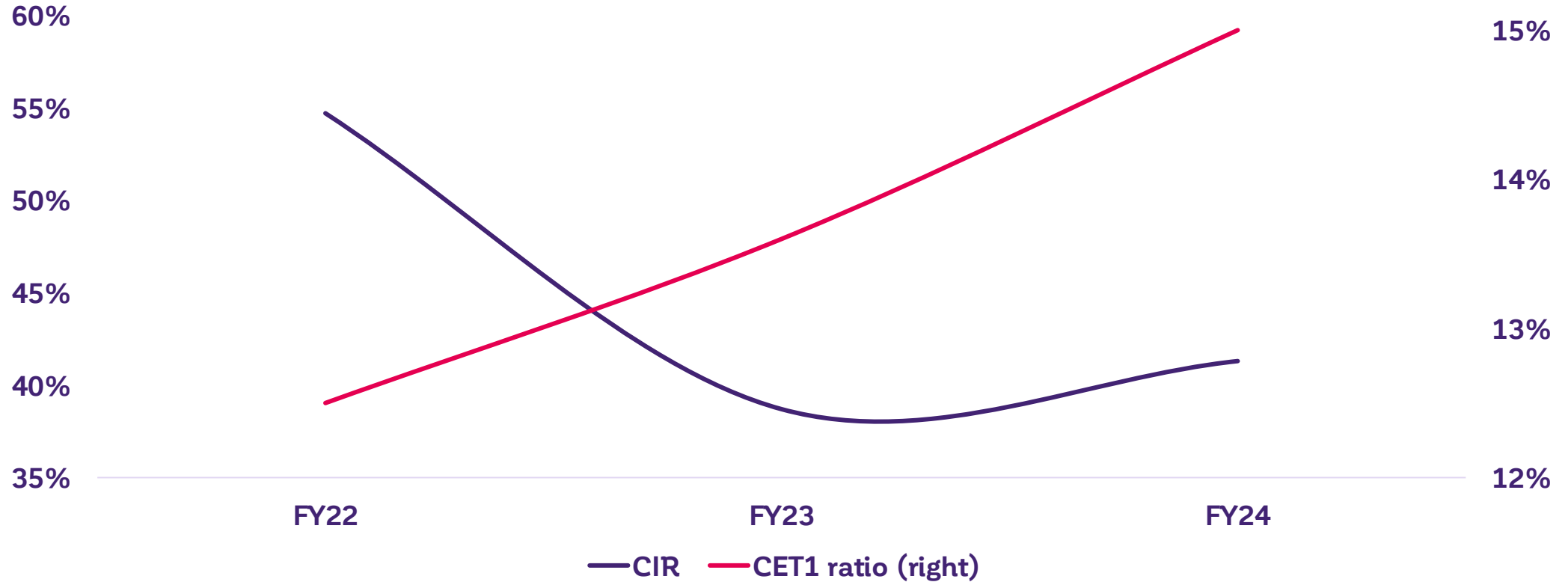
At-Equity Income



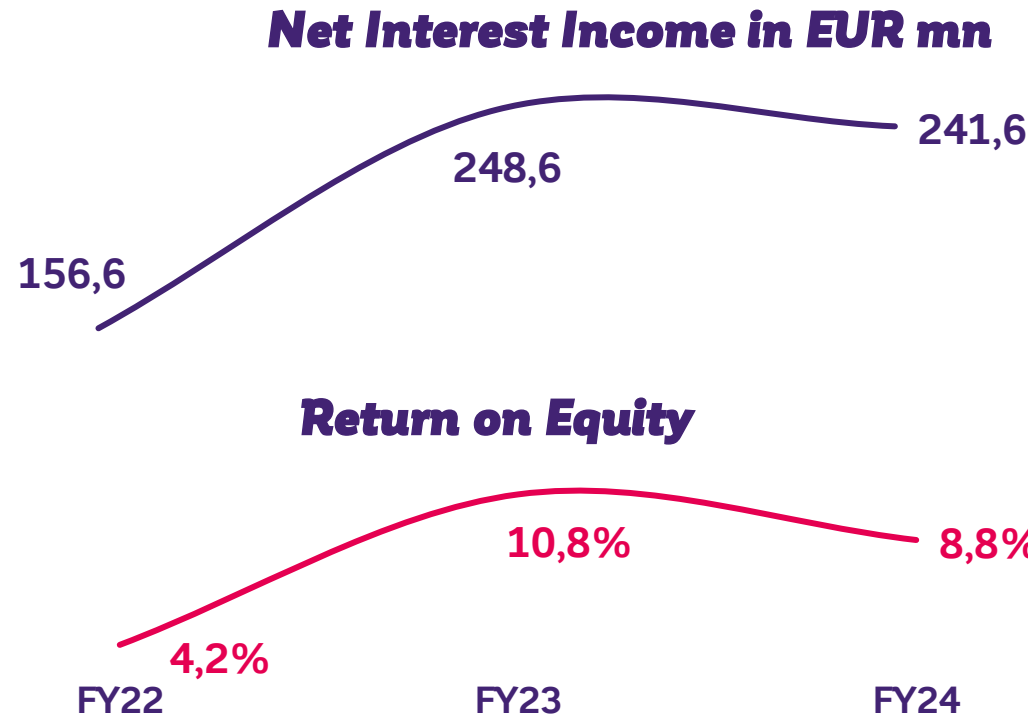
Fees and Commission in EUR mn



Low CIR Bolsters CET1 Ratio



Interest Income and ROE Benefit from Interest Rate Normalization



- Interest income was much higher than interest expenses
- Other operating income benefitted from the fact that no contributions had to be made to the deposit insurance scheme and the resolution mechanism.

Credit Ratings

S&P assessment

	Rating	Outlook
Long-term issuer rating (26/08/2024)	BBB+	stable
Mortgage-backed cover pool	AAA	stable
Stand-Alone Credit Profile (SACP)	bbb	stable

Customers & Products

Independent Universal Bank

Retail Banking

- ~167k retail customers
- Wide range of traditional and digital products and services
- Personalised wealth management

Financial Markets

- Treasury
- Equity investments
- Custodian bank
- Real estate

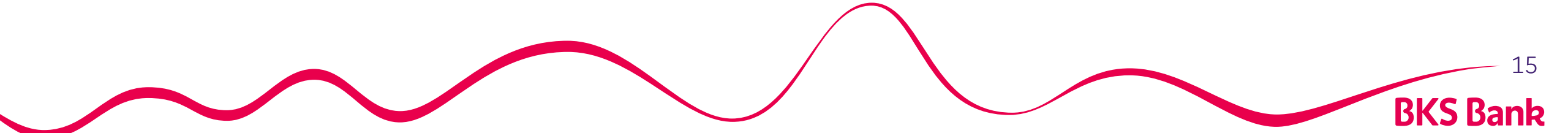
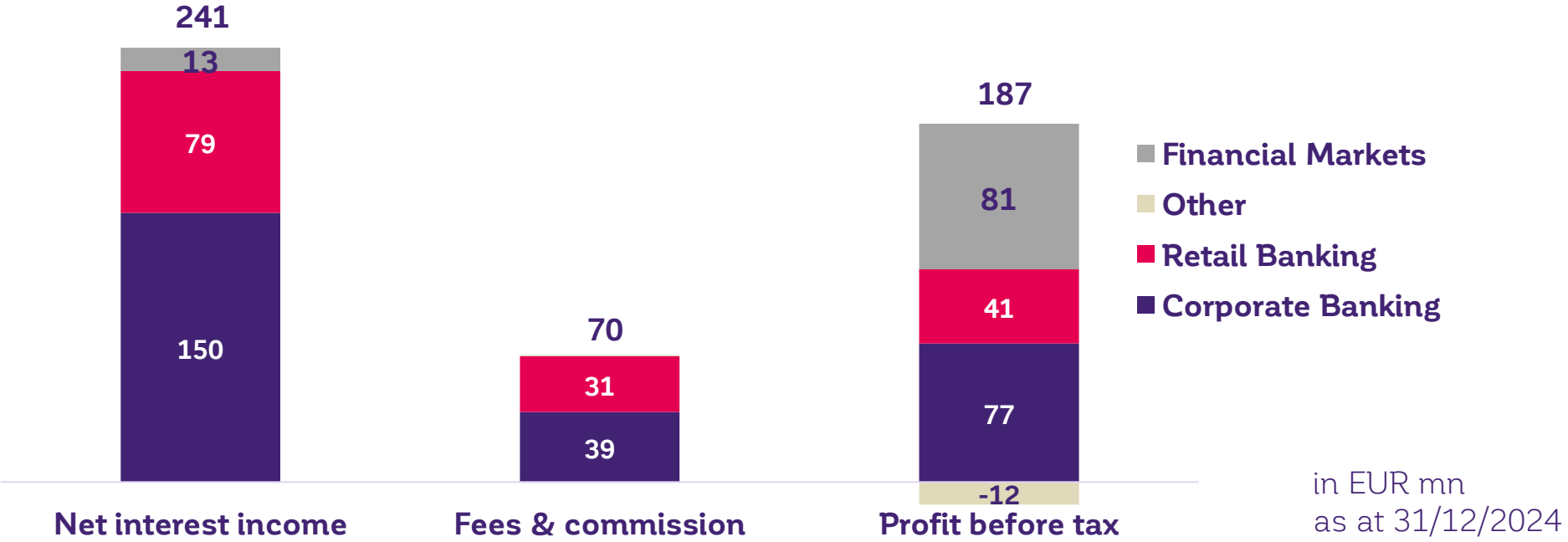
Corporate Banking

- ~28k corporate and business customers

Individual solutions for

- Export finance
- Investment subsidy schemes
- Syndicated loans
- Documentary business

Corporate Banking Contributes Substantially to Profitability



Modern Digital Products




Recently added digital innovations

- **Opening securities accounts** incl. end-to-end credentials
- **Latest BKS Banking App functionalities**
 - Security order placement
 - Chat function
 - Online shop for FX ordering, etc.
- Rollout of the **BKS banking app in Slovakia**
- **Digital** opening of securities accounts
- **Preliminary offers** for corporate loans
- **Bizz Net Pro** replaces Elba
- **BKS Sign** - a new signature and credentials tool
- **Sustainable Finance Tool** for foreign markets



Sustainability

We are Pioneers in Sustainability

Results BKS Bank	Position within peer group
 <p>MSCI ESG RATINGS AA</p> <p>CCC B BB BBB A AA AAA</p>	<p>AA</p> <p>Top 2</p>
 <p>Corporate ESG Performance RATED BY ISS ESG</p> <p>Prime</p>	<p>C+</p> <p>Top 5%</p>
 <p>VONIX 24/25</p>	<p>B+</p> <p>Top 20 in Austria</p>

BKS quality and ESG certifications **BKS Bank**



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EMAS

GEPRÜFTES
UMWELTMANAGEMENT
AT-000735



GREEN BRAND

Austria 2024/2025

We are pioneers on the Vienna Stock Exchange

- We were the first bank in Austria to issue a social bond
- We were among the first banks to issue a green bond

We are Green Finance Alliance Founding Member

- The Alliance is an initiative of the Ministry for Climate Action for a **sustainable financial market**
- Members voluntarily commit to achieve **climate neutrality** for their **core business** activities by 2050

Priority goals

- Alignment of portfolios with the **1.5 degree target** by 2040
- More **green activities** in core business
- **Climate strategy** adopted that includes phasing-out from coal, oil and natural gas
- **Engagement strategy** implemented
- Climate-friendly **travel and procurement guidelines**
- Green Finance Alliance monitoring shows **good results**



Photo: Green Finance Alliance

“Du & Wir Stiftung” Foundation

- **EUR 500k** founding capital under the auspices of Caritas-Stiftung Österreich (Caritas Foundation)
- Income from the foundation's capital is distributed **annually to charitable projects.**
- A percentage of the account management fee of the **Du & Wir account** goes to the foundation.
- Endowments possible from **EUR 5k**



Photo: Green Finance Alliance

Science-Based Targets to Attain Net Zero

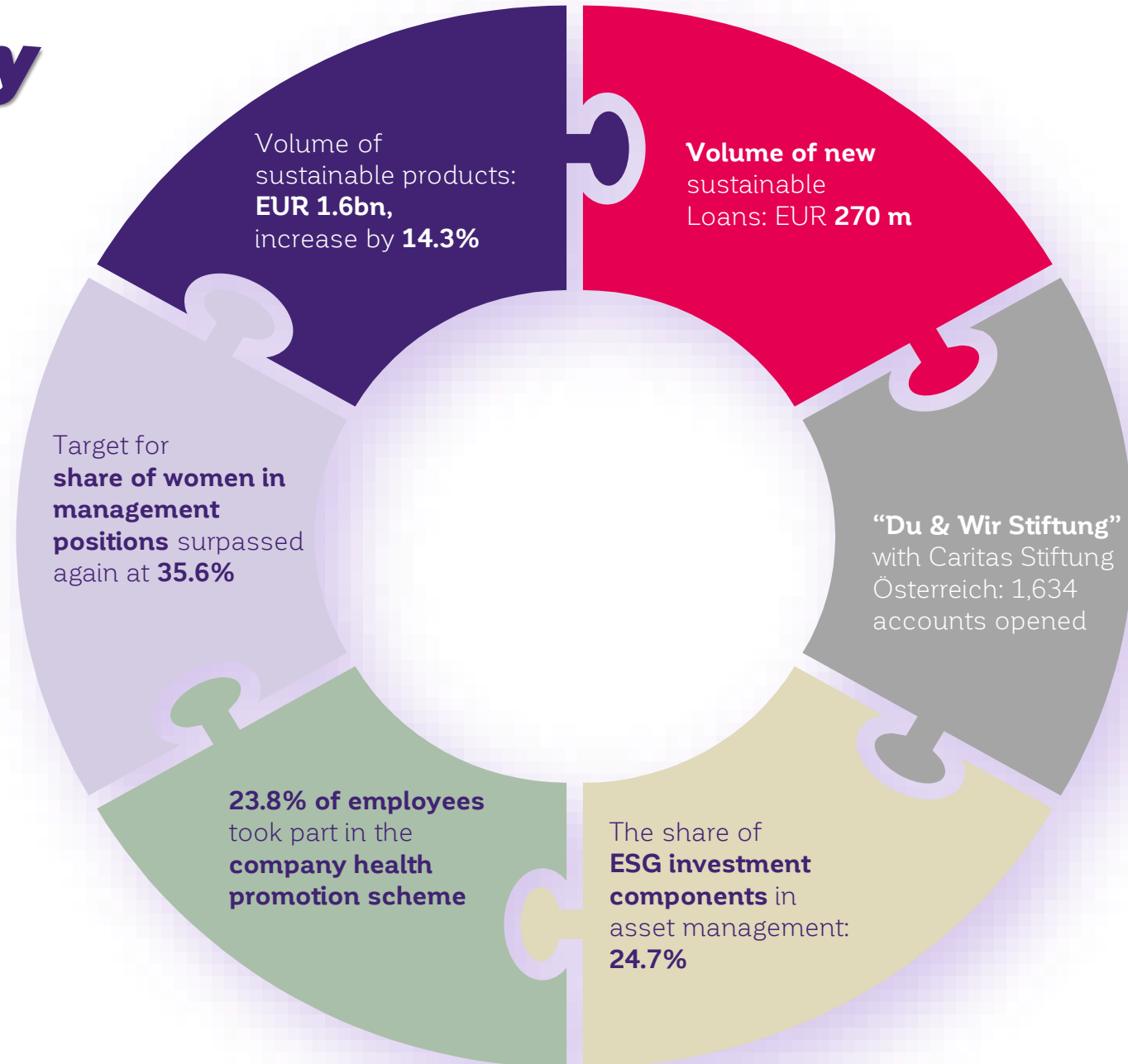
Science-based climate targets

- Target: Greenhouse gas reduction targets **in line with** goals of the **Paris Climate Agreement**
- For banks, the focus is on **financed emissions** and **Scope 1** and **2**
- BKS Bank is one of the first three banks in Austria to aim for **short-term targets**

BKS Bank's science-based targets include:

- A decarbonization target for **emissions produced** by BKS Bank
- Reduction of **financed emissions** in the portfolios: project finance for energy, loans for the energy sector as well as commerce and retail estate
- **Engagement targets** for the treasury portfolio, equity investments and corporate loans

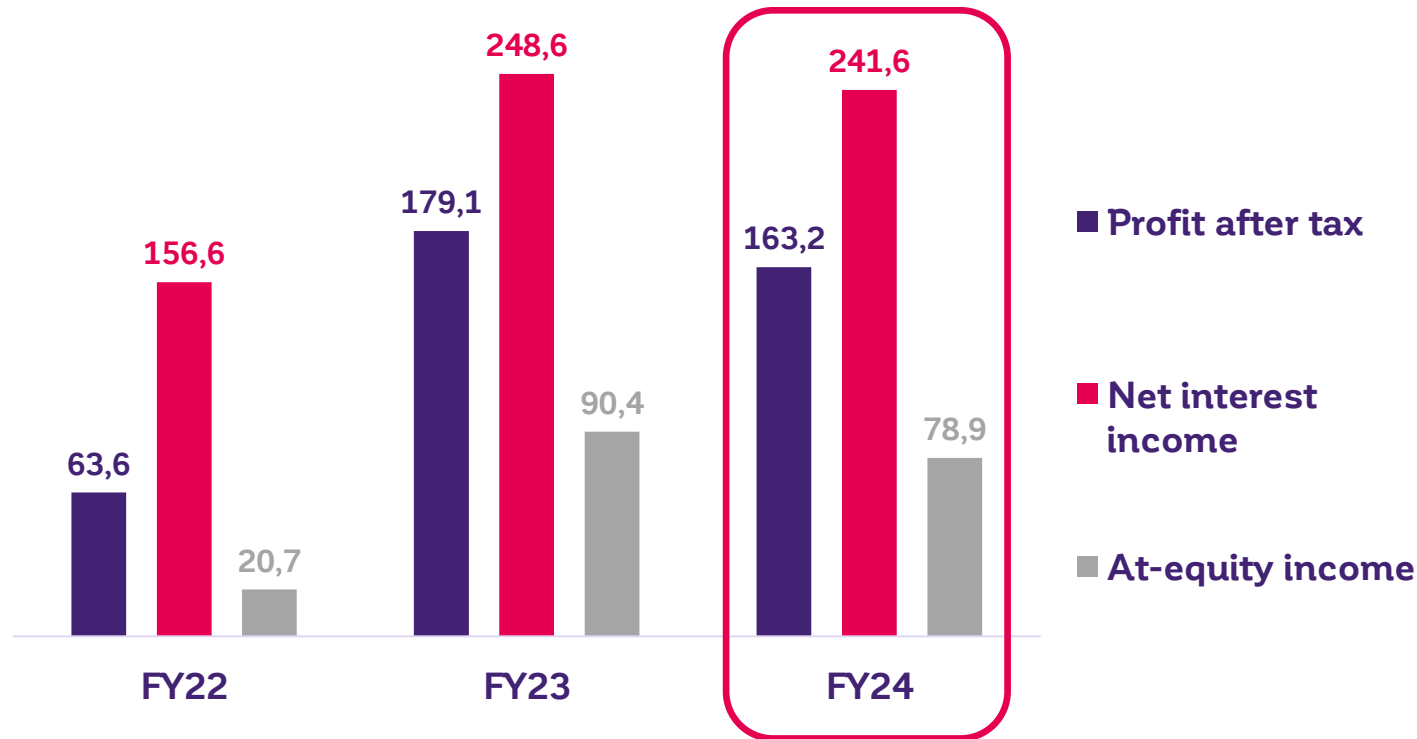
Sustainability Highlights



as at 31/12/2024

Income Statement

Income Statement



BKS Bank achieved a profit after tax of EUR 163.2mn in FY 2024, which was only slightly lower than the record level reported for the preceding year. This excellent result was supported by an extraordinarily strong fees and commission income.

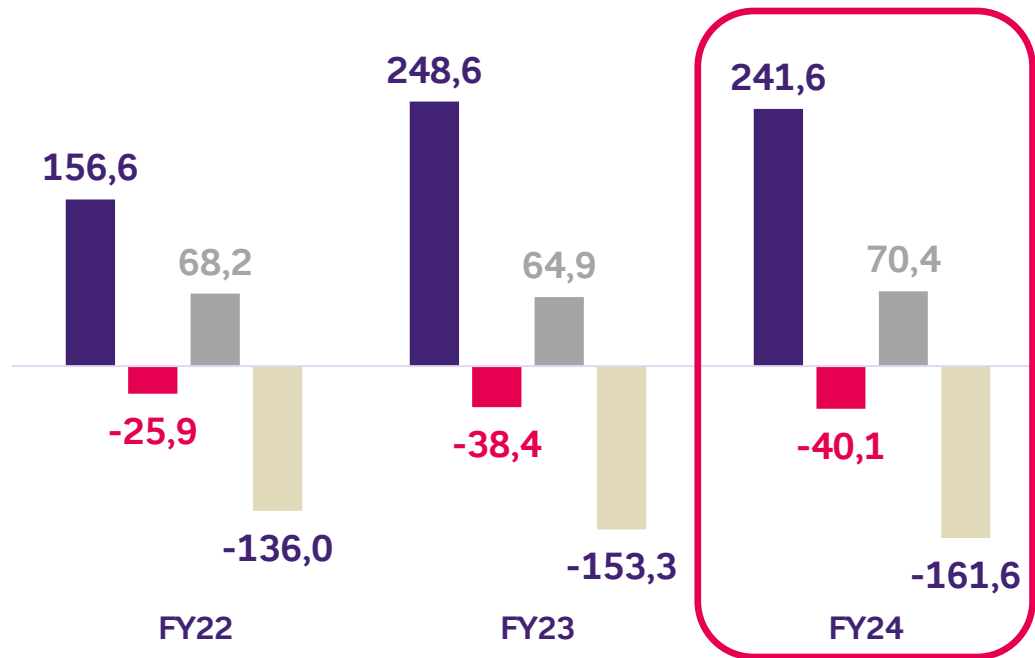
Net interest income remained high at EUR 241.6mn.

At-equity income made a substantial contribution of EUR 78.9mn.

Income Statement

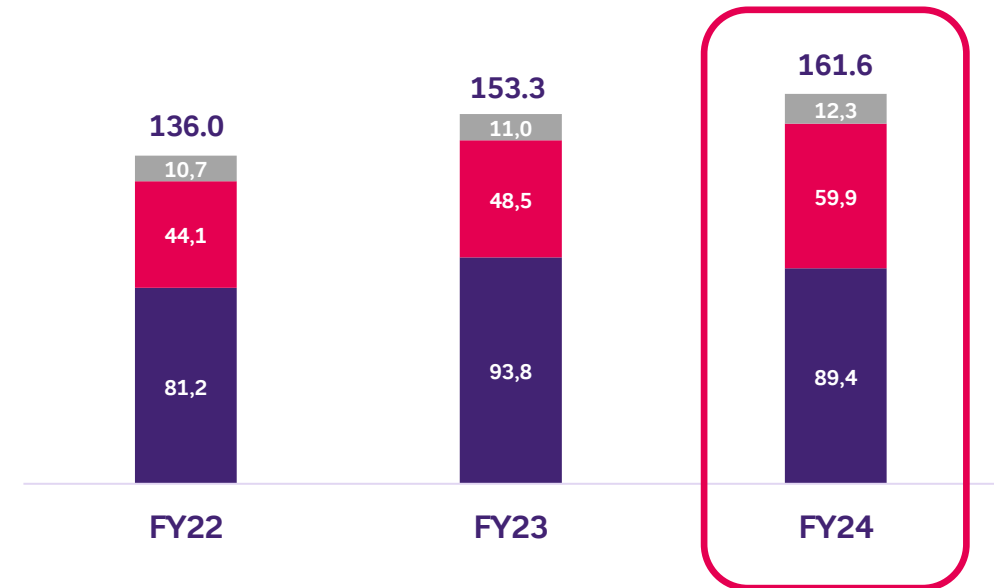
in EUR mn	FY22	FY23	FY24	Change FY23 versus FY24	
				absolute	in %
Net interest income	156.6	248.6	241.6	-7.0	-2.8
Risk provisions	-25.9	-38.4	-40.1	1.8	4.6
Net interest income after risk provisions	130.7	210.3	201.5	-8.8	-4.2
Fees and commission	68.2	64.9	70.4	5.5	8.4
At-equity income	20.7	90.4	78.9	-11.5	-12.7
Net trading income	-1.2	0.3	1.0	0.7	>100
SG&A	-136.0	-153.3	-161.6	8.3	5.4
Other operating income/expenses	4.3	-8.3	-0.4	-7.9	-94.8
Profit/loss from financial assets/liabilities	-8.1	1.9	-3.0	-4.9	>-100
Profit for the period before tax	78.6	206.3	186.8	-19.5	-9.4
Income tax expense	-15.0	-27.2	-23.6	-3.6	-13.4
Profit for the period	63.6	179.1	163.2	-15.8	-8.8%

Income and Expenses in EUR mn



■ Net interest income ■ Risk provisions ■ Fees & Commissions ■ SG&A

SG&A



■ Staff ■ OPEX ■ Depreciation/amortisation

- Stable FY24 net interest income thanks to interest rate normalization
- SG&A rose only slightly, as strict spending austerity helped defy inflationary pressure

Balance Sheet

Assets

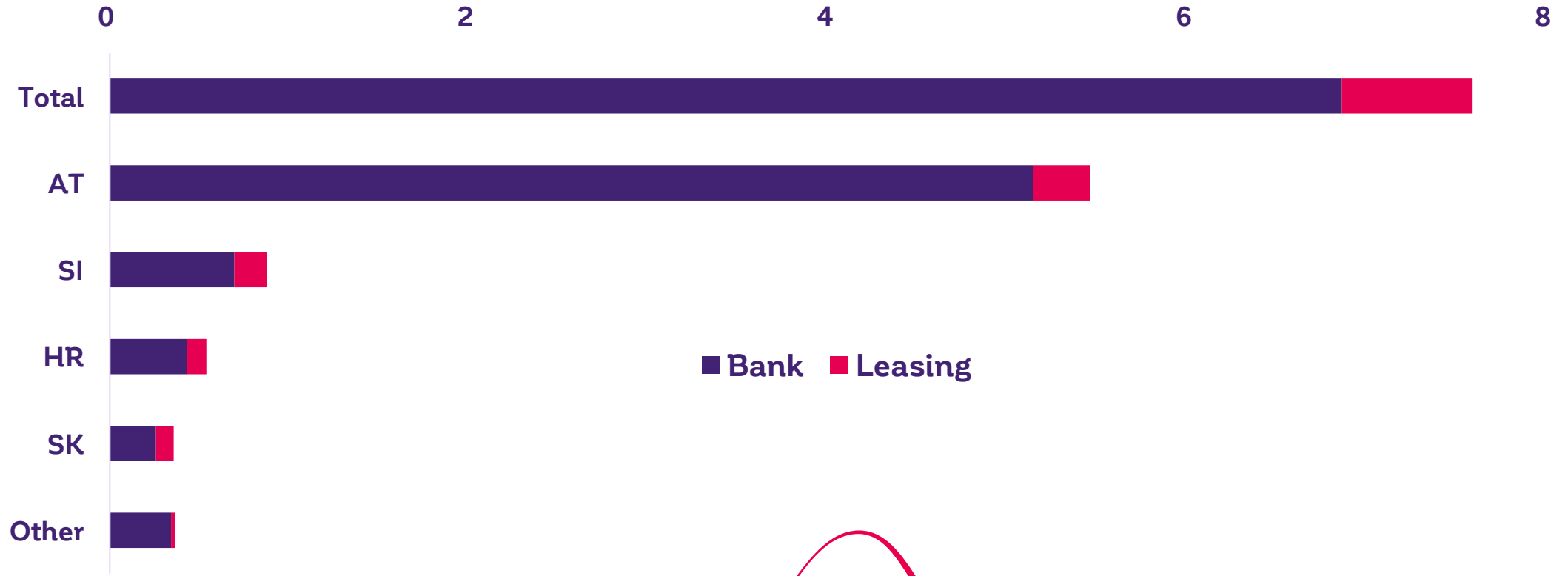
in EUR mn	FY22	FY23	FY24	Change FY23 versus FY24	
				absolute	in %
Cash and balances with the central bank	849.0	584.5	963.9	379.4	64.9%
Receivables from financial institutions	253.6	186.8	38.9	-147.9	-79.2%
Receivables from customers (net)	7,175.3	7,411.7	7,441.4	29.7	0.4%
Debt securities and other fixed-income securities	1,123.8	1,241.7	1,305.9	64.2	5.2%
Shares and other non-interest bearing securities	150.2	171.2	179.9	8.7	5.1%
At-equity investment	727.3	813.9	875.7	61.8	7.6%
Property, plant and equipment	75.7	79.1	82.9	3.8	4.8%
Investment property	93.0	120.9	125.5	4.6	3.8%
Total assets	10,533.0	10,673.1	11,072.3	399.2	3.7%

Our Customer Loan Portfolio is Widely Diversified Across Sectors



Strong Position in our Home Market

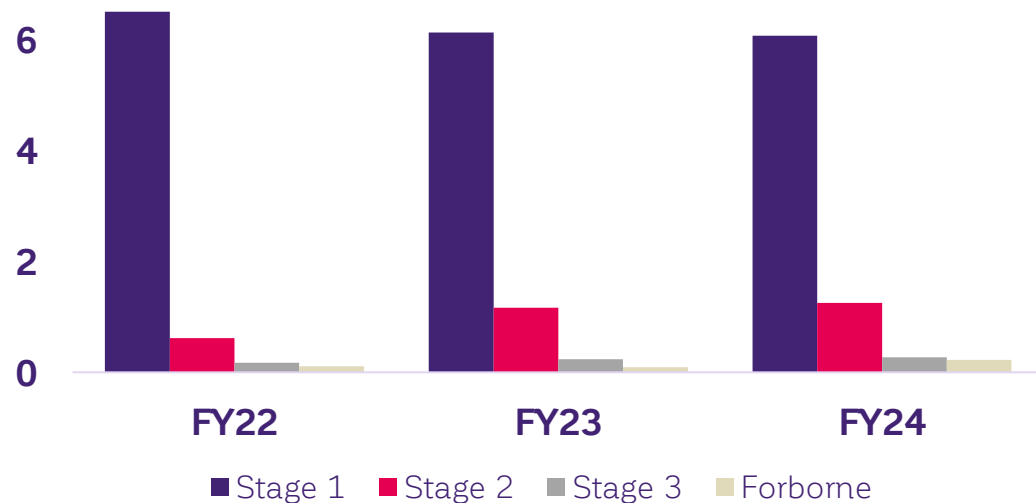
**Regional Breakdown by Banking and Leasing Businesses
as at 31/12/2024 in EUR bn**



Loans Within the Group

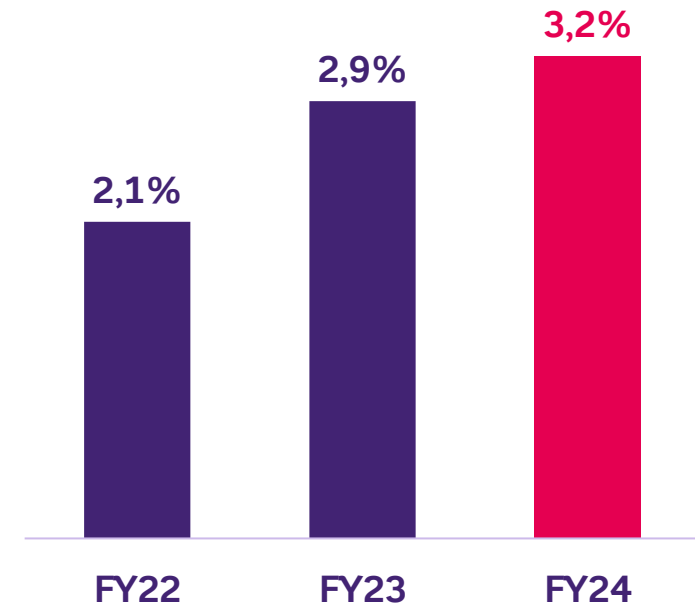
(expected credit loss-model)

By Stage (in EUR bn)



The quality of loans to customers is presented based on stage allocation in accordance with the requirements of the international accounting standards, IFRS 9.

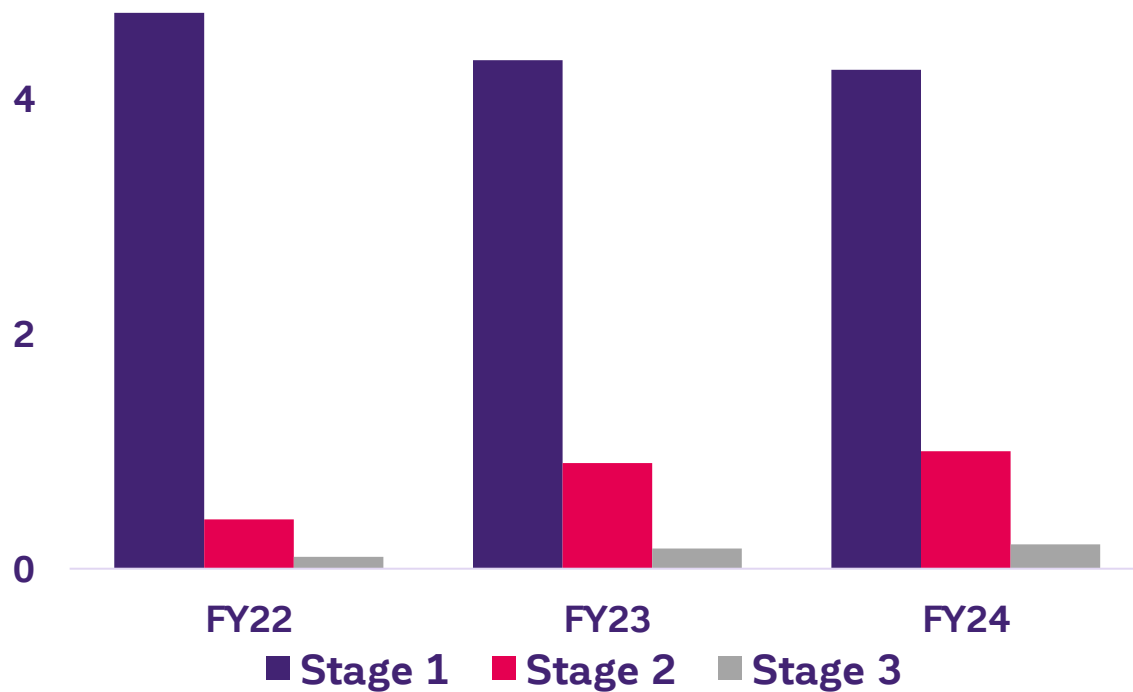
NPL Ratio



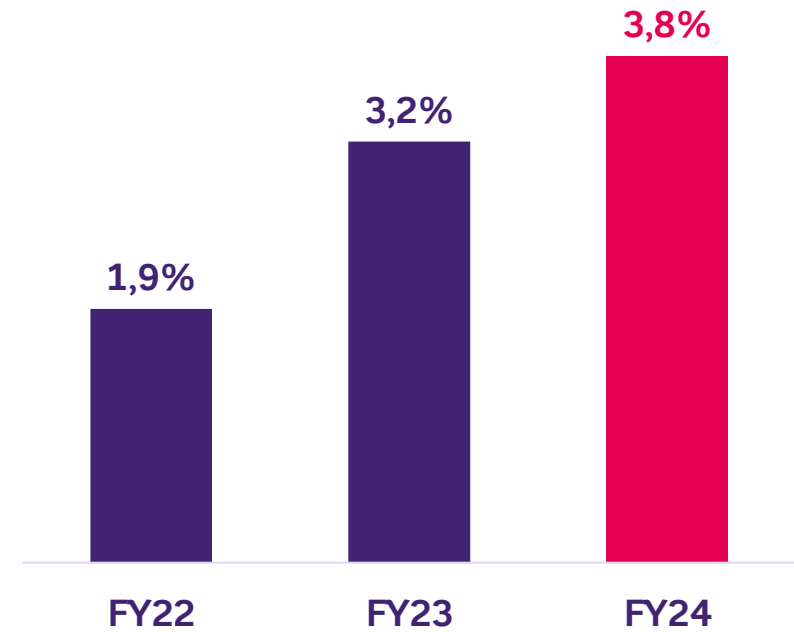
NPL = non-performing loans
 The NPL ratio corresponds to the EBA computation methodology (EBA Risk Dashboard) and considers receivables from customers, receivables from financial institutions, and cash and balances with the central bank.

Loans in Austria

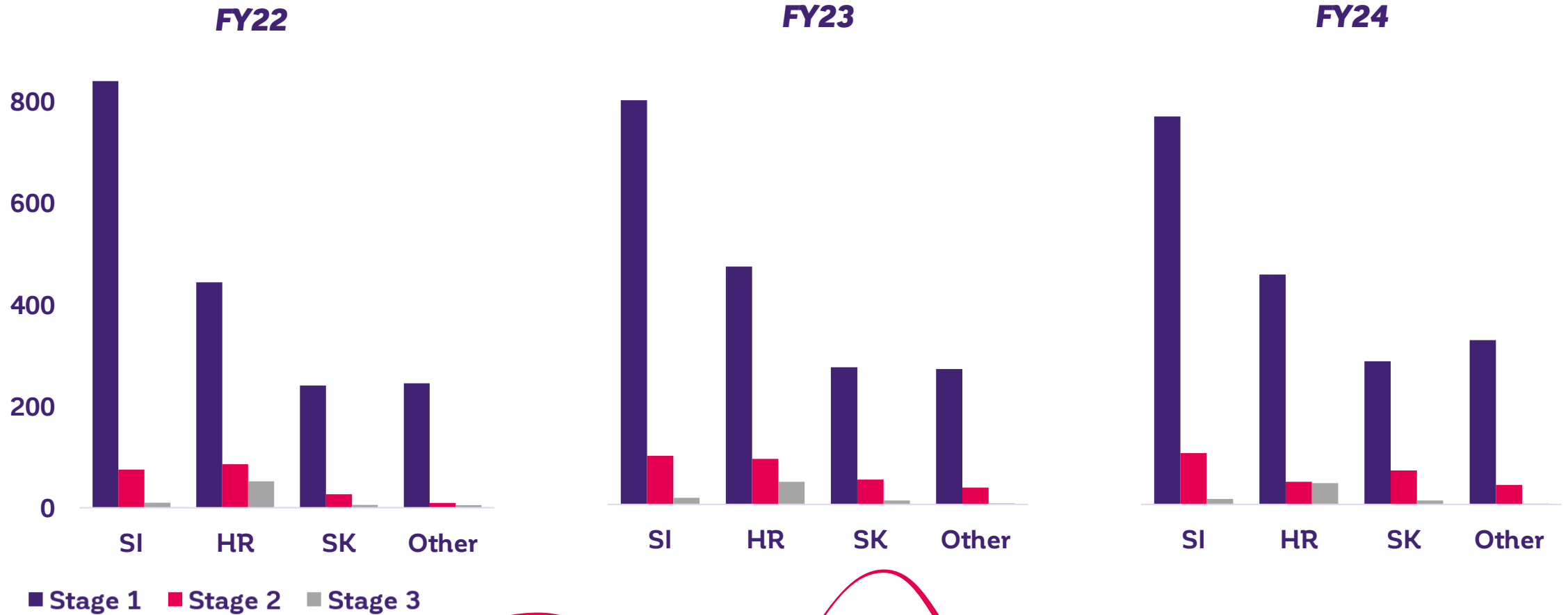
By Stage (in EUR bn)



NPL Ratio

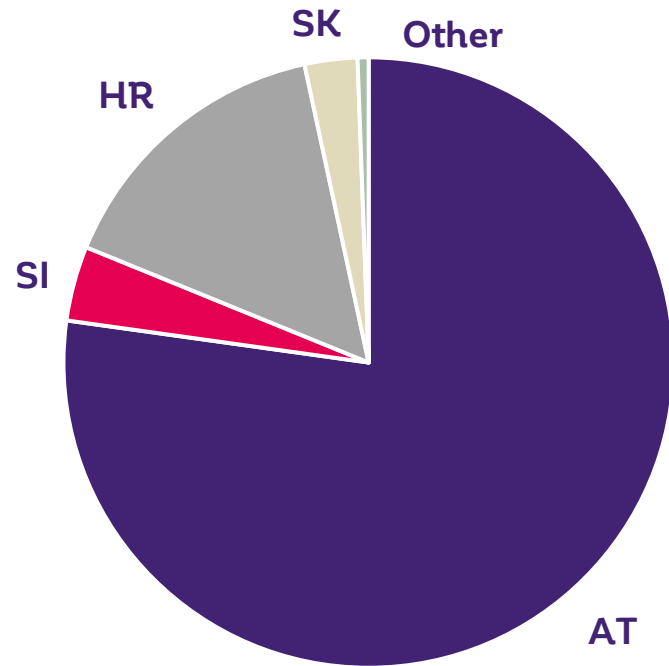


Loans Abroad by Stage (in EUR mn)



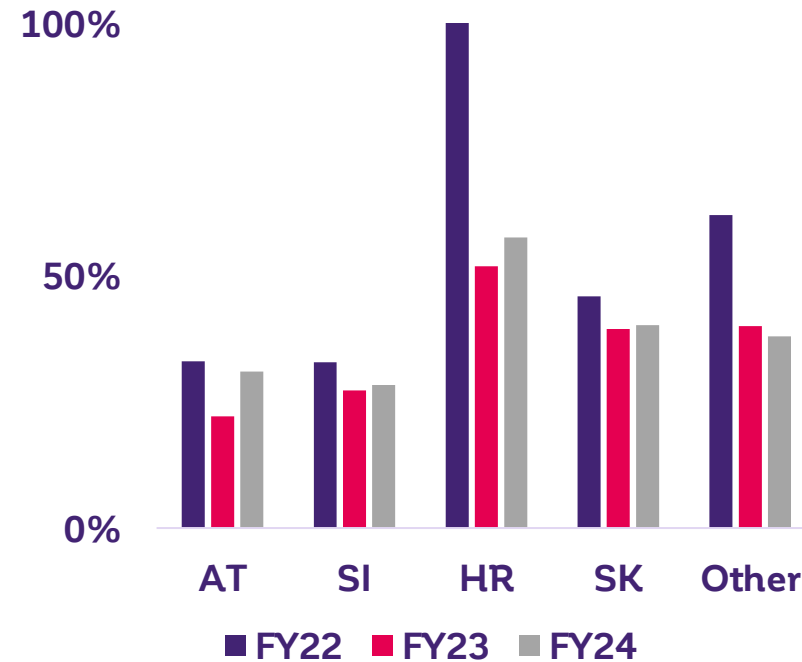
Our Regional Risk Diversification

NPL in EUR mn - Regional Distribution



as at 31/12/2024

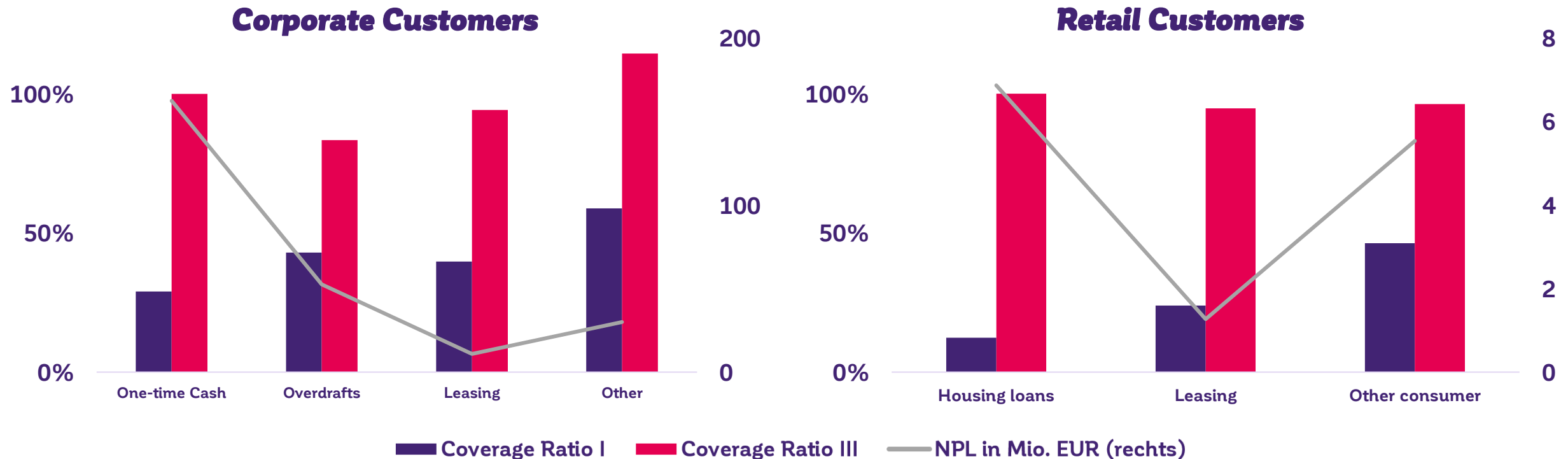
Coverage Ratio



The relatively low value of the coverage ratios is due to the high degree of collateralisation of customer loans. (Coverage ratio I = specific impairment allowance / exposure at default (EAD))

Specific impairment allowance = Impairment charges
EAD = customer loans

Coverage Ratios by Customer Segment and Product Group as at 31/12/2024



The relatively low value of coverage ratio I is due to the high degree of collateralisation of customer loans.
 (Coverage ratio I = EWB/EAD of NPLs) (EWB = Einzelwertberichtigung, specific impairment allowance); EAD = exposure at default
 Coverage Ratio III = (EWB+collateral)/EAD of NPLs

Asset Quality by Rating Class

Credit Quality by Class of Receivable as at 31/12/2024

Risk position by rating in EUR mn	AA-A1	1a-1b	2a-2b	3a-3b	4a-4b	5a-5c	No rating
Receivables from customers	196.8	1,593.2	2,953.0	2,141.0	432.7	269.3	2.0
Receivables from financial institutions	22.3	16.6	0.1	0.0	-	-	-
Credit risks from contingent liabilities	84.8	648.2	1,099.9	479.1	75.6	8.0	0.1
Securities and investment funds	974.8	322.3	44.4	1.1	-	-	-
Equity investments	902.7	116.4	1.1	0.0	0.0	-	-
Total	2,181.5	2,696.7	4,098.4	2,621.2	508.4	277.4	2.1

Explanation:

AA-4b → Performing loan stages

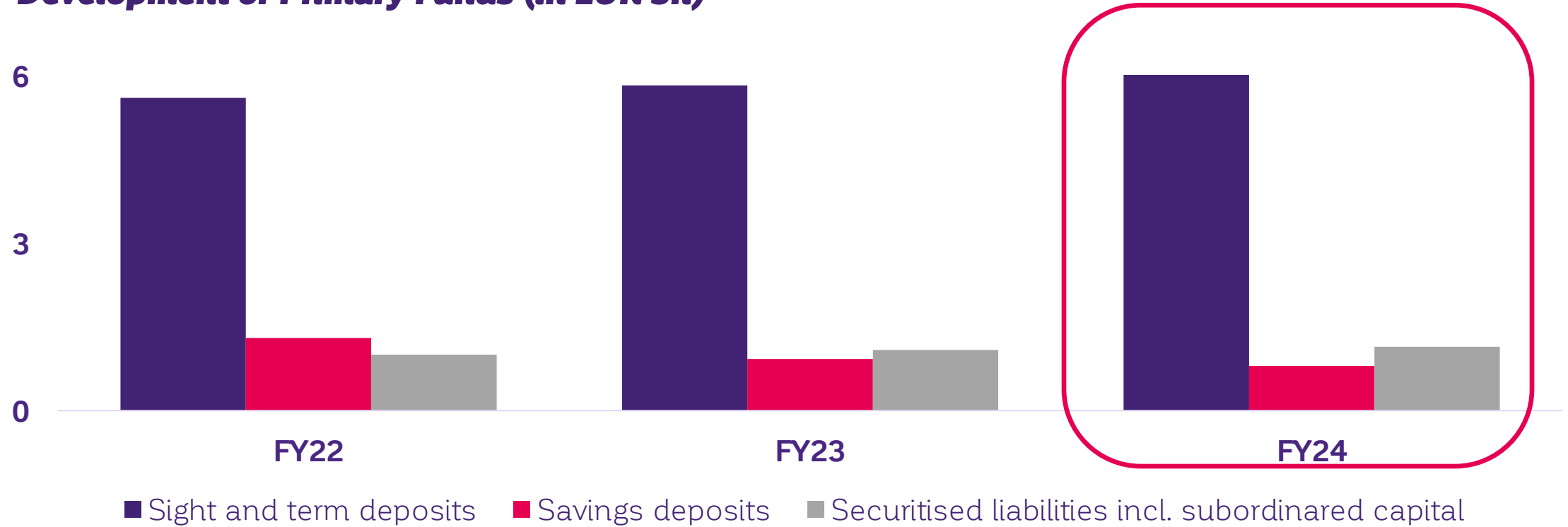
5a-5c → Non-performing loans (NPL)

Equity and Liabilities

in EUR mn	FY22	FY23	FY24	Change FY23 versus FY24	
				absolute	in %
Payables to financial institutions	931.0	832.4	847.9	15.5	1.9
Payables to customers	6,823.8	6,744.6	6,934.3	189.7	2.8
Securitised liabilities	783.6	822.8	873.7	50.9	6.2
Subordinated debt	264.7	265.0	269.4	4.4	1.7
Provisions	122.3	157.6	132.3	-25.3	-16.1
Shareholders' equity	1,543.8	1,768.9	1,924.3	155.4	8.8
Total shareholders' equity and liabilities	10,533.0	10,673.1	11,072.3	399.2	3.7
Primary funds	7,872.1	7,832.3	8,077.4	245.1	3.1

Liabilities

Development of Primary Funds (in EUR bn)



Note: Savings refer only deposits on savings passbooks.

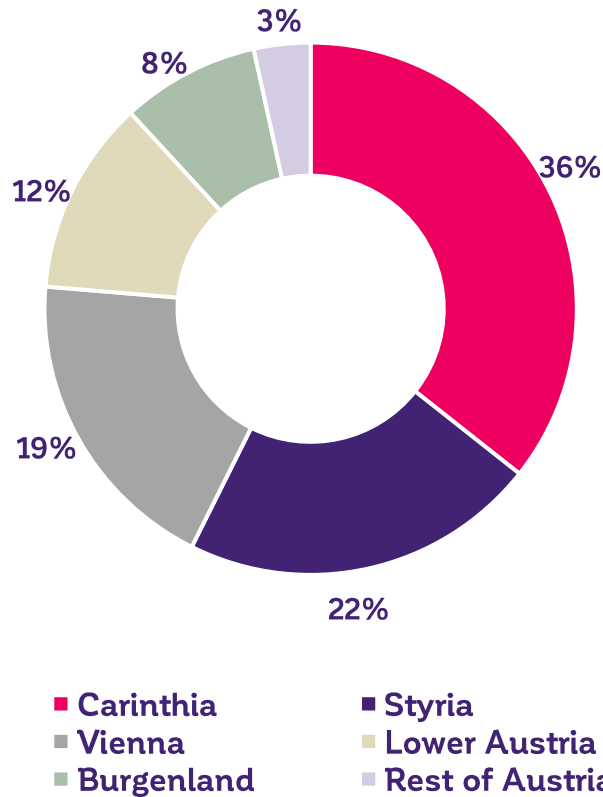
Mortgage Cover Pool

Cover Pool		Covered Bonds	
Outstanding Coverage	542mn	Outstanding Covered Bonds	EUR 392mn
Quantity	3911	Quantity	23
☒ Amount	~EUR 138,583	☒ Amount	~EUR 17.04mn
☒ Weighted Average Life	11.38 years	☒ Weighted Average Life	7.97 years
Percentage Overcollateralization	38.26%	Nominal Overcollateralization	EUR 150mn
Weighted average LTV	58.75%		
Region	100% Austria	Region	Investors from Germany and Austria
Currency	EUR	Currency	EUR
Utilization	94.84% mortgage-backed 5.16% commercial	Rating S&P	AAA/stable

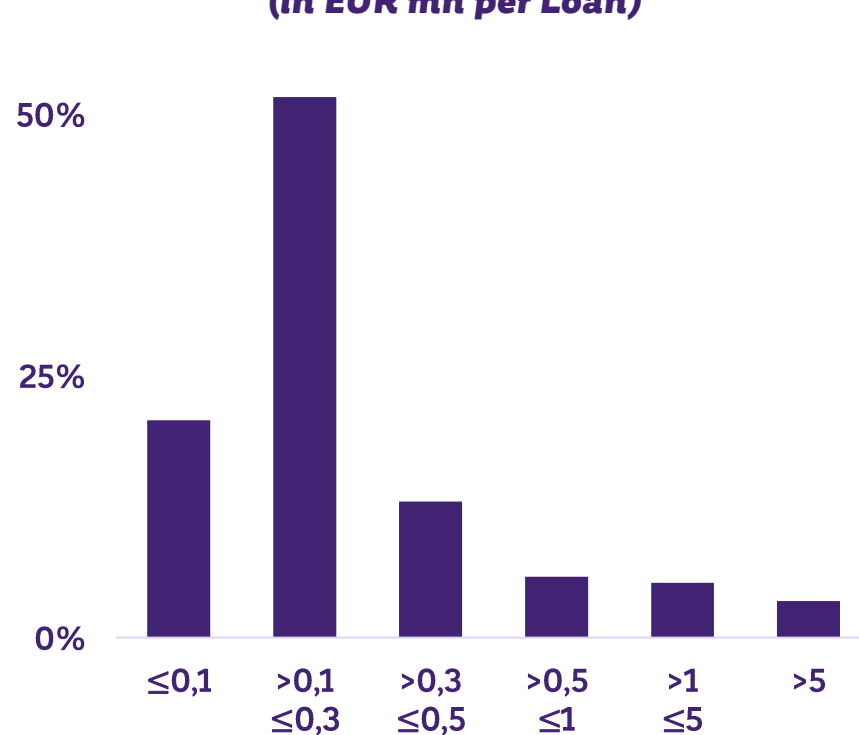
Data as at 31/12/2024

Mortgage Cover Pool

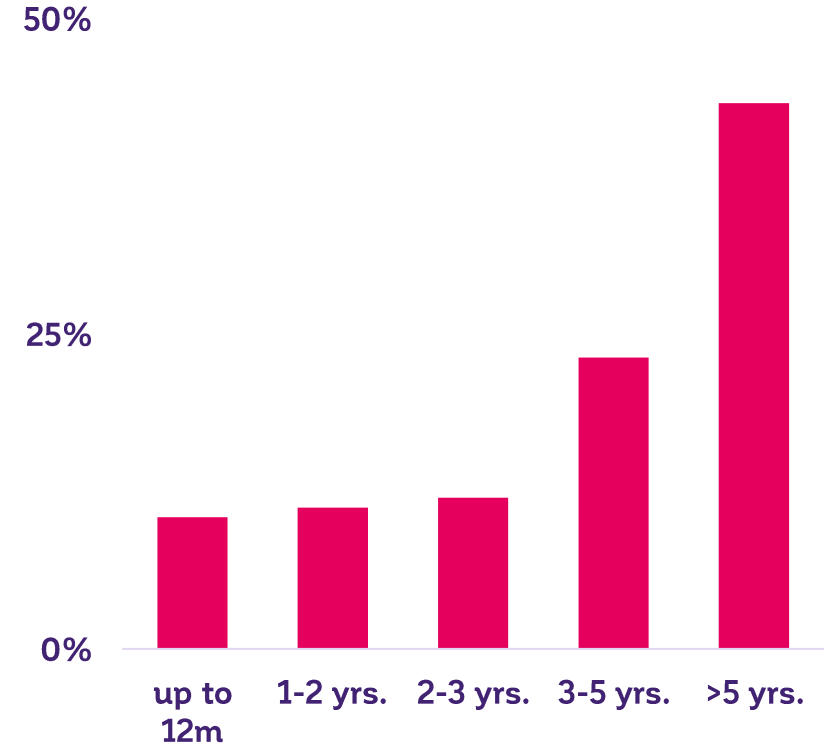
Primary Coverage by Province



Primary Coverage by Credit Volume
(in EUR mn per Loan)



Primary Coverage by Seasoning



Data as at 31/12/2024

Contacts

Contacts



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Member of the Management Board



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Companies Registration Number: FN 91810s

Supervisory authority: Financial Market Authority Austria, Division Banking and Securities Supervision

Chamber/Professional Association: Wirtschaftskammer Österreich (Chamber of Commerce and Industry Austria), Division Banking and Insurance

Copy deadline: March 2025

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BIC: BFKKAT2K

Reuters Dealing Code: BSKK

Bloomberg Code: BKIS:AV

LEI (Legal Entity Identifier):

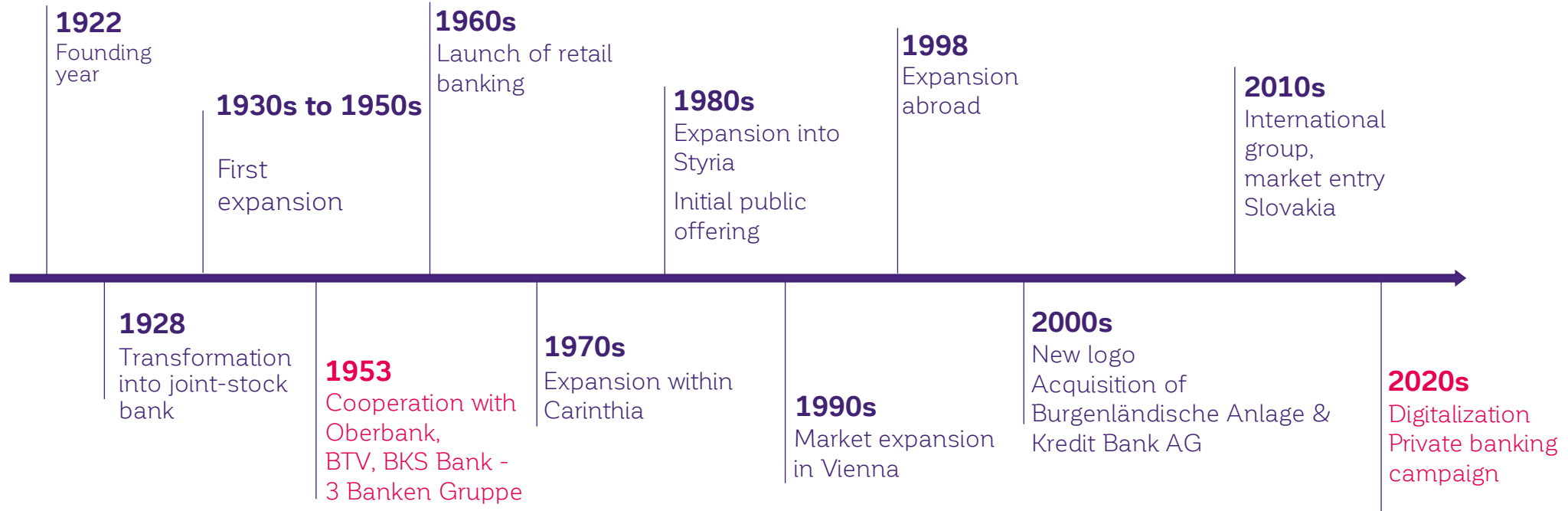
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BKS Bank

Your business is our passion

Backup slides

Over 100 Years of History



Key success factors

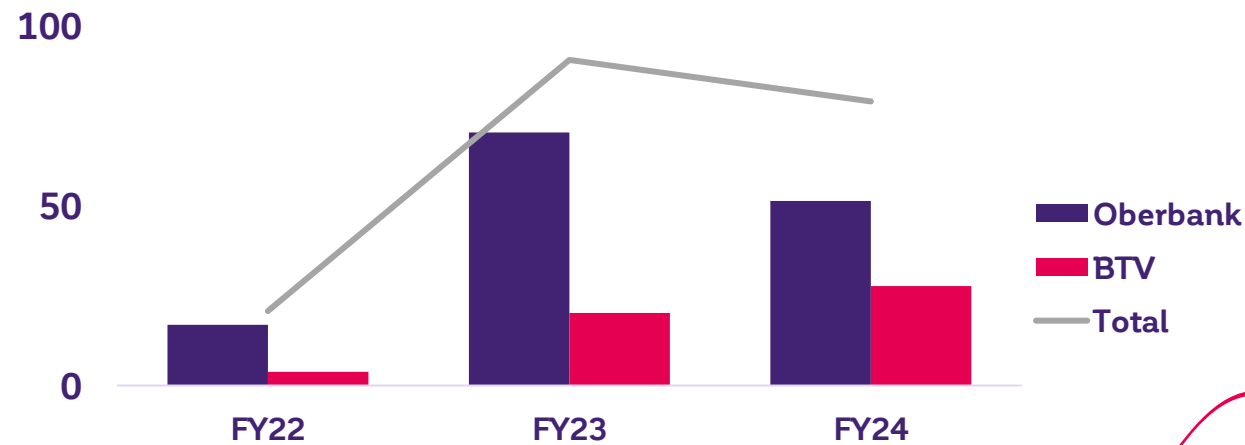
- Corporate and Business Banking has always been a mainstay of business at BKS Bank. Our deep level of expertise and wide range of services make us an important business partner. We continuously invest in strengthening customer relations. Some **28k Corporate and Business Banking customers** rely on the high quality of our services.
- Our success in **Retail Banking** is founded on our constant work to improve our products and services. We are proud of our sustainable products and the level of digitalization achieved. Today, retail customers can conduct all of their banking transactions online, and we offer a "green" option in every product segment. "BKS Bank Connect" is our digital bank designed for digitally-savvy customers. This service is used by some **167k retail customers**.
- The main sources of income in the segment of **Financial Markets** are income from the management of term structures, returns in the treasury portfolio, and contributions from at-equity investment.

Income Statement (in EUR mn)



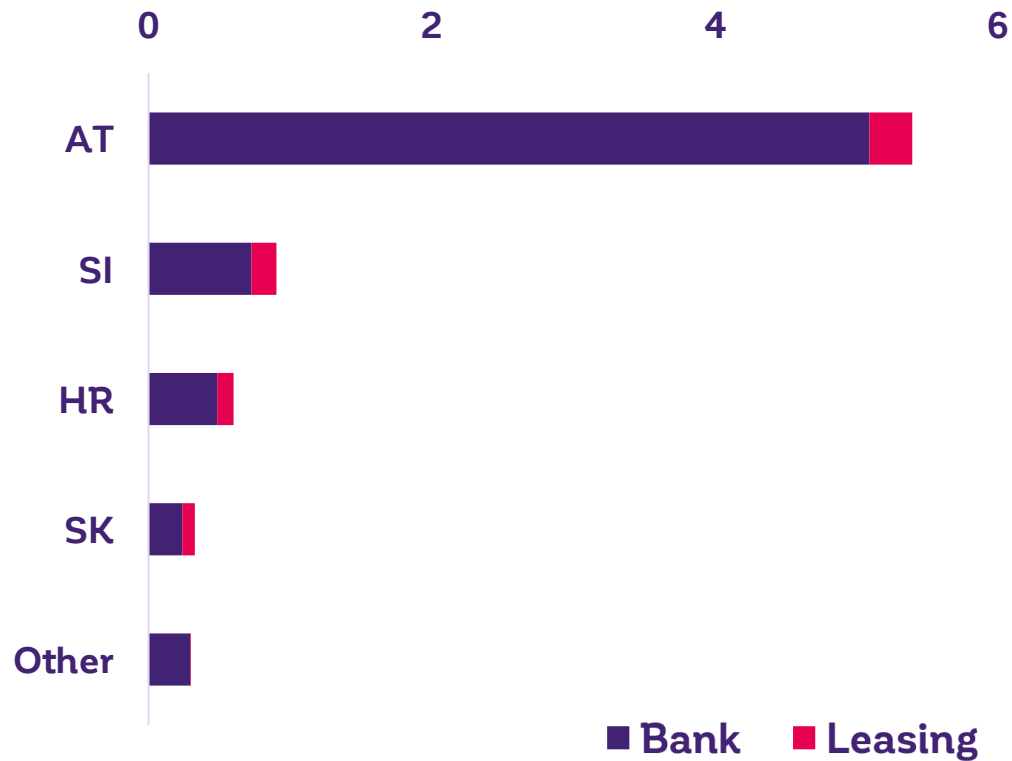
BKS Bank achieved a profit after tax of EUR 163.2mn in FY 2024, which was only slightly lower than the record level reported for the preceding year. This excellent result was supported by the return of interest rates to normal levels. Net interest income remained high at EUR 241.6mn. At-equity income made a substantial contribution of EUR 78.9mn.

At-Equity Income in EUR mn



Strong Position in our Home Market

Regional Breakdown by Banking and Leasing Businesses
as at 31/12/2024 in EUR bn



Regional Breakdown by Banking and Leasing Businesses
as at 31/12/2024 in EUR bn

