



2025

**The
World Is
Full of
Opportunities.**

Annual Report 2025

BKS Bank

At a Glance

Performance figures, EUR mn

	FY21	FY22	FY23	FY24	FY25
Net interest income	138.9	156.6	248.6	241.6	230.2
Loan loss provisions	-32.4	-25.9	-38.4	-40.1	-42.6
Fees and commission income	67.1	68.2	64.9	70.4	74.5
Operating expenses	-124.0	-136.0	-153.3	-161.6	-165.6
Profit for the year before tax	96.2	78.6	206.3	186.8	164.5
of which corporate customers	76.1	86.7	88.9	77.0	64.6
of which retail customers	4.2	12.1	46.1	41.3	31.5
of which financial markets	43.4	0.0	84.2	80.9	81.4
of which other	-27.6	-20.7	-12.9	-12.5	-13.1
Net profit after tax	83.3	63.6	179.1	163.2	147.0

Balance sheet figures, EUR mn

Total assets	10,602.5	10,533.0	10,673.1	11,072.3	11,150.8
Loans and advances to customers	6,958.6	7,175.3	7,411.7	7,441.4	7,543.1
Primary funds	8,116.0	7,872.1	7,832.3	8,077.4	8,507.7
thereof savings deposits	1,351.2	1,258.9	922.5	800.3	700.9
thereof debt securities issued incl. subordinated debt	973.5	1,048.3	1,087.8	1,143.1	1,459.3
Shareholders' equity	1,480.0	1,543.8	1,768.8	1,924.3	2,062.7
Customer funds under management	21,222.8	19,397.2	19,952.5	21,141.4	23,320.2
thereof on custody accounts	13,106.9	11,525.1	12,120.3	13,064.2	14,812.5

Own funds pursuant to CRR, EUR mn

Total risk exposure amount (TREA)	5,980.1	6,213.5	6,664.3	6,695.3	7,196.4
Own funds	1,009.2	1,058.1	1,189.5	1,296.6	1,390.5
thereof common equity Tier 1 capital (CET1)	734.9	778.3	907.5	1,007.3	1,079.2
thereof Tier 1 capital (CET1 and AT1)	800.1	843.4	972.7	1,072.4	1,144.4
Common equity Tier 1 ratio (CET 1), %	12.3	12.5	13.6	15.0	15.0
Tier 1 capital ratio, %	13.4	13.6	14.6	16.0	15.9
Total capital ratio, %	16.9	17.0	17.9	19.4	19.3

Key performance ratios, %

RoE before tax	6.8	5.2	12.5	10.1	8.3
RoE after tax	5.9	4.2	10.8	8.8	7.4
RoA before tax	0.9	0.7	1.9	1.7	1.5
RoA after tax	0.8	0.6	1.7	1.5	1.3
Cost/income ratio	50.2	54.7	38.7	41.3	44.2
Risk/earnings ratio	23.3	16.5	15.4	16.6	18.5
Risk costs, bps	49.1	36.7	20.8	44.3	48.0
NPL ratio	2.2	2.1	2.9	3.2	3.5
Leverage ratio	8.4	7.9	9.1	9.7	10.3
LCR ratio	208.9	190.4	223.2	213.5	214.0
Net stable funding ratio	122.9	118.7	123.3	121.6	128.2

Resources

Average headcount	986	986	994	1,008	1,032
Number of branches	64	64	64	63	63

BKS Bank share

Shares in issue, millions ¹	42.2	42.3	45.6	45.7	45.7
Highest price, EUR	16.7	15.9	16.6	16.5	18.4
Lowest price, EUR	11.3	13.2	12.5	14.4	14.9
Closing price, EUR	15.3	14.0	16.3	15.9	18.4
Market capitalization, EUR mn ¹	657.0	601.2	746.6	728.3	842.8
Earnings per share, EUR	1.91	1.44	3.98	3.51	3.15
Dividend per share, EUR ²	0.23	0.25	0.35	0.40	0.50
Dividend yield, % ^{1,2}	1.5	1.8	2.1	2.5	2.7
Price-Book ratio ¹	0.46	0.41	0.44	0.39	0.42

¹ As of year-end

² 2025: As proposed by the Management Board and Supervisory Board, subject to resolution by the 2026 Annual General Meeting

Who is BKS Bank?

Independent and stock-listed

Total assets ~EUR 11bn, market capitalization ~EUR 800mn

Regional and international

Based in Austria – presence in Slovenia, Croatia, Slovakia and Serbia

Personal and digital

63 bank branches – fully digital product range

Sustainable and social

Pioneer in green products – top ESG position

Corporate and private

Premium banking service provider for ~28k corporations and ~167k retail clients

Core regions of BKS Bank

- Headquarter
- Regional Head Offices
- Leasing Companies

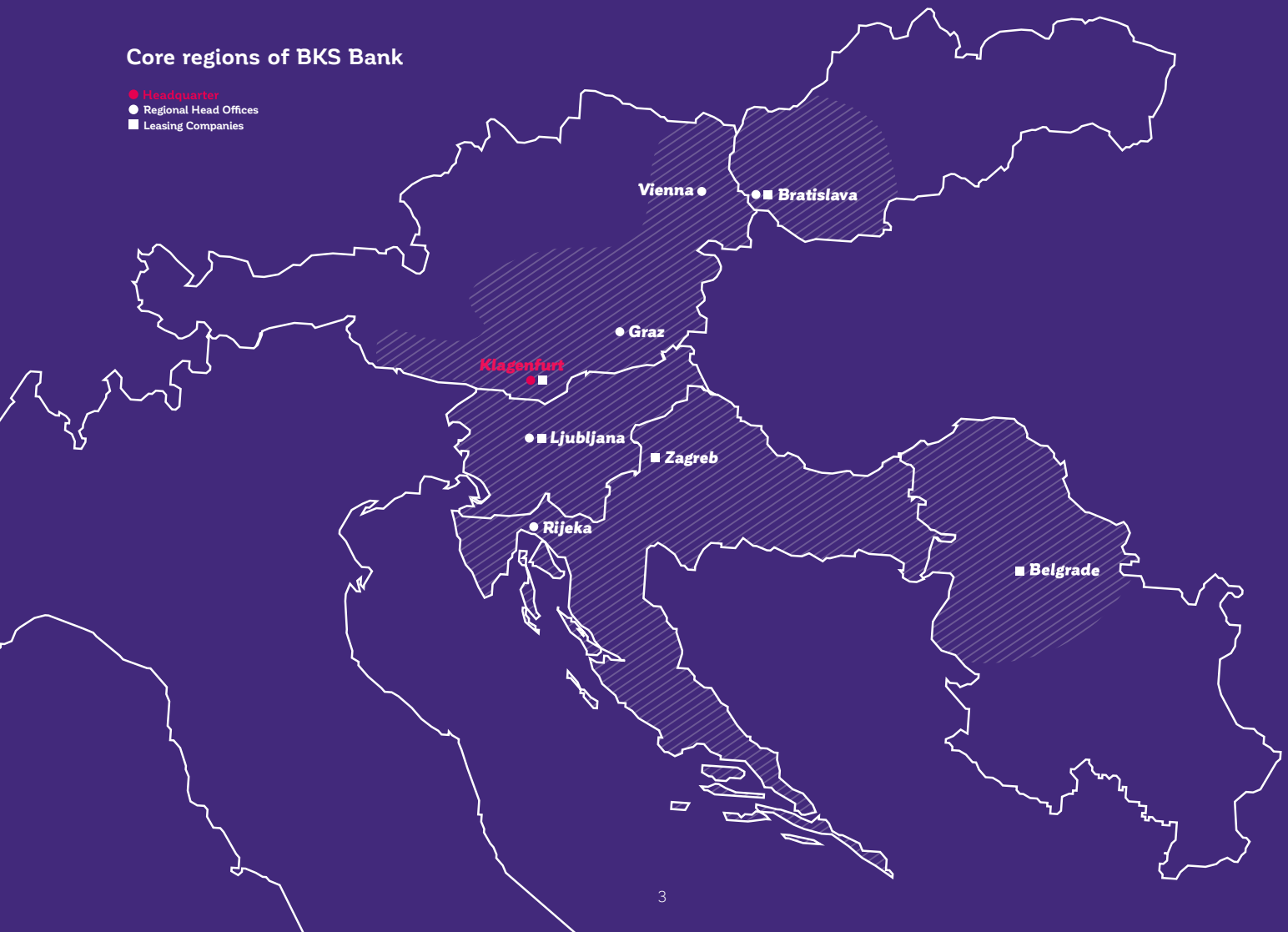


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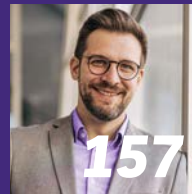


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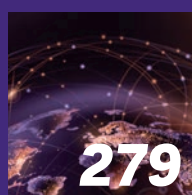
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Reliability

*Perspectives
Require Reliability.*

**BKS Bank
at a Glance**

Visi



LCR
214%

CET1
15,0%



**Brand
excellence
and employer
branding**

Customer satisfaction
95%



**Markets and
target groups**

New loans
+39%
for retail customers

One of the leading
securities traders in
Slovenia

What We Are Proud of



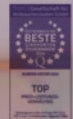
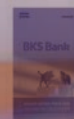
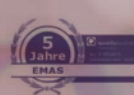
Our corporate strategy focused on sustainable growth continued to prove its worth in the financial year 2025. We deliver consistent results, have a strong capital base, and inspire our customers. We are ranked among the best in our industry when it comes to sustainability. We are very proud of these achievements.



Qua

**Winner of VÖNIX award for 10th consecutive
year**

**Name
sustaina**





on and Mission

Risk Management

RER
18,5%

MREL
34,4%

NPL
3,5%



Digital
transformation

64%

digital retail customers

New website boosts
online applications



Performance
and profitability

Securities commission

+11,2%

Share price

+17,2%

CIR

44,2%



Shareholders'
equity and
capital market

Shareholders' equity

>EUR 2bn

First-time
placement of
Senior Preferred bond

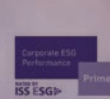
Quality and Sustainability

ranked by Börsianer as Austria's most
reliable bank for 6th consecutive year

Sustainable financing

+12,9%
for corporate customers

Awards



Dear Readers,

Given the challenging environment, BKS Bank achieved very respectable results in 2025. This is very encouraging in an environment characterized by significantly lower key interest rates, higher tax obligations and subdued investing activities in the domestic market of Austria.

BKS Bank's performance once again underlines the strategic importance of a well-balanced business model such as the one we pursue. Income from interest, commission, and profit/loss accounted for using the equity method complement each other well and are therefore an important stabilizing factor for the bank's profitability.

However, what really sets us apart, especially in these turbulent times, are our personal customer relationships based on trust that often span generations. They are BKS Bank's real asset, ensuring stability in the face of advancing digitalization.

Financing on the rise, interest margins stable

Over the course of 2025, key interest rates were cut in four stages by a total of one percentage point. Thanks to our consistent management of interest rates and terms, we were still able to maintain our margins at a good level.

Contrary to the prevailing "wait-and-see" approach to investment, we were able to increase new lending by a substantial 8.7%. This is where our close customer relationships came into play, making us the financing partner of choice due to our targeted approach.

Risk provisions stable year-on-year, slightly higher in long-term comparison

The difficult economic situation in Austria in recent years has also had an impact on the balance sheets of some of our corporate customers. Our risk provisions are therefore slightly higher than the long-term average. Compared with the previous

year, they are more or less at the same level, enabling us to abide by our commitment to consistent, forward-looking and value-preserving management of our non-performing loans. This ultimately benefits you, our customers and shareholders.

Solid commission growth thanks to cutting-edge products and digital services

We are very satisfied with the performance of our commission business. All commission segments have brought us growth above the long-term average. Positive sentiment among investors on the capital markets has contributed to a further increase in demand for securities.

We were able to capitalize on this trend with attractive products such as Start Depot, a securities account exclusively available on the Austrian market that caters to the needs of young people, our brokerage services and fund solutions tailored to current market conditions.

Income from lending and payment transactions also recorded healthy growth rates. Our terms policy and new lending have paid off here.

Debut on the bond market – BKS Bank issues its first senior preferred bond

Last June, BKS Bank broke new ground in the capital market with its first-ever placement of a senior preferred bond with a volume of EUR 250mn. The order book was significantly oversubscribed. The high demand is strong evidence of BKS Bank's excellent reputation and the trust that Austrian and international investors place in us.

Key factors for this success were the strong year-end results in 2024 and the first-class BBB+ investment grade rating with a "stable" outlook published by Standard & Poor's. The net proceeds of

the placement put us in a very comfortable liquidity position and facilitate capital expenditure to drive future earnings growth.

We have also stepped up our efforts to consolidate and scale up BKS Bank's presence on the capital markets. To this end, we have expanded our investor relations team and continued to refine and develop BKS Bank's investor presentations. The aim is to engage in a regular dialog with our current and potential investors and to establish BKS Bank as an attractive, long-term and reliable investment destination.

Top-quality advice can also be delivered digitally

We are committed to providing first-rate advice on all financial matters, either in person or virtually, with the same high quality. We are confident that we can also expand and maintain our close customer relationships digitally.

We are therefore investing heavily in our range of digital services. An important step in this direction was the launch of our new website, which went live halfway through the year.

Our vision for a sustainable and fair future

We consider it our fundamental duty to actively participate in creating a sustainable and livable future. For many years, we have been dedicated to developing innovative financial products that are not only economically attractive, but also make a significant contribution to promoting sustainability.

Our vision is to use these products to create a world in which economic success and environmental responsibility go hand in hand. We strive to bring about positive change through our efforts and to secure a fair, environmentally-friendly future for generations to come.

This has earned us a great deal of recognition in the past. Of the many awards received again in 2025, I would like to mention the "Most Sustainable Bank in Austria" award from Börsianer-Magazin.

BKS Bank is by your side

The current economic situation is forcing many of us to rethink established models, whether as businesses or private individuals. Wherever your plans take you, BKS Bank is by your side as a reliable partner.

I am confident that together with our customers and partners, we will successfully overcome the current challenges. The new Koralm Tunnel will open up many new opportunities, especially in two of our core regions, Carinthia and Styria, and we must take advantage of these.

Finally, I would like to express my thanks to our employees whose day-to-day dedication and commitment make BKS Bank the first-rate institution that it is.

Warmest regards,



Nikolaus Juhász,
Chairman of the Management Board

Report by the Chairwoman of the Supervisory Board



Ladies and Gentlemen,

2025 was a year full of twists and turns, both economically and politically, but BKS Bank's results were very impressive. It is truly remarkable how the bank's management managed to maintain high profits despite falling interest rates and the economic downturn, and even to expand our lending.

Despite the impact of the Basel IV rules on own funds requirements introduced at the beginning of last year, BKS Bank has been able to further strengthen its capital base over the past two years.

In line with BKS Bank's dividend policy, the Management Board will propose a dividend of EUR 0.50 per share to the Annual General Meeting on May 8.

On the right track

BKS Bank remains committed to its organic growth trajectory. Its range of services is the result of a prudent combination of close customer proximity, a high level of expertise, pioneering sustainable product design and leading digital technology. This combination builds stronger customer loyalty and makes it easier to address new customer groups, and is one of the reasons why BKS Bank is so successful.

I also welcome the bank's new approaches to further development. Its first-ever issue of a senior preferred bond and a stronger presence on the capital

markets, including internationally, have set the course going forward. The restructuring of the sales organization and alignment of management processes are important steps for maintaining the bank's competitiveness.

The greater focus on the needs of Gen Z with new concepts and increased sales of investment products prove that the management of BKS Bank knows how to make the most of current social and economic trends to the benefit of BKS Bank.

Changes on the Management Board

I was very sorry to learn of Claudia Höller's departure from the Management Board of BKS Bank. During the period of over two years in her dual role as CFO and CRO, Claudia launched a number of important initiatives. She worked tirelessly and very successfully to further strengthen the bank's solid, long-term growth base. She will be taking on new responsibilities where she lives in Tyrol and I wish her all the best.

I am delighted that we were able to recruit a highly qualified and committed professional in Clemens Bousquet to BKS Bank in November. Clemens Bousquet brings many years of banking experience to the 3 Banken Group and can therefore contribute new perspectives. I wish him every success in his new role.

Last year, I announced the end of Alexander Novak's term of office and the appointment of Renata Maurer Nikolić to the Management Board.

The Management Board provided the Supervisory Board with timely and comprehensive information at four Supervisory Board meetings. I have been in regular contact with the Chairman of the Management Board and have discussed and analyzed business performance, risk management and strategy, among other topics. The Supervisory Board has therefore been involved in all decisions that were significant for BKS Bank. This enabled us to comprehensively perform the duties incumbent upon us under the law, the Articles of Association and the Corporate Governance Code, and to satisfy ourselves that the company was managed in a proper manner.

Audit of financial statements

The annual financial statements (consisting of balance sheet, income statement and notes) and management report as well as the consolidated financial statements and Group management report for the financial year 2025 of BKS Bank AG were audited by Deloitte Audit Wirtschaftsprüfungs GmbH and received an unqualified audit certificate.

The following topics were identified as key audit matters in the audit of the annual financial statements for 2025, and the associated risk and audit approach were set out in detail in the audit opinion.

- Loans and advances to customers

Representatives of the auditor attended the meetings of the Audit Committee and the Supervisory Board at which the annual financial statements were discussed and provided explanations on the audits performed. After conducting its own review, the Supervisory Board concurred with the findings of these audits and approved the Management Board's proposal regarding the appropriation of profits for the financial year 2025.

The annual financial statements were approved by the Supervisory Board and are therefore deemed to have been approved pursuant to section 96 (4) of the Austrian Stock Corporation Act (AktG). The management report, consolidated financial statements, the Group management report including the sustainability statement, the annual risk report and the corporate governance report were also reviewed by the Supervisory Board and approved on the basis of the audit reports presented to the Supervisory Board.

Once again, I would like to express my sincere thanks to everyone for their loyalty to BKS Bank, its business success and vision. You have set yourself ambitious goals – I wish you all every success in achieving them.

Klagenfurt am Wörthersee, March 2026



Sabine Umik
Chairwoman of the Supervisory Board

BKS Bank at a Glance

Independent universal bank in the premium segment

BKS Bank is an independent, listed universal bank in the premium segment headquartered in Klagenfurt. We service almost 200,000 retail and corporate customers, operate 63 branches, and, as of year-end 2025, employed 1,146 people in Austria and abroad. As an issuer, BKS Bank has an investment grade rating of BBB+ from S&P Global.

Regional roots, strong partnerships

We are based in southern and eastern Austria. Together with our two sister banks Oberbank and BTV Vier Länder Bank, we form the 3 Banken Group. As a group, we cover banking operations in 10 European countries. We also have partnerships with Generali Versicherung and start:bausparkasse.

Our most important international market is Slovenia, where we are a market leader in the securities business. We are also active in Croatia, Slovakia and Serbia.

A diversified customer base

In our corporate customer business, we focus on industry and commerce, freelancers, commercial residential construction and the public sector. Around 30,000 corporate customers benefit from our expertise. BKS Bank is a premium provider for our approximately 170,000 retail customers, whether on our online portal or with individual advice in-branch.

Comprehensive range of top quality products

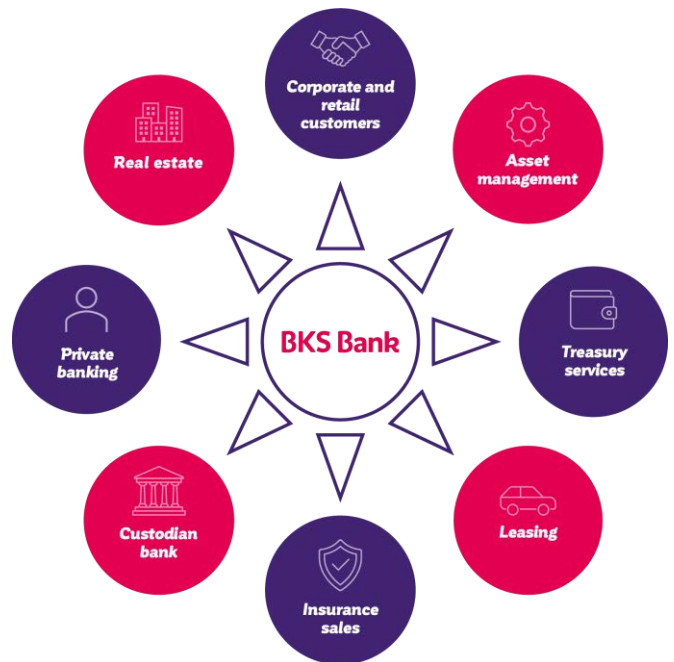
BKS Bank offers individual financing solutions, high-quality investment advice

and modern payment services. We offer a sustainable alternative in each of these product segments. All banking transactions are also available digitally.

We promote holistic customer care. We offer services specifically for our corporate customers in the areas of interest rate and currency management, international documentary business, advisory services for subsidy schemes and fiduciary services for OeKB and aws. Our retail customers also benefit from our wide range of customized financing solutions. These solutions also include special leasing, insurance and home purchase savings products.

In terms of investment, brokerage and asset management are two key pillars of our identity as a premium provider, alongside the traditional securities investment business.

Services offered by BKS Bank



Our roots as a bank for Carinthian entrepreneurs

Founded in 1922, BKS Bank originally focused on trade and industry in Carinthia. After entering into our long-standing partnership with Oberbank and BTB in the 1950s, we began applying our expertise to the retail customer sector in the 1960s. In the 1980s, BKS Bank expanded into eastern Austria, and in the 1990s, it expanded abroad for the first time. BKS Bank has been listed on the Vienna Stock Exchange since 1986.

BKS Bank brand values

Sincere We ensure close interpersonal relationships and interact as equals: with appreciation and empathy.

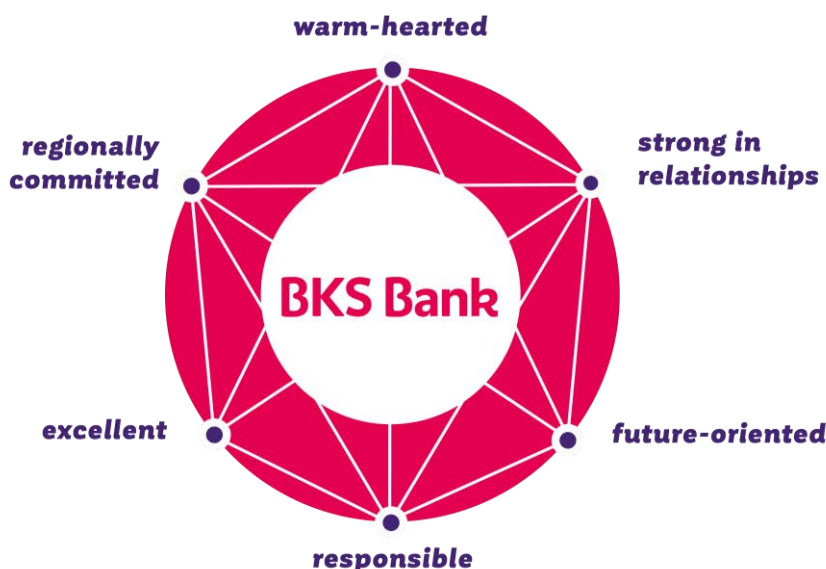
Well-connected We develop our employees, customers and partners into true aficionados and build a value-adding network.

Forward-looking We stay curious – we recognize trends that suit us early on, and use them proactively, without losing sight of what matters.

Responsible We are a flagship and an ambassador for social responsibility. We work towards and invest in healthy, long-term growth.

Accomplished We only take on what we are truly capable of, but we do it better than our competition and exceed our customers' expectations.

Regionally connected We proudly honor our roots, work collaboratively across regions, and make a tangible contribution at local level.



Our Strategy

BKS Bank responds to the increasingly intense competition among financial institutions by consistently focusing on its customers and its range of innovative, sustainable and smart digital financial services. Economically independent and guided by entrepreneurial foresight, we aim to grow organically in the medium term into one of Austria's ten largest banks through the dedication of our employees.

Sustainability and quality

Sustainability is the logical consequence of a sense of responsibility that underpins everything we do

For us, our sense of responsibility means acting in a way that promotes the development of society in our region over the long term. This mindset has given rise to the principle of sustainability, which has long been at the heart of BKS Bank's business activities.

In line with this, in our projects we focus on using resources and technologies sparingly, minimizing climate-damaging emissions, creating and safeguarding training and family-friendly workplaces, and supporting the most vulnerable members of our society.

Our particular focus on sustainable banking products is a key element of our product strategy. It allows us to pursue a decarbonization pathway consistent with the 1.5°C target of the Paris Agreement.

We strive to deliver only the highest quality – both in person and digitally

We are the bank that better understands the individual needs of its customers. Our unique combination of excellent advice and state-of-the-art digital solutions sets us apart as the partner of choice for discerning customers.

We believe that we can only live up to this claim if we maintain and nurture close and trusting relationships with our customers. It is particularly important to us that we are able to offer customized solutions across all communication channels.

Hence, we constantly invest in the quality of our services, in both the physical and virtual worlds. In the former, we ensure that our employees' expertise in providing professional advice and the equipment in our branches turn our brand values into real experiences. In the virtual world, our top priority is to consistently develop our digital services to keep them at the cutting edge of technological development.

We regularly test the effectiveness of our efforts using standardized customer satisfaction surveys. Our customers' willingness to recommend us to others, for example, shows us how well we meet their needs and aspirations.

Our strategic areas of action

Brand excellence and employer branding

The BKS Bank brand stands out

Today's highly competitive market requires a strong brand that stands out from the crowd. It should be easy to recognize, provide orientation and allow people to identify with it. The BKS Bank brand meets these requirements, as confirmed on a regular basis by relevant studies.

Our goal is to continue maintaining our excellent brand image. It should reflect the high level of satisfaction among our customers and the strong identification of our employees with BKS Bank, both in internal and external communications. We can only achieve this if we constantly reflect on the brand values of BKS Bank.

Employer branding makes BKS Bank a magnet for talent

Employer branding reflects the positioning of the BKS Bank brand on the job market. Our aim is to attract top talent and turn them into committed members of our team.

This starts with the design of our public image, a new website and an expanded presence on social media. Trainee programs and the opportunity to be recommended by employees are designed, among other things, to facilitate entry to our company.

We also want our young talent to opt to stay with BKS Bank in the longer term. In order to ensure the optimum compatibility of their professional and personal goals, we respond to their individual life situations in a variety of ways. These include a needs-based remote work policy and development programs for the next generation of management.

Markets and target groups

Standard range of services in all markets

Our range of services is available to our customers in all of our markets in the same consistent high quality, both in person and digitally. By aligning the internal control processes for our foreign branches and leasing companies with those in Austria, we have established an important prerequisite for this.

With this in mind, we are constantly working in all regions to attract new customers, increase our market share and develop new lines of business. By doing so, we aim to further increase diversification and therefore spread risk across the markets.

Consistent development of new customer groups

In order to further advance the organic expansion of our customer base, we are placing greater emphasis on acquiring non-profit housing associations and SMEs in the corporate customer segment. Our reputation for offering the broadest range of products and the best expertise in terms of advice speaks for itself.

In the retail customer segment, we are increasingly positioning ourselves among young customers under the age of 30. The actions we have taken include the revamping of the BKS Bank website and social media presence, and special products such as the Start Depot account – a securities deposit account that is exclusive to the Austrian market and can be opened online by young adults up to the age of 27 with no fee.¹

Digital transformation

The key to satisfied customers and efficient processes

We view digitalization as a major opportunity, and it therefore forms an integral part of our strategy. By providing virtual advice services, we increase the customer benefit of our products significantly. We use state-of-the-art technologies to ensure that our products are safe, efficient and extremely user-friendly.

Digitalization also helps keep operating expenses at an optimum level. We monitor further technological developments closely, for example in connection with the use of artificial intelligence.

Having a premium digital offering that appeals to digital natives is becoming an increasingly important competitive factor for banks like BKS Bank. Given the fact that the banking market is becoming more and more competitive, we see digitalization

¹ Excluding certain third-party expenses

as one of the most important drivers of BKS Bank's organic growth.

Performance and profitability

A commitment to competitive profitability

As a listed bank, we have an obligation to our investors to ensure a competitive return on their invested capital. To achieve this, we need to generate sufficient distributable profit.

The accurate monitoring of cost trends is of paramount importance – not just in periods of high inflation – and is why we focus on projects aimed at increasing efficiency and optimizing costs. By standardizing processes and standards across all of our markets, for example, we create synergies that increase both customer value and internal productivity.

Reorganization to further increase sales performance

In addition to digitalization, we are launching a series of initiatives to further boost our sales performance. An important step in this direction is the establishment of a matrix organization structured according to customer segments and markets. We are also working on improving the performance of BKS Bank branches through intensified sales coaching.

Shareholders' equity and capital market

Strong shareholders' equity ensures resilience and opens up new prospects

We make sure we have a solid shareholders' equity base in order to safeguard our independence and exploit our growth opportunities. This is one of our top strategic priorities.

We will achieve the further consolidation of shareholders' equity that is required to

realize our growth plans by retaining profit, placing any subordinated debt and constantly optimizing our risk-weighted assets. We are also working on further optimizing our regulatory capital items deducted.

Stepping up dialog with the capital markets

The growth of BKS Bank in recent years has also increased the bank's refinancing requirements. Moreover, investor interest in our securities has increased. We are therefore continuing to step up our dialog with the capital markets, both for shares and bonds. This also includes the partial redesign of our financial communication.

On the shares side, our goal is to make the yield on the BKS share more attractive and thus increase its value. A consistently growing dividend and more intensive share trading activity are just two of the factors we intend to leverage in order to achieve this.

We will continue to diversify our refinancing structure, including internationally, through regular placements on the international bond market. We are consistently continuing along the path we have already followed successfully to date of issuing sustainable bonds (in particular green and social bonds).

Risk management

Effective risk management as a strategic guarantee of success

A key feature of our business activities is controlled risk-taking characterized by the principle that we only take risks that we can manage on our own. In this context, it is essential that we identify all relevant banking and operational risks at an early stage and manage and limit them through effective risk control.

The fundamental principles of our risk management include

- the principle of only taking risks that we understand
- maximizing the diversification of our business activities across sectors and geographic markets
- the active management of our non-performing loans
- a product portfolio designed for maximum sustainability
- first-class employee training
- ensuring state-of-the-art cyber security

Vision and mission

Our vision is “Sustainable and profitable banking for a future worth living”. We are confident that the unique way in which we pursue this goal will bring us above-average organic growth. This is how we intend to fulfill our mission of becoming one of Austria’s ten largest banks.

A selection of BKS Bank’s strategic goals

Category	Target by 2029	FY25
Growth	Lending growth >4% p.a.	+1.4%
	Fees and commissions >7% p.a.	+5.8%
Capital strength	Common Equity Tier 1 (CET1) >15%	15.0% ¹
Profitability	Cost/income ratio <50%	44.2%
	RoE before tax >9%	8.3% ¹
Dividends	Growth in dividend per share >0% p.a.	25% ²
Sustainability	Climate-neutral by 2050 – for business processes and products ³	
Market position	Organically work our way up to become one of the ten largest banks in Austria	

¹ As of year-end

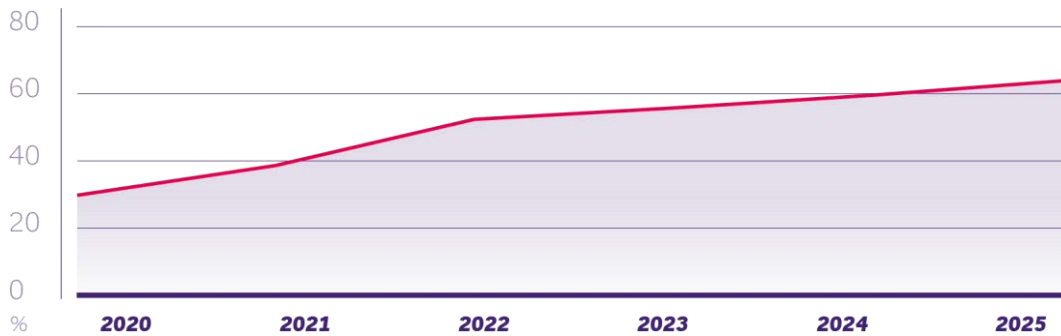
² 2025: As proposed by the Management Board and Supervisory Board, subject to resolution by the 2026 Annual General Meeting.

³ See sustainability statement for details.

Digitalization

BKS Bank customers receive a first-class service. Regardless of whether in person at a branch or in the digital world. This is not just one of the central principles of our identity as a hybrid universal bank, it is also one of our most important growth drivers.

Proportion of digital retail customers



Most of our retail customers are digital customers

For over 15 years, we have been consistently investing in the development of digital banking as an integral part of the range of services we offer. We have now established a contemporary digital offering. In 2025, over 60% of our retail customers used our digital services. This figure has more than doubled in the past five years.

- The relaunch of our website made our online presence noticeably more attractive in all of our markets. Use of the latest technology has significantly reduced access times. Immediately after the launch, we saw a substantial increase in visits and online applications as a direct result.
- Performance Pro, which provides a professional overview of individual assets and their performance, has been available to our private banking customers for several months now.
- BKS Bank combines digitalization and sustainability in its new Mein Geld Konto Nachhaltig Plus account, which customers can open in just a few clicks in the app.
- With GooglePay®, BKS Bank offers another mobile payment method.

A number of projects were completed in 2025

In order to keep our range of services at the cutting edge of technological development, we are consistently pursuing our digitalization efforts in both the retail and corporate customer segments. Our goal is to provide our customers with a reliable, user-friendly and modern digital banking experience. We were once again able to deliver on a number of initiatives and projects in this context in 2025:

- BKS Bank offers its customers state-of-the-art, web-based payment services with the highest security standards through the new corporate banking platform BizzNet Pro and the associated app.

Digital application process for corporate customers completely revamped

We have improved and expanded digital functionalities for our corporate customers on a completely revamped portal. Now, corporate customers can quickly and easily obtain digital loan offers, process applications in real time together with BKS Bank advisers and upload documents quickly and securely.

This puts BKS Bank at the forefront of digital corporate banking in Austria.

We have also made improvements for our retail customers. We were among the first banks in Austria to introduce ID Austria as an additional signature and authentication procedure. New customers can now open an account in three minutes – securely, legally compliant and with maximum convenience.

We have big plans again for the upcoming year

In 2026, we will continue our project to comprehensively modernize our internet banking, including our customer portal and app. By 2027, we want to create a fully accessible, scalable platform for retail customers that meets strict standards for convenience, security and digital accessibility.

Going forward, we plan to use our digital tools in even more diverse ways. One example is the efficient support of sales activities with customized products. Using intelligent analysis of customer behavior, we want to be able to contact our customers automatically at the optimal time with relevant offers, provided they have given their consent.

Digitalization is a key growth factor for us

Last but not least, our digitalization efforts serve to make BKS Bank's services attractive to digital natives. An outstanding range of products in the virtual space is emerging as a key competitive advantage. In an increasingly competitive banking market, we therefore view digitalization as one of the most important drivers of BKS Bank's organic growth.

We collaborate with innovation hubs such as weXelerate GmbH, a corporate network dedicated to promoting innovation, to gain early access to the latest technological developments. In addition, we are involved in initiatives such as "Digital Austria", a government initiative to support digital transformation in Austria. We also keep abreast of the latest regulatory developments.

Security is our number one priority

Our ongoing efforts to remain at the forefront of technology in our digital business are not only for the sake of user-friendliness and efficiency. The security of our systems is paramount. The latest safety standards are therefore a high priority as we invest in the ongoing development of our programs.

BKS Bank on the Capital Market

Strong global stock market environment

2025 was a good year for the international stock market. Despite US tariff announcements causing a slump in April, the Dow Jones and S&P 500 benchmark indices were up by double digits in dollar terms at the end of the year. The European market fared even better as evidenced, for example, by the 21% performance of the STOXX 600.

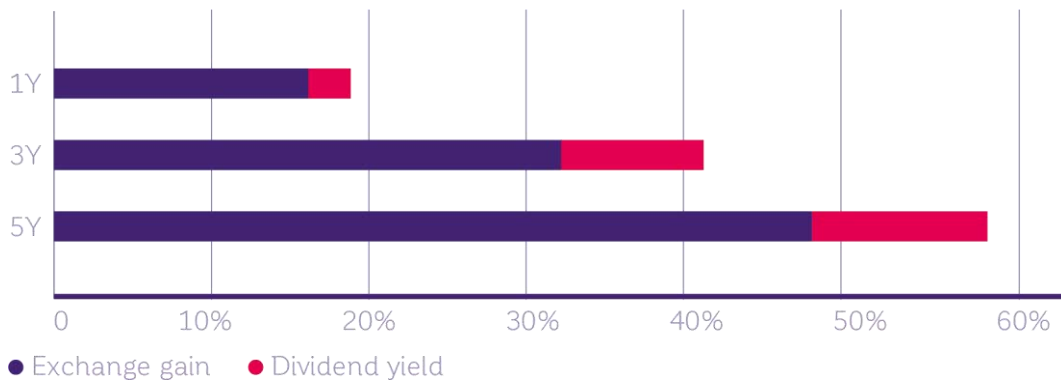
Against this backdrop, the European banking sector was one of the top performers. The sector indices, both the

STOXX and FTSEurofirst, each gained more than half during the reporting period.

BKS share continues to rise

The BKS Bank share performed well once again in 2025: Including dividends, the shareholder yield was over 18%. The yields look even better over longer holding periods: A EUR 100 investment in BKS shares at the end of 2020 was worth around EUR 163 in the depository account at the end of 2025 thanks to share price increases and dividends.

Shareholder yield on BKS shares



Source: Bloomberg

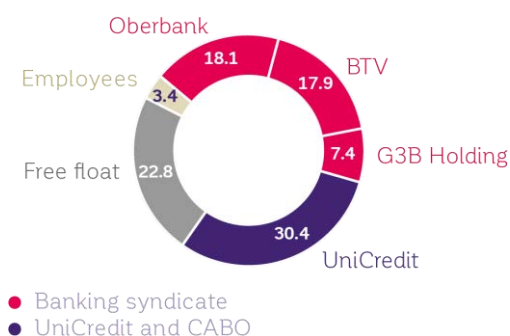
Proposed dividend up 25% on previous year

In line with our dividend policy, we aim to pay a dividend per share that is at least at the same level as the previous year or higher in order to provide our shareholders with an appropriate return.

The 86th Annual General Meeting, held on May 15, 2025, resolved to pay a dividend of EUR 0.40 per share for the financial year 2024. This was paid on May 23, 2025. For the financial year 2025, management will propose a dividend of EUR 0.50 per share to the Annual General Meeting, representing an increase of 25% compared to the previous year.

Shareholder structure of BKS Bank

The shareholder structure of BKS Bank is as follows:



The capital stock of BKS Bank was EUR 91,611,520 and consists entirely of 45,805,760 ordinary shares. At the end of the year, the bank held 92,276 treasury shares, representing 0.2% of all shares. We follow the principle of “one share, one vote”, which means that no share carries special rights.

The shares are listed in the standard market auction segment of the Vienna Stock Exchange. In 2025, the average daily trading volume was 2,657 shares. The market capitalization at the end of the year was EUR 842.8mn.

A syndicate agreement is in place between the core shareholders Oberbank, BTV and G3B Holding that provides for joint conduct under corporate law and restrictions on the transfer of shares held.

UniCredit holds an interest in BKS Bank, both directly and indirectly through CABO. The majority of the free float is held by private shareholders domiciled in Austria.

Employee shareholding scheme

We see the participation of BKS Bank employees in the company’s success as an expression of our appreciation for their long-term commitment. BKS Bank allocated a total of EUR 3.7mn to the employee funds it set up during the reporting year. In addition, a total of 9,047 BKS Bank shares were allocated from the

employee shareholding scheme as part of the variable remuneration of the Management Board.

Standard & Poor’s confirms first-class rating

Standard & Poor’s last confirmed BKS Bank’s issuer rating of BBB+ with a stable outlook in March 2025. The rating agency has given our mortgage-secured cover pool an AAA rating, also with a stable outlook. In its statement of reasons, Standard & Poor’s particularly highlights the solid capital base and extensive loss coverage.

Our stated goal is to maintain BKS Bank’s rating in the first-class investment grade range in the long term.

Debut on the bond market – BKS Bank issues its first senior preferred bond

In June 2025, we broke new ground with our first-ever placement of a EUR 250mn senior preferred bond. The order book was significantly oversubscribed. The high demand is strong evidence of BKS Bank’s excellent reputation and the trust that Austrian and international investors place in us.

Strong interest in sustainable bonds supports long-term refinancing

We have also placed a total of more than EUR 191mn. This enables us to meet regulatory liquidity requirements and facilitates capital expenditure to drive future earnings growth.

Due to high demand, we have structured a growing proportion of these securities as green and social bonds. We are delighted that we have been able to promote our environmental and social projects within the Sustainable Finance Framework. This further consolidates BKS Bank’s position as a trailblazer in sustainable banking.

Our commitment to sustainability enjoys wide-ranging recognition

Sustainable and responsible business practices have long been a central element of BKS Bank's business strategy. Our Prime Status and C+ rating from ESG rating agency ISS ESG place us among the international leaders in our industry.

Our approach to banking is also well-received on the stock market. The Vienna Stock Exchange has again confirmed our membership of VÖNIX, the exclusive sustainability index, which we have held since 2016. It also awarded BKS Bank its VÖNIX Sustainability Award in the Financials category for the fourth time in a row. At the end of 2025, we were once again named Austria's most sustainable bank by Börsianer Magazin.

BKS Bank is stepping up its financial communication

In order to meet growing investor interest in BKS Bank shares and bonds, the bank filled the position of Investor Relations Manager for the first time in early 2025. The aim is to ensure maximum

transparency regarding the course of business and yield potential through ongoing active communication with shareholders and investors.

Although our activities in this regard are currently in the early stages, we have already launched a number of initiatives that have enabled us to boost BKS Bank's presence as an issuer on the capital market. In a triple debut,

- BKS Bank participated for the first time in Europe's largest conference for bond investors, the ECBC in Seville,
- made its first appearance with its own stand at the Gewinn trade show in Vienna, targeting private investors, and
- showcased itself to German institutional investors for the first time at Germany's largest investor conference for small and medium-sized enterprises, the MKK in Munich.

This resulted in over 150 individual investor meetings, both in person and online, over the course of 2025. We will continue to maintain close contact with the various participants in the capital market and look forward to this dialog.

Key share figures at a glance

	FY21	FY22	FY23	FY24	FY25
Shares in issue, millions ¹	42.2	42.3	45.6	45.7	45.7
Average number of shares in circulation, millions	42.1	42.2	44.3	45.7	45.7
Market capitalization, EUR mn ¹	657.0	601.2	746.6	728.3	842.8
Volume traded, EUR mn	8.0	6.3	14.2	13.8	20.4
Highest price, EUR	16.7	15.9	16.6	16.5	18.4
Lowest price, EUR	11.3	13.2	12.5	14.4	14.9
Closing price, EUR	15.3	14.0	16.3	15.9	18.4
Earnings per share, EUR	1.91	1.44	3.98	3.51	3.15
Share price/earnings ratio ¹	8.0	9.7	4.1	4.5	5.8
Book value per share, EUR ¹	32.95	34.43	37.19	40.59	43.61
Price-Book ratio ¹	0.46	0.41	0.44	0.39	0.42
Dividend per share, EUR ²	0.23	0.25	0.35	0.40	0.50
Payout ratio, % ²	12.1	17.4	8.8	11.4	15.9
Dividend yield, % ^{1, 2}	1.5	1.8	2.1	2.5	2.7
Shareholder yield, % ^{1, 2}	24.2	-6.9	18.9	0.0	18.9

¹ As of year-end

² 2025: As proposed by the Management Board and Supervisory Board, subject to resolution by the 2026 Annual General Meeting



Status Quo

Detailed Analysis Provides the Basis for Real Progress.

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Group Management Report

Economic Environment

Strong economies in the USA and Asia; Austria back on positive trajectory

At 2%, economic growth in the world's largest economy, the United States, was robust in 2025. Key interest rate cuts encouraged corporate investment and consumer spending. The new tariff policy resulted in a lower import quota. Government expenditure also remained high. Forecasts for 2026 point to similar growth levels.

China's economy grew by 5% in 2025, matching the target set by the government. Analysts expect to see a slight slowdown to around 4.5% growth in 2026.

At around 1.4%, growth in the euro area was significantly weaker. Economic development in Germany and Austria remains subdued. Countries such as France, Spain and Greece are benefiting from improved sentiment in the service sector and are therefore among the positive outliers.

After two years in recession, Austria achieved slight growth of 0.5% in 2025. An improvement in GDP growth of up to 1.2% is expected in 2026. Real incomes are expected to grow again, and export prospects are also improving. Better financing conditions will likely facilitate investment. By contrast, weak productivity growth and restrictive fiscal policies aimed at curbing debt are having a dampening effect.

BKS Bank's foreign markets continue to perform above average

For the most part, economic growth outperformed the EU average in BKS Bank's foreign markets. In 2025, economic growth ranged from 2.9% in Croatia to 0.8% in Slovakia. Recovery is expected to continue in 2026, at a much stronger pace in certain cases. Increasing domestic demand due to rising wages has proven to be a consistent driver, while

negative expectations for foreign trade represent the most significant burden.

ECB keeps key interest rate stable; Fed made first cuts in 2025

Over the course of 2025, the ECB lowered key interest rates in four stages by a total of one percentage point. In 2026, we assume that the ECB will keep key interest rates at their current level, provided there are no unforeseeable crises.

In the United States, the Federal Reserve (Fed) lowered its key interest rate in three stages in 2025 by a total of 0.75% to a range of between 3.50% and 3.75%. In 2026, the market is expecting two or three additional cuts over the course of the year. Interest rates in the United States are expected to be lower following the change of leadership at the Fed.

In terms of the value of the USD against the EUR, this appointment is expected to restore confidence in the stability of the USD. Although the expected interest rate cuts point to a weaker USD, it is nevertheless supported by economic growth that is more dynamic than in the eurozone.

European stocks outperform US counterparts with weakened dollar

On the whole, 2025 was characterized by geopolitical uncertainties, trade wars and monetary policy tipping points. Despite these challenges, capital markets developed along a surprisingly positive trajectory. Investors benefited from a broadly diversified investment strategy that combined stock-market opportunities with stability in the form of bonds and alternative investments.

Overall, the stock markets performed well. Many European and emerging-market indices outperformed the American market, due in part to the weak dollar.

One of the strongest stock markets was the Austrian stock index, which rose by more than 50%. This development can largely be attributed to the banking sector, which plays a prominent role in the index.

Bonds as anchors of stability

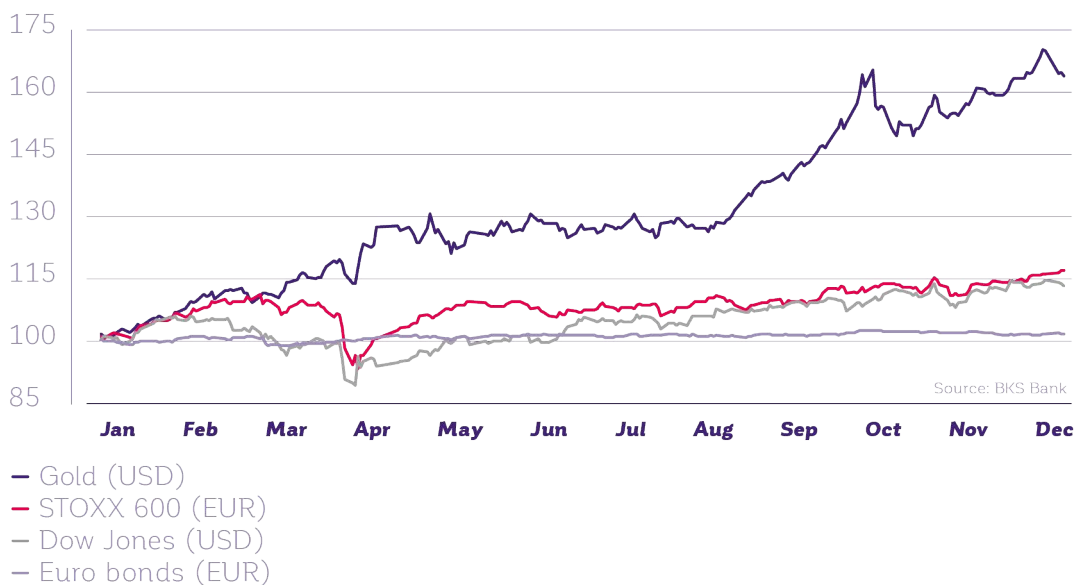
Bond valuations remained extremely stable on the whole and proved to be a reliable anchor of stability, especially during the downturn between February and April. Euro government bonds were partly impacted by rising risk premiums, especially in France, but achieved a slight gain overall. Corporate bonds performed much better largely as a result of further reductions in risk premiums, which are currently at a historically low level.

Moderate Chinese import demand dampens outlook for commodity prices

Precious metals such as gold, silver and platinum repeatedly reached new all-time highs over the course of the year and were among the top performers of 2025. A number of industrial metals such as copper, tin and aluminum also rose substantially in price. By contrast, energy commodities such as natural gas and heating oil became noticeably cheaper.

Until the end of 2026, the commodity markets will be shaped by geopolitical conflicts, moderate inflation, and erratic US trade policy. While global growth of around 3% provides a certain basis for demand, China's structural weakness is curbing demand for industrial metals in particular. On the whole, demand for commodities is expected to rise only moderately.

Indexed annual performance of some asset classes in 2025 (Dec. 31, 2024=100)



Development of the Real Estate Market

In 2025, developments in the Austrian real estate market were marked by a two-part dynamic. On the one hand, investment by commercial property developers continued to decline, and on the other, lower interest rates stimulated interest in private financing for single-family homes and freehold apartments. Nevertheless, the outlook for the Austrian real estate market still remains restrained.

Figures from the Austrian National Bank, Oesterreichische Nationalbank (OeNB), show a further decline in housing investment of over 4% in 2025. This means it is actually 20% lower than at the beginning of 2022. Austria is one of the countries in Europe that has been hardest hit by the housing crisis.

Single-family homes strong, commercial housing development still weak

Construction of single-family homes by private households is bucking this trend. After hitting historic lows in previous years, growth was seen here in 2025. Lower interest rates and higher real incomes are making loans more affordable again. Improved price prospects for residential property, the increasing number of households, and greater investment in energy efficiency are also contributing factors. By contrast, construction activity by commercial developers, which has halved since 2019, remains weak. The stricter rules on the financing of real estate ownership in recent years set out in the regulation for real estate loans (Kreditinstitute Immobilienfinanzierungsmaßnahmen-Verordnung, KIM-V) as well as declining interest in retirement and investment property have slowed demand significantly. Many private property developers are faced with the challenge of marketing a number of existing properties that have not yet been sold.

Outlook only slightly better

Industry observers anticipate only a slight recovery in housing development over the next few years. Even though the KIM-V has expired, the strict rules on the granting of loans recommended by the Financial Market Authority continue to apply. According to the Austrian Chamber of Commerce, the number of commercial property developers and real estate firms fell by 400 during the housing crisis in 2023 and 2024. Furthermore, a 1% sectoral systemic risk buffer for commercial real estate loans has been in place since July 2025. This is currently set to increase to 2% in mid-2026 and potentially to as much as 3.5% from July 2027. By taking this approach, the supervisory authority is following the recommendations of the Financial Market Stability Board as a macroprudential measure aimed at limiting systemic risks in the construction industry, including related ancillary trades and real estate and housing in Austria.

Gradual reduction of oversupply

Lower interest rates and excess demand in urban areas have led to a turnaround in new lending for private housing development. Given the persistently low level of construction activity in recent years, it can be assumed that the oversupply of existing properties in good locations will gradually be absorbed by the market and that prices will experience a moderate increase in 2026.

Earnings Performance

- Net interest income down slightly despite significant reductions in key interest rates
- Risk provisions remain high despite weak economic conditions
- Fees and commission benefit substantially from strong securities business
- Operating expenses kept within limits

in EUR mn	FY24	FY25	Change in %
Net interest income	241.6	230.2	-4.7
Loan loss provisions	-40.1	-42.6	6.2
Fees and commission	70.4	74.5	5.8
of which from payment transactions	30.3	31.4	3.5
of which from securities transactions	20.6	22.9	11.2
of which from lending operations	15.0	15.6	4.2
Profit/loss from investments accounted for using the equity method	78.9	70.9	-10.2
Operating expenses	-161.6	-165.6	2.5
of which personnel expenses	-89.4	-94.8	6.0
of which material expenses	-59.9	-58.1	-3.0
Other operating income	-0.4	-1.5	>-100
Profit/loss from financial assets	-3.0	-1.8	38.7
Profit for the year before tax	186.8	164.5	-12.0
of which corporate customers	77.0	64.6	-16.1
of which retail customers	41.3	31.5	-23.6
of which financial markets	80.9	81.4	0.7
of which other	-12.5	-13.1	5.1
Income tax	-23.6	-17.4	-26.0
Net profit after tax	163.2	147.0	-9.9
Earnings per share (EUR)	3.51	3.15	-10.3

In the reporting year, BKS Bank recorded a decrease in net profit after tax of 9.9% to a total of EUR 147.0mn, reflecting the challenges facing the banking business in the past year.

The welcome growth in the fees and commission, which underscores the strength of BKS Bank's business model, did not fully offset both the decline in net interest income and the increase in operating expenses. Together, these factors resulted had a negative impact on total comprehensive income.

Net interest income fell by 4.7% to EUR 230.2mn, largely due to the ongoing challenges in the market environment. In particular, the impact of key interest rate

cuts and intense competitive pressure on margins had a detrimental effect on the result for the year.

Nonetheless, we were able to partially offset this decline in earnings with solid investment income, highlighting the well-balanced diversification of our business activities.

At EUR -42.6mn, risk provisions remained roughly stable yet high due to an increase in the number of insolvencies. This almost exclusively affected the Bank's corporate customer business, which accounted for EUR -41.9mn of the provision.

Fees and commission are a key pillar of our business success. In the financial

year 2025, we recorded an encouraging 5.8% increase in fees and commission, bringing the figure to EUR 74.5mn. The strong year-over-year growth in earnings from the securities business, which rose by 11.2%, is particularly worthy of note in this regard. The launch of innovative and customized products made it possible for us to optimally benefit from the favorable capital market environment.

In addition, we also achieved substantial growth in payment transactions and credit commissions, both of which underscore the broad diversification and strength of our business segments. The consistent implementation of our strategic focus on personal consulting as well as the continual development of a high-quality modern digital product range made a significant contribution to these improvements.

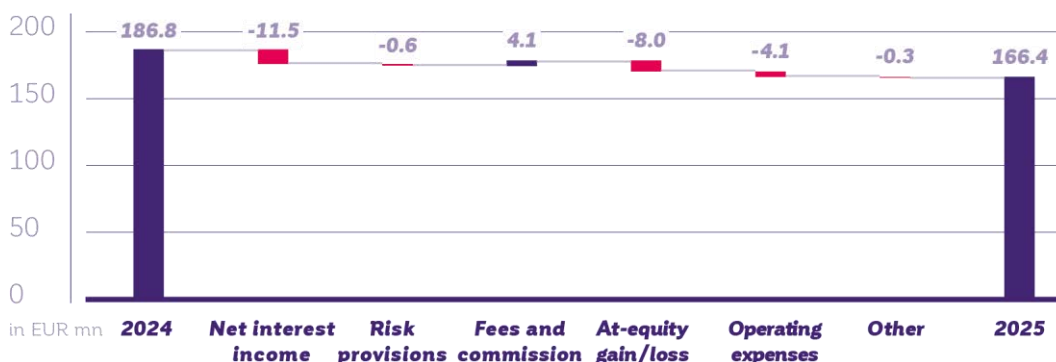
Profit from investments accounted for using the equity method fell by 10.2% to EUR 70.9mn due to the lower pro-rata profit after tax for the period from our sister banks, Oberbank and BTV Vier Länder Bank.

Operating expenses came to EUR 165.6mn, which corresponds to a moderate year-on-year increase of 2.5%. This development is due chiefly to the increase in personnel expenses, which rose by 6.0% mainly as a result of adjustments to collective bargaining agreements and contributions to employee participation programs.

By contrast, we were able to reduce other material expenses by 3.0% in the reporting year. A key reason behind this reduction was the decline in legal and consulting costs due to lower expenditure for ongoing legal proceedings.

In 2025, expenditure for our digitalization initiatives remained more or less the same as in the previous year. In 2024, the ongoing IT migration in Slovenia led to a non-recurring extraordinary increase in digitalization expenditure, which was not repeated in the reporting year. Strict cost management has enabled us to achieve this stabilization while consistently pursuing our strategic targets.

Development of profit for the year before tax, EUR mn



Other operating income was negative at EUR -1.5mn, primarily as a result of the Austrian stability charge of EUR 1.8mn, the Austrian special bank tax of EUR 2.8mn, and the Slovenian balance sheet total tax of EUR 0.7mn, taking into account its deductibility in Austria.

This negative result also reflects the allocation to provisions for consumer loan processing fees in the amount of EUR 1.6mn.

Profit/loss from financial assets improved substantially by 38.7% to EUR -1.8mn,

largely due to positive valuation effects on financial instruments, which were boosted by lower interest rates.

The result was impacted by non-recurring effects of EUR 7.4mn resulting from the direct write-off of loans and advances to customers. With this step, we have made a significant contribution to the restructuring of our loan portfolio.

The income tax expense fell by 26.0% to EUR 17.4mn. In Croatia, BKS Bank was able to legally clarify the admissibility of a tax back payment from 2022 in its favor.

Key performance indicators

in %	FY24	FY25	± in ppt
RoE before tax	10.1	8.3	-1.8
RoE after tax	8.8	7.4	-1.4
RoA before tax	1.7	1.5	-0.2
RoA after tax	1.5	1.3	-0.2
Cost/income ratio	41.3	44.2	2.9
Risk/earnings ratio	16.6	18.5	1.9
Risk costs, bps	44.3	48.0	3.7
NPL ratio	3.2	3.5	0.3
Leverage ratio	9.7	10.3	0.6
Liquidity coverage ratio	213.5	214.0	0.5
Net stable funding ratio	121.6	128.2	6.6
Common equity tier 1 ratio (CET 1)	15.0	15.0	0.0
Total capital ratio	19.4	19.3	-0.1

For explanations of the abbreviations, see Glossary.

While the RoE figures have declined, they are still at a very respectable level. This is mainly due to BKS Bank's weaker operating result.

The cost/income ratio was up 2.9 percentage points to 44.2%, largely attributable to the weaker net interest income. In terms of cost fluctuations, the impact on the ratio was minimal.

Thanks to our excellent risk management and in light of the ongoing weakness of the Austrian economy, our NPL ratio showed only a marginal increase of 0.3

percentage points to 3.5%. This performance is clear evidence of the benefits of our strategic focus on close relationships with our customers.

Once again, we significantly exceeded the regulatory requirements with an liquidity coverage ratio of 214.0% that was up 0.5 percentage points on the previous year. We managed to attract a large volume of new long-term customer deposits thanks to our attractive range of products and services.

The net stable funding ratio rose significantly by 6.6 percentage points to 128.2%, largely due to the issuance of a EUR 250mn senior preferred bond in the past financial year.

The common equity tier 1 capital ratio has once again reached our long-term target of 15% after temporarily falling to below the previous year's level over the course of the reporting year. This was a consequence of the increase in the tax base as an effect of the introduction of Basel IV. However, this key performance indicator rebounded completely at the end of the year due to the allocation of the profit after tax at the end of the year. As a result, we were able to offset the effects of the increase in the tax base.

Proposal for the distribution of profits

Distributable profit is determined based on the net profit of the parent company BKS Bank AG. In the financial year 2025, BKS Bank AG reported profit of EUR 74.6mn. An amount of EUR 52.0mn was transferred from the profit to the reserves.

Taking into account profit carried forward of EUR 0.2mn, BKS Bank AG reported a net profit of EUR 22,918,655.65. We will propose a dividend of EUR 0.50 per share to the 87th Annual General Meeting on May 8, 2026, i.e., a distribution of EUR 22,902,880.00, and to carry forward the remaining amount of approximately EUR 0.02mn to a new account.

Segment Report

- **Corporate customers: Marginally lower net interest income due to key interest rate cuts and margin pressure**
- **Retail customers: Strong commission growth and low risk exposure underscores strategic focus**
- **Financial markets driven by investment income**
- **Other comprehensive income affected by Austrian special bank tax**

Corporate Customer Segment

Key performance indicators for earnings in the corporate customer segment

in EUR mn	FY24	FY25	Change in %
Net interest income	149.7	145.1	-3.1
Loan loss provisions	-41.1	-41.9	2.0
Fees and commission	39.0	40.6	3.9
Operating expenses	-72.5	-74.6	3.0
Other operating income	0.9	1.2	30.7
Profit/loss from financial assets	0.9	-5.6	n/a
Profit for the year before tax	77.0	64.6	-16.1
RoE before tax	14.5%	11.3%	-3.2 p.p.
Cost/income ratio	38.2%	39.9%	1.7 p.p.
Risk/earnings ratio	27.5%	28.9%	1.4 p.p.

Profit for the year before tax fell by 16.1% to EUR 64.6mn. Increases in commission income were offset by lower net interest income, increased operating expenses, and an increase in loan loss provisions.

Net interest income was 3.1% lower and reached EUR 145.1mn. Growth in the new lending business was unable to offset the decline in deposit margins due to interest rate cuts.

At EUR -41.9mn, we were able to keep loan loss provisions at the previous year's level despite the economic downturn in Austria. This is the result of the consistent implementation of our strategic focus on personal consulting in relationships with our corporate customers.

Fees and commission increased by 4.0% to EUR 40.6mn thanks to increased lending, brisk payment transactions, and strong demand for securities.

Operating expenses rose by 3.0% to EUR 74.6mn mainly as a result of personnel expenses, which increased primarily due to adjustments to collective bargaining agreements and contributions to employee participation programs.

Profit/loss from financial assets turned negative as a consequence of the direct write-off of loans and advances to customers. The related adjustment to the loan portfolio should be interpreted as a non-recurring effect.

The 3.2 percentage point decline in RoE to 11.3% is mainly due to the weaker result.

At 39.9%, the cost/income ratio is 1.7 percentage points higher than in the same period of the previous year and thus remains low compared to the competition in line with the long-term trend.

Key performance indicators for the corporate customer segment

in EUR mn	FY24	FY25	Change in %
Loans and advances to corporate customers	6,153.7	6,239.2	1.4
of which sustainable financing	1,018.0	1,149.6	12.9
New loans	1,452.0	1,522.4	4.9
of which sustainable financing	245.0	260.1	6.2
Deposits	3,875.8	3,847.1	-0.7
of which demand deposits	2,533.2	2,445.2	-3.5
of which term deposits	1,292.7	1,359.8	5.2

New loans, which increased by 4.9% to EUR 1.5bn, were primarily driven by sustainable financing, which increased by 6.2%. This clearly reflects the high level of investment required by companies to transition to more sustainable business models.

Deposits remained at the previous year's level of EUR 3.8bn, with a decline in demand deposits being offset by an increase in term deposits; the result of our targeted efforts to attract customers to our longer-term deposit products.

Retail Customer Segment

Key performance indicators for earnings in the retail customer segment

in EUR mn	FY24	FY25	Change in %
Net interest income	78.9	70.1	-11.1
Loan loss provisions	-	-0.6	n/a
Fees and commission	30.9	33.6	8.7
Operating expenses	-70.1	-71.6	2.1
Other operating income	1.1	0.1	-93.6
Profit/loss from financial assets	0.5	-0.1	n/a
Profit for the year before tax	41.3	31.5	-23.7
RoE before tax	33.3%	21.4%	-11.9 p.p.
Cost/income ratio	63.2%	69.0%	5.8 p.p.
Risk/earnings ratio	n/a	0.9%	n/a

Profit for the year before tax fell by 23.6% to EUR 31.5mn as the substantial increase in fees and commission was unable to offset the effects of lower interest income and higher operating expenses.

Although demand for loans from retail customers has risen noticeably in recent months, especially for residential construction loans, net interest income deteriorated by 11.1% to EUR 70.1mn due to the key interest rate cuts.

Loan loss provisions are at a very low level of EUR -0.6mn. This is reflected in the risk/earnings ratio of 0.9%.

We improved the fees and commission by 8.6% to EUR 33.6mn. The strongest

growth was recorded in our highly successful securities business. The positive development of the stock market also helped us here. This growth is a welcome consequence of our focus on earnings growth in the low-risk service business.

Operating expenses rose by 2.1% to EUR 71.6mn due to personnel expenses. We remain committed to the BKS Bank hybrid sales model, which, in addition to a comprehensive digital offering, also relies on a strong physical presence with branches.

The decrease in other operating income stems from the allocation to provisions for consumer loan processing fees.

Key performance indicators for the retail customer segment

in EUR	FY24	FY25	Change in %
Loans and advances to retail customers	1,287.7	1,303.9	1.3
of which sustainable financing	253.3	237.6	-6.2
New loans	183.7	255.2	39.0
of which residential construction loans	155.3	170.9	10.0
of which sustainable financing	25.1	28.7	14.3
Deposits	3,058.5	3,201.3	4.7
of which demand deposits	1,528.2	1,633.9	6.9
of which term deposits	779.9	908.7	16.5

New lending for residential construction loans increased extremely favorably by 10.0% to EUR 170.9mn. The end of the KIM Regulation is just as responsible for the resurgent demand as the decline in financing interest rates and the stabilization of construction costs.

Demand for our digital banking products for retail customers remained strong in the financial year 2025. Growth in new accounts for our online My Money Account was particularly encouraging, increasing substantially year-on-year. This provided an important boost to the growth of our deposits, which increased by 4.7% to EUR 3.2bn.

Financial Markets Segment

Key performance indicators for earnings in the financial markets segment

in EUR mn	FY24	FY25	Change in %
Net interest income	13.0	14.9	15.2
Fees and commission	-0.3	-0.4	48.3
Profit/loss from investments accounted for using the equity method	78.9	70.9	-10.2
Net trading income	1.0	0.5	-45.0
Operating expenses	-8.2	-8.3	1.6
Profit/loss from financial assets	-4.4	3.9	n/a
Profit for the year before tax	80.9	81.4	0.6
RoE before tax	7.3%	6.8%	-0.5 p.p.
Cost/income ratio	8.9%	9.7%	0.8 p.p.

We succeeded in consolidating profit for the year before tax at a high level of EUR 81.4mn. The improvement in net interest income was offset by a significantly lower result from investments accounted for using the equity method. Positive valuation effects in financial instruments also contributed to this development.

At EUR 14.9mn, net interest income increased by 15.2%. The increase results, in particular, from the distribution from an unconsolidated subsidiary and stems

from the sale of an equity interest in 2024. OeKB also paid a higher dividend than in the previous year.

Profit from investments accounted for using the equity method fell by 10.2% to EUR 70.9mn and is based on the pro-rata profits from our sister banks Oberbank and BTV.

Profit from financial assets shot up to EUR 3.9mn due to positive valuation effects on financial instruments, which were boosted by lower interest rates.

Other Segment

Key performance indicators for earnings in the other segment

in EUR mn	FY24	FY25	Change in %
Fees and commission	0.7	0.8	4.9
Operating expenses	-10.8	-11.1	2.9
Other operating income	-2.4	-2.8	14.7
Profit for the year before tax	-12.5	-13.1	-5.1

In 2025, profit for the year before tax for income and expense items that cannot be clearly allocated to other segments fell by 5.1% to EUR -13.1mn. These items include expenses from the Austrian stability charge of EUR 1.8mn and the Austrian special bank tax of EUR 2.8mn. The Slovenian balance sheet total tax resulted in an additional expense of EUR 0.7mn, taking into account its deductibility in

Austria. The provision for the inter-bank tax exemption pursuant to Section 6(1) (28) of the Austrian Value Added Tax Act (UStG), to which EUR 3.3mn was allocated in the previous year, was reversed by EUR 0.3mn in the reporting year due to the passage of time. Further legislative developments at the European level remain to be seen here.

Assets and Financial Position

- Loans and advances to customers grow despite sluggish economy
- Encouraging growth in primary funds, which secures our refinancing
- Shareholders' equity exceeds EUR 2bn threshold for the first time

Assets

Key performance indicators on the asset situation

in EUR mn	FY24	FY25	Change in %
Total assets	11,072.3	11,150.8	0.7
Loans and advances to banks	38.9	176.3	>100
Loans and advances to customers	7,441.4	7,543.1	1.4
of which sustainable financing	1,271.3	1,387.2	9.1
of which lease financing	692.5	730.9	5.5
New loans	1,635.7	1,777.6	8.7
of which sustainable financing	270.1	288.8	6.9
of which lease financing	291.7	332.8	14.1

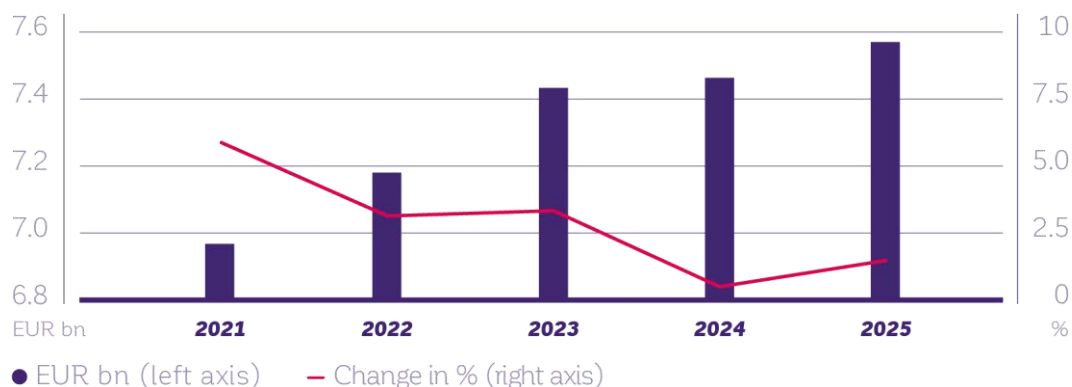
Stable asset situation despite continuing difficult environment

BKS Bank's asset situation remains stable despite the ongoing economic downturn in Austria. Total assets amounted to EUR 11.2bn, more or less at the same level year-on-year. In addition to the increase in loans and advances to customers and to banks, debt securities were also up.

Loans and advances to banks amounted to EUR 176.3mn, which is more than four times higher than the previous year's figure. This change is a consequence of optimizing the return on our excess liquidity.

Growth in our portfolio of loans and advances to customers has improved yet again. At the end of the year, receivables totaled EUR 7.5bn, representing an increase of 1.4% compared to the previous year. The impacts of the sharp increase in new loans exceeded the negative effects. These stem from increased loan repayments and the adjustment of our portfolio of non-performing loans in the form of direct write-offs.

Development of loans and advances to BKS Bank customers



Sustainable financing, which has proven to be a strong growth driver, is once again particularly worthy of note. In the financial year 2025, sustainable financing rose to EUR 1.4bn, which corresponds to an increase of 9.1% compared with the end of 2024.

The growing relevance of sustainable financing demonstrates that customers are increasingly placing greater value on environmentally friendly and socially responsible solutions. With this growth, BKS Bank has confirmed its role as a reliable partner for sustainable investments and underscored its strategic focus on future-oriented financing models.

Overall, the total volume of new loans increased 8.7% to EUR 1.8bn. The strongest driver was lease financing, which increased by 14.1% to EUR 332.8mn. Our activities abroad made a significant contribution to the volume of new loans granted. Lease financing now accounts for 18.7% of total new business, while new loans granted abroad account for 12.1%.

By segment, corporate customers accounted for the lion's share of new business, which is attributable to BKS Bank's origins as a corporate bank. However, the growth rate of new loans granted was stronger among retail

customers thanks to a resurgence in demand for housing loans.

Contributing to sustainability through property development

At the end of 2025, BKS Bank owned 60 properties with a total floor space of roughly 90,900 m². No properties from the portfolio were sold in the financial year 2025. Of this space, 40,300 m² is earmarked for internal bank use.

In 2025, we further intensified our efforts to become climate-neutral in the long term. Our real estate portfolio plays a key role in this regard. Our goal is to make a sustainable contribution to climate change mitigation through the construction and use of green buildings.

Our new construction projects are certified by the Austrian Society for Sustainable Real Estate Management (ÖGNI). The organization assesses sustainable buildings according to the European DGNB quality certificate, which takes the highest standards for environmental, economic, and sociocultural aspects over the entire life cycle of a property into account. With this approach, BKS Bank underscores its commitment to sustainable business and its responsibility towards the environment and society.

Overview of real estate in Austria

	FY24	FY25
Number of properties	53	53
Total surface area of properties managed (m ²)	73,842	73,974
of which for banking operations (m ²)	36,453	36,453
of which rented to third parties	31,591	31,135
Rental occupancy rate (in %)	92.2	90.3
Net rental income from third-party rentals (in EUR mn)	4.4	4.5

Overview of real estate abroad¹

	Slovenia		Croatia	
	FY24	FY25	FY24	FY25
Number of properties	4	4	3	3
Total surface area of properties managed (m ²)	14,785	14,789	2,085	2,105
of which for banking operations (m ²)	2,340	2,340	1,516	1,516
of which rented to third parties	10,641	10,641	130.0	0.0
Rental occupancy rate (in %)	87.8	87.8	78.9	72.0
Net rental income from third-party leases (in EUR mn)	1.4	1.5	0.01	0.02

¹ BKS Bank does not manage any real estate in Slovakia.

Equity and Liabilities

Key performance indicators on financial position

in EUR mn	FY24	FY25	Change in %
Primary funds	8,077.4	8,507.7	5.3
of which demand deposits	4,061.5	4,079.1	0.4
of which term deposits	2,072.6	2,268.5	9.4
of which issues	1,143.1	1,459.3	27.7
Shareholders' equity	1,924.3	2,062.7	7.2

Bond issue drives growth in primary funds

Primary funds remained extremely robust in the financial year 2025, showing remarkable growth of 5.3% to EUR 8.5bn. This improvement underscores the confidence of our customers in the stability and reliability of BKS Bank.

At EUR 4.1bn, demand deposits remained at the previous year's level. This reflects constant demand for flexible forms of deposits.

The stability also shows that BKS Bank successfully addresses both the short-term and long-term needs of its customers, thereby creating a solid basis for sustainable growth. By contrast, the performance of term deposits was particularly encouraging. Rising 9.4% to EUR 2.3bn, they once again proved their appeal to our customers.

The remarkable growth in our issues of 27.7% to EUR 1.5bn is mainly due to the first-time placement of a EUR 250mn senior preferred bond. This issue, which met with considerable interest from institutional investors, not only strengthened our refinancing base, but also further expanded our position on the capital market.

Our issues were also driven by the issuance of a series of green bonds. These will promote the financing of sustainable projects, for example in energy generation. Our attractive offers have enabled us to provide many companies with optimal support in their transformation efforts.

Our solid capital base is particularly encouraging. The increase in shareholders' equity of 7.2% resulted, in particular, from the positive profit for the year and amounted to EUR 2.1bn at the end of the year.

BKS Bank debt securities issued in 2025

ISIN	Description	Nominal amount in EUR mn
Retail placements		
AT0000A3HG80	4.00% BKS Subordinated Bond 2025-2033/1	10.0
AT0000A3HTX1	2,875% BKS Bank Green Bond 2025-2030/2	10.0
AT0000A3J4V0	4.00% BKS Subordinated Bond 2025-2033/3	5.8
AT0000A3L7G0	2,875% BKS Social Bond 2025-2031/4	20.0
AT0000A3L7H8	4.25% BKS Subordinated Bond 2025-2034/5	19.0
AT0000A3PES6	2.75% BKS Bank Green Bond 2025-2030/6	13.2
AT0000A3PET4	3.00% BKS Bank Green Bond 2025-2032/7	5.0
AT0000A3PEU2	4.30% BKS Bank Subordinated Bond 2025-2034/8	8.3
Retail bond placements		
AT0000A3HMZ1	3.72% BKS Bank Green Bond 2025-2033/1/PP	10.0
AT0000A3J0P0	3.36% BKS Bank Bond 2025-2032/2/PP	3.0
AT0000A3J0R6	3.76% BKS Bank Bond 2025-2040/3/PP	10.1
AT0000A3M589	3.24% BKS Bank Bond 2025-2029/4/PP	3.0
AT0000A3MR07	4.25% BKS Bank Bond 2025-2035/5/PP	5.0
AT0000A3MU28	4.46% BKS Bank Bond 2025-2040/6/PP	15.0
AT0000A3MZ23	3.40% BKS Bank Green Bond 2025-2030/7/PP	5.0
AT0000A3QDG1	3.27% BKS Bank Bond 2025-2030/8/PP	3.2
AT0000A3QGA7	3.35% BKS Bank Bond 2025-2030/9/PP	21.0
AT0000A3QTM5	3.35% BKS Bank Bond 2025-2030/10/PP	21.0
Senior preferred bond placements		
AT0000A3MNPO	3.75% BKS Bank Bond 2025-2030/1/BM	250.0

Consolidated Shareholders' Equity

BKS Bank calculates the equity ratio and total risk exposure in accordance with the equity requirement set out in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). The standardized approach is used to calculate the equity requirement for credit risk, market risk and operational risk.

As part of the Supervisory Review and Evaluation Process (SREP) conducted by the Financial Markets Authority (FMA), BKS Bank successfully met the following minimum regulatory requirements without a capital buffer as a percentage of the total risk exposure amount in the financial year 2025:

- 5.9% for common equity tier 1 capital
- 7.9% for tier 1 capital, and
- 10.5% for the total capital ratio.

The figures are an impressive reflection of BKS Bank's solid capital base: Common equity Tier 1 capital amounted to EUR 1,079.2mn at the end of 2025, representing a common equity Tier 1 capital ratio of 15.0%, and exceeding the regulatory requirements by a significant margin. Tier 1 capital was EUR 1,144.4mn, while total equity came to EUR 1,390.5mn

at the end of the year, producing a total capital ratio of 19.3%.

As expected, the introduction of Basel IV and the associated more stringent regulatory requirements impacted BKS Bank's capital ratios. These new rules led to a substantial increase in risk-weighted assets, which rose from EUR 6.7bn to EUR 7.2bn. This increase is significantly more pronounced than the rise in total assets, which increased from EUR 11.1bn to EUR 11.2bn.

Despite these challenges, we were able to balance out the impacts almost completely. A key factor in this was the allocation of profit, which strengthened the capital base significantly. This performance demonstrates our ability to keep our capital base stable and solid even in a tighter regulatory environment.

The successful fulfillment of the Basel IV requirements underscores BKS Bank's strategic foresight and forward-looking management. It shows that our bank is well positioned to act sustainably even in an increasingly complex regulatory environment and to safeguard the interests of our customers and stakeholders.

BKS Bank Group: equity pursuant to CRR

in EUR mn	FY24	FY25	Change in %
Capital stock	91.6	91.6	0.0
Reserves net of intangible assets	1,725.8	1,853.3 ¹	7.4
Deductions	-810.1	-865.7	6.9
Common equity tier 1 capital (CET1)	1,007.3	1,079.2	7.1
Common equity tier 1 ratio (%)	15.0	15.0	0.0
AT1 bond	65.2	65.2	0.0
Additional tier 1 capital	65.2	65.2	0.0
Common equity tier 1 capital (CET1 + AT1)	1,072.4	1,144.4	6.7
Tier 1 capital ratio (%)	16.0	15.9	-0.7
Supplementary capital	224.2	246.2	9.8
Total equity	1,296.6	1,390.5	7.2
Total capital ratio (%)	19.4	19.3	-0.3
Total risk exposure amount	6,695.3	7,196.4	7.5

¹ Includes profit for the year 2025. Formal adoption still pending.

BKS Bank meets MREL ratio requirements

As of the end of 2025, BKS Bank's MREL ratio based on the total risk exposure amount (TREA) was 34.4%. BKS Bank therefore exceeded the regulatory minimum ratio of 22.4% by a significant margin, highlighting its solid capital base and liquidity position.

This strong position shows that BKS Bank not only meets regulatory requirements, but has also created a solid base that will enable it to continue operations in the event of a crisis.

The high MREL ratio reflects BKS Bank's consistent liquidity management and strategic foresight, which is aimed at ensuring long-term stability and confidence among customers and investors.

Risk Management

The description of the risk management objectives and methods as well as explanations of the material risks are presented in the Notes as of page 239 in the Risk Report section.

Accounting-related internal control system

This chapter discusses the material disclosures required pursuant to section 243a (2) of the Austrian Commercial Code (UGB) on the internal control and risk management system (ICS) with respect to BKS Bank's accounting process.

The ICS ensures that corporate reporting, in particular financial reporting, is correct, reliable and complete. We meet this requirement through a documented and transparent organizational structure, appropriate risk orientation and risk analysis, and control activities.

The accounting-related ICS is thoroughly examined in an annual control cycle. We supplement new processes and eliminate steps that are no longer necessary. The ICS coordinators are responsible for steering these processes.

To support professional corporate reporting, we use firesys as our reporting software. With the help of this software, we can reliably make changes and/or adjustments to figures. The software also fully supports the European Single Electronic Format (ESEF). We have set up an electronic workflow to optimize the processing of incoming invoices. This workflow provides an overview of incoming invoices and the approval of invoices by the persons responsible. It also automatically manages the approval of payments.

In the reporting year, we introduced the electronic account statements for the automatic booking of bank account statements for selected BKS Bank subsidiaries.

All ICS measures relating to financial reporting processes are covered in a Group Accounting Manual as well as in the Internal Guidelines on Loan Loss Provisions. Detailed process descriptions and checklists supplement these rules. Financial reporting is an important part of the group-wide internal control system.

The Management Board is responsible for establishing and designing a control and risk management system that meets the requirements of the group's reporting processes. Accounting and the associated processes as well as group consolidation are the responsibility of the Controlling and Accounts department.

There are job descriptions for every role that define the skills required and areas of responsibility. All responsibilities are set out in a task matrix.

The foreign subsidiaries and branches transfer their data daily via interfaces to the General Ledger, which is maintained in SAP. Centrally responsible employees are also on site, if necessary, to check the data and information required for consolidation. We ensure that our employees receive the necessary training with internal and external seminars. Many employees have many years of experience in consolidation and accounting.

Control activities

We systematically record the risks and controls in the areas of financial accounting, asset management, balance sheet preparation, taxes, and budgeting, and subsequently evaluate them and link them together in a risk control matrix.

The proper calculation and payment of business taxes are verifiably checked on a monthly basis by Controlling and Accounts together with the respective employees responsible. Controls that cover high risks are at the core of ICS

reporting and are allocated to the “main controls” category.

The quality of the main controls is classified according to the maturity grade model. Depending on the category assigned in the risk control matrix, we assign specific mandatory control tasks to individual activities or items. We apply several different control procedures in this context.

Recurring systemic controls were implemented together with IT users and external auditors to monitor the IT systems employed (SAP, GEOS, etc.). Data are checked for regularity, completeness and accuracy. In addition, we regularly check permissions, perform plausibility checks, use checklists and rigorously apply the dual control principle.

In financial accounting, checks are carried out to ensure that outgoing payments are also authorized by the responsible parties and that no boundaries of authority have been overstepped. Payments are authorized for execution only pursuant to the dual control principle. Reconciliation processes are in place for synchronizing data between the organizational units Accounts/Financial Reporting and Risk Controlling.

An important control procedure concerns the restrictive granting and monitoring of IT authorization for SAP. We document authorizations as part of our own authorization management. Internal Audit reviews the approval of authorizations.

Information and communication

The Management Board receives regular and prompt information about every aspect of the accounting process and the financial results. Each quarter, the Supervisory Board and the Audit Committee receive reports containing notes on departures from the budget and details on material changes during the period.

Shareholders receive a quarterly interim financial report and investor presentation, which is published on www.bks.at under » Investor Relations » Berichte und Veröffentlichungen.

Monitoring the effectiveness of the measures

We monitor the accounting process in several stages. Firstly, we conduct an annual self-assessment, and secondly, a critical review of ICS is completed as part of process management relating to financial reporting. In addition, independent audits are conducted by the Internal Audit department of BKS Bank, which reports directly to the Management Board. The department heads and responsible team leaders perform the primary monitoring and supervisory tasks in the financial reporting process in accordance with their role descriptions.

To ensure the reliability and regularity of the accounting process and the relevant reporting, additional monitoring procedures are carried out by the statutory auditors and the Audit Committee. Audit obligations also apply to our branches in Slovakia and Croatia as well as to all leasing companies.

Other Information

Information pursuant to Sections 243 and 243a of the Austrian Commercial Code (UGB)

- The capital stock of BKS Bank is EUR 91,611,520.00 and consists entirely of 45,805,760 ordinary shares. There are no different classes of shares.
- A syndicate agreement is in place between the core shareholders Oberbank AG, BTV Vier Länder Bank AG and G3B Holding AG. This agreement stipulates the joint exercise of voting rights and mutual preemptive rights. A subordination syndicate agreement was concluded between Oberbank AG and Beteiligungsverwaltung Gesellschaft m.b.H.
- CABO Beteiligungsgesellschaft m.b.H. holds 23.15% of the capital stock, Oberbank AG (including Beteiligungsverwaltung Gesellschaft m.b.H.) 18.12%, and BTV Vier Länder Bank AG 17.87%.
- BKS Mitarbeiterbeteiligung Privatstiftung exercises the voting rights attached to shares transferred by the beneficiary employees, and held and managed in trust, at the Annual General Meeting in a standardized manner.
- The Management Board of BKS Bank AG was authorized by the Annual General Meeting to acquire treasury shares up to a maximum of 5% of the capital stock in each case for the purpose of securities trading and for distribution to employees, executives and members of the Management Board or Supervisory Board of the company or an affiliated company, and up to a maximum of 10% of the capital stock for any purpose. The corresponding approvals pursuant to the CRR have been obtained.
- As regards the description of ongoing legal proceedings, please see Note 45 in the Risk Report on page 251 of this Management Report.
- BKS Bank AG focuses on the needs of its customers and offers customized financial services in the areas of finance and investment. However, it does not engage in any research and development in the traditional sense.
- The situation is as follows with regard to the regional offices in Austria and the branches of BKS Bank AG:

	Branches	Employees
Austria	48	758
Carinthia ¹	20	617
Styria	12	58
Vienna - Lower Austria - Burgenland	16	83
Foreign markets	15	238
Slovenia	8	141
Croatia	4	66
Slovakia	3	31

¹ Including corporate banking

Treasury share transactions

Acquisition/ Disposal	Stock (number)	Acquisition (number)	Disposal (number)	Average purchase price (EUR)	Average selling price (EUR)	Share of capital stock (EUR)	Share of capital stock (%)	Use of proceeds	Reason for acquisition/ disposal
01/01/25	96,238					192,476	0.2101%		
January								Change in capital	
February								Change in capital	
March								Change in capital	
April								Change in capital	
May			9,047		17.40	18,094	0.0198%	Change in capital	Variable remuneration for members of the Management Board
June								Change in capital	
July								Change in capital	
August								Change in capital	
September								Change in capital	
October		11,185		17.60		22,370	0.0244%	Change in capital	Buyback
November		23,900		17.60		47,800	0.0522%	Change in capital	Buyback
December		5,000	35,000	17.60	17.60	10,000/ 70,000	0.0109%/ 0.0764%	Change in capital	Buyback/ sale
12/31/25	92,276					184,552	0.2015%		

Treasury shares pledged as collateral

Pledge	Stock (number)	Addition (number)	Disposal (number)	Share of capital stock (EUR)	Share of capital stock (%)	Reason for change
01/01/25	192,342				-	
January			2,050	4,100	0.0045%	Release of pledge
February					0.0000%	
March					0.0000%	
April					0.0000%	
May			1,643	3,286	0.0036%	Release of pledge
June			2,130	4,260	0.0047%	Release of pledge
July			278	556	0.0006%	Release of pledge
August			250	500	0.0005%	Release of pledge
September					0.0000%	
October					0.0000%	
November					0.0000%	
December					0.0000%	
12/31/25	185,991				0.0000%	





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General Information

Preamble

As a forward-looking financial institution, BKS Bank has geared its strategy toward sustainability for over 20 years. As a result, the bank has played a pioneering role in Austria's sustainability sector, a status it has consistently strengthened over time.

We recognized how urgent the issue was and the opportunities it presented early on and made it a core pillar of our corporate strategy. The bank has made a consistent contribution to sustainable economic development ever since. We believe that acting responsibly is key to our long-term business success.

BKS Bank's strategic approach takes into consideration the interests of all stakeholder groups, including customers, shareholders, employees and other

stakeholders. The three aspects of ESG – environmental, social and governance – are our guiding principles in this regard. Our goal is to make our own business activities and products climate-neutral.

The consolidated non-financial statement constitutes an integral part of transparent and credible communication. It not only strengthens the trust our stakeholders and partners have in us; it also underlines BKS Bank's position as a sustainability pioneer in a highly competitive market.

The following consolidated non-financial statement provides a comprehensive overview of our sustainability-related impacts, risks and opportunities and the associated strategies and targets. It meets the requirements of European Sustainability Reporting Standards (ESRS).

ESRS 2 General disclosures

Basis for preparation

BP-1

General basis for preparation of the consolidated non-financial statement

This consolidated non-financial statement was prepared on a consolidated basis.¹

It relates to the entire scope of consolidation of BKS Bank, as presented in the financial reporting. A detailed description of these companies can be found in the section "Consolidated entities included in the group of consolidated companies".²

The consolidated non-financial statement covers the impacts, risks and opportunities that arise in both the upstream and downstream value chain.³

detailed description of BKS Bank's value chain is provided in the section SBM-1 Strategy, business model and value chain.

There are no restrictions in terms of the disclosure of information, including information relating to intellectual property, know-how or the results of innovations.⁴ BKS Bank has not made use of the exemptions provided for in Articles 19a (3) and 29 a (3) of Directive 2013/34/EU either.⁵

BP-2

Disclosures in relation to specific circumstances

Sources of estimation and outcome uncertainty are disclosed for the respective datapoints in the topic-specific standards.

¹ ESRS 2 BP-1, 5 a

² ESRS 2 BP-1, 5 b

³ ESRS 2 BP-1, 5 c

⁴ ESRS 2 BP-1, 5 d

⁵ ESRS 2 BP-1, 5 e

The data stated in the report on emissions from our own operations (Scopes 1, 2, and 3.1, 3.3, 3.6, 3.7) are checked and confirmed by external auditors as part of the annual EMAS audit (Eco Management and Audit Scheme).¹

The following information in this report has been included by reference to another part of the management report²:

- BP-1, 5 b i: Description of the scope of consolidation of this consolidated non-financial statement that is consistent with the annual financial statements.
- GOV-1, 22 a: The identity of the administrative, management and supervisory bodies responsible for oversight of impacts, risks and opportunities.
- GOV-5, 36 a-e: The main features of risk management and the internal control system in relation to the sustainability reporting process.

Governance

GOV-1

The role of the administrative, management and supervisory bodies

BKS Bank has an established, fully integrated sustainability organization in place that encompasses all organizational units. Due to its strategic relevance, sustainability is the remit of the Chairman of the Management Board, who regularly reports to the Supervisory Board on the progress made in implementing the sustainability strategy. Responsibility for defining and monitoring targets with regard to material sustainability-related impacts, risks and opportunities lies with the Chairman of the Management Board and the Chief Risk Officer.³

The following table shows the gender distribution on the Management Board and Supervisory Board⁴:

Management Board and Supervisory Board members by gender⁵

	12/31/2023				12/31/2024				12/31/2025			
	Number of female members	Ratio	Number of male members	Ratio	Number of female members	Ratio	Number of male members	Ratio	Number of female members	Ratio	Number of male members	Ratio
Management Board	2	40.0	3	60.0	1	25.0	3	75.0	2	40.0	3	60.0
Supervisory Board (shareholder representatives)	4	40.0	6	60.0	4	40.0	6	60.0	4	40.0	6	60.0
Supervisory Board (employee representatives)	3	60.0	2	40.0	3	60.0	2	40.0	3	60.0	2	40.0
Supervisory Board (total)	7	46.7	8	53.3	7	46.7	8	53.3	7	46.7	8	53.3

¹ ESRS 2 BP-1, 5, AR 2

² ESRS 2 BP-2, 16

³ ESRS 2 GOV-1, 22 a

⁴ ESRS 2 GOV-1, 21 a, b, d

⁵ ESRS 2 GOV-1, 21 d

The selection criteria for members of the Management Board and Supervisory Board are based on specialist knowledge, including professional experience, knowledge of banking and financial rules and regulations, and personal reliability. The collective suitability, i.e., the expertise and experience of the respective overall body, is also taken into account. The detailed requirements are set out in BKS Bank's Fit & Proper Policy.¹

The composition of the Supervisory Board of BKS Bank is based on the independence requirements set out in the Austrian Code of Corporate Governance (ÖCGK). Pursuant to C Rule 53,

shareholder representatives are not considered independent if they themselves or the organizations they represent hold an equity interest of more than 10%. In the context of ESRS, members of the Supervisory Board delegated by the Management Board are not considered independent.² As independence was defined in the previous year based on the Supervisory Board's guidelines, the previous year's assessment was adjusted accordingly to ensure comparability with the rules applied this year. According to this definition, the percentage of independent members on the committees set up by the Supervisory Board is as follows:

Percentage of independent members on the Supervisory Board of BKS Bank

Supervisory Board Committees	Number of members	Percentage of female members	Percentage of male members	Percentage of independent members
2024				
Audit Committee	6	67%	33%	50%
Working Committee	4	0%	100%	50%
Risk Committee	6	33%	67%	33%
Nominations Committee	3	67%	33%	67%
Remuneration Committee	5	40%	60%	40%
Credit Committee	4	25%	75%	25%
Total	15	47%	53%	47%
2025				
Audit Committee	6	67%	33%	50%
Working Committee	4	0%	100%	50%
Risk Committee	6	33%	67%	33%
Nominations Committee	3	67%	33%	67%
Remuneration Committee	5	40%	60%	40%
Credit Committee	4	25%	75%	25%
Sustainability Committee	6	67%	33%	67%
Total	15	47%	53%	47%

The composition of the management bodies, i.e., the Management Board, the Supervisory Board, and its committees, is described in The Company's boards and officers section of this management

report. Information on committees dealing with sustainability-related issues can be found in the GOV-2 section.³

¹ ESRS 2 GOV-1, 21 c

² ESRS 2 GOV-1, 21 e

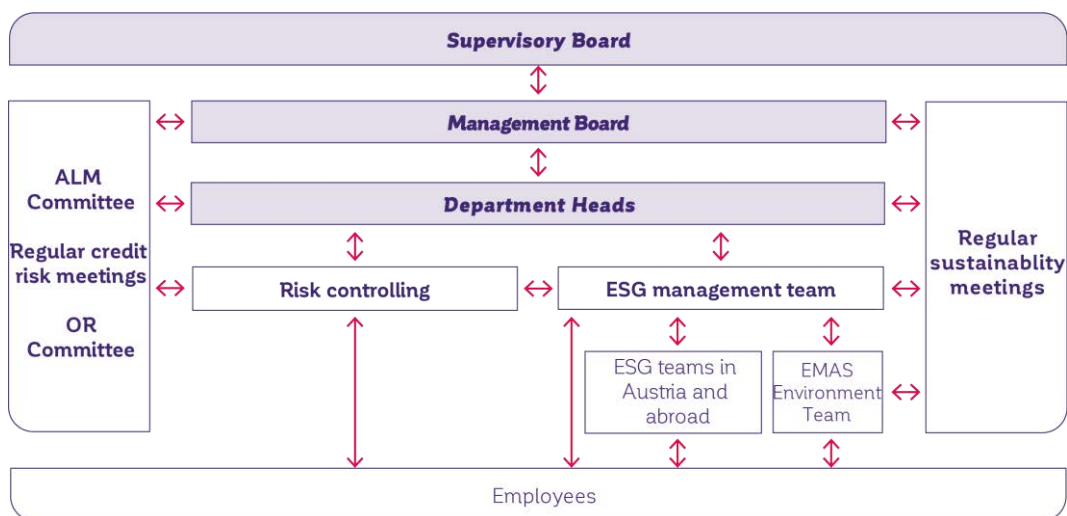
³ ESRS 2 GOV-1, 22 b

The Management Board of BKS Bank is responsible for managing and monitoring sustainability-related impacts, risks and opportunities. Coordinated by the ESG management team in the Communication & ESG group, operational implementation is managed within the sustainability organization with topic-based preparation and implementation in conjunction with the relevant departments, both in Austria and abroad. Examples include the cross-departmental implementation of the requirements of the EU Action Plan, the environmental team and the team for the “berufundfamilie” audit. Progress achieved in executing the sustainability strategy is discussed with several members of the Management Board at regular quarterly sustainability meetings, and the next

steps to take are defined. Sustainability-related tasks also focus on the further development of the sustainability strategy in conjunction with top management.¹

The targets for the material impacts, risks and opportunities are set by the Management Board of BKS Bank in consultation with senior management, the Risk Controlling department and the ESG management team. At the regular sustainability meetings, the ESG management team reports on the progress of target achievement and the status of sustainability activities to the Management Board, which in turn discusses these matters with the Supervisory Board.²

Sustainability organization of BKS Bank



All newly appointed members of the Management Board and Supervisory Board undergo introductory training. Training arrangements are also in place for members who require special expertise: such training is to be undertaken as soon as possible, but no later than one year after taking up the position. Basic training for new members

of the Supervisory Board, for example, includes introductions to the business model, corporate structure, governance, material risks and relevant legal provisions. Sustainability-related topics are covered as part of the regular Fit & Proper training courses. In 2025, training focused on the EBA guidelines on

¹ ESRS 2 GOV-1, 22 c
² ESRS 2 GOV-1, 22 d

managing ESG risks, greenwashing and green claims, and internal governance.¹

As part of its annual reevaluation, the Nomination Committee reviews the “fit and proper” compliance of the members of the Supervisory Board and takes into account the training courses completed

during the past year. The training program is designed to ensure that all management and supervisory bodies have sufficient expertise relating to the material impacts, risks and opportunities of BKS Bank. This includes, above all, knowledge of risk management and ESG risks, corporate organization, governance and control, and an understanding of money laundering and terrorism financing risks in connection with BKS Bank’s business model.²

An overview of the training courses held/attended annually for each member of the supervisory and management bodies is also submitted to the Nomination Committee.

The Management Board is responsible for determining the suitability of employees in key positions, while the Nomination Committee is responsible for determining the suitability of Management Board and Supervisory Board members.

GOV-2

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

In accordance with our sustainability organization, the ESG management team reports regularly to the Management Board. Progress on achieving the

sustainability targets and developments that are relevant in terms of regulatory requirements are reported on a quarterly basis at the regular sustainability meetings. At the quarterly meetings of the Supervisory Board, the Management Board in turn reports to the Supervisory Board on material sustainability matters and the associated impacts, risks and opportunities on an ad-hoc basis. These topics are then discussed at the regular meetings and taken into account when making decisions.^{3,4}

In addition to the Supervisory Board, various committees also deal with matters and issues relating to sustainability (see Corporate Governance Report):

- Sustainability Committee: Addresses BKS Bank’s material sustainability-related impacts, risks and opportunities, and supports the Supervisory Board in overseeing the implementation and ongoing development of the sustainability strategy
- Audit Committee: Reviews the Management Report (non-financial reporting is part of the management report for the first time) and the Corporate Governance Report
- Risk Committee: Oversees the implementation of the risk strategy, including ESG risks
- Remuneration Committee: Determines the amount of variable remuneration for the members of the Management Board, including the sustainability-related remuneration component

The table below provides an overview of the material impacts, risks and opportunities addressed by the individual boards during the reporting period.⁵

¹ ESRs 2 GOV-1, 23 a

² ESRs 2 GOV-1, 23 b

³ ESRs 2 GOV-2, 26 a

⁴ ESRs 2 GOV-2, 26 b

⁵ ESRs 2 GOV-2, 26 c

Material impacts, risks and opportunities covered

Standard	IRO	Regular sustainability meetings	Management Board, Regional Office and department heads	Supervisory Board
E1 - Climate Change	Climate change adaptation	●	●	●
	Climate change adaptation	●	●	●
	Energy	●	●	●
E4 - Land-use change/soil sealing	Biodiversity loss	●		●
S1 - Own Workforce	Employee retention and development	●	●	●
	Work environment and corporate culture	●	●	●
S4 - Consumers and End-Users	Social inclusion	●	●	●
G1 - Business Conduct	Corporate culture	●	●	●
	Corruption and bribery			●

**GOV-3
Integration of sustainability-related performance in incentive schemes**

Remuneration of the Management Board

The remuneration policy for the Management Board is based on the values of sustainability, stability, security and credibility. It provides incentives for actively developing and implementing the strategy, for sustainable corporate development and for avoiding disproportionate risks. The interests of shareholders, customers, employees and other stakeholders are taken into account in a well-balanced manner. Remuneration is commensurate with BKS Bank’s economic situation and is based on area of responsibility, contribution to business success and industry standards for comparable companies.¹

A balanced ratio of fixed and variable components is taken into account. The fixed component is made up of the basic salary and benefits including benefits in kind. A total of four performance categories have been defined for measuring the variable remuneration components: financial performance criteria, risk criteria, individual performance criteria for each Board member and four non-financial performance indicators. These are²:

- the ISS ESG rating – achieving and maintaining prime status
- the volume of sustainable products – over EUR 200mn in new volume per annum
- EMAS certification – positive audit result
- Employee turnover: less than 9% (different from S1-6 without taking retirements into account)

¹ ESRs 2 GOV-3, 29 a
² ESRs 2 GOV-3, 29 b and c

The sustainability targets are each weighted at 30% in the Management Board's remuneration system and therefore at the same percentage as the financial and risk criteria.

A portion of the variable remuneration is set aside to ensure, among other things, that business decisions have a sustainable and long-term positive effect on the bank's development and do not serve the purpose of optimizing profit in the short term.¹

The performance of the members of the Management Board is reviewed annually by the members of the Remuneration Committee. Variable remuneration is only paid if considered tenable in view of BKS Bank's financial position.²

Remuneration of the Supervisory Board

The members of the Supervisory Board receive a fixed annual remuneration as well as additional remuneration for committee work. The amounts to be paid are decided at the Annual General Meeting. In addition, cash expenses incurred as a result of serving in a

Supervisory Board role are reimbursed. There is no variable performance-linked remuneration for the members of the Supervisory Board and no share-based remuneration. Payment is made after the Annual General Meeting has discharged the Supervisory Board from liability for the relevant financial year. The members delegated by the Works Council do not receive any remuneration. The guidelines for the remuneration of the Management Board and the Supervisory Board of BKS Bank AG and the current Remuneration Report are available on our website.³

GOV-4

Statement on due diligence

Due diligence in connection with the consolidated non-financial statement refers to the processes we use to identify, prevent or mitigate, and account for actual and potential negative impacts on people and the environment in connection with our business activities. The following table refers to those sections of the consolidated non-financial statement in which reference is made to the core elements of due diligence.

¹ ESRS 2 GOV-3, 29 d

² ESRS 2 GOV-3, 29 e

³ <https://www.bks.at/investor-relations/berichte-und-veroeffentlichungen>

Core elements of due diligence¹

	Section	Reference in the consolidated non-financial statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2	GOV-2 SBM-1 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2	SMB-2 IRO-1
	ESRS S1	S1-2
	ESRS S4	S4-2
c) Identifying and assessing adverse impacts	ESRS 2	SBM-3 IRO-1
d) Taking actions to address those adverse impacts	ESRS E1	E1-1 E1-3
	ESRS S1	S1-1 S1-4
	ESRS S4	S4-1 S4-4
	ESRS G1	G1-1 G1-3
	ESRS E1	E1-4
e) Tracking effectiveness of these efforts and communication	ESRS S1	S1-4

GOV-5**Risk management and internal controls over sustainability reporting**

In relation to sustainability reporting, risk management and internal controls are carried out in accordance with the

systems established at BKS Bank (see “Independent assessment of the functionality of risk management”). Risk governance is supplemented by the risk-based internal control system.

¹ ESRS 2 GOV-4, 30

Strategy

SBM-1

Strategy, business model and value chain

As a universal bank, BKS Bank offers retail and corporate customers a comprehensive range of products: Account services, loans, retirement, savings and investment products, payment services, insurance as well as competent advice. In Austria, our market area mainly includes Carinthia, Styria, Lower Austria, Vienna and Burgenland.

Internationally, BKS Bank is active in Slovenia, Croatia and Slovakia. In Austria and Slovenia, we are positioned as a traditional universal bank, whereas we do not offer investment services in Slovakia and Croatia. We operate leasing companies in all markets, and leasing is also a service we offer in Serbia. BKS Bank Connect also offers a digital bank that appeals to customers who wish to conduct their banking transactions digitally for the most part, but also value personal advice.¹

Headcount of employees by geographical area²

Persons	2023	2024	2025
Total	1,146	1,160	1,138
Austria	851	854	839
Slovenia	155	166	162
Croatia	85	83	81
Slovakia	46	47	47
Serbia	6	7	9
Italy*	3	3	n/a

* The Italian subsidiary is no longer part of the scope of consolidation.

In accordance with IFRS 8 Operating Segments, BKS Bank's business activities are divided into four segments in this report: Corporate Customers, Retail Customers, Financial Markets and Other. The segment results are presented in the Group management report and in the notes to the financial statements.³

Sustainability targets⁴

Sustainability and quality are the foundation of BKS Bank's strategic direction and long-term economic success. These principles are also an integral part of our corporate culture, which is characterized by responsible conduct, and promotes sustainable business practices across all business segments. Our corporate and sustainability strategy was developed on this basis, from which our sustainability

targets with a time horizon of up to 2025 have been derived:

E – Environment and climate change mitigation

We view sustainability as a driver of innovation for our product range.

- Issuance of further green bonds
- Launch of a new green savings product bearing the Austrian Ecolabel for sustainable financial products
- Integration of the topic of biodiversity into BKS Bank's sustainability strategy
- Overhaul of the "Natur & Zukunft" account with a focus on "biodiversity"
- Increasing the volume of sustainable products under BKS Bank's asset management in Austria and Slovenia

¹ ESRS 2 SBM-1, 40 a i and ii and ESRS 2 IRO-1, 53 b i

² ESRS 2 SBM-1, 40 a iii

³ ESRS 2 SBM-1, 40 b

⁴ ESRS 2 SBM-1, 40 e-f

We aim for climate neutrality.

- Implementation of the requirements of the Green Finance Alliance
- Development of a transition plan for climate change mitigation to achieve the science-based climate targets in the various portfolios

We are developing our real estate into Blue Buildings.

- Completion of the ÖGNI certifications for the Villach Parkblick, Klagenfurt Villacherstraße and Mattersburg projects
- Continuation of the Villach Hauptplatz project and ÖGNI certification
- Renovation and extension of the Baumbachplatz and Kreuzbergl properties in Klagenfurt in accordance with ÖGNI specifications
- Expansion of solar power generation by installing additional photovoltaic systems on the rooftops of our own properties
- Energy optimization by upgrading HVAC installations in buildings at two large properties in Klagenfurt

S – Society and social engagement

We view sustainability as a driver of innovation for our product range.

- Issuance of social bonds and sustainability bonds
- Increase endowment capital in the “Du & Wir” foundation

We value our employees and offer forward-looking opportunities for professional and personal development.

- Implementation of measures under the certification scheme as a family-friendly company as well as the promotion of health in the workplace in Austria, Slovenia and Croatia
- Implementation of the annual “Durch die Bank gesund” program with a focus on exercise and nutrition in all market areas
- Continuation of the campaign to make the diversity of BKS Bank employees visible

- Successful completion of the “Employer Branding” project to consolidate our positioning on the job market
- Implementation of improvement actions resulting from the previous year’s employee survey

Our employees are ambassadors for sustainability and social responsibility.

- Implementation of at least one corporate volunteering program in each country
- At least five information events on sustainability topics with our experts

We are members of ESG networks.

- Organization of TRIGOS Styria event
- Organization of at least two events with respACT or other sustainability organizations
- Organization of corporate volunteering projects together with cooperation partners

We contribute to increasing equal opportunity in society.

- Continuation of sponsorship of “Kämtner in Not” and support for the Caritas Lemcafé in Spittal an der Drau
- Continuation of sponsorship of Carinthia’s cultural highlights: Carinthian Summer, Stadttheater Klagenfurt, Tage der deutschsprachigen Literatur (German Language Literature Days)
- Organization of customer events on sustainable business practices

G – Governance

We aim to be a pioneer in sustainability.

- Successful sustainability ratings and membership in the VÖNIX index
- Completion of EMAS certification
- Re-certification as a Green Brand in Slovakia
- Further advance implementation of the Taxonomy Regulation requirements
- Development of company-wide stakeholder management

Good governance is an integral part of our day-to-day operations.

- Implementation of the CSRD and compliance with new disclosure requirements
- Solidification of ESG factors in risk management
- Ongoing training of our employees on the topics of compliance, anti-corruption, AML and data privacy
- Extensive discussion of ESG issues at Supervisory Board level
- Further development and strengthening of the ESG organization

We work and invest to achieve healthy, long-term growth.

- Introduction of new sustainable digital banking products
- Increase in the volume of sustainable banking products
- Consolidation of our positioning as a responsible banking partner for older people, the Fridays-for-Future generation, health-conscious people and entrepreneurial families
- Realization of potential for improvement identified in the EFQM assessment¹

We inspire our customers with excellent advice.

- Implementation of improvements identified in the customer satisfaction analysis

The greatest potential for achieving our sustainability targets across all countries and customer groups lies within our lending and investment business. It is also reflected in our science-based targets, where the most ambitious targets concern the real estate business in our retail and business customer segments.²

Given that our sustainability strategy is closely intertwined with our business strategy, a number of strategic targets

touch on sustainability matters or have an impact on them. This is particularly true for the topics “Own workforce”, “Climate change mitigation and adaptation”, “Quality”, and “Product development”. The most important challenges relate to our own workforce and the actions taken to achieve our climate targets. Relevant projects in this context are our sales restructuring, which will come into force in January 2026, follow-up projects from the “Employer Branding” project, which was completed in 2025, and, on the climate side, the pursuit and achievement of the science-based targets defined by BKS Bank.³

BKS Bank’s updated sustainability strategy, which will determine the sustainability agenda for the period 2026 to 2030, builds on the results achieved and progress made under the previous strategy. The existing targets and areas of action will be pursued and continued in line with regulatory and strategic requirements.

Value chain of BKS Bank

To illustrate the value chain of BKS Bank in the context of the existing business model, it has been divided into three sub-areas. The information required for this purpose has been obtained from various internal and external sources:⁴

- Upstream value chain: use of existing information on resources and services provided
- Own business activities: analysis of the organizational structure and processes according to process map
- Downstream value chain: analysis of products and services

This value chain information is intended to provide a better understanding of the environmental, social and economic

¹ European Foundation for Quality Management

² ESRS 2 SBM-1, 40 f

³ ESRS 2 SBM-1, 40 g

⁴ ESRS 2 SBM-1, 42 a

impacts of BKS Bank's business activities. Transparency in terms of risks and opportunities supports informed decisions and promotes the traceability of actions aimed at making products, services and capital expenditure sustainable.¹

Upstream activities

The upstream value chain includes the procurement of energy, capital goods, IT infrastructure, services, office supplies and consumables. Upstream activities also include mobility activities, such as employee travel to and from work, business trips and travel by customers to our branches. These activities can contribute to climate change through energy use and greenhouse gas emissions, and also have an impact on resource use, the circular economy and working and social standards.

Activities at BKS Bank

BKS Bank's value creation is generated primarily through the development, provision and sale of digital and analog banking and financial products. Our own activities include the operation of branches and permanent establishments, the management and leasing of real estate, and the provision of internal banking and support services.

Key input factors for these activities are the know-how and expertise of our employees, an efficient branch and IT infrastructure, and capital expenditure on the digital transformation and process automation. Actions in the areas of training and education, diversity and inclusion management, and promotion of health in the workplace are key to the organization's long-term performance capacity and resilience.

Downstream activities

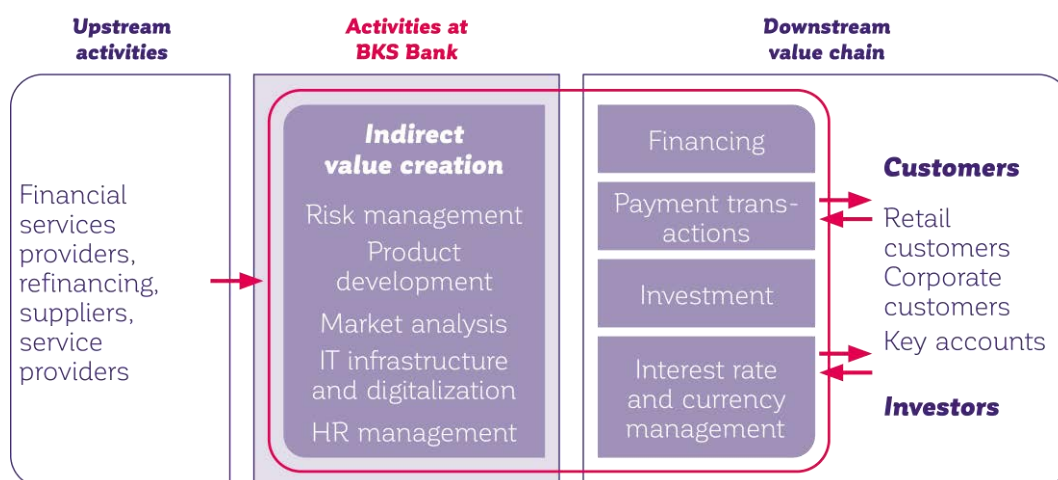
Downstream activities include economic activities that are made possible or are affected by the use of financial products and services. These include projects and actions such as the construction and modernization of generation and energy plants, the construction of social facilities and capital expenditure in the health, education, and real estate sectors. They also include wealth creation, financial planning and other forms of investment.

The design of products as well as financing and capital expenditure decisions influence the environmental and social direction of projects completed by customers and companies. This can have both positive and negative impacts on the climate, resources, labor and human rights, and regional value creation in the downstream value chain.²

¹ ESRs 2 SBM-1, 42 b

² ESRs 2 SBM-1, 42 c

Value chain of BKS Bank



SBM-2

Interests and views of stakeholders

Engagement means actively exerting influence to raise awareness of ESG topics among capital market actors. In line with our understanding of engagement, we also involve other target groups, such as our service providers and suppliers. Our engagement strategy is based on constructive dialog with our

stakeholders to support sustainable growth and promote the transformation toward a sustainable economy.

Stakeholders of BKS Bank are all persons, groups, organizations or institutions which are affected economically or socially by the decisions we make, or have an interest in our decisions. Key stakeholders are listed in the table below:¹

¹ ESRS 2 SBM-2, 45 a

Overview of the engagement process

Stakeholder groups	Representatives	Engagement
Owners	Investees, shareholders	<ul style="list-style-type: none"> • Information <ul style="list-style-type: none"> - provided at the annual general meeting - in the form of reports and - ad-hoc reports
Employees		<ul style="list-style-type: none"> • Empowerment through training • Involvement in projects • Regular employee surveys
Customers	Retail customers, corporate customers, public sector	<ul style="list-style-type: none"> • Information <ul style="list-style-type: none"> - through newsletters and - events • Regular customer satisfaction surveys
Business partners	Cooperation partners, consultants, certification bodies, suppliers, subsidiaries	<ul style="list-style-type: none"> • Regular engagement within cooperation projects
Other stakeholders	Supervisory Board, Green Finance Alliance, supervisory authorities, legislators, sector specific interests group representatives, NGOs, media	<ul style="list-style-type: none"> • Information <ul style="list-style-type: none"> - Response to inquiries by the Communications Department as part of external corporate communications - Publications on the website

We used a range of different instruments to engage with our individual stakeholder groups. As part of the ESG dialog, we also defined target group-specific forms of engagement that are based on the “Three Goals” of Climate Action 100+, but also take into account the special requirements of the individual customer groups and the respective options available to BKS Bank.¹

In addition to meeting the information needs of the individual stakeholder groups, the purpose of stakeholder engagement is ultimately to implement and achieve our business and sustainability targets.² The results of active forms of engagement, such as employee and customer surveys, are directly taken into account in the improvement actions

we develop and implement. Other forms of engagement that have an impact on the achievement of our sustainability targets are indirectly taken into account within the sustainability organization.³

We engaged key stakeholders to assess our impacts as part of the double materiality assessment (see IRO-1, 53 b iii). Their interests were also taken into account in the due diligence process (see GOV-4, 32). This enables us to better understand their most important interests and views.⁴

The Management Board is informed about the interests and views of affected stakeholders as part of the quarterly sustainability meetings. Material sustainability topics, including stakeholder

¹ ESRs 2 SBM-2, 45 a i to iii

² ESRs 2 SBM-2, 45 a iv

³ ESRs 2 SBM-2, 45 a v

⁴ ESRs 2 SBM-2, 45 a iv and v, b

concerns, are regularly addressed at meetings of the Supervisory Board.¹

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

In the following description of the material impacts, risks and opportunities of BKS Bank as well as their relationship with the business model, BKS Bank applies the time horizons defined in ESRs 1 for the short, medium and long term.² These are referred to collectively as the observation period. In order to increase the informative value and enable better understanding, we have summarized some of the material impacts, risks and opportunities.

In our double materiality assessment, we identified the material impacts, risks and opportunities of BKS Bank in all three ESG areas: Climate change mitigation, climate change adaptation, energy use and the direct impact drivers of biodiversity loss are the focus in the environmental area. In the social area, the focus is on fair and safe working conditions, equal treatment and equal opportunities, and the social inclusion of consumers and end-users. In terms of business conduct, material topics focus on responsible corporate culture and preventing corruption and bribery.³ In addition, there were no changes compared with the previous year.⁴

These topics have varying relevance along the value chain and influence the current business model and future strategic direction to varying degrees. We have identified social and governance-related impacts in the upstream value chain and in our own operations. They are relevant to our own business processes, for

example, in dealing with employees, customers and business partners. Here, BKS Bank's current strategic direction in conjunction with the corresponding policy guidelines provides opportunities to reduce negative impacts and risks, and to specifically promote positive impacts and opportunities. In the downstream value chain, environmental IROs are the most prevalent, particularly in connection with financing and investments. BKS Bank's responsible financing and investment policy can support the transition to environmentally conscious behavior, thereby mitigating negative impacts and risks. This approach will be reinforced by a comprehensive overhaul of the sustainability strategy in 2025, the preparation of a transition plan for climate change mitigation and the subsequent development of an engagement strategy that further supports the focus on sustainability.⁵

The risks identified did not have any significant impact on the financial position, financial performance or cash flows in the reporting year. As they have a disproportionately low potential for causing losses in comparison with other banking risks, it can be assumed that sustainability-related risks will continue to play a minor role in the coming reporting year. Additionally, these risks are actively incorporated and managed in the risk management of BKS Bank.⁶

The resilience of BKS Bank's strategy and business model with regard to material impacts, risks and opportunities is ensured in a variety of ways and supported by the close integration of business, risk and sustainability strategies. The basis of our success is our growth strategy, which we have pursued for many years and which focuses on profitability

¹ ESRs 2 SBM-2, 45 d

² ESRs 2 SBM-3, 48 c iii

³ ESRs 2 SBM-3, 48 a

⁴ ESRs 2 SBM-3, 48 g

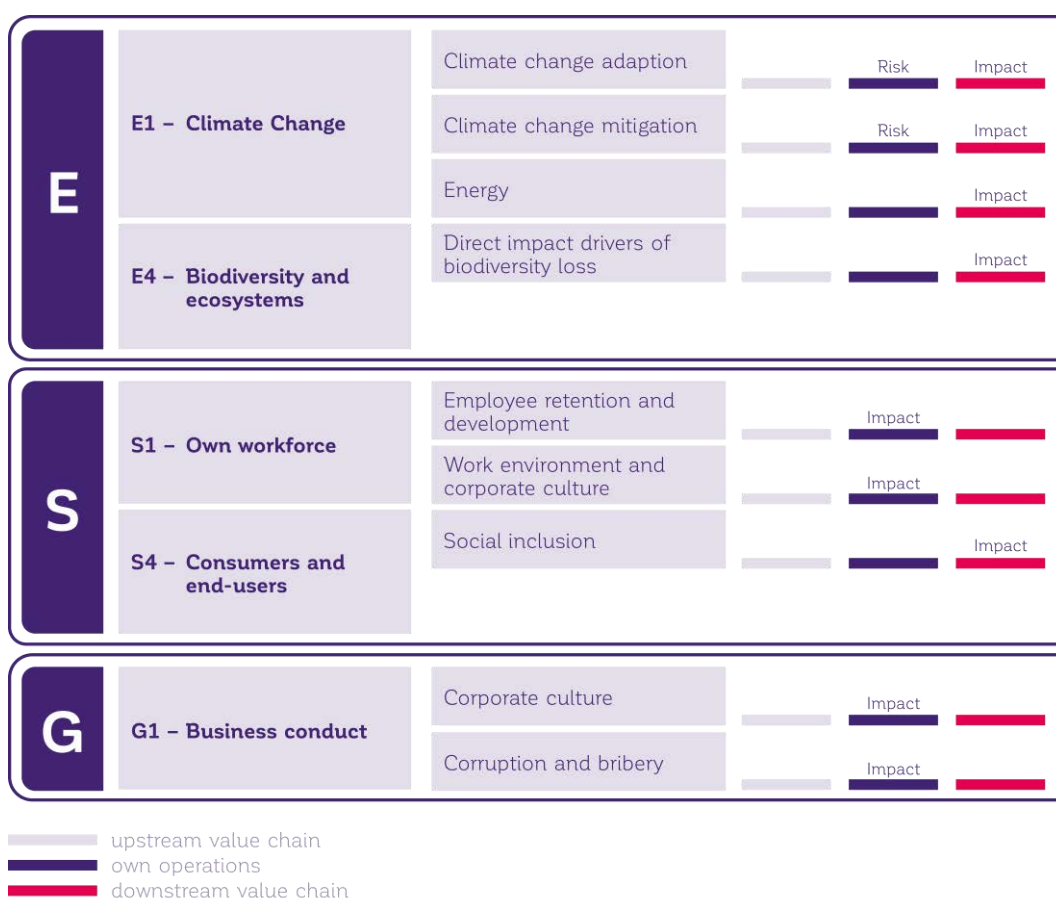
⁵ ESRs 2 SBM-3, 48 b

⁶ ESRs 2 SBM-3, 48 d

and sustainability. Growth is now less focused on expanding locations and more on opening up new lines of business and using resources more efficiently. New opportunities are seen primarily in two topics of the future: digitalization and sustainability. Comprehensive risk management ensures the resilience of this strategic approach on the basis of

risk and return assessments, stress tests and scenario and resilience analyses, whereby ESG risks are integrated into existing types of risk (see Risk Management; Resilience analysis).¹

The following figure provides an overview of the material topics identified and their significance along the value chain:



E1 - Climate change

Climate change mitigation

Material impacts, risks and opportunities related to climate change mitigation arise from the emissions generated by BKS Bank’s business activities, which have a negative impact on global warming.²

“Greenhouse gas emissions from own business activities” result mainly from employees travelling to and from work, the vehicle fleet and heating costs. They are classified by BKS Bank as a physical, chronic risk resulting from the costs that have to be incurred in order to further reduce direct greenhouse gas emissions.

¹ ESRS 2 SBM-3, 48 f

² ESRS 2 SBM-3, 48 c i

According to our own assessment, this is an actual risk that is likely to remain constant over the observation period.

“Financed emissions” include the carbon emissions arising from loans and investment products. As a consequence, they constitute a material impact caused by financial institutions. Financed emissions relate exclusively to the downstream value chain. They have actual, negative impacts due to the emission of greenhouse gases, which are expected to remain constant over the observation period.

The core business of a financial institution is the financing of economic activities that are directly or indirectly linked to the emission of greenhouse gases. Nonetheless, BKS Bank is committed to science-based climate targets that are aligned with a 1.5°C pathway. This focus is highlighted by our membership of the Green Finance Alliance, whose list of criteria is binding for us. The implementation and ongoing review of our EMAS environmental management system is also very important for our operations. As part of the resulting process of continuous improvement, improvement actions are defined and implemented on an ongoing basis.

This strategic direction is intended to achieve the decarbonization of asset classes in accordance with science-based targets in both our financing and investment portfolios. Depending on the asset class, different reduction targets have been set for 2030, which are designed to adjust emissions intensity to a target of 1.5°C, especially in the energy and real estate portfolios. The exclusion criteria for fossil fuels apply to all of BKS Bank’s business segments that are relevant in terms of emissions, and thus contribute to the reduction of financed emissions, independently of the science-based targets.

Climate change adaptation

Climate change adaptation has a variety of direct and indirect impacts on the business activities of BKS Bank. Impacts, risks and opportunities arise from the elimination of the acute consequences of climate change, the financing of adaptations and costs resulting from changes in regulatory requirements.

“Financing activities that support climate change adaptation and transition” relate to the downstream value chain, such as the financing of flood protection measures, adaptations of buildings to heat, torrential rain or storms and the modernization of energy-intensive industrial facilities. These impacts are considered to be actual and positive; materiality refers to a medium to long-term perspective.

The risk from “chronic weather events” relates to the company’s own operations and was classified as a physical, chronic risk as company costs are expected to increase due to rising demand for heating and especially for cooling in conjunction with potential increases in energy costs. According to our own assessment, this is a potential risk that is likely to increase in importance in the medium to long term.

The “regulatory risk due to climate change adaptation” is classified as a potential transition, regulatory risk that is almost certain to have negative financial impacts on BKS Bank’s own operations and is expected to remain constant over the observation period.

We use a number of different strategies to counter these impacts and risks. To promote climate change adaptation, BKS Bank has defined positive criteria that determine which activities are given priority in financing. There are also Group targets for increasing the percentage of sustainable financing and for creating further sustainable products.

The impacts of chronic weather events are mitigated by the defined EMAS targets for energy saving. In addition, the implementation and ongoing review of the EMAS environmental management system is very important. As part of the continuous improvement process triggered by this, we define and implement improvement actions with regard to climate change adaptation. Further energy-saving measures and targets are expected as a result of auditing in accordance with Austria's Federal Energy Efficiency Act (EEffG). The EMAS legal compliance register, which is updated every six months, helps to minimize the financial risk arising from regulatory changes and to ensure that mitigation actions can be implemented in a timely manner.

Energy

The energy transition away from fossil fuels toward renewable energy sources also has a variety of direct and indirect impacts on BKS Bank's business activities. The main positive impact here is the financing of the transition.

The impacts of the "transition toward renewable energies" affect the downstream value chain and are considered to be actual and positive. Materiality is indicated for a medium to long-term perspective.

Resilience analysis¹

As part of the resilience analysis, BKS Bank

- carried out stress tests in connection with heat, drought and transition risks, and
- scenario analyses for six different climate scenarios with a time horizon up to 2050 as well as assessments of the exposure to ESG and climate

risks. This resilience analysis focused on the customer business, particularly the financing business. The analysis included the entire customer portfolio in each case.²

Like the climate scenario analyses, resilience analyses relating to the risk assessment are carried out annually, while stress tests are carried out quarterly. The climate scenarios were analyzed for the first time in December 2024.³

The annual risk assessment examines the impact of climate risks on the types of risk identified at the bank and subjects them to a qualitative assessment. A bought-in system is used to carry out stress testing using an approach similar to that of the ECB stress test to calculate the expected loss of the loan portfolio. The focus is on input factors from external sources and the metrics defined for the ECB climate stress test 2022.

In the climate scenarios, scenario analyses were identified in connection with the achievement or failure to achieve climate targets, e.g., the achievement of the 1.5°C target by 2050. The climate scenarios are based on the scenario input parameters of the NGFS (Network for Greening the Financial System) and were integrated into the impairment loss model (in accordance with IFRS 9) on a test basis to identify the scenario outcomes and stress testing for the ICAAP was established.

The results of the risk assessment, stress tests and scenario analyses show no material negative impact on the bank and its current business model. The assessment of risk as "low" is primarily due to the fact that the handling of ESG risks, but also the perspective on the opportunities arising from the increasing focus on sustainability in general, as well as the far-reaching integration of the

¹ ESRS E1, 19

² ESRS E1, 19 a

³ ESRS E1, 19 b and AR 7 b

sustainability strategy into the business model, are well established in the bank's management.¹

E4 – Biodiversity and ecosystems

Direct impact drivers of biodiversity loss

Real estate financing is a key component of the business model. In most cases, the financing of construction projects is associated with land use. There is a risk of biodiversity loss due to soil sealing and the associated fragmentation of ecological habitats. While BKS Bank takes care to keep land use as low as possible in its own construction and conversion projects, and even to create additional semi-natural areas, there are currently no criteria in the financing of real estate projects in the downstream supply chain to reduce the use of land or to promote the use of already sealed areas or their unsealing.

The biodiversity loss caused by “land-use change” in BKS Bank's value chain is viewed as an actual, negative impact in the short and medium term. In the long term, the scale of the impacts could be reduced slightly by raising awareness and general changes in land use (zoning, limiting sealing, transition to high-density construction).

S1 – Own workforce

For ease of reference, BKS Bank's material impacts on its own workforce have been divided into “Employee retention and development” and “Working environment and corporate culture”.

Employee retention and development

A variety of factors influence employee loyalty in a company. In this area, BKS Bank's HR strategy focuses on work-life balance, pay and further development, which helps promote equal opportunities, increase employee satisfaction and motivation, and ensure staff retention in the long term. High-quality continuing education programs are open to all

employees regardless of age or qualifications, and also include measures to enhance personal development.

The following material impacts were identified:

A “fair employer” who enables employees to balance work and family life effectively by offering flexible working hours is viewed as an actual, positive impact that will remain effective over the observation period. In contrast, limited opportunities to organize work flexibly in terms of location are viewed as an actual, negative impact because they do not take into account caregiving responsibilities or the stress of commuting to work every day, for example. This, in turn, has a negative impact on employer attractiveness. If no countermeasures are taken, this impact will become more material in the long term.

“Fair pay” is classified as an actual, positive impact that contributes to employee satisfaction. Employees can receive additional support through voluntary social benefits, an employee shareholding scheme and benefits from the employee participation fund. Another important factor is making it easier for female employees to switch from part-time to full-time work. While the impact of a non-discriminatory wage structure is expected to remain constant over the observation period, the impact of actions aimed at reducing the gender pay gap is likely to be relevant, primarily in the short and medium term, and will decrease as salaries become more aligned.

While the impact of a non-discriminatory wage structure is expected to remain constant over the observation period, the impact of actions aimed at reducing the gender pay gap is likely to be relevant, primarily in the short and medium term. Actions that make it easier for female employees to switch from part-time to

¹ ESRS E1, 19 c

full-time work and those that increase the percentage of women in management positions are important here. These actions should reduce the impact of the gender pay gap in the long term.

Sound career planning with a wide range of “training and continuing education opportunities” has an actual and positive effect on employee motivation and leveraging the potential of employees, and therefore also enables a high number of senior executive positions to be filled internally. The impact is assessed as positive over the entire observation period, and is likely to be more pronounced in the medium and long term.

Work environment and corporate culture

In accordance with the Universal Declaration of Human Rights and principles of the UN Global Compact, BKS Bank provides equal opportunities for all employees regardless of age, gender, ethnicity, religious affiliation, sexual orientation, gender identity or physical disability. The mission statement, values and Code of Conduct provide guidance for good cooperation.

In the context of equal opportunities, BKS Bank is committed to promoting diversity and high-quality continuing education. The LGBTQIA+ Business Resource Group, initiated by our Diversity Officer, is committed to creating an inclusive work environment in which employees can reach their full potential. Particular attention is paid to diversity matters, especially in the recruitment and development of management, with the aim of increasing diversity in our teams.

Together, these policies create a work environment that offers fair development opportunities for all, safeguards performance capacity and enables employees to play an active role.

The promotion of “diversity”, which allows employees to better exploit their potential

and increases their positive identification with the employer, and the achievement of new target groups of employees are considered to be actual, positive impacts, the scale of which is expected to remain constant over the observation period.

The consequences of “employee engagement”, through employee surveys, for example, are classified as actual, positive impacts, as the successful contribution of own ideas and the implementation of suggestions for improvement not only increase employee motivation, but also contribute to a productive work environment. The significance of this impact will remain material throughout the observation period.

Actions in the area of “health and safety”, such as vaccination campaigns, workplace health initiatives and a mental health counselling service, serve to create a healthy and safe work environment and thus have a positive effect on keeping employees’ healthy and on their performance capacity. This impact is classified as consistently material over the observation period.

*S4 – Consumers and end-users
Social inclusion of consumers and/or end-users*

BKS Bank aims to achieve social sustainability in its core business. In this context, we focus on the range of products and services for older generations, the financing of not-for-profit residential construction projects and the setting up of local medical care centers. At the same time, the next generation is very important. Our pocket money account and junior account teach children and young people to handle money responsibly. Age discrimination in banking – from difficulties in accessing loans to struggling with online banking – can put older people at a disadvantage. Our aim is to counteract such discrimination and create a banking

environment that is accessible and easy to use for all age groups. Our branch network and extensive advisory expertise also foster an environment that supports and maintains the financial health and independence of older people.

We consider “access to services” that enables as many people as possible to access banking transactions without discrimination or barriers to be an actual, positive impact that will remain effective over the observation period.

G1 – Business conduct *Corporate culture*

Good internal governance, full compliance with laws, regulations and directives, and actively taking responsibility for products and services are key factors for the long-term success of financial institutions. Our compliance management, privacy policy and the internal control system are designed to ensure compliance with all laws, regulatory requirements and other external and internal rules.

Governance that creates transparency and implements grievance mechanisms means that stakeholders are aware of targets, strategies and positioning, while grievance mechanisms can reduce the risk of misconduct and induce improvements. These impacts are considered to be actual, positive impacts that will remain of the highest materiality throughout the observation period.

Corruption and bribery

BKS Bank has set up a compliance office in accordance with the Austrian Banking Act (BWG) and the Austrian Securities Act (WAG). As part of compliance under WAG, checks are conducted to determine whether all capital market rules and regulations are being complied with. This concerns, for example, the handling of inside information, the accurate labeling of marketing information and compliance

with blocking periods. The compliance office is also responsible for defining anti-corruption rules and related control actions.

Comprehensive policy guidelines that ensure the enforcement of requirements, procedures, management approaches or strategies to prevent corruption and bribery, and risk-mitigating actions for business activities in sectors that have an increased risk of corruption or bribery are a core element in this regard.

The impact of strict adherence to “AML and compliance guidelines” is considered to be actual and positive because it also helps avoid other risks, such as reputational risks. Refusing to enter into controversial business relationships also has a positive impact indirectly on respect for human rights. No change is expected in the observation period.

Impact, risk and opportunity management

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities

Description of the methodology and assumptions applied¹

In 2024, the process used in the double materiality assessment to identify and assess material impacts, risks and opportunities was carried out in accordance with the requirements defined in ESRS 2. The entire scope of consolidation was taken into account (see “Consolidated entities included in the group of consolidated companies” and SBM-1 Strategy, business model and value chain). The impacts of business activities on sustainability-related matters were considered from an inside-out perspective, while the corresponding risks

¹ ESRS 2 IRO-1, 53 a

and opportunities for BKS Bank were assessed from an outside-in perspective.

To this end, internal workshops were held at which the identified potential impacts, risks and opportunities were discussed and assessed on an individual basis. The assessment of the impacts, on the one hand, and of the risks and opportunities, on the other, was carried out separately, with the possible impacts being assessed first and then the risks and opportunities. The results were summarized and the material topics derived based on the defined materiality thresholds.

The following two sections describe the procedures for identifying material impacts, risks and opportunities that were carried out in 2024. Our plans are to review the results of this assessment annually and to carry out a reassessment in the event of any relevant system changes, but at least every three years.

Overview of the process to identify, assess, prioritize and monitor impacts¹

BKS Bank has been analyzing and monitoring material sustainability topics for more than a decade, as part of its sustainability strategy or environmental management, for example. Together with the sustainability matters dealt with in ESRS, the topics identified in this process form the basis for formulating the potential impacts that BKS Bank has on its environment.

In order to gain a further perspective on the impacts caused by financed activities, the loan portfolio (2023) was analyzed using the UNEP FI-ESRS² impact analysis tool developed by the United Nations, both for the corporate and retail customer segments. The results of this analysis, as well as the results of the assessment of the environmental matters from the EMAS environmental statement, were

taken into account in the final impact assessment in workshops involving internal experts and specialists.

In the assessment, a distinction was made between positive and negative impacts. Each impact identified was checked to determine whether it actually occurs or has only a limited probability of occurring. The scale and scope of all impacts were assessed; in the case of negative impacts, their irremediable character was also assessed, i.e., whether and to what extent negative impacts could be remedied. In the case of impacts that have a negative impact on human rights, the severity of the impact was given priority over its probability of occurrence and taken into account accordingly in the assessment.

As a universal bank, our product range includes the provision of financing, advisory services for subsidy schemes, leasing transactions for businesses as well as account services and retirement, savings and investment products for retail customers. Focusing on small and medium-sized companies and retail customers enables us to minimize the risk of adverse impacts due to the high degree of diversification. Furthermore, many potential adverse impacts are avoided from the outset by adhering to exclusion criteria. To assess the impact of our business activities, we looked at the impacts that arise along the value chain. Due to the nature of a financial institution's value chain, the assessment of downstream activities takes on particular importance. In the impact assessment, we assessed our loan portfolio in the individual countries of our business area according to NACE codes, taking into account the 50 most relevant NACE codes per country.³

¹ ESRS 2 IRO-1, 53 b

² © United Nations Environment Programme, 2024

³ ESRS 2 IRO-1, 53 b i and ii

To gain a better understanding of the impacts, risks and opportunities in relation to affected communities, representative discussions were held with various interested stakeholders. Representatives of the Green Finance Alliance and BKS Bank's internal EMAS environmental team were among the stakeholders consulted on environmental topics, while the Works Council was consulted on matters concerning the company's own workforce. The impacts, risks and opportunities identified by BKS Bank as part of the above processes were discussed, and the stakeholders were asked for their assessment. They were also asked to assess the completeness of the impacts, risks and opportunities identified and, where applicable, to indicate any unrecognized issues. The results of this stakeholder engagement were taken into account in the final reconciliation of the materiality assessment. An overview of general processes for stakeholder engagement can be found in section SBM-2 Interests and views of stakeholders.¹

In our analysis, we considered both actual and potential impacts, regardless of whether they were positive or negative. Actual impacts were assessed in terms of scale and scope, while potential impacts were also assigned a probability of occurrence. In the case of negative impacts, their irremediable character was included in the assessment. As impacts can develop differently over time, they were considered over a short, medium, and long-term time horizon.

In consultation with Controlling and Risk Controlling, the threshold for material impacts was selected in such a way that impacts that rank in the top third of the assessment scale are defined as material. This is to ensure that all the impacts that

are most relevant to the environment, social issues and business conduct are taken into account in a focused manner. On the six-point rating scale used, all impacts with an overall score above 4 were therefore rated as material.²

Overview of the process used to identify, assess, prioritize and monitor risks and opportunities

To identify risks and opportunities that have or could have material financial impacts, matters relevant to sustainability were viewed from an outside-in perspective. Both the matters covered in the topical ESRS and those arising from BKS Bank's business model were taken into account here. To be able to assess the associated potential financial risks and opportunities in the context of BKS Bank, workshops were held with internal experts from the Controlling and Risk Controlling departments. This assessment took into account the variability of the impacts over a short, medium and long-term time horizon. Material impacts already identified were also assessed with regard to their financial risks or opportunities.³

The assessment of risks and opportunities assessed the probability of occurrence and severity of the impact on a six-point scale. The severity was assessed at levels ranging from "1 - no risk/no opportunity" to "6 - extreme event/excellent opportunity" with the highest level corresponding to an absolute financial impact of over EUR100mn. In addition, an assessment was made as to whether there are physical or transition risks/opportunities and, if assignable, whether these have an impact on the development of the company, its financial position, financial performance, cash flow, access to finance or cost of capital.⁴

¹ ESRS 2 IRO-1, 53 b iii

² ESRS 2 IRO-1, 53 b iv

³ ESRS 2 IRO-1, 53 c i

⁴ ESRS 2 IRO-1, 53 c ii

In general, sustainability risks and opportunities, including climate risks in particular, are assessed in the risk assessment and addressed in the risk strategy. Risks are given a priority ranking in line with the assessment of risk in the annual risk assessment. Here, sustainability risks are assessed according to the same criteria as other risks specific to the Group. ESG-induced risks are also taken into account according to their financial impact.

The risk assessment tools used include the risk assessment process, stress tests, ESG-related soft facts in the rating and the consideration of location-based climate risks when estimating loan values.¹

The consideration of ESG risks is an integral part of lending and the associated control procedures.²

Sustainability risks are managed as part of the management of BKS Bank's individual risk types. The risk policy principles for managing sustainability risks and, in particular, climate-related risks refer to the various management levels and risk categories, and are based on the principles and requirements of the ECB's³ "Good practices for climate-related and environmental risk management", the BCBS "Principles for the effective management and supervision of climate-related financial risks"⁴, and the "FMA guidelines on managing sustainability risks".^{5, 6}

Financial risks are monitored as part of risk management, which is incorporated into the bank's overall strategy. The

business strategy is presented annually to the Supervisory Board and the risk strategy derived from it is discussed by the Risk Committee and presented to the plenary meeting of the Supervisory Board for information. In addition, the Supervisory Board is informed of the current risk situation at its quarterly meetings.⁷

Input parameters used⁸

The double materiality assessment considered the impacts, risks and opportunities that may arise throughout our market region. It was possible to draw on assessments that had been carried out previously, for example, a materiality assessment that was carried out in 2020. The analyses and assessments as part of the EMAS certification were also taken into account. To gain a better insight into the impacts of activities financed by BKS Bank, we analyzed our loan portfolio (2023). Internal analyses of the financed emissions and their distribution across the individual ÖNACE sectors were also taken into account in the assessment. The "Air pollutant emissions and air quality in Austria" dashboard was used to assess the impacts⁹ on air pollutant emissions.

Process compared with the previous reporting period

The existing double materiality assessment was evaluated in the reporting year. Sustainability-related risks and opportunities were evaluated as part of the annual risk assessment. In addition, the impacts identified in 2024 were compared with the updated contextual and environmental assessment under the EMAS. These analyses did not identify any material deviations from the existing

¹ ESRs 2 IRO-1, 53 c iii

² ESRs 2 IRO-1, 53 d

³ <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.thematicreviewcercompendiumgoodpractices112022-b474fb8ed0.en.pdf>

⁴ <https://www.bis.org/bcbs/publ/d532.pdf>

⁵ <https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=4720&nonce=6c263e460ea1c96c>

⁶ ESRs 2 IRO-1, 53 e

⁷ ESRs 2 IRO-1, 53 f

⁸ ESRs 2 IRO-1, 53 g

⁹ Air pollutant emissions and air quality in Austria dashboard, <https://www.umweltbundesamt.at/umweltthemen/luft/luftschadstoffe/dashboard>

materiality assessment. Consequently, there are no changes compared to the previous reporting period in terms of material impacts, risks and opportunities.

As part of the adaptation to the planned changes in reporting standards, the materiality assessment will undergo a fundamental revision next year.¹

E1 IRO-1

Description of the process used to identify climate-related impacts, risks and opportunities

BKS Bank's climate-related impacts, risks and opportunities, in particular from greenhouse gas emissions, are made up of emissions from own operations and those generated along the value chain and through financed activities. In identifying and assessing BKS Bank's climate-related impacts, risks and opportunities, a distinction was therefore made between impacts resulting from own operations and those arising from activities in the value chain.

The context analysis of the EMAS environmental management system and the disclosure requirements already implemented in accordance with TCFD² were used to identify the **impacts**. The impacts identified on this basis were compared with the sustainability matters under ESRS 1, AR 16.³

The loan portfolio was analyzed to support the assessment of the downstream impacts of BKS Bank's financing activities.

The impacts identified in this way were assessed in internal workshops with experts from risk management and controlling. Additionally, colleagues from the EMAS environmental team and representatives of BMK's Green Finance

Alliance were included as stakeholders for the climate-related impacts.

To identify the impacts on climate change, especially from greenhouse gas emissions, we analyzed the following topics relevant to BKS Bank: Emissions from own operations, i.e., our Scope 1, 2 and 3 emissions as well as financed emissions in the value chain, with a particular focus on emissions-relevant sectors such as agriculture and fisheries, manufacturing of goods, waste management, mining, construction and services.

Potential positive impacts from our financing activities were also assessed, in particular those that serve climate change mitigation, the adaptation of our own buildings to climate change and the financing of activities in the value chain that support climate change adaptation, focusing primarily on GHG emission reduction, reduced energy requirements, long-term usability through appropriate heating and cooling systems, and the general mitigation of climate risks, but also on the facilitation of cross-cutting activities aimed at mitigating climate risks.

All of BKS Bank's locations were subjected to a climate risk analysis in order to identify location-based climate risks for business activities. In the case of financing, the bank also checks the collateral provided for climate-related risks. Exclusion criteria for fossil fuels are applied when granting corporate loans, which promotes the transition to a climate-neutral economy and prevents financing that accelerates climate change. In addition to supporting the transition, these criteria also help to assess and take account of climate-related business risks.⁴

¹ ESRS 2, IRO-1, 53 h

² Task Force on Climate-related Financial Disclosures

³ ESRS E1 IRO-1, 20 a (incl. AR 9)

⁴ ESRS E1 IRO-1, 20 b i and ii

The bank analyzed various impact drivers to identify **climate-related physical risks** in our own operations as well as in the upstream and downstream value chain. In the process, we investigated climate-related risks that are exacerbated by rising greenhouse gas emissions. We also assessed the impacts on BKS Bank's assets and business activities. In doing so, we classified the risks and broke down physical risks and susceptibility to physical risks according to acute and chronic triggers. The assessment differentiated between severity, probability of occurrence and time horizon. In the case of serious or extreme events, we considered the financial impacts on development, the financial position, our financial performance, cash flows, access to finance and cost of capital.

The analysis of risks and exposure to risk is based on an analysis of the severity of the risk and the exposure by assessing the probability of occurrence. We analyzed the negative financial impacts resulting from

- greenhouse gas emissions by the company or the value chain,
- chronic weather-related events due to climate change,
- power outages.

With Climcycle, BKS Bank has a system in place that can be used to analyze physical risks and our customers' exposure. In this process, score values are determined on the basis of industry codes as well as location. We also use stress scenarios to identify the impacts of extreme events, such as flood disasters or excessive heat. Furthermore, physical risks are regularly assessed in the bank's risk assessment, with the main focus being on exposure and probability of occurrence as well as the expected period of

occurrence. In an internal exposure analysis, the probability of occurrence and exposure to extreme weather, pollution, physical climate change and loss of biodiversity were also assessed. Moreover, BKS Bank has assessed its customers over a multi-year period relying on soft facts to evaluate their exposure to climate-related risks.¹

We have assessed the risks in the short, medium and long term. We have taken into account the severity of the physical risks according to both the period of occurrence and the average term of our financing.²

A climate risk analysis was carried out for our own branch locations and holdings of real estate collateral for our customer portfolio in Austria. In terms of individual chronic and acute climate-related risks, we singled out risks that are relevant to the area under review and pose measurable risks, namely, growing season, very hot days, heavy precipitation, precipitation intensity, cooling degree days, heating degree days and thaw days. The climate risk model rating used is based on data from Climate Change Impact Maps (CLIMAMAP), which depict various climate scenarios up to the year 2100. The Representative Concentration Pathway (RCP4.5) emissions scenario was used for the analysis as a medium climate scenario. The relevant sector code is used to map the customer's business activities in the stress test, and potential assets at risk are taken into consideration based on location. The climate risk analysis is updated and/or carried out again if there are changes to the relevant metrics.³

BKS Bank assesses the exposure of our customer portfolio to physical risks according to the NGFS scenarios⁴. The

¹ ESRs E1 IRO-1, AR 11 a

² ESRs E1 IRO-1, AR 11 b

³ ESRs E1 IRO-1, AR 11 c

⁴ Network for Greening the Financial System

impacts on expected loss amounts are determined using the various scenarios based on the lifetime model. We also take the results of the assessment in the stress testing program into account in the economic capital requirements of the ICAAP risk bearing analysis.¹

To identify **climate-related transition or transitory risks** and opportunities in our company and along the upstream and downstream value chain, we carried out a comprehensive analysis of various impact drivers. This serves to identify climate-related risks associated with global warming and to assess the impacts on BKS Bank's assets and business activities. In this context, we applied a differentiated risk classification. The transition risks were subdivided according to their origin: technology, market price, regulatory changes or reputational loss. When assessing these risks, we took into consideration the severity, probability of occurrence and time horizon. For serious events or extreme events, we analyzed in detail the potential financial impacts on business development, financial position, financial performance, cash flows, access to finance and cost of capital.²

In particular, we analyzed the financial impacts resulting from

- Policy or legislative changes
- Technical adaptations
- Reputation and
- Adjustments in the market

With regard to the review of whether assets and business activities are exposed to physical transition risks or whether opportunities arise from them, a differentiated review was carried out on the probability of occurrence and period of occurrence. Relevant climate-related

transition events were taken into account based on the TCFD classification.³

The susceptibility to physical transition risks or the probability of an opportunity occurring was assessed in a differentiated manner based on severity and time horizon.⁴

In 2023, BKS Bank committed to science-based targets, and since 2024 also to validated climate targets in line with the Paris Agreement to limit global warming to 1.5°C. These targets were taken into account when carrying out the double materiality assessment.⁵

Business activities and related assets that are incompatible with a transition to a climate-neutral economy or whose transition requires significant effort were included qualitatively in the materiality assessment in connection with our loans.⁶

The results of our risk assessments, stress tests and scenario analyses show no material negative impacts on the bank and its current business model. The assessment of risk resulting from the risk assessments and climate stress tests is classified as "low". Climate-related assumptions are therefore not taken into account in the financial statements. However, they are reflected in the risk-bearing capacity and the limits set for the composition of the portfolios.⁷

E2 IRO-1

Process to identify material impacts, risks and opportunities in relation to E2 "Pollution"

Actual and potential impacts, risks and opportunities related to environmental pollution, the company's own business activities and the upstream and

¹ ESRS E1 IRO-1, AR 11 d

² ESRS E1 IRO-1, 20 c, i and ii

³ ESRS E1 IRO-1, AR 12 a

⁴ ESRS E1 IRO-1, AR 12 b

⁵ ESRS E1 IRO-1, AR 12 c

⁶ ESRS E1 IRO-1, AR 12 d

⁷ ESRS E1 IRO-1, AR 15

downstream value chain were considered as part of the analysis. The focus was on impacts in the downstream value chain. Special consideration was given to an analysis of the loan portfolio from all markets using the UNEP-FI tool. The impacts of our own operations in terms of pollution were assessed as part of the double materiality assessment.¹

To gain a better understanding of the direct impacts of pollution on affected communities, stakeholder discussions were held with the Green Finance Alliance and the internal EMAS environmental team at BKS Bank. See IRO-1 Description of the process to identify and assess material impacts, risks and opportunities for details on the process used.²

As a universal bank, BKS Bank has a broadly diversified loan and investment portfolio. It also includes the financing of and/or capital expenditure in activities that have a negative impact on the quality of air, soil and water. By contrast, positive impacts can be achieved by financing projects aimed at reducing environmental pollution. These could include financing wastewater treatment plants or remediation projects. Similarly, activities undertaken by the company to reduce its own greenhouse gas emissions have a positive effect on environmental pollution, as these actions are often accompanied by a reduction in air pollutant emissions.

Both the portfolio analysis using the UNEP-FI tool and our own assessment of the potential impacts, risks and opportunities identified related to pollution did not reveal any materiality of this standard for BKS Bank in the double materiality assessment.³

E3 IRO-1

Process to identify material impacts, risks and opportunities related to water and marine resources

As a financial institution which exclusively has office operations at its branch locations, BKS Bank's own operations and the upstream value chain do not give rise to any material impacts, risks and opportunities related to water and marine resources. For this reason, no in-depth review of the company's own assets was carried out. To assess potential impacts in the downstream value chain, an analysis of the loan portfolio from all markets was carried out using the UNEP-FI tool.⁴

Due to the low direct impacts in the area of water and marine resources, no consultations were held with affected communities.⁵

Despite the expected positive impacts of financing that increases the efficiency of water use or improves wastewater treatment, both the portfolio analysis using the UNEP-FI tool and our own assessment of the potential impacts, risks and opportunities in relation to water and marine resources as part of the double materiality assessment showed that this standard is not material for BKS Bank.⁶

E4 IRO-1

Process to identify material impacts, risks and opportunities related to biodiversity and ecosystems

The impacts, risks and opportunities related to biodiversity and ecosystems were assessed by internal experts and specialists as part of the double materiality assessment. The results of the assessment of environmental aspects relevant to biodiversity from the EMAS environmental statement were also included. Likewise, nature was also taken

¹ ESRS E2 IRO-1, 11 a

² ESRS E2 IRO-1, 11 b

³ ESRS E2 IRO-1, AR 9

⁴ ESRS E3 IRO-1, 8 a

⁵ ESRS E3 IRO-1, 8 b

⁶ ESRS E3 IRO-1, AR 15

into account as a silent stakeholder through expert interviews with representatives of the Green Finance Alliance.

When identifying and assessing the actual and potential impacts on biodiversity and ecosystems, the location of BKS Bank's 63 branches, most of which are in city centers, were taken into account. The value chain was assessed in its entirety without explicitly including individual sectors or regions.¹ The dependencies on biodiversity and ecosystems were also assessed holistically for the company's own operations and the upstream and downstream value chain. This assessment also took into account dependencies on ecosystem services whose disruptions are noticed especially in the downstream value chain.² Transition risks, physical and systemic risks were not considered separately.³

The impacts associated with the company's own operations were taken into account by involving the EMAS environmental team as a stakeholder, while activities in the value chain were taken into account in the assessment through a stakeholder dialog with the Green Finance Alliance and an analysis of the loan portfolio using the UNEP-FI tool. As local communities are not directly affected by BKS Bank's business activities and provision of services, and ecosystem services are not materially restricted, no explicit consultations with affected communities were carried out and these were instead incorporated into the dialog with stakeholders.⁴

BKS Bank does not have any locations in or near biodiversity sensitive areas. When converting or refurbishing branches, attention is paid – in accordance with EMAS requirements – to improving environmental performance, i.e., reducing land use or increasing the overall semi-natural area at the location.⁵

As the activities financed by BKS Bank or made possible by capital expenditure are highly diverse and no specific risk scenarios are known in connection with them, no specific actions have been taken to date with regard to remediation to protect biodiversity.⁶

E5 IRO-1

Process to identify material impacts, risks and opportunities related to resource use and the circular economy

The impacts, risks and opportunities of BKS Bank on resource use and the circular economy arise primarily along the value chain and through financed activities. The financing of activities that consume large amounts of resources and/or lead to increased waste generation is relevant in this context. For a better assessment, the loan portfolio from all markets was analyzed and the results were included in the assessment of the impacts, risks and opportunities as part of the double materiality assessment.⁷

The impacts, risks and opportunities related to resource use and the circular economy were identified in a consultation with the EMAS environmental team and the Green Finance Alliance and taken into account in the assessment. There was no direct consultation with affected communities.⁸

¹ ESRs E4 IRO-1, 17 a

² ESRs E4 IRO-1, 17 b

³ ESRs E4 IRO-1, 17 c and d

⁴ ESRs E4 IRO-1, 17 e i to iii

⁵ ESRs E4 IRO-1, 19 a

⁶ ESRs E4 IRO-1, 19 b

⁷ ESRs E5 IRO-1, 11 a

⁸ ESRs E5 IRO-1, 11 b

Overall, the impact of BKS Bank on resource use and the circular economy, and the associated risks and opportunities, were not considered to be material.

G1 IRO-1

Process to identify material impacts, risks and opportunities related to business conduct

Potential impacts, risks and opportunities in relation to business conduct were identified as described in IRO-1

Description of the process to identify and assess material impacts, risks and opportunities, in particular 53 a-c.

The topics identified were assessed by experts from compliance, legal affairs, human resources, IT, controlling and risk controlling. The assessment took into account the different legal requirements and social conditions in the individual business areas, as well as the high degree of regulation in the financial sector.

IRO-2

Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial statement

The material impacts, risks and opportunities identified in the double materiality assessment were used as a guide to determine the information to be disclosed. EFRAG's "Implementation Guide IG3" was also used to identify the related material disclosure requirements.¹

In addition, information is provided below on datapoints in ESRS 2 and in the topical ESRS from other EU legislation (ESRS 2 Appendix B), as well as on the requirements under the topical ESRS to be considered when reporting the disclosure requirements in ESRS 2 (ESRS 2 Appendix C).

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816 ⁵ , Annex II		56	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		57	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				62	
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245313 Table 1: Qualitative information on	Delegated Regulation (EU) 2020/1816, Annex II			not material

¹ ESRS 2 IRO-2, 59

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
		Environmental risk and Table 2: Qualitative information on Social risk				
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II			not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 ⁷ , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II			not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	106	
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		108	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicators number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU)	Delegated Regulation (EU) 2020/1818, Article 6		111	

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
		2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics				
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1					not material
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				112	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1					not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		114	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Article 449a Regulation(EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		115	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)		not material

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)			Delegated Regulation (EU) 2020/1818, Annex II			not material
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).			Delegated Regulation (EU) 2020/1816, Annex II			
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk				not material
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)						
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral				not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II			not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1					not material

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
	Indicator number 1 Table #2 of Annex 1					
	Indicator number 3 Table #2 of Annex 1					
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1					not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1					not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1					not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1					not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1					not material
ESRS 2 – SBM-3 – E4, Paragraph 16 (a) (i)	Indicator number 7 Table #1 of Annex 1					not material
ESRS 2 – SBM-3 – E4, Paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				73	
ESRS 2 – SBM-3 – E4, Paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1					not material
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				120	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1					not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1					not material
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1					not material
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 Table #1 of Annex 1					not material
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1					not material

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I					not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				126	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		128	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				128	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				128	
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				130	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		142	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				142	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		143	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table 3 of Annex 1				143	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				143	
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)			not material

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I					not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1					not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1					not material
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)			not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II			not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1					not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1					not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)			not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1					not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				144	

Disclosure requirements and related datapoint	SFDR Reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law Reference ⁴	Page	Note
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)		145	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1					not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1					not material
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1					not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		152	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				152	

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1)

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1)

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1)

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1)

⁵ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1)

⁶ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1)

⁷ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17)

Disclosure and application requirements in topical ESRS that are applicable in conjunction with ESRS 2 General disclosures (ESRS 2 Appendix C)

ESRS 2 Disclosure Requirement	Relevant ESRS-paragraph	Page reference/reference
GOV-1 The role of the administrative, management and supervisory bodies	ESRS G1 Business conduct (paragraph 5)	56
GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS E1 Climate change (paragraph 13)	60
SBM-2 Interests and views of stakeholders	ESRS S1 Own workforce (paragraph 12)	67
	ESRS S4 Consumers and end-users (paragraph 8)	67
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS E1 Climate Change (paragraphs 18 to 19)	70 f
	ESRS E4 Biodiversity and ecosystems (paragraph 16)	72
	ESRS S1 Own workforce (paragraph 13 to 16)	73 f
	ESRS S4 Consumers and end-users (paragraph 9 to 12)	74
	ESRS E1 Climate change (paragraph 20 to 21)	79 f
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	ESRS E2 Pollution (paragraph 11)	81
	ESRS E3 Water and marine resources (paragraph 8)	82
	ESRS E4 Biodiversity and ecosystems (paragraph 17 to 19)	82
	ESRS E5 Resource use and circular economy (paragraph 11)	83
	ESRS G1 Business conduct (paragraph 6)	84

Environmental Information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

One of the European Union's main objectives is to promote and channel investments into green and sustainable projects. The European Green Deal makes a substantial contribution in this regard by setting the target of achieving greenhouse gas neutrality by 2050. Against this backdrop, Regulation (EU) 2020/852 entered into force on July 12, 2020. The Regulation contains criteria for determining whether and to what extent an economic activity can be classified as environmentally sustainable. An economic activity is considered environmentally sustainable if it makes a significant contribution to one or more of the stated environmental targets without significantly harming another, and is executed in compliance with minimum social safeguards. A total of six environmental targets have been defined:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The EU Taxonomy is implemented through several delegated acts, which have defined technical screening criteria and disclosure requirements since 2021, and been gradually expanded to cover other environmental objectives and additional economic activities. Additional clarifications were provided in 2023 and 2024, while a delegated act adopted in July 2025 further revised and supplemented existing rules. These acts form the basis for current reporting.

Qualitative information

Sustainability plays a major role at BKS Bank and is firmly anchored in its business strategy. The sustainability

strategy is based on the Sustainable Development Goals (SDGs) of the United Nations, the targets of the Paris Agreement on Climate Change, and the United Nations Environment Programme Principles for Responsible Banking. As a financial services provider, the main sustainability impacts are concentrated in its core business—investment and lending operations as well as its own investments. The objective in this context is to support projects that focus on renewable energy, resource efficiency and energy efficiency. BKS Bank has set itself the target of granting EUR 200mn every year in new loans that meet the criteria of BKS Bank's Sustainable Finance Framework. The framework is based on the Taxonomy criteria, particularly for private housing loans. The bank hopes this will have a positive impact on the green asset ratio (GAR).

BKS Bank has calculated the share of Taxonomy-aligned economic activities for the 2025 financial year. The green asset ratio (GAR) represents the key reporting metric. It shows the ratio of assets that can be classified as sustainable pursuant to the EU Taxonomy in relation to the total assets recognized ("covered assets"). The externally purchased tool Climcycle was used to conduct case-by-case reviews.

When working together with customers, BKS Bank aims to raise awareness of the importance and impacts of the Taxonomy. Information is therefore provided during meetings and events. BKS Bank employees serve as the primary point of contact for our customers. They receive regular training on the importance of the Taxonomy and the related changes for our business. To ensure compliance with the EU Taxonomy Regulation in the product design process, the standardized product launch process must indicate whether an innovation can increase the proportion of taxonomy-aligned business

transactions of BKS Bank. Every new banking product undergoes this process.

Taxonomy-aligned economic activities of BKS Bank

The process for classifying an economic activity as environmentally sustainable pursuant to the EU Taxonomy involves two stages. If the intended use is unknown or cannot be reliably determined, the transaction – provided the counterparty is a (non-)financial undertaking subject to reporting obligations – is taken into account with a weighting based on the customer’s published KPIs. The latest available data are used for this purpose. If the intended use of the transaction is known, a case-by-case review is carried out in accordance with legal requirements. A distinction must first be made between Taxonomy-eligible and Taxonomy-aligned. An economic activity is considered Taxonomy-eligible if it is set forth in the EU Taxonomy Delegated Act (EU) regardless of whether it meets all of the technical screening criteria stated therein. All exposures to undertakings subject to reporting obligations pursuant to the CSRD, private individuals with respect to home loans and vehicle loans and public sector undertakings are taken into account. When an economic activity is classified as Taxonomy-eligible, the next step is to check whether it makes a substantial contribution to an environmental target, if it meets the DNSH criterion (“do no significant harm”) and if the activity complies with minimum social safeguards. Provided that all criteria are met, an economic activity within BKS Bank is considered to be Taxonomy-aligned.

In the 2025 financial year, a total of **2.8%** based on turnover and **3.5%** based on capital expenditure (CapEx) were classified as Taxonomy-aligned. This represents a significant increase over the preceding year’s values (turnover 0.7%, CapEx 1.0%) and is due to a change in

the calculation method as part of the Omnibus procedure, which resulted in a reduction in the denominator. The preceding year’s values, calculated according to the new guidelines, are 2.6% based on turnover and 3.5% based on CapEx. The exact objective of the project and/or purpose of the loan is used for the classification. In terms of mortgages, BKS Bank takes into account consumer loans used for the construction, acquisition or renovation of residential properties. It is not possible at this time to distinguish between and separately report on the construction, maintenance or renovation of residential housing, which is why the corresponding information is disclosed in the reporting template in full under the item “Loans collateralized by residential immovable property”.

In order to classify these disclosures in accordance with the EU Taxonomy Regulation, the company started collecting energy performance certificates back in 2021. Energy performance data are collected in the core banking system of BKS Bank. This ensures that key energy performance indicators can be attributed to the individual properties and subsequently to the respective loans.

Loan transactions for which documentation is available that allows for verification of Taxonomy-alignment are assessed for Taxonomy-alignment using Climcycle. If this assessment confirms compliance with the required SC and DNSH criteria, the loan transaction is allocated to one or more environmental objectives and classified as taxonomy-aligned.

All loans relevant in terms of Taxonomy to companies that operate in the real economy and financial sector subject to reporting obligations were granted without specifying an intended use or for the general financing purposes of the company. The use of the proceeds is unknown. These cases refer to large

companies that were previously required to report under the Non-Financial Reporting Directive (NFRD). This report already reflects significant changes due to the Omnibus procedure regarding non-financial disclosure requirements. Further changes may occur in future reporting years due to additional announced revisions to the EU Taxonomy.

These companies were identified within BKS Bank based on their size criteria and, for listed companies, financial institutions, and insurance companies, also based on their PIE status. The associated non-financial reports were reviewed. The latest available KPIs for business partners were used for the calculation. No group exposures were included in the calculations.

Exposures to central governments and central banks, supranational issuers and undertakings that are not subject to CSRD reporting obligations are not assessed in terms of Taxonomy-alignment. Other assets not included in the GAR calculation include the trading book, short-term interbank loans, derivatives, cash and cash-related assets, and other assets (including goods, goodwill). The same applies to loans granted to public institutions without a specific purpose.

A Taxonomy check is also planned for the off-balance sheet business volume. This includes assets under management and financial guarantees. The environmentally-sustainable share is determined for financial guarantees using the customer data disclosed.

At present, the GAR is not relevant for management purposes. In particular, the availability of data and compliance with the technical criteria constitute major barriers. For example, documentation that would provide evidence of compliance with the technical criteria and therefore

Taxonomy- alignment, is rarely available for many loan transactions.

Quantitative data

The following tables contain the forms according to Annex VI of Regulation (EU) 2026/73 for the key performance indicators of BKS Bank.

The tables were duplicated in accordance with the requirements for the purposes of presenting turnover and CapEx separately and distinguishing the GAR portfolio from GAR inflows.

The KPIs for fees and commission from services other than lending and assets under management do not yet need to be published for the current financial year. The measurement of financial guarantees and assets under management was not carried out in the 2025 financial year because the total net revenue generated from the activities recognized for the respective KPI is less than 10% of the total revenue of BKS Bank.

As Article 325a (1) of the CRR is met, the KPIs for the trading book are not calculated. Given its currently small size, the trading book is considered immaterial and no significant expansion is planned over the next few financial years.

The indicators are determined on the basis of the scope of their prudential consolidation pursuant to Regulation (EU) No 575/2013. The gross carrying amount of financial assets is taken into account pursuant to the accounting categories defined in Annex V of Delegated Regulation (EU) 2021/2178. The gross carrying amount is the value before deduction of impairment losses on loans and advances. The definitions and characteristics pursuant to Regulation (EU) 2021/451 (FINREP) were used in the calculations.

Explanation of disclosure tables

For the disclosure of KPIs in accordance with the Taxonomy Regulation, BKS Bank uses the reporting templates according to the annexes to Delegated Regulation (EU)-2026/73. The templates set out in Annex XII no longer need to be disclosed for the 2025 financial year.

The following abbreviations are used for the six environmental targets in the disclosure tables where necessary:

- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Pollution prevention and control: PPC
- Water and marine resources: WTR
- Circular economy: CE
- Biodiversity and ecosystems: BIO

As in the previous year, the taxonomy-aligned items for environmental objectives three to six are disclosed.

Fields marked with a cross in the templates do not need to be completed.

Templates for the KPIs of credit institutions

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation in 2025

Disclosure reference date/period t: 12/31/2025

		Total exposure to Taxonomy-aligned activities (EUR mn)				% coverage (over total assets) ³ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)
		KPI ¹ (%)		KPI ² (%)				
		Turnover-based	CapEx-based	Turnover-based	CapEx-based			
Main KPI	Green asset ratio (GAR) stock	77.2	98.0	2.8%	3.5%	24.7%	0.0%	0.0%
		Total exposure to Taxonomy-aligned activities (EUR mn)				% coverage (over total assets) ³ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)
		KPI ¹ (%)		KPI ² (%)				
		Turnover-based	CapEx-based	Turnover-based	CapEx-based			
Additional KPIs	GAR (flow)	13.4	13.1	3.9%	3.8%	20.3%	0.0%	0.0%
	Trading book	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Fees and commissions income ⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ Based on the Turnover KPI of the counterparty

² Based on the CapEx KPI of the counterparty

³ % of assets covered by the KPI over banks' total assets

⁴ In accordance with Article 7(8) of Regulation (EU) 2026/73

⁵ Fees and commission from services other than lending and AuM

0. Overview of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation in 2024

Disclosure reference date/period t: 12/31/2024

		Total exposure to Taxonomy-aligned activities (EUR mn)				% coverage (over total assets) ³ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)
		KPI ¹ (%)		KPI ² (%)				
		Turnover-based	CapEx-based	Turnover-based	CapEx-based			
Main KPI	Green asset ratio (GAR) stock	65.6	90.4	2.6%	3.5%	22.8%	0.0%	0.0%
		Total exposure to Taxonomy-aligned activities (EUR mn)				% coverage (over total assets) ³ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)	Non-assessed exposures (% of covered assets) ⁴ (%)
		KPI ¹ (%)		KPI ² (%)				
		Turnover-based	CapEx-based	Turnover-based	CapEx-based			
Additional KPIs	GAR (flow)	12.0	11.4	5.3%	5.0%	18.5%	0.0%	0.0%
	Trading book	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Fees and commissions income ⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ Based on the Turnover KPI of the counterparty

² Based on the CapEx KPI of the counterparty

³ % of assets covered by the KPI over banks' total assets

⁴ In accordance with Article 7(8) of Regulation (EU) 2026/73

⁵ Fees and commission from services other than lending and AuM

1. Assets for the calculation of GAR – stock (based on Turnover KPI)

Disclosure reference date/period t 12/31/2025

Stock (EUR mn)	a	b	c	d							j	k	l	m	n	o	p
				Breakdown per environmental objective													
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds							
1 GAR – Covered assets in both numerator and denominator	2,787.2	1,632.4	77.2	76.8	0.0	0.0	0.3	0.0	0.0	0.0	41.1	2.3	20.3	0.0	0.0	0.0	0.0
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2,787.2	1,632.4	77.2	76.8	0.0	0.0	0.3	0.0	0.0	0.0	41.1	2.3	20.3	0.0	0.0	0.0	0.0
3 Financial undertakings	1,128.7	1,690.0	111.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	4.5	0.0	0.0	0.0	0.0
4 Loans and advances	17.1	3.7	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
5 Debt securities, including UoP	147.4	44.3	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
6 Equity instruments	964.2	120.9	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	4.1	0.0	0.0	0.0	0.0
7 Non-financial undertakings	133.6	70.5	25.0	24.7	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	15.7	0.0	0.0	0.0	0.0
8 Loans and advances	181.5	64.5	20.4	20.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	11.7	0.0	0.0	0.0	0.0
9 Debt securities, including UoP	10.9	5.4	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	0.0	0.0	0.0	0.0
10 Equity instruments	1.2	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
11 Households	1,248.0	1,248.0	41.1	41.1	0.0	0.0	0.0	0.0	0.0	0.0	41.1	0.0	0.0	0.0	0.0	0.0	0.0
12 of which loans collateralised by residential immovable property	1,187.3	1,187.3	41.1	41.1	0.0	0.0	0.0	0.0	0.0	0.0	41.1	0.0	0.0	0.0	0.0	0.0	0.0
13 of which building renovation loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 of which motor vehicle loans	60.7	60.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15 Local government financing	216.9	144.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16 Housing financing	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17 Other local government financing	215.8	143.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18 Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19 Exposures included on a voluntary basis¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 Total GAR assets	2,787.2																
21 Assets not covered for GAR calculation	8,476.7																
22 Central governments and supranational issuers	1,058.7																
23 Central banks exposures	604.6																
24 Trading book	0.0																
25 Undertakings and entities not subject to CSRD	5,712.2																
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	5,440.2																
27 Loans and advances	5,049.7																
28 of which loans collateralised by commercial immovable property	2,070.7																
29 of which building renovation loans	0.0																
30 Debt securities	233.7																
31 Equity instruments	156.8																
32 Non-EU country counterparties not subject to CSRD disclosure obligations	272.0																
33 Loans and advances	187.3																
34 Debt securities	84.7																
35 Equity instruments	0.0																
36 Derivatives	7.1																
37 On demand interbank loans	28.8																
38 Cash and cash-related assets	39.5																
39 Other categories of assets (e.g., goodwill, commodities etc.)	1,025.9																
40 Total assets	11,263.9																
Off-balance sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments																	
54 Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55 Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
56 of which debt securities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
57 of which equity instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ In accordance with Article 7(8)(a) and (b) of Regulation (EU) 2026/73

² In accordance with Article 4(1a) of Regulation (EU) 2026/73

³ In accordance with Article 7(3) of Regulation (EU) 2026/73

Explanatory notes:

- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by taking possession in exchange for cancellation of debts.
- Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

1. Assets for the calculation of GAR – stock (based on CapEx KPI)

Disclosure reference date/period t: 12/31/2025

Stock (EUR mn)	a	b	c	Breakdown per environmental objective									m	n	o	p		
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
																	Non-assessed exposures	Of which financing non-material activities of counterparties ¹
d	e	f	g	h	i	j	k	l										
1 GAR – Covered assets in both numerator and denominator	2,787.2	1,656.5	98.0	97.9	0.0	0.0	0.0	0.0	0.0	0.0	41.1	5.4	25.1	0.0	0.0	0.0	0.0	
2 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	2,787.2	1,656.5	98.0	97.9	0.0	0.0	0.0	0.0	0.0	0.0	41.1	5.4	25.1	0.0	0.0	0.0	0.0	
3 Financial undertakings	1,128.7	177.5	13.4	13.3	0.0	0.0	0.0	0.0	0.0	0.0	3.3	5.1	0.0	0.0	0.0	0.0	0.0	
4 Loans and advances	17.1	4.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0					
5 Debt securities, including UoP	147.4	49.7	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0					
6 Equity instruments	964.2	123.9	9.6	9.5	0.0	0.0	0.0	0.0	0.0	0.0	3.2	4.5	0.0					
7 Non-financial undertakings	193.6	86.1	43.6	43.5	0.0	0.0	0.0	0.0	0.0	0.0	2.1	20.0	0.0	0.0			0.0	
8 Loans and advances	181.5	77.7	37.7	37.7	0.0	0.0	0.0	0.0	0.0	0.0	1.5	14.9	0.0					
9 Debt securities, including UoP	10.9	7.4	4.9	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.6	4.2	0.0					
10 Equity instruments	1.2	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0					
11 Households	1,248.0	1,248.0	41.1	41.1	0.0						41.1	0.0	0.0	0.0	0.0		0.0	
12 of which loans collateralised by residential immovable property	1,187.3	1,187.3	41.1	41.1	0.0						41.1	0.0	0.0	0.0				
13 of which building renovation loans	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0				
14 of which motor vehicle loans	60.7	60.7	0.0	0.0							0.0	0.0	0.0	0.0				
15 Local government financing	216.9	144.9	0.0	0.0	0.0						0.0	0.0	0.0	0.0	0.0		0.0	
16 Housing financing	1.1	1.1	0.0	0.0	0.0						0.0	0.0	0.0	0.0				
17 Other local government financing	215.8	143.7	0.0	0.0	0.0						0.0	0.0	0.0	0.0				
18 Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0	0.0		0.0	
19 Exposures included on a voluntary basis³	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0	0.0		0.0	
20 Total GAR assets	2,787.2																	0.0
21 Assets not covered for GAR calculation	8,476.7																	0.0
22 Central governments and supranational issuers	1,058.7																	
23 Central banks exposures	604.6																	
24 Trading book	0.0																	
25 Undertakings and entities not subject to CSRD	5,712.2																	
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	5,440.2																	
27 Loans and advances	5,049.7																	
28 of which loans collateralised by commercial immovable property	2,070.7																	
29 of which building renovation loans	0.0																	
30 Debt securities	233.7																	
31 Equity instruments	156.8																	
32 Non-EU country counterparties not subject to CSRD disclosure obligations	272.0																	
33 Loans and advances	187.3																	
34 Debt securities	84.7																	
35 Equity instruments	0.0																	
36 Derivatives	7.1																	
37 On demand interbank loans	29.8																	
38 Cash and cash-related assets	39.5																	
39 Other categories of assets (e.g., goodwill, commodities etc.)	1,025.9																	
40 Total assets	11,263.9																	
Off-balance sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments																		
54 Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55 Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
56 of which debt securities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
57 of which equity instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹ In accordance with Article 7(9)(a) and (b) of Regulation (EU) 2026/73
² In accordance with Article 4(1a) of Regulation (EU) 2026/73
³ In accordance with Article 7(3) of Regulation (EU) 2026/73

Explanatory notes:

- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by credit institutions by taking possession in exchange for cancellation of debts.
- Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

1. Assets for calculating GAR – flow (based on Turnover KPI)

Disclosure reference date/period t: 12/31/2025

Flow (EUR mn)	a	b	c	Breakdown per environmental objective							j	k	l	m	n	o	p		
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds								Of which transitional	Of which enabling
1 GAR – Covered assets in both numerator and denominator	343.9	229.8	13.4	13.4	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.7	0.0	0.0	0.0	0.0		
2 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	343.9	229.8	13.4	13.4	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.7	0.0	0.0	0.0	0.0		
3 Financial undertakings	40.7	17.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
4 Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
5 Debt securities, including UoP	40.7	17.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
6 Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
7 Non-financial undertakings	33.5	10.2	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0		
8 Loans and advances	33.5	10.2	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0		
9 Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
10 Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
11 Households	202.6	202.6	11.8	11.8	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	0.0	0.0	0.0	0.0		
12 of which loans collateralised by residential immovable property	171.0	171.0	11.8	11.8	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	0.0	0.0	0.0	0.0		
13 of which building renovation loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
14 of which motor vehicle loans	31.6	31.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
15 Local government financing	67.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
16 Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
17 Other local government financing	67.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
18 Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
19 Exposures reported on a voluntary basis²	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
20 Total GAR assets	343.9																		
21 Assets not covered for GAR calculation	1,348.6																		
22 Central governments and supranational issuers	140.4																		
23 Central banks exposures	0.0																		
24 Trading book	0.0																		
25 Undertakings and entities not subject to CSRD	1,042.9																		
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	877.7																		
27 Loans and advances	821.6																		
28 of which loans collateralised by commercial immovable property	213.7																		
29 of which building renovation loans	0.0																		
30 Debt securities	56.1																		
31 Equity instruments	0.0																		
32 Non-EU country counterparties not subject to CSRD disclosure obligations	165.1																		
33 Loans and advances	149.9																		
34 Debt securities	15.3																		
35 Equity instruments	0.0																		
36 Derivatives	0.0																		
37 On demand interbank loans	0.0																		
38 Cash and cash-related assets	0.0																		
39 Other categories of assets (e.g., goodwill, commodities etc.)	165.3																		
40 Total assets	1,692.5																		
Off-balance sheet exposures (stock) – companies subject to CSRD disclosure requirements and local governments																			
54 Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
55 Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
56 of which debt securities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
57 of which equity instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

¹ In accordance with Article 7(8)(a) and (b) of Regulation (EU) 2026/73

² In accordance with Article 4(1a) of Regulation (EU) 2026/73

³ In accordance with Article 7(3) of Regulation (EU) 2026/73

Explanatory notes:

- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by credit institutions by taking possession in exchange for cancellation of debts.
- Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

1. Assets for calculating GAR – flow (based on CapEx KPI)

Disclosure reference date/period t 12/31/2025

Flow (EUR mn)	a	b	c	Breakdown per environmental objective									j	k	l	m	n	o	p
				d	e	f	g	h	i	Of which Use of Proceeds	Of which transitional	Of which enabling							
1 GAR – Covered assets in both numerator and denominator	343.9	226.8	13.1	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.3	0.0	0.0	0.0	0.0	
2 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	343.9	226.8	13.1	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.3	0.0	0.0	0.0	0.0	
3 Financial undertakings	40.7	16.9	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4 Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
5 Debt securities, including UoP	40.7	16.9	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
6 Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
7 Non-financial undertakings	33.5	7.3	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	
8 Loans and advances	33.5	7.3	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	
9 Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
10 Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
11 Households	202.6	202.6	11.8	11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	0.0	0.0	0.0	0.0	
12 of which loans collateralised by residential immovable property	171.0	171.0	11.8	11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	0.0	0.0	0.0	0.0	
13 of which building renovation loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
14 of which motor vehicle loans	31.6	31.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
15 Local government financing	67.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
16 Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
17 Other local government financing	67.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
18 Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
19 Exposures reported on a voluntary basis²	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
20 Total GAR assets	343.9																		
21 Assets not covered for GAR calculation	1,348.6																		
22 Central governments and supranational issuers	140.4																		
23 Central banks exposures	0.0																		
24 Trading book	0.0																		
25 Undertakings and entities not subject to CSRD	1,042.9																		
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	877.7																		
27 Loans and advances	821.6																		
28 of which loans collateralised by commercial immovable property	213.7																		
29 of which building renovation loans	0.0																		
30 Debt securities	56.1																		
31 Equity instruments	0.0																		
32 Non-EU country counterparties not subject to CSRD disclosure obligations	165.1																		
33 Loans and advances	149.9																		
34 Debt securities	15.3																		
35 Equity instruments	0.0																		
36 Derivatives	0.0																		
37 On demand interbank loans	0.0																		
38 Cash and cash-related assets	0.0																		
39 Other categories of assets (e.g., goodwill, commodities etc.)	165.3																		
40 Total assets	1,692.5																		
Off-balance sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments																			
54 Financial guarantees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
55 Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
56 of which debt securities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
57 of which equity instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

¹ In accordance with Article 7(8)(a) and (b) of Regulation (EU) 2026/73
² In accordance with Article 4(1a) of Regulation (EU) 2026/73
³ In accordance with Article 7(3) of Regulation (EU) 2026/73

Explanatory notes:

- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised obtained by credit institutions by taking possession in exchange for cancellation of debts.
- Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

2. GAR sector information (based on Turnover KPI)

Disclosure reference date/period t: 12/31/2025

a	b	c	d	e	f	g	h	i	j
Breakdown by sector – NACE 4 digits level (code and label)	Total [Gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K 6419 Other monetary intermediation (excluding specialist banks)	986.1	132.4	7.5	7.5	0.0	0.0	0.0	0.0	0.0
2 O 8411 General public administration activities	95.8	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 M 7010 Activities of head offices	51.7	18.6	2.9	2.9	0.0	0.0	0.0	0.0	0.0
4 K 6430 Trust, funds and similar financial entities	30.2	5.4	1.3	1.3	0.0	0.0	0.0	0.0	0.0
5 D 3511 Production of electricity	26.9	12.7	11.4	11.2	0.0	0.1	0.0	0.0	0.0
6 K 6511 Life insurance	17.1	3.7	0.6	0.6	0.0	0.0	0.0	0.0	0.0
7 K 6420 Activities of holding companies	15.1	4.8	1.5	1.5	0.0	0.0	0.0	0.0	0.0
8 G 4719 Other retail sale in non-specialised stores	14.2	1.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0
9 C 2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	11.6	3.9	2.5	2.5	0.0	0.0	0.0	0.0	0.0
10 B 0610 Extraction of crude petroleum	10.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11 Nuclear activities ¹	65.9	17.4	1.7	1.7	0.0	0.0	0.0	0.0	0.0
12 Fossil fuel gas activities ²	74.6	22.2	10.3	10.3	0.0	0.0	0.0	0.0	0.0
13 Of which non-assessed exposures ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

¹ Referred to in Sections 4.26, 4.27 and 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139
² Referred to in Sections 4.29, 4.30 and 4.31 of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139
³ In accordance with Article 7(8) of Regulation (EU) 2026/73

Explanatory notes:

- Credit institutions shall disclose in this template information on top ten exposures in the banking book towards top ten sectors covered by the Taxonomy (NACE sectors, four levels of detail) using the relevant NACE Codes on the basis of the principal activity of the counterparty.
- The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

2. GAR sector information (based on CapEx KPI)

Disclosure reference date/period t: 12/31/2025

a	b	c	d	e	f	g	h	i	j
Breakdown by sector – NACE 4 digits level (code and label)	Total [Gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K 6419 Other monetary intermediation (excluding specialist banks)	986.1	135.1	8.9	8.9	0.0	0.0	0.0	0.0	0.0
2 O 8411 General public administration activities	95.8	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 M 7010 Activities of head offices	51.7	10.0	3.3	3.3	0.0	0.0	0.0	0.0	0.0
4 K 6430 Trust, funds and similar financial entities	30.2	5.5	1.5	1.4	0.0	0.0	0.0	0.0	0.0
5 D 3511 Production of electricity	26.9	21.6	20.5	20.5	0.0	0.0	0.0	0.0	0.0
6 K 6511 Life insurance	17.1	4.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0
7 K 6420 Activities of holding companies	15.1	9.5	3.4	3.4	0.0	0.0	0.0	0.0	0.0
8 G 4719 Other retail sale in non-specialised stores	14.2	6.6	6.0	6.0	0.0	0.0	0.0	0.0	0.0
9 C 2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	11.6	2.8	1.2	1.2	0.0	0.0	0.0	0.0	0.0
10 B 0610 Extraction of crude petroleum	10.8	2.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0
11 Nuclear activities ¹	65.9	18.0	2.1	2.1	0.0	0.0	0.0	0.0	0.0
12 Fossil fuel gas activities ²	74.6	23.0	19.0	19.0	0.0	0.0	0.0	0.0	0.0
13 Of which non-assessed exposures ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

¹ Referred to in Sections 4.26, 4.27 and 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139
² Referred to in Sections 4.29, 4.30 and 4.31 of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139
³ In accordance with Article 7(8) of Regulation (EU) 2026/73

Explanatory notes:

- Credit institutions shall disclose in this template information on top ten exposures in the banking book towards top ten sectors covered by the Taxonomy (NACE sectors, four levels of detail) using the relevant NACE Codes on the basis of the principal activity of the counterparty.
- The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

3. GAR KPI stock (based on Turnover KPI)

Disclosure reference date/period t: 12/31/2025

%	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective							Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-eligible)	Unmeasured exposures ¹	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1	GAR – Covered assets in both numerator and denominator	58.6%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.1%	0.7%	4.7%	0.0%
2	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	58.6%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.1%	0.7%	4.7%	0.0%	
3	Financial undertakings	15.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	6.6%	0.0%	
4	Loans and advances	21.9%	3.6%	3.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	1.5%	16.3%	0.0%	
5	Debt securities, including UoP	30.1%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	5.6%	0.0%	
6	Equity instruments	12.5%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	6.6%	0.0%	
7	Non-financial undertakings	36.4%	12.9%	12.8%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	8.1%	35.5%	0.0%	
8	Loans and advances	35.5%	11.2%	11.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	6.4%	31.6%	0.0%	
9	Debt securities, including UoP	49.4%	36.9%	36.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	31.6%	74.7%	0.0%	
10	Equity instruments	54.2%	52.2%	52.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	52.2%	96.3%	0.0%	
11	Households	100.0%	3.3%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	0.0%	3.3%	0.0%	
12	of which loans collateralised by residential immovable property	100.0%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	0.0%	0.0%	3.5%	0.0%	
13	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
14	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
15	Local government financing	66.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16	Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
17	Other local government financing	66.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
19	Exposures reported on a voluntary basis²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
20	Total GAR assets	58.6%	2.8%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.1%	0.7%	4.7%	0.0%	

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73
² In accordance with Article 7(3) of Regulation (EU) 2026/73

3. GAR KPI stock (based on CapEx KPI)

Disclosure reference date/period t: 12/31/2025

%	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective							Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-eligible)	Unmeasured exposures ¹
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR – Covered assets in both numerator and denominator	59.4%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.9%	5.9%	0.0%
2	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	59.4%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.9%	5.9%	0.0%
3	Financial undertakings	15.7%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.4%	7.5%	0.0%
4	Loans and advances	23.3%	4.7%	4.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	2.1%	20.1%	0.0%
5	Debt securities, including UoP	33.7%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	6.0%	0.0%
6	Equity instruments	12.8%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	7.7%	0.0%
7	Non-financial undertakings	44.5%	22.5%	22.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	10.3%	50.6%	0.0%
8	Loans and advances	42.8%	20.8%	20.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	8.2%	48.5%	0.0%
9	Debt securities, including UoP	67.9%	44.8%	44.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	38.1%	66.1%	0.0%
10	Equity instruments	83.2%	81.1%	81.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	81.1%	97.5%	0.0%
11	Households	100.0%	3.3%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	0.0%	3.3%	0.0%
12	of which loans collateralised by residential immovable property	100.0%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	0.0%	0.0%	3.5%	0.0%
13	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Local government financing	66.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	Housing financing	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Other local government financing	66.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Exposures reported on a voluntary basis²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	Total GAR assets	59.4%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.9%	5.9%	0.0%

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73
² In accordance with Article 7(3) of Regulation (EU) 2026/73

4. GAR KPI flow (based on Turnover KPI)

Disclosure reference period t 12/31/2025

%	a	b	c					g	h	i	j	k	l	m
			Breakdown per environmental objective											
(compared to total covered assets in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-eligible)	Unmeasured exposures ¹	
1	GAR – Covered assets in both numerator and denominator	66.8%	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.2%	5.8%	0.0%	
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	66.8%	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.2%	5.8%	0.0%	
3	Financial undertakings	41.7%	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
5	Debt securities, including UoP	41.7%	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	
6	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	
7	Non-financial undertakings	30.6%	3.3%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	10.7%	0.0%	
8	Loans and advances	30.6%	3.3%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	10.7%	0.0%	
9	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
10	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	
11	Households	100.0%	5.8%	5.8%	0.0%	0.0%	0.0%	0.0%	5.8%	0.0%	0.0%	5.8%	0.0%	
12	of which loans collateralised by residential immovable property	100.0%	6.9%	6.9%	0.0%	0.0%	0.0%	0.0%	6.9%	0.0%	0.0%	6.9%	0.0%	
13	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
14	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
15	Local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
17	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
19	Exposures reported on a voluntary basis²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
20	Total GAR assets	66.8%	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.2%	5.8%	0.0%	

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73
² In accordance with Article 7(3) of Regulation (EU) 2026/73

4. GAR KPI flow (based on Capex KPI)

Disclosure reference period t 12/31/2025

%	a	b	c					g	h	i	j	k	l	m
			Breakdown per environmental objective											
(compared to total covered assets in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-eligible)	Unmeasured exposures ¹	
1	GAR – Covered assets in both numerator and denominator	66.0%	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.1%	5.8%	0.0%	
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	66.0%	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.1%	5.8%	0.0%	
3	Financial undertakings	41.7%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	3.0%	0.0%	
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
5	Debt securities, including UoP	41.7%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	3.0%	0.0%	
6	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	
7	Non-financial undertakings	21.8%	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	10.5%	0.0%	
8	Loans and advances	21.8%	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	10.5%	0.0%	
9	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
10	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	
11	Households	100.0%	5.8%	5.8%	0.0%	0.0%	0.0%	0.0%	5.8%	0.0%	0.0%	5.8%	0.0%	
12	of which loans collateralised by residential immovable property	100.0%	6.9%	6.9%	0.0%	0.0%	0.0%	0.0%	6.9%	0.0%	0.0%	6.9%	0.0%	
13	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
14	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
15	Local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
17	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
19	Exposures reported on a voluntary basis²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
20	Total GAR assets	66.0%	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.1%	5.8%	0.0%	

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73
² In accordance with Article 7(3) of Regulation (EU) 2026/73

5. KPI Off-balance sheet exposures (based on Turnover KPI)

Disclosure reference period t: 12/31/2025

	a	b	c							i	j	k	l
			Breakdown per environmental objective										
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds				
1	Financial guarantees (FinGuar KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2	Assets under management (AuM KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73

5. KPI Off-balance sheet exposures (based on CapEx KPI)

Disclosure reference period t: 12/31/2025

	a	b	c							i	j	k	l
			Breakdown per environmental objective										
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds				
1	Financial guarantees (FinGuar KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2	Assets under management (AuM KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

¹ In accordance with Article 7(8) of Regulation (EU) 2026/73

ESRS E1 Climate change**ESRS 2 General disclosures**

Chapter E1 Climate Change outlines BKS Bank's strategies and voluntarily commitments regarding climate change and its consequences.

Strategies and concepts: The climate protection strategies combine support for the local economy during the transition process with the systematic integration of climate-related opportunities and risks into all areas of business. At the core of transition planning is the alignment of loan and investment portfolios with the Paris climate goals.

Actions: BKS Bank's actions are aimed at mitigating climate risks, managing impacts in emission-intensive sectors, reducing its own operational carbon footprint, and supporting customers in the transition to a low-carbon economy.

Targets and metrics: The metrics related to climate change provide information about BKS Bank's science-based climate targets. Among other things, gross emissions under Scope 1, 2, and 3 as well as the volume of financed emissions are disclosed.

The following mandatory disclosures can be found in section ESRS 2 General disclosures:

- GOV-3 – Integration of sustainability-related performance in incentive schemes
- SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
- IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Strategy**E1-1****Transition plan for climate change mitigation**

The EU has given the financial sector a key role in its ambitious climate targets of reducing GHG emissions by 55% by 2030 and achieving climate neutrality by 2050. BKS Bank is taking responsibility in this regard and supporting the domestic economy in the necessary transformation process. Climate-related opportunities and risks are systematically identified and integrated into all relevant business segments. Sustainable financial products and services support the development toward a climate-friendly circular economy. An important element of this

strategy is the engagement process, which aims to involve stakeholders on the path toward a climate target that supports the Paris Agreement.

The core element of transition planning is achieving climate neutrality: BKS Bank's long-term goal is to align its loan and investment portfolio with the Paris climate goals by 2040 and to be climate neutral across its entire basis of consolidation by 2050.¹

Within the context of submitting and validating its science-based climate targets, BKS Bank has further developed our policies for climate change mitigation into a transition plan for climate change mitigation. This transition planning is closely integrated into BKS Bank's overall strategy and is aligned with the Group's corporate, risk and sustainability strategy objectives to ensure that sustainability and transition targets are pursued and monitored holistically.²

The transition plan for climate change mitigation developed in the reporting year in accordance with ESRS guidelines was prepared in close coordination with the Management Board. Finalization and approval are not scheduled until the latter

¹ ESRS E1-1, 16 a

² ESRS E1-1, 16 h

half of 2026, allowing sufficient time for the revised guidelines on transition plans under the Omnibus procedure to be incorporated.¹

BKS Bank's overarching strategic climate change mitigation targets are supported by various policies:²

BKS Bank is one of the founding members of the Green Finance Alliance established in 2022 as part of an initiative launched by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology for financial institutions. Members of the Green Finance Alliance play a pioneering role in climate change mitigation and demonstrate the compatibility of climate change mitigation and sustainable business. In doing so, they undertake to gradually achieve climate neutrality across their investment and loan portfolios. Exclusion criteria have also been defined for the gradual phase-out of fossil fuels in favor of renewable energy. In addition, science-based climate targets have been defined³ that stipulate a phased decarbonization of the portfolio by 2030 and are based on a 1.5°C target (see E1-4 Targets related to climate change mitigation and adaptation).

The decarbonization levers can be divided into two groups: Levers for direct emissions and levers relevant to the decarbonization of the portfolio.

In terms of the bank's own operations, actions for climate change mitigation and adaptation focus primarily on increasing energy efficiency in conjunction with expanding in-house electricity generation through photovoltaic systems on company buildings and switching to green electricity, in particular UZ 46-certified electricity. BKS Bank aims to reduce greenhouse gas emissions by phasing out heating systems that use fossil fuels and

converting its vehicle fleet to e-mobility. The resulting cuts in emissions will help BKS Bank achieve its science-based climate target of reducing its Scope 1 and Scope 2 emissions by 41% by 2030.

Decarbonization of downstream Scope 3 emissions is to be achieved primarily by reducing the emissions intensity of lending operations and investments. In lending operations, the levers are in financing the transformation, integrating sustainability into the lending processes, and focusing on sustainable new business. In the area of investments, the focus is on compliance with the exclusion criteria.

We plan to use our engagement with corporate customers and our equity investments to encourage them to set their own science-based climate targets that also support the 1.5°C target. Through these actions, BKS Bank aims to achieve decarbonization in line with its own science-based climate targets.

Locked-in GHG emissions are estimates of future greenhouse gas emissions likely to be caused by loans and advances to customers with terms extending beyond the year set for target attainment. Financial institutions must consider the following factors during measurement:

- The greenhouse gas intensity associated with the loans
- The expected term of the loan

For BKS Bank's portfolio, this means that loans with an expected term that exceeds the target year 2030 are to be measured as locked-in GHG emissions if their greenhouse gas intensity exceeds the target intensity for 2030.

¹ ESRS E1-1, 16 i

² ESRS E1-1, 16 b

³ https://sciencebasedtargets.org/resources/files/Target-language-and-summary_BKS-Bank-AG.pdf

Potential locked-in GHG emissions have been calculated for real estate projects, as the expected term of the loans in many cases extends beyond the year of target attainment. In principle, there is a possibility that these locked-in GHG emissions could jeopardize the bank's emissions reduction targets. However, it is assumed that the actions implemented for new business will make it possible to reduce emissions intensity to such an extent that the bank's emissions targets will not be jeopardized by the locked-in GHG emissions.¹

BKS Bank is not one of the companies listed in Article 12(1) of Commission Delegated Regulation (EU) 2020/1818 and is therefore subject to the application of the EU's Paris-aligned benchmarks.²

E1-2

Policies related to climate change mitigation and adaptation

BKS Bank's sustainability strategy and climate and engagement strategy³ serve as guidance for sustainable development and set forth the policies developed and adopted to reduce the negative impact of the bank's business activities and mitigate climate-related risks. External stakeholders, in particular the Green Finance Alliance, were taken into account in the development of these policies.

Our EMAS environmental management system is a key element in reducing climate-related risks in BKA Bank's own operations and calls for policies to manage identified, material environmental aspects:

- The legal conformity required by EMAS helps to minimize regulatory risks arising from climate change adaptation.

- Optimizing our own buildings and infrastructure to prevent damage caused by extreme weather events
- Increasing energy efficiency and own electricity production to mitigate financial risks, such as those posed by rising electricity prices.
- Reduction of own greenhouse gas emissions in order to achieve the goal of climate neutrality.

These policies are implemented and the actions taken are monitored by BKS Bank's EMAS environmental team.⁴

Financed emissions in BKS Bank's downstream value chain have a mixture of positive and negative impacts. The positive impacts of financing activities that support climate change adaptation and the transition to renewable energy sources are offset by the negative impacts of emissions financed as part of the bank's business activities. In this context, BKS Bank relies on different strategic approaches that apply to the entire Group:

- By defining positive criteria, BKS Bank determines which environmentally sustainable lines of business it wants to support with its loans and proprietary transactions.
- Earmarking an annual new loan volume for sustainable financing also supports the funding of sustainable and climate-friendly projects.
- By 2040, BKS Bank aims to have aligned its loan and investment portfolio with the climate target of the Paris Agreement through the gradual introduction of exclusion criteria for the phase-out of fossil fuels.

In order to consistently pursue these policies, BKS Bank has defined Group-

¹ ESRS E1-1, 16 d

² ESRS E1-1, 16 g

³ https://www.bks.at/mbxs8qn54zwlj/3qTWwcd0xxE7zDyomx9WnB/832593d005051e5e1927d2d741dc2af1/BKS_Bank_Klima-und-Engagementstrategie_2025.pdf

⁴ https://www.bks.at/mbxs8qn54zwlj/3GQVscFmvFZHhMDtSZyDfe/5cf02b0e1e9c2548642f1318999edd5a/BKS_Bank_EMAS-Umwelsterkl%C3%83_rung_2024_final.pdf

wide, science-based climate targets that set a short-term decarbonization target for 2030 starting from the base year 2022. The respective sub-targets are monitored by the responsible specialist department and coordinated by the ESG management team.

E1-3

Actions and resources in relation to climate change policies

The following section describes actions taken during the year or planned for the future. Unless otherwise stated, they apply to the entire BKS Bank Group. The focus here is on the actions and their objectives, while the measurable targets are presented in more detail in section E1-4. The targets described are not expected to require any explicit allocation of funds and can be implemented as part of ordinary management activities.¹

Phase-out of fossil fuels and promotion of renewable energies

One key lever in this regard is the switch from fossil fuels to renewable energies. In the reporting year, BKS Bank took the following actions in its own operations:²

- BKS Bank completed the phase-out of oil and natural gas in its heating systems in the reporting year, an action adopted in 2018: The last oil heating system was converted to geothermal energy as part of the refurbishment of the branch on Baumbachplatz in Klagenfurt, which has made it possible to also cool the building in summer in addition to heating it.
- In 2025, a further three electric vehicles were purchased for the vehicle fleet in order to further reduce fuel consumption in a phased manner. The use of public transport for business trips continues to be encouraged.
- UZ 46-certified³ green electricity has been purchased in Austria since 2025,

while exclusively green energy is purchased throughout the rest of the market region.

- A further three photovoltaic systems were installed in 2025. As a result, a total of 19 photovoltaic systems were in operation in the reporting year. Electricity consumption across the Group rose accordingly from 2.9% in the previous year to 7.1% in the reporting year (see table Energy consumption in MWh and energy mix).

With regard to financed emissions from the downstream value chain, the switch to renewable energy sources is to be implemented by gradually enforcing exclusion criteria for loans and portfolios. The criteria are listed in detail in the Climate and Engagement Strategy.

- BKS Bank stopped financing projects in the coal sector back in 2017. By 2030, it aims to phase out all portfolio positions in companies that generate more than 5% of their revenue from activities in the coal sector.
- New loans for projects in the oil sector have not been granted since 2025. By 2030, BKS Bank aims to phase out all portfolio positions in companies that generate more than 5% of their revenue from activities in the oil sector. It does not finance unconventional oil projects as a matter of principle.
- As of 2026, no new loans will be granted for projects in the natural gas sector. By 2030, BKS Bank aims to phase out all portfolio positions in companies that generate more than 5% of their revenue from activities in the natural gas sector.

Increase in energy efficiency

In 2024, an energy audit was carried out for the first time at the sites in Austria. The resulting actions focus on improving energy efficiency, maintenance, the

¹ ESRS E1-3, AR 21

² ESRS E1-3, 29 a

³ <https://www.umweltzeichen.at/de/zertifizierung/der-weg-zum-umweltzeichen/antragsinfo-uz-46-gruener-strom>

building envelope and equipment, as well as data measurement and planning. These actions will be taken by the environmental officer and BKS Immobilien-Service Gesellschaft m.b.H. in close coordination with the external auditor.

Engagement activities

By defining and validating its science-based climate targets, BKS Bank has reaffirmed its commitment to the targets it aims to achieve by 2028. As part of these targets, BKS Bank plans to encourage its customers to also set climate targets in line with the 1.5 degree target. This will result in two actions for its downstream value chain in the future:

- Definition and implementation of an engagement plan for investments with the aim that these also set science-based climate targets. The aim is to raise

the percentage of partners with science-based climate targets from 0% in the base year 2022 to 85.71% in 2028.

- Definition and implementation of an engagement plan for corporate customers with the aim of increasing the percentage of corporate customers with science-based climate targets from 3.3% in the base year 2022 to 35.5% in 2028.

Metrics and targets

E1-4

Targets related to climate change mitigation and adaptation

The targets pursued by BKS Bank in connection with climate change mitigation and climate change adaptation are set out in the following tables. The first table presents the general targets, while the second table lists current GHG reduction targets.

Climate-related targets of BKS Bank¹

Target MDR-T 80 a	Scope MDR-T 80 c	Base year	Baseline value and base year MDR-T 80 d	Planned target attainment MDR-T 80 e	Target level MDR-T 80 b	Current status 2025 MDR-T 80 d
Reduction of total energy consumption of BKS Bank	Entire market region	2019	7.6 GWh	2025	7.2 GWh	8.0 GWh
Increase in volume of new sustainable loans	Entire market region	2019	EUR 131.5mn	2025	EUR 200mn	EUR 288.8mn
Higher share of ESG building blocks in asset management	Entire market region	2021	28.5%	2025	30.0%	22.4%
Listed shares and bonds of companies with own science-based climate targets*	Entire market region	2022	5.4%	2028	31.6%	6.0%
Share of equity investments with own science-based climate targets*	Entire market region	2022	0.0%	2028	85.7%	0.0%
Commercial loans to companies with own science-based climate targets*	Entire market region	2022	3.3%	2028	35.5%	22.0%

* Engagement targets for the science-based targets

¹ ESRS E1-4, 30

The decarbonization path was defined starting from the base year 2022 in accordance with the 1.5°C target of the Paris Agreement by 2030, and validated by the Science Based Targets Initiative. The projections for 2050 are subject to

considerable uncertainty and are therefore not included in this report. Targets associated with a greenhouse gas reduction target are explained in the table below.¹

GHG emissions reduction targets of BKS Bank²

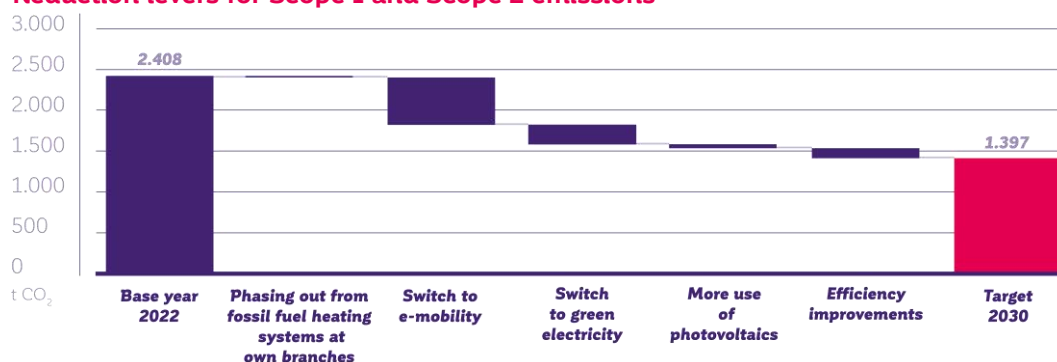
Scope MDR-T 80 c	Target MDR-T 80 a	Base year	Baseline value and base year MDR-T 80 d	Planned target attainment MDR-T 80 e	Target level MDR-T 80 b	Current status 2025 MDR-T 80 d
Reduction of Scope 1 emissions	Own operations	2022	100%	2030	58.00%	73.5%
Reduction of Scope 2 emissions (market-based)	Own operations	2022	100%	2030	58.00%	75.2%
Stabilization of Scope 3 emissions by financing energy projects*	Entire market region	2022	100%	2030	100%	82.8%
Reduction of Scope 3 emissions by financing loans to companies from the energy sector*	Entire market region	2022	100%	2030	29.34%	17.9%
Reduction of Scope 3 emissions by financing commercial real estate*	Entire market region	2022	100%	2030	36.95%	77.3%
Reduction of Scope 3 emissions by financing private real estate*	Entire market region	2022	100%	2030	46.58%	71.4%
Reduction of greenhouse gas emissions per employee (all scopes)	Entire market region	2022	2.4 tons CO ₂ e/head	2025	2.0 t CO ₂ /PY	1.9 t CO ₂ e/PY

* Reduction targets for science-based targets

The following chart provides an overview of the contribution of each decarboniza-

tion lever for reducing Scope 1 and Scope 2 emissions.³

Reduction levers for Scope 1 and Scope 2 emissions



¹ ESRS E1-4, 34 e

² ESRS E1-4, 34

³ ESRS E1-4, 34 f

E1-5

Energy consumption and mix

The following section provides information on BKS Bank’s energy consumption and energy mix.

The following assumptions were taken into account when calculating the emission values for 2025:

- Actual consumption data were used for fuel consumption, paper consumption, rail travel, air travel and refrigerant consumption.
- An employee survey was carried out to calculate the data for employee travel to and from work. Emissions for the entire workforce were extrapolated from the data collected.

- The actual consumption of electricity and heat was calculated for properties for which all account statements were received for 2025 on time. For some properties, we only received account statements for operating costs without accurate electricity and heat consumption data in kWh. Therefore, the average cost of one kWh was determined on the basis of the available account statements. This average value is then used to calculate consumption based on the account statements for operating costs. Estimates based on previous years’ consumption figures were used for those properties for which account statements were not yet available for the preparation of the Sustainability Report.

Energy consumption in MWh and energy mix¹

	2023	2024	2025
Total energy consumption from fossil sources	2,587.48	2,462.87	2,447.27
Total energy consumption from nuclear sources*	n/a	25.14	25.09
Total energy consumption from renewable sources	5,499.54	5,491.56	5,525.62
Fuel consumption for renewable sources	64.68	59.29	54.18
Consumption of purchased or acquired electricity and heat	5,347.78	5,334.69	5,240.16
Consumption of self-generated renewable energy	87.08	97.58	231.28
Total energy consumption	8,087.02	7,979.58	7,997.98

* No energy consumption from nuclear sources was reported in 2023, but was included in fossil sources.

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

The assumptions used to calculate energy consumption also apply to the calculation of individual scope emissions.

The emissions for scope 3.13 “Downstream leased assets” and 3.15 “Investments” were calculated in

accordance with ESRS E1-6, AR 46 b pursuant to the requirements for “Financed emissions” of the Partnership for Carbon Accounting Financials (PCAF).^{2, 3}

In the previous year, an incorrect percentage was used when calculating Scope 2 emissions for electricity consumption in Austria to determine the

¹ ESRS E1-5, 37

² ESRS E1-6, AR 39 b

³ Article 5 of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011

share of site-specific Scope 2 emissions. This error has been corrected, resulting in a 160% increase in site-specific Scope 2 emissions for 2024, from 293 tons of CO₂e to 761 tons of CO₂e.

The following table shows BKS Bank's GHG emissions broken down by scope.

The changes in Scope 3 emissions stem from an improved data base across the PCAF asset classes, particularly due to greater use of actual customer data as well as to improvements in data quality in the real estate portfolios. Adjustments to Eurostat's emission factors also influenced the results.

Gross GHG emissions by scope¹

	Retrospective				Milestones and target years	
	Base year	Comparative (N-1)	(N)	% (N/N-1)	Annual % of target/base year	
	2022	2024	2025		2030	2050
Scope 1 GHG emissions						
Scope 1 – Gross GHG emissions (t CO ₂ e)	437	404	321	-20.5%	-42%	
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (in %)	0.0%	0.0%	0.0%		0.0%	
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	870	761	675	-11.4%		
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	283	114	161	41.4%	-42%	
Significant Scope 3 GHG emissions						
Total gross indirect (Scope 3) GHG emissions (t CO ₂ e)	2,464,635	6,507,107	4,861,659	-25.3%		
1) Purchased goods and services	151	95	148	54.8%		
6) Business travel	8	13	16	27.0%		
7) Employee commuting	1,216	949	1,068	12.6%		
13) Downstream leased assets	168,597	134,236	125,834	-6.3%		
15) Investments*	2,294,663	6,371,814	4,734,592	-25.7%		
Total GHG emissions						
Total GHG emissions (location-based) (t CO ₂ e)	2,465,943	6,508,272	4,862,654	-25.3%		
Total GHG emissions (market-based) (t CO ₂ e)	2,465,355	6,507,625	4,862,141	-25.3%		

* Data on the decarbonization of Scope 3 emissions through investments can be found in table E1-4 (science-based targets).

¹ ESRS E1-6, 44

The table below shows emissions intensity in relation to net revenue.

Emissions intensity¹

	2024	2025	% N/N-1
Total GHG emissions (location-based) per net revenue (t CO ₂ e/EUR)	0.0208	0.0160	-23.1%
Total GHG emissions (market-based) per net revenue (t CO ₂ e/EUR)	0.0208	0.0160	-23.1%

BKS Bank's net revenues are calculated on the basis of net interest income, net fees and commission, net trading income and the balance of other comprehensive

income. Details are presented in the section "Details on the Income Statement".

Total net revenue (EUR)²

	12/31/2024	12/31/2025
Net revenue used to calculate GHG intensity	312,531,198	303,636,676
Net revenue (other)	-	-
Total net revenue (in financial statements)	312,531,198	303,636,676

Financed emissions

The publication of financed emissions in this report refers to

- Corporate loans
- Listed equity and corporate bonds
- Residential mortgage loans
- Commercial real estate loans
- Project financing in the energy sector
- Vehicle loans and lease financing
- Bank bonds, corporate bonds and government bonds in the treasury portfolio.

While we rely largely on the reported carbon data disclosed by companies for

investments in listed instruments, we use industry data for loans. For real estate loans, the data from available energy performance certificates and property size are included in the calculation of financed emissions. If detailed data are not available, average data for energy consumption are used in the calculation. The results are therefore only an approximation of the actual carbon footprint, but they provide an initial indication of the potential for improvement in the portfolio. For this reason, the focus in the coming years will remain on improving data quality and continuous monitoring.

¹ ESRS E1-6, 53 to 54

² ESRS E1-6, 55

Financed emissions of BKS Bank in 2024

Asset class	Total financing and investments recognized in EUR	Scope 1 and 2 emissions in t CO ₂ e	Scope 3 emissions in t CO ₂ e	PCAF Quality Score
Scope 3.13				
Motor vehicle lease financing, private individuals	50,058,609	11,610	n/a	4.99
Motor vehicle lease financing, business	300,612,452	122,627	n/a	4.96
Subtotal Scope 3.13	350,671,061	134,236	-	
Scope 3.15				
Corporate loans	3,375,111,855	388,937	5,005,153	4.28
Listed equity and corporate bonds	777,409,181	62,814	595,742	3.99
Real estate loans, business	1,657,853,153	48,915	n/a	4.43
Real estate loans, private individuals	1,114,167,362	49,602	n/a	3.93
Energy project financing	88,702,680	2,337	103	3.00
Government bonds excl. LULUCF*	687,118,228	119,157	70,256	1.00
Own portfolio	355,509,500	11,213	17,584	n/a
Subtotal Scope 3.15	8,055,871,958	682,975	5,688,839	
Total	8,406,543,018	817,211	5,688,839	

* Government bond issues including LULUCF in t CO₂e: 181,713

Financed emissions of BKS Bank in 2025

Asset class	Total financing and investments recognized in EUR	Scope 1 and 2 emissions in t CO ₂ e	Scope 3 emissions in t CO ₂ e	PCAF Quality Score
Scope 3.13				
Motor vehicle lease financing, private individuals	62,631,786	12,277	n/a	4.99
Motor vehicle lease financing, business	332,497,429	113,557	n/a	4.90
Subtotal Scope 3.13	395,129,215	125,834	-	
Scope 3.15				
Corporate loans	2,455,929,666	234,685	3,413,074	4.07
Listed equity and corporate bonds	736,208,307	57,604	537,121	3.74
Real estate loans, business*	2,293,649,299	64,522	n/a	4.21
Real estate loans, private individuals*	994,110,561	15,676	n/a	3.95
Energy project financing	85,589,619	1,899	91	3.00
Government bonds excl. LULUCF**	759,350,009	154,607	199,192	1.00
Own portfolio	366,367,560	9,962	46,161	n/a
Subtotal Scope 3.15	7,691,205,021	538,954	4,195,638	
Total	8,086,334,236	664,788	4,195,638	

* Data from the PCAF database was used to calculate real estate loans.

** Government bond emissions including LULUCF in CO₂e: 351,670

The coverage ratio for financed emissions in relation to loans and advances to customers was 92.3% in the reporting year. This corresponds to a decline of 4.7 percentage points compared with the previous year's figure of 97.0%. Loans that relate to asset classes that are not part of the PCAF standard were not taken into account. In the treasury portfolio, the coverage ratio improved slightly by 1.4 percentage points to 79.2%, up from 77.8% in the previous year. Data on the Group's treasury portfolio was calculated using MSCI. The degree of coverage results from the fact that emissions data are not available for all items.

BKS Bank's customer portfolio predominantly consists of small and medium-sized companies for which there are hardly any carbon emissions reports available. Industry data were therefore used for the calculations.

The external calculation tool Climcycle is used for the calculations. The Climcycle emissions database is based on Eurostat data as well as World-Input-Output data from the University of Groningen as well as data from the Joint Research Centre.

Currently, the PCAF quality score for Scopes 1, 2 and 3 cannot be reported separately. Climcycle applies only one calculation methodology for all scopes and therefore only one aggregated quality score can be reported.

The asset classes in accordance with the Greenhouse Gas Protocol¹ were taken into account in the disclosure of the financed emissions for 2025. Scope 1 and 2 emissions are reported for all sectors. Since 2024, Scope 3 emissions have been disclosed in accordance with the PCAF Standard (PCAF Standard Financed Emissions Second Edition 12/2022 Table 5-2).

¹ Global GHG Accounting and Reporting Standard for the Financial Industry

Financed emissions and emissions intensities of “corporate loans” and “listed equity and corporate bonds” in 2024

ÓNACE code	Sum of loans and investments recognized, in EUR	Scope 1 and 2 emissions in t CO ₂ e	Scope 3 emissions in t CO ₂ e	Emissions intensity in t CO ₂ e/million EUR invested ¹
A - Agriculture, forestry and fishing	130,680,927	83,499	926,770	7,731
B - Mining and quarrying	28,891,754	8,679	99,016	3,728
C - Production of goods	623,913,416	117,044	940,762	1,695
D - Energy supply	161,482,074	11,079	11,434	139
E - Water supply; sewage and waste disposal and elimination of environmental pollution	40,649,682	53,970	390,961	10,945
F - Construction	478,377,920	20,460	163,077	384
G - Trade, maintenance and repair of motor vehicles	349,991,455	16,389	118,994	387
H - Transport and storage	148,526,349	18,895	10,853	200
I - Accommodation and food service activities	126,395,548	5,376	58,964	509
J - Information and communication	44,715,418	580	4,205	107
K - Provision of financial and insurance services	324,014,200	406	2,027,375	6,258
L - Real estate and housing	768,929,554	1,834	26,003	36
M - Professional, scientific and technical activities	339,841,167	5,531	40,068	134
N - Provision of other economic services	117,284,290	13,050	94,531	917
O - Public administration, defense, social insurance	211,600,579	13,720	99,389	535
P - Education and teaching	7,867,931	179	1,298	188
Q - Health and social services	161,200,923	3,722	26,961	190
R - Art, entertainment and recreation	25,723,486	7,123	51,602	2,283
S - Provision of other services	19,994,836	2,311	16,742	953
T - Staff in private households and similar	42,439,527	67,903	491,890	13,190
Sum	4,152,521,036	451,751	5,600,895	1,458

¹ The total emissions intensity was not obtained by adding up the values above, but was calculated using the following formula: Scope 1, 2 and 3 emissions/sum of loans recognized * 1,000,000.

Financed emissions and emissions intensities of “corporate loans” and “listed equity and corporate bonds” in 2025

ÖNACE code	Sum of loans and investments recognized, in EUR	Scope 1 and 2 emissions in t CO ₂ e	Scope 3 emissions in t CO ₂ e	Emissions intensity in t CO ₂ e/million EUR invested ¹
A - Agriculture, forestry and fishing	118,595,454	79,476	873,901	8,039
B - Mining and quarrying	24,374,572	6,787	76,795	3,429
C - Production of goods	507,659,825	77,419	1,108,860	2,337
D - Energy supply	153,431,647	6,549	13,091	128
E - Water supply; sewage and waste disposal and elimination of environmental pollution	45,245,192	39,719	288,278	7,249
F - Construction	395,991,005	15,649	118,191	338
G - Trade, maintenance and repair of motor vehicles	303,973,232	11,865	230,056	796
H - Transport and storage	160,123,417	18,408	10,073	178
I - Accommodation and food service activities	81,591,377	3,492	33,261	450
J - Information and communication	52,788,537	642	46,750	898
K - Provision of financial and insurance services	229,976,478	1,338	876,028	3,815
L - Real estate and housing	483,260,542	879	12,463	28
M - Professional, scientific and technical activities	373,635,880	12,643	135,645	397
N - Provision of other economic services	104,035,473	11,926	86,973	951
O - Public administration, defense, social insurance	65,124	1	4	75
P - Education and teaching	6,906,360	194	1,407	232
Q - Health and social services	121,812,648	2,420	17,531	164
R - Art, entertainment and recreation	13,958,771	1,635	11,843	966
S - Provision of other services	14,698,688	1,248	9,044	700
T - Staff in private households and similar	13,751	0	0	0
Sum	3,192,137,973	292,288	3,950,195	1,329

¹ The total emissions intensity was not obtained by adding up the values above, but was calculated using the following formula: Scope 1, 2 and 3 emissions/sum of loans recognized * 1,000,000.

ESRS E4 Biodiversity and ecosystems

Strategy

The preservation of biodiversity and ecosystems was identified as a material issue in the double materiality assessment. BKS Bank's impacts stem primarily from financing that enables changes in land use.

Strategies and concepts: Sustainable building standards are intended to improve environmental performance across the Group's own real estate properties. Various analytical tools are used at the portfolio level to assess the impacts, risks, and opportunities associated with changes in land use and dependence on ecosystem services.

Actions: Actions to support biodiversity include financial support for the conservation of ecologically valuable green spaces, which is further supported by corporate volunteering projects. In addition, BKS Bank is converting its own buildings into green and blue buildings that meet strict sustainability guidelines.

Targets and metrics: As BKS Bank generally only has an indirect impact on biodiversity and ecosystems through the arrangement of financing, no direct, measurable targets have been set to date.

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Given its focus on retail and corporate customers and concentration on real estate financing, BKS Bank's current business model is only minimally dependent on ecosystem services. Accordingly, risks relating to biodiversity and ecosystems were not taken into account in the resilience analysis of BKS Bank's business model as the potential for loss or damage was deemed negligible^{1,2} However, real estate loans and the associated soil sealing have negative impacts on biodiversity.

in land use. However, actions are being taken across the Group to protect biodiversity and counteract the loss of biodiversity.³

As part of the update of the sustainability strategy in the reporting year, existing actions to protect biodiversity were reviewed and made an integral part of the strategy.

When renovating or refurbishing branch locations, BKS Bank strives to adhere to sustainable construction standards with the aim of improving environmental performance, for example by reducing the amount of space used or increasing the amount of natural green space at each site. In the future, analyzing portfolios for their dependence on ecosystem services and, based on that, creating sector-specific hotlists, will play an important role. An in-depth analysis of biodiversity-related impacts is also planned. BKS Bank monitors further developments in the creation of biodiversity metrics for the financial sector on an ongoing basis.

E4-2

Policies related to biodiversity and ecosystems

The loss of biodiversity through changes in land use, especially in the value chain, has been identified as a material impact.

In relation to the impact of the real estate projects BKS Bank finances, there are currently no policies in place that directly address loss of biodiversity due to changes

¹ See ESRS 2, SBM-3 "Resilience analysis"

² ESRS E4-1, 13 a

³ ESRS E4-2, 24 b

The Management Board is responsible for the further development of the strategy, which is implemented by the ESG management team.¹

E4-3

Actions and resources related to biodiversity and ecosystems

BKS Bank offers the “Natur & Zukunft” account in Austria, which has been awarded the Austrian Ecolabel for Sustainable Financial Products since its launch in 2020². One tree is planted for every account opened as part of this account product and support is provided for the reforestation of native protection forests. For example, 14,680 trees were planted in Carinthia as part of two long-term projects. Biodiversity was a key consideration when selecting the species of tree to plant.

Since 2025, the focus has increasingly been on biodiversity. As part of a long-term project to protect endangered ecosystems, a dry grassland area of almost 4,600m² was acquired in Carinthia in collaboration with Naturschutzbund, a nature conservation society. This commitment will make it possible to permanently protect endangered ecosystems and vulnerable species and prevent them from disappearing. The aim of this project is to counteract soil sealing by financing real estate projects and to provide long-term protection to particularly endangered biotopes and species.

Other actions to combat biodiversity loss include corporate volunteering projects in partnership with associations such as the Carinthian Naturschutzbund to protect endangered ecosystems. These projects primarily relate to open landscapes that are home to species in need of protection

and are threatened by shrub encroachment.

BKS Bank’s commitment to nature conservation projects is at the heart of these projects. In 2025, BKS Bank employees helped clear the dry grasslands near Oberschütt, a designated Natura 2000 area in the municipality of Villach. As part of the initiative, the old cultural landscape is being cleared of shrubs and conifers. Conservation work is planned for 2026 on the meadow protected as part of the “Natur & Zukunft” account. BKS Bank will allow employees to account for 50% of the required hours spent doing conservation work as working time. The implementation of these two actions falls under the responsibility of ESG management at BKS Bank.

With respect to construction projects carried out by the BKS Immobilien-Service Gesellschaft m.b.H., care is taken to develop buildings into green or blue buildings. At the same time, great importance is attached to building in accordance with the EU Taxonomy. All construction projects, without exception, are therefore externally monitored from the outset as part of ÖGNI certification³. Another goal of these construction projects is to convert unused commercial space into rentable housing, thereby reducing the amount of land used for housing. These projects can be carried out throughout the BKS Bank’s entire market region, even if they are currently planned and implemented exclusively in Austria. The management of BKS Immobilien-Service Gesellschaft m.b.H., which reports directly to the Management Board of BKS Bank, is responsible for implementation of these projects in line with the requirements.

¹ ESRS E4-2, 22, 23 a and b

² <https://www.umweltzeichen.at/de/zertifizierung/der-weg-zum-umweltzeichen/antragsinfos-zur-richtlinie-uz49-nachhaltige-finanzprodukte>

³ Austrian Sustainable Building Council, <https://www.ogni.at/>

The construction projects in Villach “Parkblick”, Klagenfurt Villacherstraße, and Mattersburg were completed in 2025. Some of the ÖGNI certifications and confirmations of Taxonomy alignment have already been obtained, while others are expected in early 2026. The refurbishment of the Kreuzbergl branch was completed in January 2026; the application for ÖGNI certification and confirmation of Taxonomy alignment is scheduled for the second half of 2026.

The following projects were started or continued in the reporting year:

- Villach Hauptplatz: Start of the second construction phase; additional housing with ÖGNI certification, including confirmation of Taxonomy alignment
- Refurbishment of Klagenfurt Baumbachplatz branch: Refurbishment including conversion of heating system from crude oil to geothermal energy, ÖGNI certification including confirmation of Taxonomy alignment
- Thermal retrofit of an existing building and additional housing in Klagenfurt Waidmannsdorf; ÖGNI certification, including confirmation of Taxonomy alignment once the project has been completed
- Attic conversion for rental apartment including renovation of the existing (listed) building and conversion of the heating system from gas to district heating in Klagenfurt, Neuer Platz; ÖGNI certification, including confirmation of Taxonomy alignment once the project has been completed

These projects concern the Group’s own operations and the funds are allocated to the subsidiaries as part of the budgeting process.¹

Metrics and targets

E4-4

Targets related to biodiversity and ecosystems

No measurable, time-bound and outcome-oriented biodiversity targets have been set for the actions listed above. In corporate volunteering projects, the number of participants is a secondary target, whereas progress is monitored in the Group’s own construction projects. The impact report for the “Natur & Zukunft” account details the progress of the initiative, including the number of trees planted and carbon sequestered.²

Accordingly, no ecological thresholds were included when setting the targets for the actions described above.³ The targets of the Austria 2030+ Biodiversity Strategy and other national policies concerning biodiversity and ecosystems were taken into account when developing our biodiversity strategy as part of the update to the sustainability strategy.⁴

While the defined targets support actions to conserve biodiversity in BKS Bank’s market region, they do not mitigate the loss of biodiversity caused by changes in land use resulting from real estate projects.⁵

¹ ESRS E4-3, 27

² ESRS E4-4, 31

³ ESRS E4-4, 32 a

⁴ ESRS E4-4, 32 b

⁵ ESRS E4-4, 32 c and d

Social Information

ESRS S1 Own workforce

ESRS 2 General disclosures

The following chapter refers to the nearly 1,140 employees who are employed at BKS Bank AG and in the consolidated companies as of the reporting date of December 31, 2025. Our employees belong to 16 nations and work at sites in five countries. Matters relating to human resources are managed centrally from Klagenfurt.

Strategies and concepts: The HR strategy of BKS Bank combines the Group-wide sustainability and growth strategy with a state-of-the-art focus on diversity, flexible working conditions, promoting talent, and ongoing professional development. The concepts presented below relate to the material impacts, risks and opportunities identified during the double materiality assessment. Concepts related to human rights and labor rights, the elimination of discrimination, and occupational safety are also described.

Actions: BKS Bank takes various actions to mitigate material negative impacts and further promote positive impacts. These include actions that promote an inclusive, respectful work environment, improve employee engagement, and promote occupational and health well-being.

Targets and metrics: The metrics presented below refer to data on the Group's own workforce. They include structural features and staff movements, as well as information on the working conditions of employees. These include, in particular, employment relationships, adequate pay, social dialog, social security, work-life balance, and health and safety at work. They also cover aspects of equal treatment and promotion of diversity, as well as training and continuing education.

Strategy

Disclosures related to ESRS 2 SBM-2 and ESRS 2 SBM-3, 13 – Interests and views of stakeholders and also material impacts, risks and opportunities and their interaction with strategy and business model are provided in the respective sections of ESRS 2 "General disclosures". Information in relation to the bank's own workforce pursuant to ESRS 2 SBM-3, 14 to 16 is provided below.

ESRS S1

Disclosure requirement in relation to SBM-3

The disclosures made in ESRS 2 regarding the material impacts, risks and opportunities and their interaction with strategy and business model generally refer to the whole of BKS Bank's own workforce. No benefits are exclusively granted to full-time employees. However, some benefits are only available once a

employee has worked at the company for a certain period of time. Furthermore, the features of the benefits vary across the different market regions.¹

In the reporting year, BKS Bank employed 1,138 people, of whom 687 were women and 451 men. 1,084 employees had permanent employment contracts and 54 employees had temporary employment contracts (see Section S1-6 Characteristics of the undertaking's employees for comparative figures from 2024). As in the previous year, there are no third-party employees at BKS Bank.²

Since July 2025, BKS Bank employees can apply for up to 45 days of home working per year. This option is available as of the date an employee starts working under a permanent employment contract. There is no general entitlement to working from home. The regulations on working

¹ ESRS S1 SBM-3, 14

² ESRS S1 SBM-3, 14 a

from home are handled uniformly throughout the Group.¹

The following actual, positive impacts on the workforce have been identified:

- Fair employment conditions
- Fair pay
- Career planning
- Diversity
- Engagement of employees
- Health and safety

The systemic approach pursued in human resources management is crucial for these positive impacts. All decisions are made within the context of their impact on the entire company and its stakeholders. BKS Bank promotes talented employees, works to ensure a good work-life balance and offers its employees fair pay, flexible working hours, health promotion schemes, annual appraisal and performance reviews, a wide range of training and education opportunities and comprehensive social benefits.²

On account of BKS Bank's versatile business model as a universal bank, the implementation of the transition plan for climate change mitigation will not have any material negative impacts on the bank's workforce. On the other hand, the progressing transformation of BKS Bank towards sustainability is providing opportunities for employees. As a result, new job profiles have emerged and knowledge is being developed not only in the relation to sustainable investments, sales and advisory services for corporate customers, but also across all business segments. This development primarily affects the Group's subsidiary BKS Immobilien-Service Gesellschaft m.b.H., which manages and looks after BKS Bank's properties. ESG issues are also

firmly anchored in risk management, the compliance office and communications. BKS Bank expects this trend to continue and create even more opportunities for employees who are looking to advance their careers. At present, there is no risk of job losses being caused by this development.³

In its materiality assessment, BKS Bank identified persons with caregiving responsibilities and young employees in apprenticeships as the most likely key groups to be affected by negative impacts. The diversity of the company's staff was also taken into account, including gender, skin color, social or ethnic origin, age, sexual orientation, gender identity, disability or religion. These groups of persons were given special consideration in the review process, especially in the assessment of negative impacts.⁴

Impact, risk and opportunity management

S1-1

Policies related to own workforce

The Management Board of BKS Bank defines the strategic approach for addressing material impacts, risks, and opportunities related to its own workforce. At the strategic level, these policies are outlined in the Sustainability Strategy, with the HR department responsible for preparing and elaborating on the policies. Responsibility for monitoring and implementation of the policies lies with the HR department, which reports directly to the Management Board on a regular basis. Unless otherwise stated, the policies listed below apply to all employees and throughout BKS Bank's entire market region.⁵

Employee retention and development

BKS Bank's policies to promote employee retention and development aim to

¹ ESRS S1 SBM-3, 14 b

² ESRS S1 SBM-3, 14 c

³ ESRS S1, 14 e

⁴ ESRS S1, 15

⁵ ESRS S1-1, 17 and 19

systematically establish fair working conditions, appropriate remuneration, and sustainable development and training opportunities. They provide the framework for actions designed to promote motivation, performance and long-term loyalty among employees.

Fair employer

A core element of a modern working environment includes organizational policies that improve people's work-life balance, a major factor in

- facilitating a career alongside having a family,
- increasing employee satisfaction,
- providing equal opportunities for all employees and applicants regardless of family status, age or gender,
- keeping staff turnover low and retaining valuable expertise,
- achieving a high return rate from parental leave, and
- increasing the percentage of women in senior executive positions.

BKS Bank offers its employees many options to achieve a work-life balance. These include flexible working hours, the Kinki childcare center in Klagenfurt and childcare available on days between public holidays and weekends, and during vacation periods. In Rijeka, employees' children can do their homework in the Kid's Corner. BKS Bank also encourages fathers to take one month of paternity leave after the birth of a child or parental leave.

The home working policies applicable at BKS Bank were revised in the reporting year and now allow all employees with a permanent employment contract to spend up to 45 days each year working from home.

BKS Bank relies on external certifications and evaluations as well as employee surveys to identify and develop the key concerns of the workforce and keep job

satisfaction and motivation high. All employees are offered annual appraisal and performance reviews (A&P reviews) for direct consultations with their managers.

The Works Council is also an important partner when selecting and implementing actions for employees. All benefits granted that are not covered by the collective agreement are agreed in a separate works agreement signed by the company and the Works Council. BKS Bank provides the Works Council with an annual budget for social benefits; as a result, employees do not pay fees to the Works Council. Five members (three of which are women) of the Works Council are on the Supervisory Board and its committees.

Fair pay

The remuneration of BKS Bank employees is based on the collective agreement in force at the time and on their respective job profile and qualifications. Employees are also offered voluntary additional social benefits. Examples include advice on retirement and healthcare schemes as well as family-related benefits.

BKS Bank is committed to narrowing the gender pay gap. The focus is on reducing the difference between incomes in foreign markets through actions such as promoting women, especially when filling management positions.

BKS Bank employees also have a share in the company's profits. On the one hand, employees can acquire shares in BKS Bank directly and tax-free within the framework of the employee share ownership scheme, and on the other hand, they are allocated BKS Bank shares free of charge through the BKS Mitarbeiterbeteiligungsprivatstiftung. Employees who have been employed at BKS Bank for at least three years on an unlimited work contract and have not been given notice are eligible for the

above schemes. In addition, employees receive BKS Bank dividends through the BKS-Belegschaftsbeteiligungsprivatstiftung. Employees are entitled to dividends if they have been employed for at least 18 months and have not been given notice on the date of the payout.

Training and education

BKS Bank is committed to the principle of recruiting employees primarily from within its own ranks for management and expert positions. To this end, succession planning is systematically pursued with the aim of identifying and helping talented employees who exhibit potential develop in the long term in order to cover requirements for future senior executives and expert positions internally.

Other key elements of the continuing education system include training and developing senior executives, sustainability and innovation, and personal development actions. The aim is for all employees to take advantage of the opportunities offered for continuing education, regardless of their age and qualifications.

Work environment and corporate culture

BKS Bank's policies on the work environment and corporate culture support actions that foster a respectful, non-discriminatory working environment. They define targets and actions for strengthening diversity and equal opportunities, promoting employee participation and ensuring health and safety.

Diversity and elimination of discrimination

The BKS Bank mission statement, values and Code of Conduct provide the framework for good cooperation. The Group's working language is English and important documents are also available on the employee portal in the local

languages. BKS Bank is a member of the Diversity Charter of the Carinthian International Center and the initiative #positivarbeiten.¹

The LGBTQIA+ Business Resource Group initiated by the Diversity Officer in 2022 is committed to creating an environment in which all employees can develop their full potential every day. Diversity and diversity management are also covered in several training courses, including the BKS College for new employees, the Talent Program, the basic training for senior executives and the Excellence Program for experienced senior executives. In this way, employees and managers become ambassadors of diversity.

When filling management positions, all employees are offered equal career opportunities. Employees interested in management programs can apply at any time and do not need to discuss this with their manager. We aim to achieve a ratio of at least 35% women in senior executive positions. In order to attain this target, women are given preference for management positions if they possess the same qualifications as male applicants. BKS Bank's corporate membership in the Business Women's Center Carinthia gives female employees the opportunity to present their achievements to the public, to network and to develop both professionally and personally.

Employee engagement and social commitment

BKS Bank engages with employees in various ways, for example through employee surveys and by allowing employees to submit suggestions for improvement and ideas at any time in the Ideas Room. Employees are also involved in the development of processes and the evaluation of actions. They also participate in all material decisions affecting BKS Bank's own workforce as

¹ ESRS S1-1, 24 d

part of the Workplace Health and Safety Committee.¹

All employees are encouraged to get involved in non-profit organizations through regular corporate volunteering. By consciously taking on new perspectives, BKS Bank aims to promote social competence and the understanding of different perspectives. Organization and implementation is coordinated by the Communication & ESG group.

Employees can turn to several points of contact to voice grievances or when facing stressful situations. These include senior executives, HR management, the Works Council, diversity officers, Internal Audit and the external consulting firm EAP, which offers psychosocial support. Employees can also contact EAP anonymously. When complaints or reports of violations are received from employees, the party contacted takes care of the follow-up if desired by the person who submitted the report. Remedial measures are determined exclusively in consultation with the persons who submitted the report.²

Health and safety

The risk of occupational accidents at BKS Bank is low, unlike at manufacturing companies. Accidents that occur are usually accidents on the way to or from work, traffic accidents on business trips or falls. However, employees are also occasionally exposed to situations that are mentally stressful and may therefore require support in coping with them. As a result, employees have access to anonymous and free counselling from the EAP Institute for Employee Counselling³.

Workplace health promotion and occupational safety are based on the principles of the EFQM quality

management system established within the company. Workplace health promotion services are available to all employees on the employee portal. All employees are required to familiarize themselves with occupational safety regulations.

To ensure good medical care for employees, BKS Bank employs an occupational company physician. The focus of the physician's work is to provide occupational health advice and support and they are also involved in other actions to promote health.

At BKS Bank, three people work as safety experts and 16 as safety officers, unchanged from the previous year. Safety experts are primarily responsible for occupational safety at BKS Bank. In the international market regions, external companies specializing in occupational safety manage the tasks of the safety officers. To identify any safety issues early on, the safety experts and in-house technicians conduct regular inspections of the premises at the head office and branches.

Human rights policies

As an employer, BKS Bank complies with all relevant legal obligations to ensure the protection and rights of its own employees.⁴

BKS Bank has been a member of the UN Global Compact since 2012 and is therefore committed to protecting international human rights. The 10 principles of the UN Global Compact form an integral part of the policies in place at the bank. These policies create an important framework for daily work and are enshrined in the bank's stance on

¹ ESRS S1-1, 20 b

² ESRS S1-1, 20 c

³ <http://www.eap-institut.at/>

⁴ ESRS S1-1, 20 a

human rights¹ and the Code of Conduct. In order to consistently avoid any negative impacts on human rights, BKS Bank takes care to ensure that all activities associated with BKS Bank comply with international human rights standards. Business transactions are regularly reviewed for potential impacts on human rights in order to identify risks early on and to take preventative measures to avoid them. Any indication or information received about potential human rights violations is promptly and carefully reviewed, and appropriate actions are taken as required to remedy the situation. All employees are required to comply with human rights.²

With its definition of human rights, BKS Bank refers to internationally recognized human rights standards, such as the Universal Declaration of Human Rights and the International Labor Organization's core standards. Guidance is also taken from the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD). The BKS Bank Code of Conduct represents a clear commitment to social responsibility. It serves as a guide for everyday dealings within the company and with customers, suppliers, regulatory authorities and the media.³

An internal assessment on due diligence and human rights was conducted in 2023. The assessment revealed that the risk of child labor, human trafficking and forced labor in the finance industry and BKS Bank's market region is negligible. As a result, these topics have not been included in the BKS Bank Code of Conduct. However, due to a different risk

assessment for the upstream supply chain, child labor and forced labor are explicitly addressed in the Code of Conduct for Suppliers and in the procurement guidelines.⁴

Policies for eliminating discrimination and promoting equal opportunity

In accordance with the Universal Declaration of Human Rights and the principles of the UN Global Compact, BKS Bank provides equal opportunities for all employees regardless of race or ethnic origin, skin color, sexual orientation, gender, gender identity, disability, age, religion, political affiliation, national origin or social background.⁵

All legal requirements concerning equal treatment and inclusion and combating discrimination, whether under EU or national law, are fulfilled. These include compliance with the prohibition of all forms of discrimination, the obligation to employ persons with disabilities and the obligation to promote equal opportunity and create accessible working conditions.⁶ For example, in Austria, companies are required to employ one person⁷ with a disability for every 24 employees. BKS Bank expressly invites persons with disabilities to apply for open positions.

Workplace accident prevention policies

BKS Bank has sophisticated and comprehensive policies in place to prevent workplace accidents. This topic forms an integral part of the EMAS environmental management system and is also addressed in the Business Continuity and Emergency Management Work Manual.⁸

¹ https://www.bks.at/mbxs8qn54zwi/3F13ag6rJUcDQ2z1M94lhA/ef48cb1078135f08ce3b9f03f30dc8c1/Menschenrechtsposition_v1-0.pdf

² ESRs S1-1, 20

³ ESRs S1-1, 21

⁴ ESRs S1-1, 22

⁵ ESRs S1-1, 24 a and b

⁶ ESRs S1-1, 24 c

⁷ Persons with a disability receive an official notice from the Citizen's Service team at the Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection and enjoy additional protection against dismissal under the Disability Employment Act (BEinstG).

⁸ ESRs S1-1, 23

S1-2

Processes for engaging with own workforce and workers’ representatives about impacts

BKS Bank has various processes in place for engaging with employees. Regular evaluation and further development of these processes is important, as they make a significant contribution to creating a work environment that fosters diversity, innovation and collaboration, and strengthens identification with the company.

In terms of material impacts on employees, active engagement is promoted primarily on the topics of diversity, career planning, health and safety. In terms of pay and fair employment conditions, engagement usually takes place indirectly through the Works Council.

The following table provides an overview of the processes in place at BKS Bank for employee engagement.

Employee engagement processes

Procedure	Type of inclusion	Frequency
Ideas room	direct	ongoing
A&P reviews	direct	annually
Employee survey	direct	every 3 years
Projects	direct	ad hoc
Works Council	indirect	ongoing

The Ideas Room gives employees the opportunity to share ideas and propose solutions to a wide range of topics. The aim behind this initiative is to initiate and press ahead with ongoing improvement at BKS Bank to support the bank’s future viability. The ideas submitted may relate both to an individual employee’s work such as suggestions for optimizing processes and to improving the work environment in general.

Operational responsibility for the direct engagement of employees and for incorporating the findings into the company’s policies rests with HR management. The Head of HR works closely with the Management Board in this regard. The Works Council also plays a key role in terms of indirect engagement. It serves as a liaison that helps balance the interests of employer and employees. For example, benefits beyond the scope of those granted under

the collective bargaining agreement are agreed in a works agreement between the company and the Works Council. The bank allocates a budget directly to the Works Council for various projects such as health promotion.¹

BKS Bank assesses the effectiveness of its cooperation with its own workforce in a number of ways. A key tool for assessing cooperation is the employee survey, which is conducted every three years to measure employee satisfaction. Indirect processes include the survey of the employee turnover rate and exit interviews with employees who leave the company at their own request.²

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

BKS Bank attaches great importance to maintaining a corporate culture in which

¹ ESRS S1-2, 27 c

² ESRS S1-2, 27 e

concerns can be easily reported without fear of adverse consequences. Employees have access to various channels that can be used to submit corresponding reports.¹

Concerns can be raised at any time by an employee with their line manager, the Works Council, the company physician, the Head of HR or the Head of Internal Audit. The Diversity Officer is also the point of contact for all diversity issues. If an employee is hesitant about submitting a report through direct contact, they can instead submit their report using the BKS Integrity Line². This whistleblower system can be used to quickly and easily report concerns about misconduct that affect the well-being of employees, the company or third parties. If any potential violations of human rights are suspected, all employees are obliged to report this to their line manager, the relevant compliance unit or Internal Audit.³

Reports received on any channel are treated with strict confidentiality by the employees who process them as a matter of course⁴. This ensures adequate protection for the person who submitted the report. If necessary, processing the report may involve initiating investigations and taking appropriate actions to resolve the reported situation to the satisfaction of the affected individuals and to prevent any recurrence.^{5, 6}

Information on how to raise concerns at BKS Bank is available to all employees on the employee portal. As another form of support for employees, the EAP Institute offers employees access to anonymous and free counselling in mentally stressful situations.⁷

At BKS Bank, there is no procedure for checking whether all employees are aware of and trust the established reporting procedures. Policies for the protection of whistleblowers are described in G1-1.⁸

S1-4 Taking action on material impacts on own workforce

Actions taken in connection with material impacts on employees at BKS Bank are described below. All actions relate to the bank's own workforce.

A lack of flexibility in work arrangements due to a restrictive policy on working from home was identified as one negative impact on the company's own workforce. In response, the previous scheme was revised and a new arrangement entered into force in July 2025. This allows all employees with a permanent employment contract to request up to 45 days each year working from home. The effectiveness of this action will be reviewed in 2026.⁹

¹ ESRS S1-3, 32 a

² <https://bks.integrityline.com/?lang=en>

³ ESRS S1-3, 32 b

⁴ See ESRS G1-1 c ii

⁵ ESRS S1-3, 32 c

⁶ ESRS S1-3, 32 e

⁷ ESRS S1-3, 32 d

⁸ ESRS S1-3, 33

⁹ ESRS S1-4, 38 a and b

Actions to reduce negative impacts

Material topic MDR-A 68 a	Actions MDR-A 68 a	Results expected MDR-A 68 a	Start MDR-A 68 a	End (planned) MDR-A 68 c	Application area related to business activity MDR-A 68 b
Fair employment conditions	Revise the rules on working from home	<ul style="list-style-type: none"> • Better work-life balance • Facilitation of commuting to the place of employment • Greater attractiveness as an employer 	2024	2025	Entire business area

The following table summarizes the actions taken to achieve positive impacts for employees.¹

Actions and initiatives for positive impacts²

Material topic MDR-A 68 a	Actions MDR-A 68 a	Results expected MDR-A 68 a	Start MDR-A 68 a	End (planned) MDR-A 68 c	Application area related to business activity MDR-A 68 b
General	Certifications and quality labels	Ensure and continuously improve quality in human resources	ongoing	No end planned	Entire market region
Fair employer	Part-time models	Better work-life balance	ongoing	No end planned	Entire market region
Fair employer	Childcare	Better work-life balance	ongoing	No end planned	Austria, Croatia
Fair employer	Flexible working time models	Improved work-life balance, thus higher employee satisfaction and lower fluctuation	ongoing	No end planned	Entire market region
Fair wages	Voluntary social benefits	Support for retirement planning and preventive healthcare, support for families	ongoing	No end planned	Entire market region
Fair wages	Employee participation scheme	Support for employees	ongoing	No end planned	Austria

¹ ESRS S1-4, 38

² ESRS S1-4, 38 c

Material topic MDR-A 68 a	Actions MDR-A 68 a	Results expected MDR-A 68 a	Start MDR-A 68 a	End (planned) MDR-A 68 c	Application area related to business activity MDR-A 68 b
Fair wages	Distributions from the employee foundation, BKS-Belegschaftsbeteiligungsprivatstiftung	Support for employees	ongoing	No end planned	Entire market region
Education and training	A&P reviews	Communication and engagement with employees, career planning	annually	No end planned	Entire market region
Education and training	BKS Academy	Comprehensive further training opportunities	ongoing	No end planned	Entire market region
Education and training	Training for senior executives	Qualified senior executives, strengthening the management culture	ongoing	No end planned	Entire market region
Education and training	Development program for future senior executives	Developing and retaining qualified senior executives, strengthening the management culture and knowledge over the long term	ongoing	No end planned	Entire market region
Diversity and elimination of discrimination	Women given preference in case of equal qualifications	Share of women in management positions of at least 35%, reduction of gender pay gap	2019	2025	Entire market region
Diversity and elimination of discrimination	Diversity Officer, LGBTQIA+ Business Resource Group	Addresses diversity topics and ensures greater visibility and acceptance; awareness raising	2022	No end planned	Austria
Diversity and elimination of discrimination	Recruiting training diversity	Greater diversity in teams and within the company	ongoing	No end planned	Austria, Slovenia

Material topic MDR-A 68 a	Actions MDR-A 68 a	Results expected MDR-A 68 a	Start MDR-A 68 a	End (planned) MDR-A 68 c	Application area related to business activity MDR-A 68 b
Diversity and elimination of discrimination	Promotion and development programs for employees, including a program to promote women	Equal career opportunities; internal succession to fill positions to expand and retain expertise	ongoing	No end planned	Entire market region
Diversity and elimination of discrimination	Diversity campaign	Visibility and acceptance; award raising	2022	2025	Austria, Slovenia
Employee engagement and social commitment	Conduct employee surveys	Survey of employee satisfaction and implementing specific improvement measures	2021	Every 3 years	Entire market region
Employee engagement and social commitment	Ideas room	Improvement of processes and procedures, increase in employee satisfaction	2018	No end planned	only Austria
Health and safety	Annual health program	Raise health awareness, improve employee health	annually	No end planned	Austria, Croatia
Health and safety	Vaccination campaigns (influenza, tick, shingles)	Promote employee health	annually	No end planned	Austria
Health and safety	Workplace health promotion	Promote employee health	ongoing	No end planned	Austria, Croatia
Health and safety	Counseling for psychological stress	Promote employee health	ongoing	No end planned	Austria
Health and safety	Occupational safety regulations (inspections, training, initial safety briefing, health committees)	Avoidance of workplace accidents	ongoing	No end planned	Entire market region
Health and safety	Workplace evaluations	Promote employee health	ongoing	No end planned	Austria
Health and safety	(Workplace) medical advice and support	Promote employee health	ongoing	No end planned	Austria

Material topic MDR-A 68 a	Actions MDR-A 68 a	Results expected MDR-A 68 a	Start MDR-A 68 a	End (planned) MDR-A 68 c	Application area related to business activity MDR-A 68 b
Health and safety	Compliance with legal requirements for employee health and safety	Promote employee health	ongoing	No end planned	Entire market region

BKS Bank uses external certifications to assess impacts on its own employees, and to review and evaluate the effectiveness of the actions taken. These include the “berufundfamilie” audit, the EFQM evaluation and the EMAS certification. In addition, the employee engagement processes described under S1-2 also help to assess the effectiveness of the actions listed. Actions related to health and workplace safety are also monitored through regular inspections conducted by the regulatory authorities.¹

The results of the certifications and audits are used to define improvement actions to eliminate or mitigate negative impacts and further improve positive impacts. Improvement actions are also derived from the employee engagement processes in order to mitigate negative impacts.²

BKS Bank makes sure that its actions have no material negative impacts on employees in a number of ways. For example, the procurement guidelines stipulate that only cleaning agents which pose no health risks may be used. The employee survey and the other procedures for involving the workforce are

also used to identify negative impacts at an early stage and to take appropriate action to counteract them.³

No explicit funds are allocated to the management of material impacts because the funds for the actions described above are earmarked as part of the HR budget or are made available directly to the Works Council.⁴

Metrics and targets

S1-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The negative impacts arising from the previous home working policy were addressed by revising and improving the arrangement in place. The revised home working policy entered into force in July 2025. Following on from this, the effectiveness of the new policy will be reviewed in A&P reviews and through regular employee surveys.⁵

BKS has defined the following targets to promote positive impacts on its own workforce:⁶

¹ ESRS S1-4, 38 d

² ESRS S1-4, 39

³ ESRS S1-4, 41

⁴ ESRS S1-4, 43

⁵ ESRS S1-5, 44 a and MDR-T, 81 b

⁶ ESRS S1-5, 44 b and MDR-T

Targets for the management of material impacts

Targets	Scope MDR-T 80 c	Target MDR-T 80 a	Reference value 2019 MDR-T 80 d	Planned target attainment MDR-T 80 e	Target level MDR-T 80 b	Interim target 2022 MDR-T 80 d	Current status 2025 MDR-T 80 d
Conduct employee surveys	All countries	Overall satisfaction	2.0	2025	1.9	2.0	2.4
Advancement of women	All countries	Share of women in management positions	31.6%	2025	35%	35.9%	37.5%
Advancement of women	All countries	Reduction of the gender pay gap*	16.5%	2025	12%	16.7%	16.7%
Workplace health promotion	Austria, Croatia	Participation in the company health promotion scheme	27.7%	2025	25%	17.6%	19.9%

Achieving an overall satisfaction score of 1.9 in the employee survey

Employee surveys are conducted by an external provider according to the EUCUSA method¹, which is characterized by its systemic approach and advanced analytical techniques. The findings from the employee survey are used to monitor and assess the effectiveness of the various policies listed under S1-1. The survey includes questions on topics such as pay and social benefits, the workplace and job situation, leadership, information and communication, professional development, corporate culture and diversity. The most recent survey was conducted in 2024 and resulted in an overall satisfaction score of 2.4. The findings of the survey were integrated into existing projects and actions in the reporting year in order to achieve better scores in future surveys.

Percentage of women in management positions

In 2019, the goal was to achieve a 35% share of women in management positions by 2025. This figure was achieved for the first time in 2021, and since then the percentage of women in management positions has consistently exceeded 35%, including in the reporting year at 37.5% (2024 35.6%).

Reducing the gender pay gap

BKS Bank aims to reduce the gender pay gap among its employees to less than 12%. This applies, above all, to foreign branches where targeted actions are being taken to promote women. The target figure and the current figure are not systematically consistent because the target of 12% is based on the GRI calculation methodology, whereas the calculation has been aligned with the ESRS requirements since 2024. Compared with 2024, however, the gender pay gap was reduced by 2.5% in the reporting year.

¹ <https://eucusa.com/at/warum-eucusa/eucusa-methode/>

Participation in occupational health promotion actions

Workplace health promotion actions are intended to reach as many employees as possible. The target is for 25% of employees to participate in the health promotion scheme each year.

The setting of these targets, their monitoring and the identification of findings and opportunities for improvement are carried out within BKS Bank's sustainability organization (see ESRS 2, GOV-1).¹

S1-6

Characteristics of the undertaking's employees

The information provided in the following tables on the key characteristics of employees is stated as the number of people and not as full-time equivalents.² Employee numbers are always reported as at the reporting date of December 31, 2025 and not as an average over the reporting period.³

The figures provided for the number of employees correspond to the figures provided in full-time equivalents and averages in the "Markets and target groups" section.⁴

Employees by gender (number of persons)⁵

Gender*	2023	2024	2025
Male	465	463	451
Female	681	697	687
Diverse	0	0	0
n/a	0	0	0
Total number of employees	1,146	1,160	1,138

* Gender as specified by the employees themselves

Employees by gender and region⁶

Country	Female	Male	Total
2024			
Austria	495	359	854
Slovenia	99	67	166
2025			
Austria	494	345	839
Slovenia	95	67	162

This figure only includes countries where more than 10% of BKS Bank's total workforce is employed.

¹ ESRS S1-5, 47 a to c

² ESRS S1-6, 50 d i

³ ESRS S1-6, 50 d ii

⁴ ESRS S1-6, 50 f

⁵ ESRS S1-6, 50 d

⁶ ESRS S1-6, 50 a

Employees by type of contract and gender, including information on full-time and part-time employees¹

Number of persons	Female	Male	Total
2024			
Number of employees	697	463	1,160
Number of employees with unlimited employment contracts	658	444	1,102
Number of employees with temporary employment contracts	39	19	58
Number of full-time employees	447	427	874
Number of part-time employees	250	36	286
2025			
Number of employees	687	451	1,138
Number of employees with unlimited employment contracts	664	420	1,084
Number of employees with temporary employment contracts	23	31	54
Number of full-time employees	433	418	851
Number of part-time employees	254	33	287

Number of employees by type of contract and by region, including information on full-time and part-time employees²

Number of persons	Austria	Slovenia	Total
2024			
Number of employees	854	166	1,020
Number of employees with unlimited employment contracts	804	163	967
Number of employees with temporary employment contracts	50	3	53
Number of full-time employees	579	164	743
Number of part-time employees	275	2	277
2025			
Number of employees	839	162	1,001
Number of employees with unlimited employment contracts	792	160	952
Number of employees with temporary employment contracts	47	2	49
Number of full-time employees	562	157	719
Number of part-time employees	277	5	282

This figure only includes countries where more than 10% of BKS Bank's total workforce is employed.

¹ ESRs S1-6, 50 b

² ESRs S1-6, 51

Employees who have left the company and employee turnover¹

	2023	2024	2025
Persons having left the company, total	167	132	125
Fluctuation rate pursuant to ESRS	14.9	9.9	11.3

To calculate employee turnover, the number of employees who have left the company is compared against the adjusted headcount on January 2 of the following year. Employees on leave are already excluded. Employees on leave are not taken into account, as the company is legally required to guarantee their return to their respective positions.

The number of employees who have left the company takes into account all employees who have left the company, gone into retirement and, if applicable, deaths. Only transfers of employees within the Group are not included.²

S1-8 Collective bargaining coverage and social dialogue

In this section, the term “collective bargaining agreement” is understood to cover both German terms “Tarifvertrag” (applicable in Germany) and “Kollektivvertrag” (applicable in Austria).

In countries where a corresponding collective bargaining agreement has been negotiated, it applies to all employees in the respective country.³

There were no changes to collective bargaining agreements compared with the previous year. Due to the changed personnel structure, however, the percentage of employees subject to a collective bargaining agreement rose from 87.9% in the previous year to 88.0% in the reporting period. Compared with the previous year, the coverage rate for collective bargaining agreements and social dialog remained unchanged.

¹ ESRS S1-6, 50 c

² ESRS S1-6, 50 e

³ ESRS S1-8, 60 b

Collective bargaining agreements

Market area	Company	Agreements on income
AT	BKS Bank AG in Austria as well as employees seconded by BKS Bank to its subsidiaries	Collective agreement for employees of banks and works agreement
AT	BKS-Leasing Gesellschaft m.b.H.	Collective agreement for employees in information and consulting
AT	BKS Service GmbH	Collective agreement for employees in retail
AT	BKS Immobilien-Service Gesellschaft m.b.H.	Collective agreement for trade, crafts and services, white collar workers
SI	BKS Bank employees in Slovenia	Collective agreement for bank employees
SI	BKS Leasing d.o.o., Ljubljana	Collective agreement for bank employees
HR	BKS Bank employees in Croatia	There is no collective agreement for bank employees; a works agreement was signed
HR	BKS-leasing Croatia d.o.o.	There is no collective agreement
SK	BKS Bank employees in Slovakia	There is no collective agreement
SK	BKS-Leasing s.r.o., Bratislava	There is no collective agreement
SRB	BKS Leasing d.o.o., Belgrade	There is no collective agreement
Total	Percentage of employees covered by a collective agreement*	88.0%

* ESRS S1-8, 60 a

Information on collective bargaining coverage and social dialogue¹

Coverage rate	Collective bargaining coverage		Social dialog
	Workforce — EEA	Workforce — non-EEA countries	Workplace representation (EEA only)
0–19%	-	-	Slovenia
20–39%	-	-	-
40–59%	-	-	-
60–79%	-	-	Austria
80–100%	Austria, Slovenia		-

This figure only includes countries where more than 10% of BKS Bank's total workforce is employed.

¹ ESRS S1-8, 63 a and b

S1-9**Diversity metrics**

The following tables provide an overview of the percentage of female senior

executives and the age structure of BKS Bank's employees.

Percentage of female senior executives¹

	2023	2024	2025
Total number of managers (excl. Management Board)	176	174	168
• thereof female	64	62	63
• thereof male	112	112	105
Percentage of female managers	36.4%	35.6%	37.5%
Percentage of male managers	63.6%	64.4%	62.5%

Age structure of BKS Bank employees (headcount)²

	2023	2024	2025
under 30 years old	140	145	137
30 to 50 years old	593	600	578
over 50 years old	413	415	423

S1-10**Adequate wage**

All employees of BKS Bank receive an adequate wage based on the framework conditions of the collective bargaining agreements as well as internal and external salary comparisons.³

S1-11**Social protection**

All BKS Bank employees are protected against loss of earnings caused by major life events.⁴

S1-12**Persons with disabilities**

BKS Bank currently employs 26 persons (2024: 24) with disabilities, which corresponds to a ratio of 2.3% of all employees (2024: 2.1%).⁵

S1-13**Training and skills development metrics**

The following tables provide information on participation in appraisal and performance reviews (A&P reviews) and average number of training hours per employee.

¹ ESRS S1-9, 66 a

² ESRS S1-9, 66 b

³ ESRS S1-10, 69

⁴ ESRS S1-11, 74

⁵ ESRS S1-12, 79

Participation in A&P reviews¹

	2023	2024	2025
Percentage of employees that have participated in A&P reviews	91	88	97
• thereof women	58	60	58
• thereof men	42	40	42
Percentage of all women	90	90	94
Percentage of all men	93	86	100
Percentage of employees without management functions	91	88	97
Percentage of all team leaders, group leaders and branch managers	91	88	95
Percentage of heads of central departments/sales, managing directors	97	100	100

Hours of training per employee in the reporting year²

	2023	2024	2025
Average training days per employee	4.7	4.5	4.2
Average training hours per employee	36.2	35.0	32.2
• thereof completed by women	33.6	28.9	27.8
• thereof completed by men	40.2	44.3	39.1
Number of in-house seminars	366.0	387.0	459.0
Training hours per year	41,024	40,272	36,684
• thereof completed by women	22,828	20,139	19,065
• thereof completed by men	18,196	20,133	17,620
Number of apprentices in training	4	5	5
• thereof women	1	0	0
• thereof men	3	5	5
Number of trainees in training	10	5	3
• thereof women	4	2	2
• thereof men	6	3	1

S1-14**Health and safety metrics**

At BKS Bank, 100% of employees are covered by health and safety management, unchanged from the previous year.³

Due to the low-risk environment, there are no work-related illnesses associated with working at financial institutions. Accordingly, no information can be disclosed on this topic.⁴

¹ ESRS S1-13, 83 a

² ESRS S1-13, 83 b

³ ESRS E1-14, 88 a

⁴ ESRS S1-14, 88 b

Occupational health and safety¹

	2023	2024	2025
Total number of employees	1,146	1,160	1,138
Number of hours worked	1,568,791	1,652,132	1,687,247
Number of fatalities due to work-related injuries	-	-	-
Ratio of fatalities due to work-related injuries	-	-	-
Number of work-related injuries with severe consequences	-	-	-
Ratio of work-related injuries with severe consequences	-	-	-
Number of documented work-related injuries	3	7	8
Ratio of documented work-related injuries	2.7	4.2	4.7

S1-15**Work-life balance metrics**

All employees of BKS Bank in Austria are entitled to time off work for family reasons on the basis of social policy regulations and/or collective bargaining agreements. In addition to parental leave, employees are entitled to time off for family reasons such as deaths, marriage, the birth of a child and moving house.

Furthermore, employees in Austria are entitled to take time off to care for close relatives who are ill (paid carer's leave).

In countries where there is no such legal entitlement to leave and in individual cases, solutions can be agreed on a case-by-case basis with the employee's manager and the HR department.

Employees entitled to take family-related leave

	2024	2025
Percentage of employees entitled to take family-related leave*	87.9%	88.0%
• thereof women	58.2%	58.8%
• thereof men	41.8%	41.2%
Leave taken for family reasons**	19.7%	20.3%
Parental childcare leave Austria	2.8%	2.6%
• thereof women	79.2%	95.5%
• thereof men	20.8%	4.5%
One-month childcare leave taken by fathers Austria	1.4%	1.4%
Special holiday leave Austria	20.1%	21.0%
• thereof women	58.1%	56.8%
• thereof men	41.9%	43.2%

* ESRS S1-15, 93 a

** ESRS S1-15, 93 b

¹ ESRS S1-14, 88

S1-16**Remuneration metrics (pay gap and total remuneration)**

The following table shows the gender pay gap and the total remuneration ratio. The gender pay gap refers to the difference between the average income of female and male employees, expressed as a percentage of the average income of male employees. The total remuneration ratio describes the ratio between the remuneration of the highest-paid individual and the median annual total remuneration of all employees. The

remuneration of the highest-paid individual takes into account the fixed salary for the reporting year plus the variable components.¹

In the previous year the total remuneration ratio was reported excluding the Management Board. In accordance with the recommendation of the Austrian Financial Reporting Enforcement Panel, the Management Board was included in the report for the current year and the previous year's figure was adjusted accordingly by 161%, from 3.85 to 10.07.

Remuneration metrics²

	2024	2025
Gender pay gap	19.2%	16.7%
Total remuneration ratio	10.07	12.05

S1-17**Incidents, complaints and severe human rights impacts**

In 2025, one incident of discrimination, in particular bullying, was reported using the grievance channels in place at BKS Bank.³ The number of incidents reported is determined by checking with the Works Council, the company physician and the diversity officers.⁴ Alternative reporting channels, such as worker's representatives or legal channels, were not used.⁵

Both of the cases that were still pending from the previous year and were being investigated were resolved during the reporting year, as was the current case. No financial sanctions were imposed in any of these cases.⁶

No serious work-related incidents or violations were identified in the reporting period. There were no circumstances that would have been reportable or would have led to official investigations. Consequently, no fines or other penalties were imposed.⁷

¹ ESRS S1-16, 97 c

² ESRS S1-16, 97 a and b

³ ESRS S1-17, 103 a

⁴ ESRS S1-17, 103 d

⁵ ESRS S1-17, 103 b

⁶ ESRS S1-17, 103 c

⁷ ESRS S1-17, 104 a und b

ESRS S4 Consumers and end-users

The following chapter addresses BKS Bank's impacts on consumers and end-users, and in particular the provision of inclusive and non-discriminatory access to financial services.

Strategies and concepts: The goal of social sustainability is ensured at the strategic level through the actively managed development of products and services. In so doing, it is important to consider the different life phases of customers and to ensure non-discriminatory access.

Actions: Item S4-4 describes account and financing models that are explicitly aimed at population groups that may have limited access to financial services. It also explains actions to promote accessibility and financial literacy.

Targets and metrics: While BKS Bank continues to develop its products and services in line with the aforementioned strategic focus, it does not pursue any specific quantitative targets in this respect.

Strategy

Mandatory disclosures on the interests and views of stakeholders and material impacts, risks and opportunities and their interaction with strategy and business model are provided in the sections SBM-2 and SBM-3 of ESRS 2 "General disclosures". BKS Bank has identified one material positive impact in relation to the social inclusion of consumers and/or end-users by providing access to financial services for as many people as possible.

Impact, risk and opportunity management

Social responsibility in all aspects of business, including the supply chain, is of great importance to BKS Bank. Customers expect BKS Bank to act in a responsible manner, uniting environmental awareness, fairness and the protection of human rights. Managing the impacts, risks and opportunities related to consumers and end-users focuses on identifying potential negative impacts on people, society and the environment early on and adequately addressing them.

S4-1

Policies related to consumers and end-users

Non-discriminatory access to services was identified as a material impact in the double materiality assessment.

BKS Bank pursues social sustainability in its core business. The range of products and services is designed to reach people at all stages of their lives. It incorporates services for older people as well as for the young generation.

Physical branches play an important role in the business model of BKS Bank. However, digitalization paired with the declining number of local bank branches is making it increasingly difficult for less digitally-savvy customers – not necessarily only older people – to access banking services. The distribution strategy therefore aims to further integrate brick-and-mortar services with online services by focusing on the hybrid sales model.

Responsibility for these policies, which affect the BKS Bank's entire market region, rests with the Management Board. As they are part of the business model, these policies are monitored using the established reporting systems.¹

As a member of the UN Global Compact, BKS Bank has been publicly committed to respecting human rights for many years. With its definition of human rights, BKS Bank refers to internationally recognized human rights standards, such as the Universal Declaration of Human Rights and the International Labor Organization's core standards. Guidance is also taken from the Guidelines for Multinational

¹ ESRS S4-1, 15

Enterprises of the Organization for Economic Cooperation and Development (OECD).¹ It is important to ensure that human rights are respected not only in BKS Bank's own operations, but also in the upstream and downstream supply chain to the greatest possible extent.²

In 2023, BKS Bank conducted a due diligence review to determine the opportunities and risks relating to human rights in its own operations. Overall, the risk of BKS Bank being involved in human rights violations was classified as low throughout the bank's entire market region.³

In the event that a human rights violation is nevertheless suspected, all employees are obliged to report this suspicion to their line manager, the responsible compliance unit or Internal Audit. Reports can also be submitted anonymously using an online portal that allows queries to be sent to the person submitting the report (see G1-3).⁴

S4-2 Processes for engaging with consumers and end-users about impacts

As a universal bank that gives high priority to providing good and comprehensive customer services, it is important to engage with customers and understand their needs.

Various tools are used to measure and improve satisfaction with products, services and advisory services. Customer satisfaction is measured at regular intervals as part of a comprehensive survey conducted in collaboration with a renowned Austrian market research institute. The last survey was conducted in 2024. For the first time, BKS Bank was able to exceed its target value for overall customer satisfaction with an excellent score of 1.4.

In order to receive regular feedback on advisory services over the course of the financial year, the Contact Feedback customer survey has also been carried out since 2020. Customers who have been in contact with the bank in branch or using another channel are invited to complete the online survey. The survey measures satisfaction with the advice or service provided and the likelihood of subsequent recommendations. The results of this survey have been excellent since its introduction and remained so in 2025. At 90% (2024: 92%), overall customer satisfaction remained almost constant in 2025. The net promoter score of 72% (2024: 77%) was also very encouraging.⁵

Customer feedback is collected and evaluated in collaboration between sales and communications. Sales management is responsible for developing and implementing improvement actions.⁶

S4-4 Taking action on material impacts on consumers and end-users, and effectiveness of these actions

The following specific products are offered by BKS Bank to promote the inclusion of all groups of the population, in particular those who may have limited access to financial services.

Account models

BKS Bank supports young people on their path to financial independence with its various age-appropriate account models. The models offered vary depending on the market area. In Austria, for example, a pocket money account, a young person's account and a student account are available, whereas in Slovenia and Croatia the focus is on slightly older young people with a combined young person's and student account or a student-only

¹ ESRS S4-1, 16 a

² ESRS S4-1, 17

³ ESRS S4-1, 16 b

⁴ ESRS S4-1, 16 c

⁵ ESRS S4-2, 20 a and b

⁶ ESRS S4-2, 20 c

account available. No corresponding product has been established in Slovakia as of yet.

Croatia is the only region that offers an account package for senior citizens.

The basic account has been available for many years. According to the Consumer Payment Account Act (Verbraucherzahlungskontogesetz), every consumer who legally resides in the EU has a right to this basic account. This also applies to persons without a permanent residence. BKS Bank also offers its customers this account model in all market areas.

Financing

BKS Bank also provides funding for customer training and education activities through its “Bildung & Zukunft” loans. The “Silberkredit” (silver loan), which was launched in 2016, continues to be a popular, socially sustainable product. This loan was developed especially for senior citizens who have very limited access to financing at many banks due to their age. Many older customers use the silver loan to invest in accessibility, for example. Both loan types are currently only available in Austria.

In addition, BKS Bank Connect offers a digital banking solution throughout the entire market region, specifically designed for customers who want to conduct their banking primarily online, but still want to receive advice in person.

The provision of these services is both part of the business model and BKS Bank’s understanding of what it means to be a sustainable institution. As a result, these financial products that are aimed at special groups of people will remain in the product range on a permanent basis. The development of products and measures is monitored as part of the

established product development processes.

Accessibility

Comprehensive barrier-free access to all services is ensured as a matter of course. This is achieved through actions such as accessible design of brick-and-mortar branches, accessible digital banking services, understandable customer communication, and employees who are trained to deal with different needs.

Financial literacy training

Another measure offered by BKS Bank is the provision of training to groups of people who want to improve their financial literacy. Services such as these aim to make it easier for everyone to access financial services. The goal is to launch at least five related measures throughout the entire market region each year. In 2025, events for schools and young people were once again held as well as a series of information events for older people in collaboration with the Kärntner Seniorenbund. The information provided focused specifically on security in banking transactions and in everyday digital life.

Metrics and targets

S4-5

Targets related to managing material negative impacts and advancing positive impacts

With regard to the actions listed in S4-4, BKS Bank is working on the further development of its products. The provision of appropriate products for disadvantaged target groups is important in this respect. In light of this objective, no specific financial targets have been set in relation to these services beyond the provision thereof. Consumers and/or end-users or their representatives are not engaged in product development and management.¹

¹ ESRS S4-5, 41 a, b and c

Governance Information

ESRS G1 Business conduct

ESRS 2 General disclosures

The BKS Bank sustainability strategy includes the goal of “good governance as part of our daily work”. Strict compliance and good governance help us to avoid reputational damage and fines and to strengthen the market position and standing of BKS Bank as a responsible business partner.

Strategies and concepts: To prevent corruption and bribery in the course of responsible corporate governance, detailed policies on corporate governance, anti-corruption, and money laundering prevention are in force at BKS Bank. In

addition, the Three Lines of Defense model serves to prevent and detect incidents concerning business conduct.

Actions: Actions to prevent corruption and bribery include having a whistleblower contact point, and a comprehensive training program for all employees.

Targets and metrics: The metrics presented below provide information on the type and scope of training courses implemented and the percentage of employees covered by these courses.

Governance

G1-1

Corporate culture and business conduct policies

BKS Bank attaches great importance to compliance with regulations along its entire value chain. BKS Bank clearly communicates its values and expectations to its upstream business partners in the value chain through its Code of Conduct for Suppliers, while internally operations are guided by the BKS Bank Code of Conduct and the ÖCGK.¹ The guidelines for the downstream value chain primarily concern the compliance policies pursuant to the Austria Securities Supervision Act (WAG) and compliance pursuant to the Austrian Banking Act (BWG), data privacy and banking secrecy, as well as to regulations to combat money laundering and terrorism financing, including financial sanctions, fraud prevention and anti-corruption measures. Internal regulations apply throughout the entire market region, while legal requirements are complied with on a country-specific basis.²

A compliance management system has been established within the BKS Bank Group to accomplish the many tasks and obligations deemed crucial for good governance to the greatest possible extent. In addition to risk management and the internal control system, compliance management constitutes the third pillar of monitoring at BKS Bank. The main objective is to prevent any violations of the law and regulations, and to protect the BKS Bank Group, its employees, the management and governing bodies as well as the owners from compliance risks. Compliance management follows the three concepts of prevention, recognition and action. Different actions are assigned to each concept.

Strict internal regulations and control measures are in place to ensure compliance with the regulations on the financial markets with detailed guidelines on corporate governance and preventing corruption and money laundering. These guidelines must be verifiably acknowledged and accepted by all employees, who also complete comprehensive in-person and online training courses. Training also includes information on how to report violations of

¹ ESRS G1-1, 9

² ESRS G1-1, 10 a

regulations to the Compliance Officer and also gives employees an opportunity to ask questions about compliance issues.

BKS Bank has also set up a whistleblower reporting office within Internal Audit. More information can be found in G1-3, 18 a to c.¹

Whistleblowers do not suffer any negative repercussions as a result of submitting a report in good faith. The names of whistleblowers and the person against which the report is made are kept secret by the Internal Audit staff as a rule, unless this conflicts with an obligation to report to the management body of BKS Bank AG (especially with regard to the person mentioned in the report). Reports can also be submitted anonymously. In this case, too, it is ensured that questions can be asked of the whistleblower without the latter having to disclose their identity. Accordingly, whistleblowing employees are afforded adequate protection against retaliation, discrimination or other types of bullying. Confidentiality requirements may be waived due to a duty of disclosure under statutory provisions or if mandated by authorities.²

BKS Bank employs the Three Lines of Defense model to prevent and detect incidents concerning corporate governance, including incidents of corruption and bribery. The core of the model is the division of corporate functions that serve risk management into three areas to be monitored by the Supervisory Board and the Management Board – the “lines of defense”. These areas are: operations management, which is constantly confronted with business risks in everyday business (1st line); functions in the company that primarily monitor the control activities of the 1st line of defense (2nd line); and Internal Audit

(3rd line). The three-lines-of-defense model is implemented in BKS Bank’s rules and regulations and is described in detail for each regulatory area.

In the event that a report substantiates a suspected breach of rules, Internal Audit launches a special investigation. When a special investigation is initiated, Internal Audit informs the bank’s relevant internal governing bodies, including the Management Board and, if necessary, the Supervisory Board. Actions are derived from the detected breaches to prevent future incidents.

Internal Audit as defined by BWG is an independent and organizationally autonomous unit that reports directly to the full Management Board and operates separately from routine work processes. It is not under the obligation to follow instructions, meaning that a management override would be inadmissible. In the event of a corresponding scenario, the Head of Internal Audit is obliged to report directly to the chairperson of the Supervisory Board. The Head of Internal Audit also maintains a regular dialog with the chairperson of the Supervisory Board.³

All new BKS Bank employees are required to attend the Welcome Day event and, depending on their level of knowledge, to complete the BKS College. The bank’s corporate culture is discussed in detail at both events. Training on corporate policy as well as training and education courses are provided on a digital learning platform. Managers use the learning management system to guide the development of their teams and their employees.⁴

In principle, persons granted decision-making authority over bank assets and/or customer assets are at risk in terms of

¹ ESRS G1-1, 10 c i

² ESRS G1-1, 10 c ii

³ ESRS G1-1, 10 e

⁴ ESRS G1-1, 10 g

corruption and bribery. These include customer relationship managers, investment advisors and persons authorized to represent the bank, including members of the Management Board.¹

G1-3 Prevention and detection of corruption and bribery

In order to identify potential legal and administrative infringements at an early stage, it is important to offer employees and external persons the lowest possible threshold for reporting suspected cases of wrongdoing. In accordance with the Whistleblower Directive (Directive (EU) 2019/1937) and internal guidelines, BKS Bank has set up a whistleblower reporting office. As required under Croatian law, a separate reporting office has been set up in Croatia. The "BKS Integrity Line"² online reporting platform has been set up for reporting infringements completely anonymously 24 hours a day.

Internal Audit is responsible for investigating reports involving allegations or incidents of corruption or bribery. Related reports are processed by designated employees from Internal Audit. Only these employees have access to the reports received. Each report received is immediately checked in the confidentiality area of Internal Audit for its traceability and the existence of imminent or actual violations. If necessary, Internal Audit launches investigations and takes action to establish a legally compliant situation and ensure it is maintained in the future through process improvements and enhancements to the internal control system. The whistleblower receives feedback on the outcome of the investigation within a reasonable time period, unless this is not possible due to

statutory provisions or official requirements.^{3,4}

Internal Audit is a staff unit that reports directly to the Management Board. Audit staff employed at branches abroad report to the respective local management in disciplinary terms, but to the head of Internal Audit in functional terms. This organizational structure ensures that reported incidents and allegations can be investigated independently of the departments involved.⁵

Internal Audit prepares a written report on every audit conducted. The audit report is addressed primarily to the Management Board. In special cases and in the event of major shortcomings, the members of the Management Board are informed verbally in advance by the Head of Internal Audit.⁶

The foundation for good compliance and the successful investigation and prevention of corruption and bribery is the level of knowledge possessed by employees. All new employees who join the company must complete a mandatory compliance e-learning course that ends with a final exam and an in-person basic training course. After this initial training, a special training course must be completed every three years in the form of a live webinar with a final exam. Alongside typical compliance topics relating to the securities business, the mandatory training courses also cover other relevant aspects of good conduct in the banking industry. BKS Bank also offers in-house training courses on anti-corruption and the prevention of money laundering and terrorism financing.⁷

¹ ESRs G1-1, 10 h

² <https://bks.integrityline.com/>

³ ESRs G1-3, 18 a

⁴ ESRs G1-1, 10 c i

⁵ ESRs G1-3, 18 b

⁶ ESRs G1-3, 18 c

⁷ ESRs G1-3, 20

In the training courses on anti-corruption, different facts are addressed, explained and discussed in the context of the bank. These include bribery, accepting gifts and the granting of advantages. Examples are used to show employees how to behave correctly and who to contact if they have any questions. The number and duration of training courses are continually adjusted to meet current requirements.

Details on the training program are listed in the “Anti-corruption training” table, while the “Anti-corruption training completed in the reporting year” table provides an overview of the extent to which employees, managers and functions-at-risk have completed training on this topic.¹

Anti-corruption training²

	Mandatory for	Type	Duration in hours
Austria			
2024			
Anti-corruption	all new employees	e-learning	1.00
Update anti-corruption 2024	all current employees	e-learning	0.17
2025			
Anti-corruption	all new employees	e-learning	1.00
Update anti-corruption 2025	all current employees	e-learning	0.17
Slovenia			
2024			
Anti-corruption	all new employees + annual update for current employees	e-learning	0.50
2025			
Anti-corruption	all new employees	e-learning	0.50
Update anti-corruption 2025	all current employees	e-learning	0.17

¹ ESRS G1-1, 10 g

² ESRS G1-3, 21 a

	Mandatory for	Type	Duration in hours
Croatia			
2024			
Anti-corruption	all new employees + annual update for current employees	e-learning	1.00
2025			
Anti-corruption	all new employees	e-learning	1.00
Update anti-corruption 2025	all current employees	e-learning	0.50
Slovakia			
2024			
Anti-corruption	all new employees + annual update for current employees	e-learning	0.83
2025			
Anti-corruption	all new employees	e-learning	0.83
Update anti-corruption 2025	all current employees	e-learning	0.50
Serbia			
2025			
Anti-corruption	all new employees	e-learning	1.00
Update anti-corruption 2025	all current employees	e-learning	0.17

All active employees on the reporting date of December 31, 2025 were included in the following table (2024: all employees). For the purposes of the table, persons at risk are defined as customer relationship managers, investment advisors, employees in retail banking, employees

with signing authority, employees with power of attorney, authorized signatories and risk-takers. Employees who did not complete any training in 2025 were almost all on maternity leave. The total number of people trained remained the same year on year at 95%.

Anti-corruption training completed in the reporting year¹

Training coverage	At-risk functions	Management-level staff	Other own workforce	Total
Total*	474	167	928	1,095
Total trained persons	440	149	894	1,043
Percentage of trained persons	93%	89%	96%	95%
<i>Proportion of persons receiving training in the previous year</i>	97%	96%	94%	95%

* Does not include the members of the Management Board.

Metrics and targets**G1-4****Incidents of corruption or bribery**

No suspected incidents of corruption or bribery were reported in the reporting period, nor were there any violations of laws or guidelines or any significant penalties imposed by supervisory authorities. No violations of data protection and privacy laws were reported to data protection authorities and no substantiated complaints were filed with data protection authorities.²

Data privacy-related requests for information were received, which BKS Bank complied with in accordance with the legal requirements. Based on this initial situation, no action plans or measures are currently required that would go beyond the established system.

¹ ESRS G1-3, 21

² ESRS G1-4, 24 a

Information on the Statement

This consolidated non-financial statement covers the sustainability activities of the entire BKS Bank Group for the financial year 2025. BKS Bank publishes the non-financial information in accordance with the Sustainability and Diversity Improvement Act (NaDiVeG), in particular pursuant to Section 267a UGB, as part of the Group Management Report. We provide information on policies, processes and actions relating to environmental, social, and employee matters as well as on human rights and governance aspects, including anti-corruption.

The report was prepared in accordance with the European Sustainability Reporting Standards (ESRS), taking into account the requirements of the CSRD. The published metrics cover the BKS Bank Group and therefore correspond to those disclosed in the Annual Report. If, in certain cases, metrics or a reporting period differ from those used in the financial year 2025, we indicate this in the corresponding section in the text. The financial year of BKS Bank is the period from January 1 to December 31 of the respective year.

The single-entity financial statements of BKS Bank AG are not presented. This is due to the fact that the single-entity has a dominant position within the Group and its non-financial performance indicators differ only minimally from those of the BKS Bank Group. Data are collected using standardized, internal processes. The carbon footprint is calculated in cooperation with external partners. We have taken the utmost care when collecting and processing all data disclosed. However, slight deviations due to rounding differences may occur.

Role of the highest governance body in sustainability reporting

The consolidated non-financial statement is prepared as part of the Group Management Report in cooperation with the chairperson of the Management Board and approved by the full

Management Board. The report is then submitted to the Supervisory Board for approval prior to publication. To facilitate the Supervisory Board's review of the information and metrics reported, Deloitte Audit Wirtschaftsprüfungs GmbH was engaged as an external auditor for an Independent Limited Assurance Report. The audit report can be found on page 274 et seq.

Reporting audience and publication frequency

The Sustainability Report is addressed to all stakeholders of BKS Bank. The consolidated non-financial statement addresses all genders equally. Wherever possible, we have therefore intentionally used gender-neutral wording. References to persons apply equally to all genders.

The most recent publication prior to this report was in April 2025.

The current annual report with the integrated consolidated non-financial statement is available on our website at www.bks.at/investor-relations/berichte-und-veroeffentlichungen along with the reports from the previous years. Basic information on BKS Bank can also be found on our website www.bks.at.

Forward-looking statements

This consolidated non-financial statement contains disclosures and forecasts related to the future development of the BKS Bank Group. The forecasts are estimates we have made based on all information available to us on the reporting date, March 6, 2026.

If the assumptions on which the forecasts are based do not materialize or if risks materialize, the actual results may differ from the results expected at present. This consolidated non-financial statement does not constitute a recommendation to buy, sell or hold financial instruments from BKS Bank AG.

Future Orientation

**Visionary
Planning
Driven by
Courage and
Foresight.**

Outlook

Outlook

Moderate economic growth and geopolitical uncertainty

The first few weeks of 2026 indicate that the global situation will continue to be shaped by trade policy and geopolitical risks. In spite of this, the International Monetary Fund (IMF) expects the global economy to expand by 3.1% in 2026.

In the eurozone, the outlook remains subdued; the forecast is 1.1%, below the global average. Germany is likely to continue experiencing weak growth, while Spain, France and Italy will drive momentum in Europe.

Following the slight rebound in 2025, Austria is forecast to see slightly more stimulated economic growth of between 0.9% and 1.1% in 2026. In our international markets, however, we anticipate significantly higher growth rates in some cases, which we have also used as a basis for our planning assumptions.

Stable key interest rates and selective opportunities on the stock market

Following the interest rate cuts in 2024 and 2025, the ECB most recently held its key interest rate at 2.0%. We do not anticipate any further interest rate cuts in the financial year 2026.

Following share price gains and periods of heightened volatility in the previous year, the stock markets are expected to remain resilient to the global political situation. Nevertheless, there is a risk of selective share price corrections due to the sometimes very high valuations in some sectors and regions.

Positive earnings performance expected in 2026

Based on the ongoing economic recovery and stabilization of interest rates, we now expect earnings to increase in the financial year 2026 after two years of slight declines. We anticipate growth in both net interest income and fees and commission.

Stronger economic growth in our foreign markets is likely to result in disproportionately high growth rates. BKS Bank has therefore set itself the target of achieving RoE before tax of well over 8% in the financial year 2026, despite the high shareholders' equity buffer.

Demand for loans benefits from housing development and corporate investment

We expect a significant increase in lending and thus a move closer to the strategic growth target for loans of 4%–5%. This increase is expected to be driven equally by the corporate and retail customer business.

We are already seeing a revitalization of the housing loan market, which will continue in the coming months. Thanks to the improving economic situation, companies will once again expand their investing activities, which will also boost demand for loans.

Securities business is key growth driver

We will likely continue to see strong growth in fees and commission of around 5%. In addition to loan commission, the securities business plays a key role here. Despite significant increases in the value of customer security deposits over the past year and despite global uncertainties, the investment climate remains favorable. We will set new priorities in the securities segment, both at home and abroad. In Austria, primarily through closer networking between our corporate customer advisors and retail banking. In Slovenia, we will further expand our strong market position through our recently established local private banking business.

Digitalization initiatives make us even more efficient

The consistent implementation of our digitalization projects in recent years is paying off. As a result, we have been able to simplify and accelerate our business

processes. This enables us to provide a seamless customer experience while also generating cost savings. We therefore plan to keep the cost/income ratio (CIR) below the 45% mark.

Risk eases slightly thanks to improved economic situation

Following the economic challenges of recent years, we are guided by the assumption that the peak of corporate insolvencies has now passed. Over the past few months, we have also focused on processing non-performing loans. Accordingly, we do not expect any increase in risk provisions for the financial year 2026.

In light of the above reasons, we expect to be able to keep our NPL ratio below the previous year's level of 3.5%.

A new green bond will further strengthen our focus on sustainability

We intend to continue targeting both domestic and international institutional investors in 2026 with a new placement of a EUR 250mn senior preferred bond. Structuring this bond as a green bond reflects our aspiration to remain at the forefront of sustainable banking.

We will use the revenue from this bond to further boost the growth of our Sustainable Finance Pool.

BKS Bank continues to be reliable partner thanks to solid capital base

The outcome of all these efforts is intended to ensure that we can continue serving our customers as a reliable and service-oriented financial partner. To this end, we are taking care to maintain the historically extremely solid capital structure of BKS Bank. The common equity tier 1 ratio (CET1) will therefore be at least 15% in 2026.

Klagenfurt am Wörthersee, March 6, 2026



Nikolaus Juhász
Chairman of the Management Board



Dietmar Böckmann
Member of the Management Board



Clemens Bousquet
Member of the Management Board



Renata Maurer Nikolić
Member of the Management Board



Trust

**Trust Is
Built
through Dialog.**

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**Corporate
Governance
Report**

Corporate Governance at BKS Bank

At BKS Bank, we are committed to the principles of good and responsible corporate governance as defined in the Austrian Code of Corporate Governance (ÖCGK). We are also committed to upholding social and ecological responsibility towards our shareholders, customers, employees and the general public. Our sustainability strategy defines the principles of our responsible business policy.

Austrian Code of Corporate Governance (ÖCGK)

The Austrian Code of Corporate Governance (ÖCGK) is a voluntary code for Austrian listed companies established in 2002 that defines rules of good governance, thereby supplementing existing legislation on joint-stock companies, stock markets and capital markets. The purpose of the ÖCGK is to establish responsible corporate governance and controls at Austrian listed companies to achieve sustainable, long-term value. The ÖCGK helps companies achieve transparency for all stakeholders: shareholders, business partners, customers and employees.

Key principles such as the equal treatment of all shareholders, transparency, independence of supervisory board members, open communication between the supervisory board and the management board, avoidance of conflicts of interest and supervision by the supervisory board and statutory auditors have the aim of strengthening and ensuring investor confidence in both the company and in Austria as a financial center.

The standards for responsible corporate governance are grouped into three **categories**:

L Rules (“Legal Requirements”) are based on mandatory legal provisions
 C Rules (“Comply or Explain”) permit deviations from a rule, but require an explanation
 R Rules (“Recommendations”) are only recommendations.

Commitment to the ÖCGK

National and international developments have prompted the Austrian Working Group for Corporate Governance to amend the ÖCGK. The focus of the 2025 revision of the Code is sustainable corporate governance, taking ESG criteria into account, and strengthening transparency.

In the reporting year, BKS Bank complied with all L Rules. There was only one deviation from a C Rule, specifically C Rule 45: Because of the way the shareholder structure has evolved, representatives of the largest shareholders have been elected to the Supervisory Board. As the major shareholders are also banks, their representatives also hold positions on the governing bodies of other banks which are competitors of BKS Bank. These members of the Supervisory Board have declared their independence in individual statements.

The members of the Supervisory Board and the Management Board of BKS Bank expressly declare their commitment to comply with the principles and objectives of the ÖCGK. The Supervisory Board renewed its commitment to the ÖCGK at its meeting on March 25, 2025.

The ÖCGK, the Guidelines on the Independence of Supervisory Board Members, the BKS Bank Corporate Governance Report and the Articles of Association of BKS Bank are available to download at www.bks.at/about-us/investor-relations/governance-and-compliance.

The report has been prepared in accordance with section 243c and section 267b of the Austrian Commercial Code (UGB) and also meets the requirements of the Corporate Sustainability Reporting Directive (CSRD), which was not yet mandatory at the time this report was being prepared. The report also complies with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG), which is still formally in force.

The report takes guidance from the provisions in Annex 2a ÖCGK. Other topics relevant to the ÖCGK are described in the Group management report, in the chapter Investor Relations as well as in the Notes to the consolidated financial statements.

The rules set out in the ÖCGK apply to all companies of the BKS Bank Group. All Group companies are included in the consolidated reporting of the BKS Bank Group. Additionally, the managing directors of these subsidiaries report regularly to their supervisory boards and to the Management Board of the parent company. The remuneration principles as adopted by the Supervisory Board of BKS Bank AG also apply to them. These companies are fully integrated into the risk, compliance and anti-corruption management systems of the BKS Bank Group. Regular reports are sent to the Supervisory Board of the parent company on developments at key operating subsidiaries. The rules set out in the FMA Circular “Principles of Remuneration Policies and Practices” dated June 15,

2022, which is based on the “EBA Guidelines on Sound Remuneration Policies pursuant to Directive 2013/36/EU” (EBA/GL/2021/04), have been implemented at BKS Bank.

The bank likewise complies with the FMA Circular of March 18, 2023 on the fit and proper assessment of the management, members of the Supervisory Board, and holders of key functions.

The bank has also implemented the EBA Guidelines on Internal Governance (EBA/GL/2021/05) as stated in the compliance statement issued by the FMA.

External evaluation pursuant to C Rule 62

C Rule 62 ÖCGK states that compliance with the C Rules must be evaluated externally on a regular basis at least every three years. In 2025, Deloitte Audit Wirtschaftsprüfungs GmbH audited compliance with the C Rules – with the exception of Rules 77 to 88 – on the basis of the Corporate Governance Report from financial year 2024. The external audit revealed that BKS Bank meets the requirements of the ÖCGK in full.

Information available online on the ÖCGK and BKS Bank

The current version of the ÖCGK is available at www.corporate-governance.at. We publish more detailed information on the BKS Bank website at www.bks.at/about-us/investor-relations. Press releases of BKS Bank are available at www.bks.at/about-us/news-and-press.

Management Board of BKS Bank



Clemens Bousquet
Renata Maurer Nikolić
Nikolaus Juhász
Dietmar Böckmann



Management Board and Supervisory Board

Working procedures of the Management Board

The Management Board runs the business operations of the company in accordance with legal provisions, the Articles of Association and the internal rules of procedure as adopted by the Supervisory Board. Taking sustainability matters into account, the Management Board determines the strategic orientation of BKS Bank, sets the corporate goals and coordinates the corporate strategy with the Supervisory Board. The Management Board also ensures effective risk management and risk controlling.

The Management Board member assigned to a specific business area is directly responsible for it. However, the other members of the Management Board are always kept fully informed about the company as a whole, and fundamental decisions are submitted to the full Management Board for approval. In their own areas of responsibility, the members of the Management Board are involved in day-to-day business and are kept informed of the business situation and significant transactions. Events of relevance for the company, strategic issues and actions to be taken are discussed at regular meetings for implementation by the Management Board member responsible or by the full Board.

Resolutions of the Management Board related to business obligations and risks assumed by the bank require a unanimous vote of all votes cast. An extensive internal reporting system is in place to ensure the due diligence and documentation required for Management Board decisions.

Members of the Management Board

In the reporting year, Renata Maurer Nikolić joined the Management Board with effect from April 1, 2025. She

replaced Alexander Novak, who resigned by mutual agreement at the end of March. Clemens Bousquet was also appointed to the Management Board of BKS Bank. He has been in post since November 1, 2025. Claudia Höller, who requested the early termination of her term of office on the Management Board for personal reasons, will resign from the Management Board on February 28, 2026 in accordance with a resolution passed by the Supervisory Board.

At the end of the reporting year, the Management Board of BKS Bank comprised the following five people with joint responsibility:

Nikolaus Juhász

Chair of the Management Board, born 1965

Date of initial appointment:

July 1, 2021

End of term of office:

June 30, 2029

Nikolaus Juhász was born in Vienna in 1965. After completing his studies in business administration at the Karl-Franzens University of Graz, he dedicated himself to banking and gained professional experience in key account management positions, in particular, in lending operations at Creditanstalt in Vienna, before taking over as Head of Corporate Banking at BKS Bank's Villach branch in 1999. In 2007, he was put in charge of the Regional Head Office in Styria, and in 2021, he was appointed to the Management Board.

Positions in companies included in the consolidated financial statements:

- Member of the Supervisory Board of BTV Vier Länder Bank AG
- Member of the Supervisory Board of Oberbank AG

Positions in other Austrian companies and foreign companies not included in the group of consolidated companies:

- Member of the Supervisory Board of Deposit Guarantee AUSTRIA Ges.m.b.H.

Other roles:

- Spokesperson of the Banking and Insurance Section of the Chamber of Commerce of Carinthia
- Member of the Banking Section and Business Parliament of the Styrian Chamber of Commerce
- Regional Coordinator Carinthia and member of the Board of respACT – Austrian Business Council for Sustainable Development
- Member of the Board of the Austrian Society for Banking Research (Österreichische Bankwissenschaftliche Gesellschaft)
- Member of the Board of Directors of the Austrian Bankers' Association (Verband österreichischer Banken und Bankiers)
- Member of the Management Board of the Federation of Austrian Industries for Carinthia

Dietmar Böckmann

Member of the Management Board, born 1978

Date of initial appointment:

June 1, 2023

End of term of office:

May 31, 2031

Dietmar Böckmann was born in Vienna in 1978. He studied business informatics at the University of Vienna. After completing his studies, he initially worked in management consultancy and later joined the IT subsidiary of an Austrian banking group, where he was responsible for IT and portfolio management as Managing Director and Head of Division, among other things, before being appointed to the Management Board of BKS Bank AG.

Positions in companies included in the consolidated financial statements:

- Member of the Supervisory Board of 3 Banken IT GmbH

Positions in other Austrian companies and foreign companies not included in the group of consolidated companies: none

Other roles: none

Claudia Höller

Member of the Management Board, born 1968

Date of initial appointment:

September 1, 2023

End of term of office:

February 28, 2026

Claudia Höller was born in St. Johann in Tirol in 1968. She began her career in 1991 in the international business unit of an Austrian bank and then joined the strategy department. She completed the MBA program of the University of Minnesota and the WU Executive Academy while working full-time. In 2015, she was appointed Chief Risk and Financial Officer at Erste Bank der österreichischen Sparkassen AG. In October 2019, Claudia Höller moved to Tiroler Sparkassen Bankaktiengesellschaft as Chief Risk and Financial Officer before being appointed to the Management Board of BKS Bank.

Positions in companies included in the consolidated financial statements:

- Member of the Supervisory Board of ALPENLÄNDISCHE GARANTIE - GESELLSCHAFT m.b.H.

Positions in other Austrian companies and foreign companies not included in the group of consolidated companies: none

Other roles: none

Renata Maurer Nikolić

Member of the Management Board, born 1976

Date of initial appointment:

April 1, 2025

End of term of office:

March 31, 2028

Renata Maurer Nikolić was born in 1976 in Banja Luka in Bosnia and Herzegovina. After completing her course in English and American Studies at the Karl-Franzens University of Graz and her first job at Hypo Alpe-Adria Bank AG, she began her professional career at BKS Bank AG in October 2008. Between 2008 and 2014, she was responsible for projects in BKS Bank's foreign markets and led the Sales/International Sales department from 2021 until her appointment to the Management Board.

Positions in companies included in the consolidated financial statements:

- Chair of the Supervisory Board of BKS-leasing Croatia d.o.o.
- Chair of the Board of Directors of BKS Leasing d.o.o. Beograd, Serbia

Positions in other Austrian companies and foreign companies not included in the group of consolidated companies: none

Other roles: none

Clemens Bousquet

Member of the Management Board, born 1984

Date of initial appointment:

November 1, 2025

End of term of office:

October 31, 2028

Clemens Bousquet was born in Linz in 1984. He studied international business and economics at the Leopold Franzens University of Innsbruck and graduated with an MBA from the LIMAK Austrian Business School. His professional career

began at BTV Vier Länder Bank in 2008 as a market and liquidity risk expert. Between 2012 and 2017, he was Head of Risk Controlling and in 2017 moved to Oberbank AG, where he led the Organizational Development, Strategy and Process Management and Strategic Organizational Development, Digitalization and IT departments from 2021.

Positions in companies included in the consolidated financial statements: none

Positions in other Austrian companies and foreign companies not included in the group of consolidated companies: none

Other roles: none

The number and nature of all additional positions held by the members of the Management Board are in accordance with the guidelines set out in C Rule 26 ÖCGK and the provisions in section 28a of the Austrian Banking Act (BWG).

Management Board remits

Nikolaus Juhász is Chairman of the Management Board responsible for Sales, Sales Austria, Investment and Retirement Planning, Financing and Investing Austria, Sales Controlling, Human Resources, Public Relations and Marketing, Investor Relations and Group Subsidiaries Austria, Real Estate and Investments.

Dietmar Böckmann is responsible for Digital Services and Payments, Treasury, Financial Institutions, matters relating to Operations and 3 Banken IT Gesellschaft, ICT Foreign Subsidiaries, BKS Service GmbH including Securities Service and Back Office Treasury.

Claudia Höller is responsible for Risk Assessment, Credit Risk Management, Accounts and Controlling, Back Office International Subsidiaries and Risk Controlling. She is the member of the Board responsible for disciplinary matters

within the meaning of para. 60 of the FMA Circular pursuant to the Securities Supervision Act (WAG) 2018. She is the Board member responsible within the meaning of section 23 (4) of the Financial Markets – Anti-money Laundering Act (FM-GwG).

Renata Maurer Nikolić is responsible for Sales Slovenia, Croatia, Slovakia, including the leasing companies in the foreign subsidiaries including Serbia.

Clemens Bousquet took over the responsibilities previously held by Claudia Höller on March 1, 2026.

Joint responsibility

- includes due diligence and risk management as defined in the internal rules of procedure, ÖCGK, internal governance and supervisory law
- internal audit
- compliance under the BWG and WAG
- prevention of money laundering and terrorism financing

Working procedures of the Supervisory Board

The Supervisory Board monitors the management in accordance with legal requirements, the Articles of Association and the rules of procedure, and reaches decisions on matters assigned to it. The Supervisory Board and the Management Board coordinate the strategic orientation of the BKS Bank Group.

The Supervisory Board receives regular reports from the Management Board on the company's situation, including the risk situation, and on the implementation of the corporate strategy.

The Supervisory Board deals with the audit of the financial statements of BKS Bank AG and the BKS Bank Group and is also indirectly involved in decisions on the proposal to the Annual General Meeting with respect to dividend distributions.

Additionally, the Supervisory Board may request reports from the Management Board on matters concerning the BKS Bank Group at any time and may conduct its own audit activities. If necessary, it may call in experts such as lawyers or auditors for advice.

The Supervisory Board is also responsible for appointing members to the Management Board and determining the person to chair the Management Board. Appointments are preceded by long-term succession planning with the aim of having qualified candidates when positions on the Management Board become vacant.

The chair of the Supervisory Board chairs the Annual General Meeting of BKS Bank and the meetings of the Supervisory Board.

Business at-hand is dealt both in the plenary meetings as well as in the individual committees.

All members of the Supervisory Board are bound by statutory and regulatory requirements and are responsible for complying with these, and must stay up to date with current applicable laws.

If a member of the Supervisory Board recognizes a possible personal conflict of interest, the member must disclose this to the chair of the Supervisory Board without delay. The Supervisory Board subsequently determines how to resolve such a conflict of interest and what accompanying actions are required. The actions taken are documented.

In the reporting year, no member of the Supervisory Board reported the existence of a conflict of interest that must be disclosed pursuant to C Rule 46 ÖCGK (see also "Meetings and main activities of the Supervisory Board").

Members of the Supervisory Board of BKS Bank AG

The Supervisory Board of BKS Bank consists of ten shareholder representatives and five members delegated by the Works Council.

Honorary President Hermann Bell

Austrian national
Hermann Bell was elected Honorary President of the Supervisory Board for life at the meeting of the Supervisory Board on May 15, 2014.

Shareholder representatives Dr. Sabine Umik

Chair,
independent*, born 1967
Austrian national,
initially elected: May 15, 2014
appointed until the 88th
Annual General Meeting (2027)

Gerhard Burtscher

Vice-Chair,
independent*, born 1967
Austrian national,
initially elected: May 19, 2016
appointed until the 87th
Annual General Meeting (2026)
Supervisory Board positions and
comparable roles at Austrian and foreign
listed companies:
• Member of the Supervisory Board of
Oberbank AG

Hannes Bogner

Independent*, born 1959
Austrian national,
initially elected: May 29, 2020
appointed until the 87th
Annual General Meeting (2026)
Supervisory Board positions and
comparable roles at Austrian and foreign
listed companies:
• Member of the Supervisory Board of
BTV Vier Länder Bank AG

- Member of the Supervisory Board of
Oberbank AG
- Member of the Supervisory Board of
PALFINGER AG

Christina Fromme-Knoch

Independent*, born 1970
Austrian national,
initially elected: May 15, 2012
appointed until the 88th
Annual General Meeting (2027)

Franz Gasselsberger

Independent*, born 1959
Austrian national,
initially elected: April 19, 2002
appointed until the 90th
Annual General Meeting (2029)
Supervisory Board positions and
comparable roles at Austrian and foreign
listed companies:
• Member of the Supervisory Board of
BTV Vier Länder Bank AG
• Member of the Supervisory Board of
Lenzing Aktiengesellschaft
Will resign his position at the end of the
87th Annual General Meeting (2026)
• Member of the Supervisory Board of
voestalpine AG

Reinhard Iro

Independent*, born 1949
Austrian national,
initially elected: April 26, 2000
appointed until the 89th Annual General
Meeting (2028)
Will resign his position at the end of the
87th Annual General Meeting (2026)
Supervisory Board positions and
comparable roles at Austrian and foreign
listed companies:
• Chairman of the Supervisory Board of
SW-Umwelttechnik
Stoiser & Wolschner AG

* Guidelines of the Supervisory Board of BKS Bank on independence

Susanne Kalss

Independent*, born 1966
Austrian national,
initially elected: May 29, 2020
appointed until the 91st
Annual General Meeting (2030)

Christoph Kulterer

Independent*, born 1971
Austrian national,
initially elected: May 8, 2024
appointed until the 90th
Annual General Meeting (2029)

Dr. Stefanie Lindstaedt

Independent*, born 1968
German national,
initially elected: May 9, 2018
appointed until the 89th
Annual General Meeting (2028)
Resignation of her mandate at the end of
the 87th Annual General Meeting (2026)

Klaus Wallner

Independent*, born 1966
Austrian national,
initially elected: May 20, 2015
appointed until the 91st
Annual General Meeting (2030)

Employee representatives

Sandro Colazzo, born 1979
Austrian citizen,
initially delegated: May 13, 2020

Corinna Doraponti, born 1985

Austrian national,
initially delegated: May 3, 2023

Marion Dovjak, born 1972

Austrian national,
initially delegated: May 3, 2023

Andrea Haingartner, born 1993

Croatian national,
initially delegated: May 18, 2022

Roland Igumnov, born 1968

Austrian citizen,
initially delegated: May 3, 2023

The number and nature of all additional positions held by the Supervisory Board comply with the restrictions on positions pursuant to section 28a (5) BWG. The Supervisory Board meets the selection criteria set out on page 168.

Representatives of the Supervisory Authority**Stefan Trittner**, born 1985

Austrian citizen,
Date of initial appointment:
January 1, 2023

Jakob Köhler, born 1978

Austrian citizen,
Date of initial appointment:
January 1, 2023

Independence of the Supervisory Board

The majority of the members of the Supervisory Board must be independent as specified in C Rule 53 ÖCGK. A member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations with BKS Bank or its Management Board that constitute a material conflict of interests and would therefore be capable of influencing the behavior of the member.

Each of the members of the Supervisory Board elected at the Annual General Meeting have declared their independence in accordance with the guidelines below in an individual statement. Additionally, with the exception of Gerhard Burtscher and Franz Gasselsberger, there were no members of governing bodies of shareholders with an equity interest of more than 10% represented on the Supervisory Board in the financial year 2025.

Outside the scope of its ordinary banking activities, BKS Bank has no business relationships with associates or individuals (including Supervisory Board members) that could jeopardize the bank's independence.

The Supervisory Board defined the criteria below for assessing the independence of the members of the Supervisory Board:

Guidelines of the Supervisory Board of BKS Bank for the assessment of independence

A member of the Supervisory Board is not permitted to have been a member of the Management Board or have held a management position at the company or a subsidiary of BKS Bank in the preceding three years. A previous position on a management board does not disqualify a member on the grounds of lacking independence, especially when there is no doubt that the role will be exercised independently based on all relevant circumstances as defined in Section 87 (2) AktG.

A member of the Supervisory Board is not permitted to have a business relationship with BKS Bank or one of its subsidiaries that is significant in scope for the Supervisory Board member, nor should they have had such a relationship in the past year. This also applies to business relationships with undertakings in which the Supervisory Board member has a significant business interest. The approval of individual business transactions by the Supervisory Board in accordance with L Rule 48 does not automatically mean qualification as lacking independence. The conclusion or existence of agreements with the company that are customary in the banking business shall not be deemed to jeopardize independence.

The Supervisory Board member is not permitted to have served as an auditor of BKS Bank or have been a shareholder or employee of the appointed auditing firm in the preceding three years.

The Supervisory Board member is not permitted to be on the Management Board of another company that has a member of the Management Board of BKS Bank on its Supervisory Board unless the one company is related to the other within a group or holds an economic interest in it.

The Supervisory Board member is not permitted to be a close relative (child, spouse, life partner, parent, uncle, aunt, brother or sister, nephew, niece) of a member of the Management Board or of a person who holds one of the positions described above.

In addition to the independence criteria set out in these Guidelines, the BWG includes, in some cases, more restrictive independence criteria for shareholder representatives on the individual committees of the Supervisory Board. The

full Supervisory Board must include at least two shareholder representatives that meet all of the independence criteria pursuant to section 28a (5a) 2 BWG. The full Supervisory Board fully complies with these criteria.

Committees of the Supervisory Board, their decision-making powers, meetings, and focus of activities

The Supervisory Board takes care of its business as a rule at its plenary meetings, but delegates individual matters to seven qualified committees. These serve to increase the efficiency of the Supervisory Board's work and to deal with complex issues. The Supervisory Board thus follows C Rule 39 ÖCGK. The establishment of these committees and their decision-making powers are defined in the rules of procedure for the Supervisory Board or are adopted separately by the Supervisory Board. The nomination of members to the committees from the Works Council takes place in accordance with the provisions of the Austrian Labor Act (Arbeitsverfassungsgesetz). The chair of a committee reports regularly to the plenary meeting of the Supervisory Board on the work of the respective committee. In line with the objectives of the ÖCGK, the Supervisory Board appoints the committees in such a way that the professional qualifications of the committee members serve to increase the efficiency of the committee and thus of the Supervisory Board itself.

The specified number of committee members is based on the minimum regulatory requirements.

When determining the number of committee members, the Supervisory Board also takes into account the need to deal with significant issues in a larger governing body and, if necessary, also determines a number of committee members that exceeds the minimum requirement.

Audit Committee

The Audit Committee met twice in the reporting year and, in accordance with statutory requirements, dealt with the audit of the annual financial statements and the preparation of their approval, the audit of the consolidated financial

statements and the Group management report, the audit of the proposal for the distribution of profits, the management report and the corporate governance report and the audit of compliance with the C Rules of the ÖCGK by an external institution. Moreover, the Audit Committee monitored the accounting processes, audited the effectiveness of the internal control system (ICS), the internal auditing system, and the risk management system. The Audit Committee also monitored the audits of the single-entity financial statements and consolidated financial statements. The Committee monitored the independence of the statutory auditor, in particular, as to whether the independence criteria pursuant to section 63a (4) BWG are met.

Working Committee

The Working Committee reaches decisions usually by circular vote on matters of urgency requested by the Management Board, but which exceed the competence of the Management Board.

The proposals made and voting outcomes are reported afterwards to the full Supervisory Board. During the financial year, the Working Committee approved two resolutions.

Risk Committee

The Risk Committee is established in accordance with section 39d BWG and performs the tasks specified therein. At its meeting on December 2, 2025, the Committee discussed these topics in detail and ascertained that the risk management procedures applied by the bank are effective and appropriate, and risk monitoring is conducted in an orderly manner. The risk limits defined by law were adhered to. Furthermore, the Risk Committee ascertained that the remuneration system of BKS Bank does not create any incentives that would negatively influence the risk, capital, liquidity or profit situation of BKS Bank. The reports on the internal control

functions revealed neither an increase in the risk profile nor any detrimental changes to the risk culture of the company or tendencies that could pose a threat to the risk position of the company.

Credit Committee

The Credit Committee decides on the granting of new loans and on prolongations of loans, and on leasing and guarantee transactions above a specified commitment amount. A total of 64 resolutions were passed by a circular vote. These were reported on in detail at the following plenary meeting of the Supervisory Board.

Nomination Committee

The task of the Nomination Committee is to present proposals to the Supervisory Board for filling vacant positions on the Management Board and Supervisory Board, and to deal with succession planning. Furthermore, the Nomination Committee is responsible for issues relating to diversity and also reviews the fit and proper status of the members of the Management Board and Supervisory Board. It also evaluates the management's policies for the selection and appointment of persons to top management positions.

At its meeting in March 2025, the Nomination Committee conducted a fit and proper evaluation of all members of the Management Board and the Supervisory Board as well as the respective governing body in its entirety, and also dealt with the evaluation of any

conflicts of interest. The Committee took the decision to propose to the Annual General Meeting the re-election of Susanne Kalss and Klaus Wallner to the Supervisory Board. Their terms of office ended during the reporting year.

At the meeting in September 2025, the extension of the Management Board tenure of Dietmar Böckmann, the termination by mutual agreement of the Management Board tenure of Claudia Höller and the new appointment of Clemens Bousquet were discussed and their fit and proper status evaluated.

Remuneration Committee

The Remuneration Committee held one meeting in March and one meeting in September in the financial year 2025 and also passed a circular resolution. The Committee discussed as planned the content of the employment contracts of the members of the Management Board and reviewed the remuneration policy, the practices applied and the remuneration linked incentives pursuant to section 39b BWG and related annexes. The Committee prepared amendments to the remuneration policy guidelines of BKS Bank and presented them to the Supervisory Board for approval. The Committee also dealt with the annual remuneration report that must be prepared by the Management Board and the Supervisory Board. The amount of variable remuneration for the members of the Management Board for the financial year 2024 was also discussed at the meeting as well as the performance criteria applicable in 2025.

Committees established by the Supervisory Board

Name	Audit Committee	Working Committee	Risk Committee	Nominations Committee	Remuneration Committee	Credit Committee	Sustainability Committee
Gerhard Burtscher				●●	●	●●	
Hannes Bogner			●				
Susanne Kalss	●						●
Christina Fromme-Knoch				●			●
Franz Gasselsberger	●●	●●	●			●	
Reinhard Iro		●			●	●	
Stefanie Lindstaedt							
Sabine Umik	●		●	●	●●		●●
Christoph Kulterer		●					●
Klaus Wallner	●		●●				
Andrea Haingartner	●					●	
Sandro Colazzo			●				●
Marion Dovjak					●		●
Roland Igumnov		●			●		
Corinna Doraponti	●		●				

● = Member

● = Chair

As of: December 31, 2025

Sustainability Committee

This Committee was established to support the Supervisory Board in monitoring and developing the sustainability strategy of BKS Bank, to keep an eye on the material opportunities, risks and impacts in this area and to closely follow developments in the market environment. The Committee held one meeting during the financial year at which it performed the tasks referred to above.

Meetings and main activities of the Supervisory Board

Four regular meetings of the Supervisory Board were held in the financial year 2025 and one resolution was passed by a circular vote. At each of these meetings, the members of the Management Board reported on the current development of the financial position, financial performance and cash flows, and on the risk situation of BKS Bank and its subsidiaries. Furthermore, current regulatory requirements and their impact on BKS Bank were discussed at every meeting.

The Management Board discussed in detail the business, risk, IT and sustainability strategies, which were comprehensively updated during the reporting year. The Management Board submitted all matters requiring approval to the Supervisory Board in a timely manner. Other important topics discussed at the meetings included:

- the findings of audits conducted by supervisory authorities and Internal Audit
- the situation on the real estate market and the development of loan exposure in this area
- BKS Bank's progress with digital products and processes
- BKS Bank's strategy with regard to sustainability issues and their implementation

The attendance rate of the members of the Supervisory Board at Supervisory Board meetings was around 85%.

Self-evaluation pursuant to C Rule 36

In the reporting year, the Supervisory Board conducted a self-evaluation of its activities in accordance with C Rule 36 ÖCGK. At its meeting in March 2025, the Supervisory Board discussed the efficiency of its work, in particular, its organization and working methods, and invited all members of the Board to present their views in a multi-paged structured questionnaire ahead of the meeting. The evaluation of the questionnaires during the meeting revealed a very positive perception of the work and self-perception of the Supervisory Board as a governing body, and also proved its working procedures were efficient and effective. The relevant requirements of the ÖCGK were met in full in the reporting year.

Remuneration of the bank auditor

The 85th Annual General Meeting appointed Deloitte Audit Wirtschaftsprüfungs GmbH as the auditor and bank auditor for the single-entity and consolidated financial statements for the 2026 financial year. The bank auditor presented the Supervisory Board with a breakdown of total income received in the preceding financial year organized by service category. Deloitte Audit Wirtschaftsprüfungs GmbH also informed the Supervisory Board of its involvement in a quality assurance system and conclusively declared itself to be impartial and confirmed the absence of grounds for exclusion.

The 2016 Audit Law Amending Act (APRÄG 2016) provides for a strict separation between audit services and non-audit services which may be provided by the auditor. The Audit Committee approved the budget for permissible non-audit services and checked adherence to the budget limit.

in EUR k	2024	2025
Fees for mandatory audits of the single-entity and consolidated financial statements	483.2	532.2
Fees for other auditing services	197.8	220.3
Total	681.0	752.5

Diversity Policy

Difference enriches, appreciation unites and understanding creates trust. We are proud that our employees stand by this mission statement and act in accordance with it every day.

Diversity thrives on the shared understanding that human differences represent a boundless source for personal growth and sustainable business success. The diversity of backgrounds, world views, genders, educational paths and languages inspires our actions, opens up new perspectives and allows us to constantly progress.

We promote respectful interaction in the workplace, in which our active LGBTQIA+ Business Resource Group also plays a key role. It meets several times a year and the goal is to work together to create an even more respectful working environment.

We work with interested employees to explore the meaning of the terms “diversity” and “diversity management” and the economic benefits that a developed diversity culture brings to our company in our regular “Successful through diversity” workshop.

We take a clear stance against all forms of prejudice or discrimination. When recruiting personnel, competence and potential are decisive factors, regardless of gender, age or sociocultural background. We refined our recruitment processes in the reporting year and expressly invite persons with disabilities to apply, and accompanying training courses raise our managers’ awareness of diversity and equal opportunities.

Diversity management in all training programs

Diversity management ensures that diversity among employees is appreciated and leveraged effectively. Our employees feel more valued and this improves motivation and productivity, helping make our organization more stable and successful over the long term.

The topics of diversity and diversity management are part of the curriculum of all key training programs such as the BKS College, the branch manager training course, the management development program and the excellence program.

When filling management positions, all employees have equal career opportunities. We invite all employees to apply for management positions that match their qualifications. We give priority to filling management and leadership positions with persons from our own ranks – and we succeeded again in reporting year. There are several promotion and development programs to support attainment of the defined target ratio. All interested employees may apply for these programs at any time without the need to be nominated by their line managers. In this manner, we ensure equal opportunity.

Nonetheless, we are well aware that new impetus from the outside can enrich our development, which is why we fill expert and management positions externally when it offers a clear benefit for the organization. Our Code of Conduct, which has been in place for many years and is continuously being developed, enshrines our stance on equal opportunities, fair treatment and diversity, while also setting out our expectations of openness and impartiality – for employees as well as for suppliers and business partners – based on our Code of Conduct.

Our Diversity Officer ensures the development of diversity management in accordance with international standards and is available to all employees as a central point of contact.

Criteria for the selection of Management Board and Supervisory Board members

When preparing proposals to the Annual General Meeting for potential candidates to fill Supervisory Board positions, the Nomination Committee and the entire Supervisory Board pay special attention to the appropriate representation of both genders, international composition, age structure, education and professional background. The criteria for the selection of members of the Management Board and Supervisory Board are defined in the Fit & Proper Policy of BKS Bank.

The Policy clearly states the necessity to strengthen diversity by ensuring adequate representation of all genders on the Supervisory Board and Management Board.

The criteria for the selection of members of the Management Board and Supervisory Board include relevant professional training, extensive practical skills and several years of experience in management positions. Furthermore, suitability for a position on the Management Board or Supervisory Board requires personal qualities such as integrity and impartiality, reliability, an impeccable reputation and adherence to generally accepted governance principles.

The shareholder representatives on the Supervisory Board of BKS Bank are proven experts in banking and/or business with relevant experience in

strategic issues, and have an in-depth knowledge of accounting and finance, risk management and digitalization.

Three female members of the Supervisory Board, including the Chair, are also university professors and teach law and computer science. The employee representatives on the Supervisory Board are long-standing employees with extensive experience in various functional areas and are profoundly knowledgeable about BKS Bank.

The members of the Management Board and the shareholder representatives on the Supervisory Board have a broad range of experience at national and international companies and research institutions. They are very familiar with different cultural practices and different legal jurisdictions and have excellent foreign language skills.

Age plays a role when assessing the suitability of potential candidates, insofar as a balanced age distribution is relevant when assessing pertinent issues, and for reasons of succession. We do not want to discriminate against anyone due to them being a specific age; however, we take care to ensure an age mix that also corresponds to the distribution in the working population and in the respective professions. Therefore, the age range of shareholder representatives on the Supervisory Board at the end of the reporting year is between 54 and 76 years, and between 41 and 60 years on the Management Board.

Employees by country

Individuals	2024	2025
Austria	761	742
Slovenia	181	175
Croatia	105	102
Slovakia	47	48
Germany	15	16
Bosnia-Herzegovina	15	15
Serbia	12	13
Italy	9	8
Hungary	9	8
Turkey	3	3
Bulgaria	1	2
Romania	2	1
Ukraine	1	1
Belarus	1	1
Netherlands	1	1
Albania	-	1
Sweden	-	1
Syria	1	-
Number of nationalities	16	17

Measures to Promote Women

Still the most reliable source of opportunities for forward-looking people – for women and men alike

Every day, we experience the enormous potential of our employees. We strive to ensure that all of these skills can be developed under fair and equal conditions. This calls for commitment and motivation on the part of all employees, but also a supportive environment that facilitates this development. We therefore encourage our employees to pursue ambitious professional goals and take on challenging tasks, particularly among our female employees. To support them in this endeavor, we create framework conditions that promote a good work-life balance. Flexible working time models, numerous further education and training opportunities, crèche services and support for childcare during vacation periods are just a few examples of the targeted investments we are making.

Our certification under the “berufundfamilie” scheme confirms our commitment to a family-friendly human resources policy. The scheme recognizes companies that actively enable their employees to balance work, family and private life. We are proud to have been successfully recertified in 2025.

In Croatia, the organization MAMFORCE[®] defines key criteria for a family-friendly working environment. BKS Bank has met these requirements for many years and is proud to hold the corresponding seal of approval on a permanent basis.

BKS Bank’s attendance at the first EXPO held by the Business Women’s Center, an educational and networking event for women and innovative companies, once again demonstrated its commitment to promoting women in business.

In the financial year 2025, we merged our previously separate women’s career and

talent programs and developed our new “Development Program for Future Managers”. This program is open to all genders and focuses on the targeted identification and nurturing of talented individuals with leadership ambitions. It teaches participants practical leadership skills for future jobs and offers them greater visibility and networking opportunities within the organization. Naturally, employees from all BKS Bank markets are invited to participate.

Target ratio exceeded

168 people were employed in management positions at BKS Bank at year-end 2025. The majority of these, i.e., 51%, were over 50 years old. 49% were between the 30 and 50 years old.

One goal of our sustainability strategy is to increase the proportion of women in management positions to 40% by 2030. At year-end 2025, the ratio was 37.5%.

Narrowing the gender pay gap

“Equal work, equal pay” should be a given, but in reality, this is far from being the case. We are working to steadily close the pay gap between the genders. There are still some considerable income disparities between men and women in all countries of the European Union.

The Federal Chancellery publishes the annual “Equal Pay Day” report¹, which compares the incomes of women and men employed throughout the year in Austria. On November 2, 2025, men in Austria had already reached the level of income for which women had to work until the end of the year.

The gender pay gap was 16.7% in the reporting year.

¹ <https://www.bmfwf.gv.at/frauenserviceportal/aktuell/equal-pay-day-2025-in-oesterreich.html>

Our aim is also to encourage older female employees to actively pursue their professional development and take advantage of opportunities to improve their income situation. To this end, we point out career paths and inform women about the long-term financial impacts of extended periods of part-time employment.

The Nomination Committee defined the target ratio for the underrepresented

gender on the Management Board and Supervisory Board at 30% in 2014. The members of the Nomination Committee monitor compliance with the target ratio and review the effectiveness of the actions taken to promote women.

At year-end 2025, the proportion of women on the Management Board was 40%, and on the Supervisory Board, including the members delegated by the Works Council, 47%.

Women in management positions

As at 12/31/2025	Number female	Ratio	Number male	Ratio
Management Board	2	40%	3	60%
Supervisory Board (shareholder representatives)	4	40%	6	60%
Supervisory Board (staff representatives)	3	60%	2	40%
Other management positions	63	37.5%	105	62.5%

Compliance Management System

Implementing and continuously developing an effective and appropriate compliance management system are a central goal of BKS Bank. As the “second line of defense”, compliance management constitutes a key pillar of internal governance and corporate monitoring. The aim is to prevent violations of laws and regulations and to minimize their probability of occurrence. The purpose is to protect the BKS Bank Group, its employees, managers and governing bodies as well as shareholders against compliance risks.

Capital market and securities compliance, prevention of money laundering and terrorism financing, compliance with financial sanctions, anti-corruption actions and appropriate handling of potential conflicts of interest are core compliance tasks.

There are extensive sets of internal rules for all compliance-related topics, which are binding for all our employees and managers. The relevant requirements are communicated in regular and ad hoc training sessions that include practical exercises. Refresher training courses serve to deepen and update the level of specialist knowledge.

Together with their teams, the Anti-Money Laundering and Sanctions Officer and the Compliance Officer are responsible for regular reviews, adaptations and updates of the compliance management system in order to take account of legal and regulatory developments and systematically incorporate any insights gained. They are also the point of contact for compliance matters for all employees and senior executives. In the reporting year, across all markets, the Anti-Money Laundering Officer submitted around 170 suspicious activity reports (SARs).

To ensure the timely implementation of legal and regulatory changes, the Compliance Officer (pursuant to BWG) and the Compliance team make sure that the managers responsible are kept informed about upcoming changes to standards so that any necessary adjustments to processes and rules can be made at an early stage. This applies to both key banking regulations, such as the Austrian Banking Act (BWG) and the Capital Requirements Regulation (CRR), as well as other rules and policy guidelines that are essential for banking operations. In 2025, some 1,500 topics were discussed in connection with new laws and regulations. The Compliance Officer (pursuant to BWG) reports directly to the full Management Board. The same applies to all compliance roles.

Directors' dealings

BKS Bank is under the obligation to disclose directors' dealings reports relating to financial instruments of BKS Bank. On the last day of exchange trading in 2025, the members of the Management Board held a total of 12,992 no-par ordinary shares in their securities accounts with BKS Bank; members of the Supervisory Board held 23,490 no-par ordinary shares. In total, this represents around 0.08% of the shares issued. Purchases and sales by members of the Management Board and the Supervisory Board as well by related parties are reported to the Financial Market Authority (FMA) in accordance with the EU Market Abuse Regulation, and are published throughout Europe by news agencies and disclosed on the website of BKS Bank. This notification is sent when the value of the respective transactions for own account reaches or exceeds a total of EUR 20k in a calendar year. In the past financial year, there were three notifications of directors' dealings.

Independent Assessment of the Functionality of Risk Management

Deloitte Audit Wirtschaftsprüfungs GmbH assessed the functionality of risk management at BKS Bank pursuant to ÖCGK.

The risk management framework of BKS Bank AG is applicable to the entire BKS Bank Group and complies with internationally recognized standards. Risk governance is based on the “three lines of defense model” and the risk-based internal control system.

In the “three lines of defense model”, operational staff are the “first line of defense”. They identify and manage risks they encounter in their work within the defined risk framework. The active management of risk positions in the first line of defense is of particular importance.

Risk management roles as the second line of defense identify, measure, monitor and limit risks across the business units. These roles include risk controlling, credit risk analysis, credit management and responsibility for ICT security. Compliance roles are also especially relevant in the second line of defense.

As a third line of defense, Internal Audit bases its activities on an audit plan approved by the Management Board and agreed with the Audit Committee and/or the plenary meeting of the Supervisory Board. Internal Audit assesses the risks of all business activities and operational processes, identifies the potential for increasing efficiency and monitors compliance with legal requirements and internal policy guidelines.

The Management Board – in particular the Chief Risk Officer – is responsible for risk management and its implementation, for monitoring and for risk control for the entire Group.

During the audit in accordance with C Rule 83, the auditor assessed the design of the risk management system, the implementation of actions and the organizational structure of the system.

The COSO II framework served as the reference model for this assessment. The auditor confirmed that it was not aware of any relevant facts indicating that the risk management established by BKS Bank did not comply with the reference model described above.

The auditor submitted its report on the functioning of the risk management system to the Chair of the Supervisory Board.

At the Audit Committee meeting in September 2025, the findings of the audit pursuant to C Rule 83 ÖCGK were discussed, and in accordance with the provisions of section 63a (4) BWG, the risk management and its current further development were discussed in detail.

The Chair of the Supervisory Board reported to the full Supervisory Board that the audit pursuant to C Rule 83 did not result in any objections and that BKS Bank had a functioning risk management system in place.

At the Risk Committee meeting in December 2025, the objectives and status of implementation of the risk strategy were discussed, compliance with the risk limits was reviewed and the further development of the risk strategy was deliberated. BKS Bank’s risk management is described in detail in the Risk Report chapter of the Annual Report.

A key element of the monitoring system at our bank is the internal control system (ICS) that is embedded in all three lines of defense. The ICS is risk-based and comprises a large number of control measures that ensure efficient and correct working procedures. Findings on risks that have actually occurred or potential risks identified on the basis of risk analyses are considered in ongoing improvements to the ICS. The core of the ICS is a risk-control matrix in which the controls are linked to the risks identified and assessed for each business and support process. This matrix was also further developed in the past financial year.

In addition, the quality of the controls is assessed regularly based on a maturity level model. The organizational structure and the responsibilities within the ICS are clearly regulated. The ICS coordinators continuously develop the internal control system and report to the Management Board at regular intervals. This enables us to constantly improve corporate monitoring and ensure, to the greatest possible extent, that assets are protected and profitability is increased.

To limit IT and cyber risk, we take a large number of precautionary and control actions jointly with our IT service provider, 3 Banken IT GmbH. These actions include ongoing awareness programs for all employees, security notices in our online portals, state-of-the-art server architecture that is regularly subjected to penetration and emergency tests, and special training courses for IT staff.

In 2025, we further updated our training program to cover and drill down on topics such as artificial intelligence and cybersecurity.

By addressing current attack scenarios such as phishing and social engineering as well as providing guidance on behavior in the workplace and the secure use of passwords, we further raised awareness of information security at BKS Bank. Particular attention was paid to compliance with the requirements of the Digital Operational Resilience Act (DORA).

Accounting and Disclosure

As a listed company, BKS Bank AG prepares consolidated financial statements and consolidated interim financial statements, which are included in the half-year financial report, in accordance with IFRS Accounting Standards as adopted by the EU. We publish our annual financial reports no later than four months, and the half-yearly financial reports and interim reports no later than three months after the end of the reporting period. The reports are available to the public for ten years. For this purpose, we use the services of the Issuer Information Center of Oesterreichische Kontrollbank AG (OeKB), which is the officially appointed system for the central storage of mandatory disclosures. The financial reports are published on the website of BKS Bank in German and in English. In accordance with the ESEF standard, BKS Bank publishes its financial reports in XHTML format. The IFRS consolidated financial statements are tagged in accordance with the ESEF Taxonomy.

The accounting and financial reporting of the BKS Bank Group faithfully represent the financial position, financial performance, risks and cash flows of the Group. In the Group management report,

the bank presents a relevant analysis of the course of business and describes the material financial risks and the uncertainties it is exposed to. The key features of the internal control system and the risk management system are also described with respect to the accounting process. The Notes include information on how the company deals responsibly with the various types of risks. The sustainability statement in accordance with the CSRD is an integral part of this report.

The single-entity financial statements of BKS Bank AG are prepared in accordance with the provisions of the Austrian Commercial Code (UGB). The consolidated financial statements and single-entity financial statements are prepared by the company and audited by the auditor appointed at the Annual General Meeting, and are approved and confirmed by the Supervisory Board.

A financial calendar is published in the financial reports and on the website for the current year and the subsequent year. We publish inside information immediately on our website and this information stays online for five years.

Klagenfurt am Wörthersee, March 6, 2026



Nikolaus Juhász
Chairman of the Management Board



Dietmar Böckmann
Member of the Management Board



Clemens Bousquet
Member of the Management Board



Renata Maurer Nikolić
Member of the Management Board

Clarity

Accurate Figures Speak for Themselves.

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Consolidated Statement of Comprehensive Income for the Financial Year 2025

Income statement

in EUR k	Notes	FY24	FY25	± in %
Interest income from application of the effective interest method		354,987	296,272	-16.5
Other interest income and other similar income		57,681	59,249	2.7
Interest expenses and other similar expenses		-171,062	-125,368	-26.7
Net interest income	(1)	241,606	230,154	-4.7
Loan loss provision	(2)	-40,115	-42,607	6.2
Net interest income after loan loss provision		201,491	187,547	-6.9
Fees and commission income		77,777	82,837	6.5
Fees and commission expense		-7,412	-8,359	12.8
Fees and commission income or expense	(3)	70,365	74,478	5.8
Profit/loss from companies accounted for using the equity method	(4)	78,912	70,888	-10.2
Net trading income	(5)	992	546	-45.0
Operating expenses	(6)	-161,574	-165,638	2.5
Other operating income	(7)	11,624	10,763	-7.4
Other operating expense	(7)	-12,056	-12,304	2.1
Profit/loss from financial assets/liabilities		-2,957	-1,812	38.7
• Profit/loss from financial instruments designated at fair value	(8)	-3,290	2,466	>100
• Profit/loss from financial instruments measured at fair value through profit/loss (mandatory)	(9)	494	1,433	>100
• Profit/loss from the derecognition of financial assets measured at amortized cost	(10)	-233	-5,731	>-100
• Other comprehensive income from financial assets/liabilities	(11)	72	20	-71.8
Profit for the year before tax		186,797	164,468	-12.0
Income tax expense	(12)	-23,560	-17,446	-26.0
Profit for the year		163,236	147,022	-9.9

Other comprehensive income and total comprehensive income

in EUR k	FY24	FY25	± in %
Profit for the year	163,236	147,022	-9.9
Other comprehensive income	13,367	14,465	8.2
Items not reclassified to profit or loss for the year	11,815	14,666	24.1
± Actuarial gains/losses in accordance with IAS 19	3,085	5,842	89.4
± Deferred taxes on actuarial gains/losses in accordance with IAS 19	-713	-1,343	-88.4
± Changes in the fair value of equity instruments measured at fair value	15,215	14,608	-4.0
± Deferred taxes on changes in the fair value of equity instruments measured at fair value	-3,499	-3,360	4.0
± Changes in fair value attributable to the default risk of financial liabilities recognized at fair value through profit or loss (designated)	217	30	-86.3
± Deferred taxes on changes in fair value attributable to the default risk of financial liabilities recognized at fair value through profit or loss (designated)	-50	-7	-86.3
± Share in income and expenses from associates accounted for using the equity method recognized in other comprehensive income	-2,439	-1,104	54.7
Items reclassified to profit or loss for the year	1,553	-201	>-100
± Exchange differences	7	-2	>-100
± Changes in the fair value of debt instruments measured at fair value	714	214	-70.1
± Net change in fair value	718	214	-70.2
± Reclassified to profit or loss	-4	-	-
± Deferred taxes on changes in the fair value of debt instruments measured at fair value	-164	-49	70.1
± Share in income and expenses from associates accounted for using the equity method recognized in other comprehensive income	996	-364	>-100
Total comprehensive income	176,604	161,487	-8.6

Earnings and dividend per share

	FY24	FY25
Average number of shares in issue	45,683,571	45,710,161
Dividend per share in euro	0.40	0.50
Earnings per share in euro (undiluted)	3.51	3.15
Earnings per share in euro (diluted)	3.51	3.15

Earnings per share is the consolidated profit for the year divided by the average number of no-par value shares in issue. In the reporting period, earnings per share and diluted earnings per share were the same because no financial instruments with a dilution effect on the shares were issued. To calculate earnings per share, the coupon payment on the tier 1 bonds issued in the amount of EUR 4.0mn (previous year: EUR 4.0mn) was deducted from the profit for the year of EUR 147.0mn (previous year: EUR 163.2mn), taking into account the tax effect. Accordingly, the calculation of the indicator was based on profit for the year of EUR 144.0mn (previous year: EUR 160.2mn).

Consolidated Balance Sheet for the Period Ended December 31, 2025

Assets

in EUR k	Notes	FY24	FY25	± in %
Cash and balances with central banks	(13)	963,867	644,029	-33.2
Loans and advances to banks	(14)	38,881	176,254	>100
Loans and advances to customers	(15)	7,441,390	7,543,126	1.4
Trading assets	(16)	6,945	7,069	1.8
Debt securities and other fixed-interest securities	(17)	1,305,878	1,395,910	6.9
Shares and other non-interest-bearing securities	(18)	179,904	192,411	7.0
Investments in companies accounted for using the equity method	(19)	875,718	929,820	6.2
Intangible assets	(20)	8,999	7,678	-14.7
Property, plant and equipment	(21)	82,927	87,012	4.9
Investment property	(22)	125,486	127,102	1.3
Current tax assets	(23)	11,823	7,768	-34.3
Deferred tax assets	(24)	9,651	9,791	1.5
Other assets	(25)	20,815	22,812	9.6
Total assets		11,072,287	11,150,784	0.7

Equity and liabilities

in EUR k	Notes	FY24	FY25	± in %
Deposits from banks	(26)	847,899	365,116	-56.9
Deposits from customers	(27)	6,934,316	7,048,447	1.6
• of which savings deposits		800,254	700,863	-12.4
• of which other deposits		6,134,062	6,347,584	3.5
Debt securities issued	(28)	873,693	1,165,461	33.4
• of which at fair value through profit or loss		26,189	26,206	0.1
Trading liabilities	(29)	10,282	2,574	-75.0
Provisions	(30)	132,315	130,785	-1.2
Current tax liabilities	(23)	11,880	9,782	-17.7
Deferred tax liabilities	(24)	21,863	29,433	34.6
Other liabilities	(31)	46,353	42,723	-7.8
Subordinated debt	(32)	269,379	293,786	9.1
Shareholders' equity	(33)	1,924,306	2,062,677	7.2
• Consolidated shareholders' equity		1,859,106	1,997,477	7.4
• Additional equity instruments		65,200	65,200	-
Total equity and liabilities		11,072,287	11,150,784	0.7

Consolidated Statement of Changes in Shareholders' Equity

Consolidated statement of changes in shareholders' equity 2025

in EUR k	Subscribed capital	Capital reserves	Exchange differences	Fair value reserves	Retained earnings	Profit for the year	Additional equity instruments ¹	Shareholders' equity
As of 01/01/2025	91,612	273,093	-73	75,010	1,256,228	163,236	65,200	1,924,306
Profit for the year						147,022		147,022
Other comprehensive income			129	9,626	4,709			14,465
Total comprehensive income			129	9,626	4,709	147,022		161,487
Capital increase								-
Distribution						-18,284		-18,284
Coupon payments on additional equity instruments						-3,971		-3,971
Allocated to retained earnings					140,981	-140,981		-
Effect of the equity method					-965			-965
Change in treasury stock					68			68
Issuance of additional equity instruments								-
Reclassified				-7	7			-
Other changes					37			37
As of 12/31/2025	91,612	273,093	56	84,629	1,401,065	147,022	65,200	2,062,677
Fair value OCI reserve (excl. reserves of associates accounted for using the equity method)								85,004
Deferred tax reserve								-19,550

¹ All additional tier 1 bonds issued are classified as shareholders' equity in accordance with IAS 32.

Consolidated statement of changes in shareholders' equity 2024

in EUR k	Subscribed capital	Capital reserves	Exchange differences	Fair value reserves	Retained earnings	Profit for the year	Additional equity instruments ¹	Shareholders' equity
As of 01/01/2024	91,612	273,093	480	58,712	1,100,764	179,068	65,200	1,768,929
Profit for the year						163,236		163,236
Other comprehensive income			-553	16,119	-2,199			13,367
Total comprehensive income			-553	16,119	-2,199	163,236		176,604
Capital increase								-
Distribution						-15,996		-15,996
Coupon payments on additional equity instruments						-3,971		-3,971
Allocated to retained earnings					159,100	-159,100		-
Effect of the equity method					-3,755			-3,755
Change in treasury stock					2,533			2,533
Issuance of additional equity instruments								-
Reclassified				178	-178			-
Other changes					-37			-37
As of 12/31/2024	91,612	273,093	-73	75,010	1,256,228	163,236	65,200	1,924,306
Fair value OCI reserve (excl. reserves of associates accounted for using the shareholders' equity method)								70,164
Deferred tax reserve								-16,138

¹ All additional tier 1 bonds issued are classified as shareholders' equity in accordance with IAS 32.

For more information, please see Note (33) Shareholders' equity.

Consolidated Statement of Cash Flows

in EUR k

	FY24	FY25
Profit for the year	163,236	147,022
Non-cash items in profit/loss for the year and reconciliation to net cash flow from operating activities		
• Depreciation, amortization and write-downs on receivables and property, plant and equipment	58,868	38,484
• Change in provisions	-4,075	12,196
• Gains and losses on disposals	641	-22
• Change in fair value of investment property	-142	-995
• Change in other non-cash items	-12,314	-10,008
• Shares in profit/loss of companies accounted for using the equity method	-78,913	-70,888
Net interest income	-241,606	-230,154
Tax expense	23,617	17,446
Subtotal	-90,687	-96,920
Changes in assets and liabilities arising from operating activities after correction for non-cash items		
• Loans and advances to banks and customers	92,669	-274,547
• Other assets	6,972	-3,424
• Deposits from banks and customers	192,416	-353,680
• Provisions and other liabilities	-6,079	-10,608
Interest received	405,926	343,817
Interest paid	-154,733	-132,176
Dividends received	3,671	9,916
Income tax paid	-35,757	-9,659
Cash flow from operating activities	414,398	-527,281
Cash inflow from the sale and repayment of:		
• Debt securities and other fixed-interest securities	114,552	181,036
• Shares and other non-interest-bearing securities	20,353	4,624
• Owned fixed assets	163	122
Cash outflow for investments in:		
• Debt securities and other fixed-interest securities	-171,444	-263,704
• Shares and other non-interest-bearing securities	-13,180	-204
• Owned fixed assets	-15,600	-15,175
• Investment property	-	-622
Dividends from companies accounted for using the equity method	11,901	14,353
Cash flow from investing activities	-53,255	-79,569
Capital increase	-	-
Dividend distributions	-15,996	-18,284
Issuance of additional equity components	-	-
Coupon payments on additional equity instruments	-3,971	-3,971
Buyback of treasury stock	-38	-705
Cash receipts from the sale of treasury stock	2,571	773
Cash inflow from subordinated and debt securities issued	164,225	441,168
Cash outflow on subordinated and debt securities issued	-111,750	-131,500
Cash payments for lease liabilities	-3,029	-3,323
Cash flow from financing activities	32,012	284,158
Cash and cash equivalents at end of previous year	605,120	998,576
Cash flow from operating activities	414,398	-527,281
Cash flow from investing activities	-53,255	-79,569
Cash flow from financing activities	32,012	284,158
Exchange rate effects on cash and cash equivalents	302	314
Cash and cash equivalents at end of reporting year	998,576	676,198

Notes to the Consolidated Financial Statements of BKS Bank

Key accounting policies

I. General information

Headquartered at St. Veiter Ring 43, 9020 Klagenfurt am Wörthersee, Austria, BKS Bank AG is the parent company of the BKS Bank Group. It has prepared the consolidated financial statements for the financial year 2025 as exempting consolidated financial statements pursuant to Section 59a BWG (Austrian Banking Act), in accordance with the principles of the IFRS accounting standards as applicable in the European Union and in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union. The requirements of Section 245a (1) UGB (Austrian Commercial Code) have also been fulfilled.

BKS Bank was founded in Klagenfurt in 1922, initially as Kärntner Kredit- und Wechsel-Bankgesellschaft Ehrfeld & Co. Following years of hard work, the limited partnership transformed into a stock corporation, leading to the establishment of the Bank für Kärnten in 1928. The bank entered the Styria market in 1983. The no-par ordinary shares of BKS Bank AG have been listed on the Vienna Stock Exchange since 1986 in the Standard Market Auction segment. BKS Bank has maintained a presence in Vienna since 1990. In 2003, the bank started to enter the Burgenland and Lower Austria markets. It also runs offices abroad in Slovenia, Croatia, Slovakia, Serbia and Upper Italy. Together with Oberbank AG and BTV Vier Länder Bank AG (BTV AG) (formerly: Bank für Tirol und Vorarlberg Aktiengesellschaft), BKS Bank AG is part of the 3 Banken Group. Together, these three banks offer the strength of a major bank paired with the flexibility and proximity of a regional bank.

As a bank headquartered in Austria, our mission is to support entrepreneurs and private individuals in their financial transactions in our capacity as a reliable partner for business and society. As a friendly bank with strong regional ties, we offer our customers excellent consulting, customer service and product quality, and a network that creates value.

The Management Board of BKS Bank AG signed the consolidated financial statements on March 6, 2026, and authorized them for presentation to the Supervisory Board. The Supervisory Board is tasked with reviewing the consolidated financial statements and declaring their approval. At the time of signing, there were no indications that would cast doubt as to the Group's ability to continue as a going concern.

II. Impacts of new and revised standards

The accounting policies applied in the financial year 2024 were once again applied in 2025 with the exception of the revised standards and interpretations, the application of which was mandatory in the reporting year. The comparative figures for the previous year are also based on the corresponding requirements. Standards that had been announced but were not yet effective for the financial year were not applied.

Standards/amendments effective from 01/01/2025

Standard/amendment	Applicable for financial years beginning on or after this date	Endorsed by the EU
IAS 21 – The Effects of Changes in Foreign Exchange Rates (Amendments)	01/01/2025	November 2024

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB published amendments to IAS 21, supplementing the existing standard to include provisions for determining the exchange rate in the event of a lack of exchangeability.

This amendment has no impact on the consolidated financial statements.

Standards/amendments effective from 01/01/2026

Standard/amendment	Applicable for financial years beginning on or after this date	Endorsed by the EU
IFRS 7 Financial Instruments and IFRS 9 Financial Instruments – Contracts Referencing Nature-dependent Electricity (Amendments)	01/01/2026	June 2025
IFRS 7 Financial Instruments and IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	01/01/2026	May 2025
IFRS Annual Improvements – Volume 11	01/01/2026	July 2025

The amendments to IFRS 7 Financial Instruments and IFRS 9 Classification and Measurement of Financial Instruments relate to the following areas:

- Amendments to the application guidance provided in IFRS 9 concerning the derecognition of a financial liability settled by electronic payment
- Amendments to the application guidance provided in IFRS 9 concerning the classification of financial assets based on their cash flow characteristics (SPPI test), in particular with respect to financial assets that incorporate ESG-related contractual clauses
- Amendments to the application guidance provided in IFRS 9 concerning the classification of financial assets in relation to non-recourse assets and contractually linked instruments
- Amendments to the disclosure requirements stipulated in IFRS 7 concerning disclosures on financial instruments with contingencies and additional notes concerning equity instruments measured at fair value through other comprehensive income

BKS Bank has assessed the impact of the amendments to IFRS 9 on its classification of financial assets that contain ESG-related contractual clauses. Based on this assessment, the amendments to IFRS 9 are not expected to have a material impact on the consolidated financial statements.

There are no material impacts on the consolidated financial statements anticipated from the subsequent amendments either.

Standards/amendments effective from 01/01/2027 or later

Standard/amendment	Applicable for financial years beginning on or after this date	Endorsed by the EU
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments)	01/01/2027	Outstanding
IFRS 18 Presentation and Disclosure in Financial Statements	01/01/2027	February 2026
IFRS 19 Subsidiaries Without Public Accountability: Disclosures	01/01/2027	Outstanding
IFRS 19 Subsidiaries without Public Accountability: Disclosures (Amendments)	01/01/2027	Outstanding

In April 2024, the IASB published the new IFRS 18 standards, Presentation and Disclosure in Financial Statements, which will replace IAS 1 moving forward.

The most significant amendments introduced by IFRS 18 include:

- a more structured income statement: all income and expenses are to be classified into one of five categories. These include the three new categories for Operating, Investing, and Financing, as well as

- Income Tax and Discontinued Operations. In addition, two new subtotals—operating profit or loss and profit and loss before financing and income taxes—have been introduced to allow for further analysis
- Disclosure requirements regarding management-defined performance measures (MPMs)
 - Enhanced requirements for the aggregation and disaggregation of information in financial statements

The categorization of all income and expenses into one of the three new categories depends on whether an entity performs one or both of the following two specified main business activities in accordance with IFRS 18:

- Providing financing to customers
- Investing in assets

BKS Bank defines its specified business activity as providing financing to customers. Accordingly, the most significant impacts on the consolidated financial statements can be summarized as follows:

- Under the new structure, profit/loss from companies accounted for using the equity method, income and expense from investment assets, and dividend income are recognized under the Investing category.
- All expenses and income from cash and cash equivalents, as well as all expenses and income from financial liabilities, are presented under the Operating category.
- Interest expenses from provisions for post-employment benefits and similar obligations and expenses from lease liabilities are presented under the Financing category.
- Moving forward, the operating result will constitute the starting point for determining cash flows from operating activities in the consolidated cash flow statement. Other amendments concern the presentation of interest received and paid, and of dividends received and paid. In accordance with the new income statement structure, interest is reported under the Operating category and dividends under Investing.

IFRS 18 is effective for financial years starting on or after January 1, 2027. Comparative figures must be adjusted accordingly upon initial application.

No impacts on the consolidated financial statements are anticipated from the other standards and amendments listed here.

III. Accounting policies

General

The financial statements were prepared in euro, the functional currency. Unless otherwise stated, all figures in the notes to the consolidated financial statements below are rounded up to the nearest EUR k. The balance sheet is arranged in decreasing liquidity. The financial statements are prepared based on the going concern assumption.

Basis of consolidation

In addition to BKS Bank AG, 15 entities (12 consolidated, two accounted for using the equity method, and one accounted for based on proportionate consolidation) are included in the consolidated financial statements. Pursuant to IFRS 10 Consolidated Financial Statements, all entities included in the consolidated financial statements and over which BKS Bank AG exercises control are consolidated, provided the influence of BKS Bank AG on an entity's assets and liabilities, financial position and profit or loss is not of minor significance.

A controlling interest is deemed to exist when BKS Bank AG is exposed to variable returns from its share in an entity and/or it holds rights to returns and is able to exert an influence over these returns by exercising its power over the entity. Among other aspects, materiality is assessed on the basis of total assets and shareholders' equity, and, in the case of associates, on the proportionate shareholders' equity held. Initial consolidation is carried out in accordance with IFRS 3 Business Combinations using the acquisition method.

In the financial year under review, there were no changes in the basis of consolidation compared with the previous year.

Consolidated entities included in the group of consolidated companies

As the parent company, BKS Bank AG has the decision-making power to affect the variable returns of the entities listed below.

Consolidated entities included in the group of consolidated companies

Company	Head office	Direct equity interest	Indirect equity interest	Date of financial statements
BKS-Leasing Gesellschaft m.b.H.	Klagenfurt	99.75%	0.25%	12/31/2025
BKS-leasing d.o.o.	Ljubljana	100.00%	-	12/31/2025
BKS-leasing Croatia d.o.o.	Zagreb	100.00%	-	12/31/2025
BKS-Leasing s.r.o.	Bratislava	100.00%	-	12/31/2025
BKS Leasing d.o.o., Belgrade	Belgrade	100.00%	-	12/31/2025
IEV Immobilien GmbH	Klagenfurt	100.00%	-	12/31/2025
Immobilien Errichtungs- u. Vermietungsgesellschaft m.b.H. & Co. KG	Klagenfurt	100.00%	-	12/31/2025
BKS 2000 - Beteiligungsverwaltungsgesellschaft mbH	Klagenfurt	100.00%	-	12/31/2025
BKS Zentrale-Errichtungs- u. Vermietungsgesellschaft m.b.H.	Klagenfurt	-	100.00%	12/31/2025
BKS Immobilien-Service Gesellschaft m.b.H.	Klagenfurt	100.00%	-	12/31/2025
BKS Service GmbH	Klagenfurt	100.00%	-	12/31/2025
E 2000 Liegenschaftsverwertungs GmbH	Klagenfurt	99.00%	1.00%	12/31/2025

Companies accounted for using the equity method

The following entities are classified as associates in accordance with IAS 28 because BKS Bank AG is able to exercise a significant influence on the financial and operating policy decisions of these entities:

Companies accounted for using the equity method

Company	Head office	Direct equity interest	Date of financial statements
Oberbank AG	Linz	14.2%	09/30/2025
BTV Vier Länder Bank AG	Innsbruck	12.8%	09/30/2025

With respect to Oberbank AG and BTV Vier Länder Bank AG, we would like to point out that although BKS Bank owns less than 20% of equity interests and shares with voting rights in these credit institutions, more specifically 14.2% and 12.8%, respectively, voting rights are exercised in accordance with syndicate agreements. These syndicate agreements enable BKS Bank to participate in the financial and operating policy decisions of the credit institutions without exercising a controlling interest. Due to the mutual shareholdings between BKS Bank AG, Oberbank AG, and BTV Vier Länder Bank AG, these entities are included in the consolidated financial statements of BKS Bank on the basis of the information publicly available as of September 30, 2025. The financial statements of associates are adjusted as required to reflect the impacts of significant transactions or events that occurred between the reporting date for the associates of September 30 and the reporting date for the consolidated financial statements of December 31.

Entities accounted for on a proportionate basis

In accordance with the provisions of IFRS 11, the equity interest in ALPENLÄNDISCHE GARANTIE – GESELLSCHAFT m.b.H. (ALGAR) required reclassification as a joint operation and was therefore included in the group of consolidated companies on a proportionate basis.

Entities accounted for on a proportionate basis

Company	Head office	Direct equity interest	Date of financial statements
ALPENLÄNDISCHE GARANTIE - GESELLSCHAFT m.b.H.	Linz	25.0%	12/31/2025

Other entities not included in the group of consolidated companies

The following entities, in which BKS Bank has an equity interest of more than 20%, were not included in the consolidated financial statements due to their assessment as immaterial according to the aforementioned materiality provisions.

Other entities not included in the group of consolidated companies

Company	Head office	Direct equity interest	Indirect equity interest	Date of financial statements
3 Banken IT GmbH	Linz	30.00%	-	12/31/2025
VBG Verwaltungs- und Beteiligungs GmbH	Klagenfurt	100.00%	-	12/31/2025
PEKRA Holding GmbH	Klagenfurt	100.00%	-	12/31/2025
3 Banken Versicherungsmakler Gesellschaft m.b.H.	Innsbruck	30.00%	-	12/31/2025

Performance of foreign subsidiaries and branches**Foreign subsidiaries and branches as of December 31, 2025**

in EUR k	Net interest income	Operating income	Number of employees (in person years)	Profit/loss for the year before tax	Income tax expense
Branches abroad					
Slovenia branch (banking branch)	24,510	33,473	140.7	17,041	-3,573
Croatia branch (banking branch)	4,875	6,174	66.1	-7,102	2,564
Slovakia branch (banking branch)	4,686	5,588	30.6	487	-131
Subsidiaries					
BKS-leasing d.o.o., Ljubljana	10,243	10,682	20.9	2,913	-632
BKS-leasing Croatia d.o.o., Zagreb	5,633	6,555	14.9	1,803	-326
BKS-Leasing s.r.o., Bratislava	5,748	6,012	14.5	2,121	-580
BKS-Leasing d.o.o., Belgrade	1,534	1,608	9.4	-55	-

Foreign subsidiaries and branches as of December 31, 2024

in EUR k	Net interest income	Operating income	Number of employees (in person years)	Profit/loss for the year before tax	Income tax expense
Branches abroad					
Slovenia branch (banking branch)	31,955	41,687	136.1	23,470	-6,189
Croatia branch (banking branch)	7,768	9,073	65.4	-11,500	706
Slovakia branch (banking branch)	3,883	4,473	30.4	730	-123
Subsidiaries					
BKS-leasing d.o.o., Ljubljana	11,811	12,161	20.1	2,707	-588
BKS-leasing Croatia d.o.o., Zagreb	6,759	7,443	14.6	1,774	-322
BKS-Leasing s.r.o., Bratislava	4,778	5,194	14.6	1,344	-284
BKS-Leasing d.o.o., Belgrade	721	730	6.1	-365	-

Foreign currency translation

Assets, equity and liabilities denominated in a foreign currency are generally converted at the respective ECB exchange rates on the balance sheet date. The financial statements of subsidiaries that do not report in euro were converted using the closing rate method. Within the Group, only one Serbian leasing company did not prepare its financial statements in euro, but in Serbian dinar (RSD). Assets and liabilities were converted at the exchange rates applicable on the balance sheet date, while expenses and income were converted using the average exchange rate for the respective period. The resulting exchange differences are reported in other comprehensive income and recognized as a component of shareholders' equity.

Impact of recent economic developments on accounting policies

Expected credit loss

Due to the persistently uncertain geopolitical situation and the ongoing difficulties in the real estate market, all real estate financing related to "land holdings" or is available for "sell-off" has been assigned to Stage 2 in connection with the collective stage reclassification. In light of the macroeconomic environment, prices are expected to fall, primarily in the commercial real estate sector, and proceeds from the sale of real estate collateral in the corporate customer segment may be lower. For this reason, we have applied an LGD premium of +10 percentage points to our corporate customer portfolio. The management overlay for the "sell-off" and "land holdings" portfolios was reduced from a factor of 1.5 (ECL*1.5) to a factor of 1.25 (ECL*1.25). By doing this, we are continuing to factor in the subdued economic situation and to take into account a potentially longer sale cycle. Furthermore, the forward-looking information used to calculate the ECL as of end of December 2025 was adjusted based on current forecasts.

Notes on individual balance sheet items

Cash and balances with central banks

This item consists of cash in hand and credit balances with central banks. These are measured at amortized cost.

Financial instruments in accordance with IFRS 9

A financial instrument is a contract which gives rise to a financial asset for one contracting party and a financial liability or equity for another. Spot transactions are recognized and written off as of their settlement date.

Financial assets and liabilities must be classified at time of recognition. They are initially measured at fair value which is usually at cost. Subsequent measurement is based on the classification for both assets and liabilities.

In accordance with IFRS 9, after initial recognition **financial assets** are measured as follows:

- at amortized cost,
- at fair value through other comprehensive income (FV OCI),
- at fair value through profit or loss (FV PL).

Financial assets are classified on the one hand on the basis of the business model, according to which they are managed, and, on the other hand, the characteristics of the contractual cash flows associated with the financial assets (cash flow characteristic—SPPI test).

BKS Bank uses a benchmark test to assess whether contractual cash flows solely consist of payments of principal and interest, and therefore pass the SPPI test. Each new contract or amendment to an existing contract is reviewed for components that fail the SPPI test (qualitative benchmark test). BKS Bank conducts SPPI tests on new contracts with mismatching interest rate components using a qualitative benchmark test. If the term of the reference interest rate does not match the frequency of interest rate adjustments, then the interest rate component is deemed a mismatch. However, this does not automatically mean that the contract fails the SPPI test.

In the quantitative benchmark test, the contractual cash flows of the financial instrument to be classified are compared with the cash flows of a benchmark instrument at time of recognition. The terms of the benchmark instrument are the same as those of the financial instrument being classified, except for the mismatching interest rate component. If this comparison demonstrates a material difference between the individual and cumulative cash flows (> 10%), the required SPPI test is deemed failed, and the financial instrument is measured at fair value through profit or loss.

Financial instruments measured at amortized cost

Classification of a financial instrument at amortized cost means that the financial asset is held in a business model where the objective is to hold the financial assets and collect their contractual cash flows. Furthermore, the SPPI test requires that the contractual cash flows consist solely of payments of principal and interest. Subsequent measurement at amortized cost is applied for debt instruments. At BKS Bank, loans and advances to banks, loans and advances to customers, and debt securities and other fixed-interest securities are reported in this measurement category. Impairments are recognized as loss allowances pursuant to IFRS 9. Premiums and discounts are distributed across the term of the instrument using the effective interest method and are recognized in profit or loss.

Financial instruments measured at fair value through other comprehensive income (FV OCI)

A financial asset is recognized at fair value through other comprehensive income (FV OCI) if the following conditions are met: The financial asset is held in a business model where the objective is to collect the contractual cash flows or to dispose of the financial asset. In this case as well, the SPPI test requires that, for financial assets in the FV OCI (mandatory) measurement category, the contractual cash flows are solely payments of principal and interest. **Debt instruments** are therefore eligible for subsequent measurement through other comprehensive income (OCI). Measurement is generally performed based on the market price. If no market price is available, the DCF method is applied. Changes in the fair value of these instruments are recognized through other comprehensive income with no impact on profit or loss. The cumulative gain or loss recognized through other comprehensive income is only reclassified in profit or loss once the financial asset is disposed of (FV OCI with recycling). BKS Bank reports debt securities and other fixed-interest securities under this category.

Equity instruments are to be measured at fair value through profit or loss (FV PL) in accordance with IFRS 9, since they do not pass the SPPI test. However, upon initial recognition, an entity may exercise an irrevocable right to report changes in the fair value of equity instruments not allocated to the trading portfolio under other comprehensive income (“fair value OCI option”). BKS Bank exercises this option and designates equity instruments (shares and other equity interests) at fair value through other comprehensive income without recycling (FV OCI without recycling). In particular, the discounted cash flow method is used to determine the fair value if no market price is available. For equity instruments that have been designated to the FV OCI measurement category due to exercise of the fair value OCI option, the changes in fair value over the term of the instrument are recognized through other comprehensive income (OCI). When the equity instrument is disposed of, the cumulative gain or loss recognized through other comprehensive income is not permitted to be reclassified to profit or loss (no recycling), and it may be reclassified to another equity item.

Financial instruments measured at fair value through profit or loss (FV PL)

Financial assets that are not attributable to one of the aforementioned business models or which do not pass the SPPI test are measured at fair value through profit or loss. Since derivatives generally fail the SPPI test, these instruments must be reported in the measurement category at fair value through profit or loss (FV PL mandatory). Derivatives are reported under the Trading assets/trading liabilities item. Measurement gains or losses from the Trading assets/trading liabilities item are shown in the income statement under Net trading income. In addition to derivatives, BKS Bank also allocates loans and debt securities which fail the SPPI test and equity instruments, for which the fair value OCI option is not exercised, to this measurement category and presents them on the balance sheet under the corresponding items.

Irrespective of this, IFRS 9 provides an option to irrevocably designate a financial asset as at fair value through profit or loss upon initial recognition (**fair value option**). However, this requires that such a designation must eliminate or significantly reduce measurement and recognition inconsistencies.

BKS Bank applies the fair value option for loans and debt securities on a case-by-case basis. The designated instruments are recognized at FV PL. Designated items are selected by the Assets and Liabilities Management Committee (APM). These items are measured at market value through profit or loss (asset or liability and related derivative). The measurement gain or loss is reflected in the income statement in Profit/loss from financial assets/liabilities under the Profit/loss from financial instruments designated at fair value sub-item.

BKS Bank's presentation of balance sheet items, measurement benchmark, and category for the assets side pursuant to IFRS 9 can be summarized as follows:

Assets

	Fair value	At amortized cost	Other	Category
Cash and balances with central banks		✓	-	at amortized cost
Loans and advances to banks		✓	-	at amortized cost
Loans and advances to customers		✓	-	at amortized cost
	✓		-	designated at FV PL (fair value option)
	✓		-	FV PL mandatory
Trading assets	✓		-	FV PL mandatory
Debt securities and other fixed-interest securities		✓	-	at amortized cost
	✓		-	FV OCI mandatory (with recycling)
	✓		-	designated at FV PL (fair value option)
	✓		-	FV PL mandatory
Shares and other non-interest-bearing securities	✓		-	designated at FV OCI (without recycling)
	✓		-	FV PL mandatory

In accordance with IFRS 9, **financial liabilities** are measured as follows upon initial recognition:

- at amortized cost,
- at fair value through profit or loss (FV PL).

Financial liabilities in the trading portfolio are measured at fair value through profit or loss (held for trading). BKS Bank reports negative market values from derivatives on the balance sheet under Trading liabilities. In addition, this measurement category includes financial liabilities that were irrevocably designated as at fair value through profit or loss upon initial recognition (fair value option). The disclosures regarding the fair value option on the assets side apply analogously to the liabilities side. Gains or losses from changes in the credit spread for own liabilities measured at fair value through profit or loss (designated) are presented in other comprehensive income (OCI).

Equity and liabilities

	Fair value	At amortized cost	Other	Category
Deposits from banks		✓	-	at amortized cost
Deposits from customers		✓	-	at amortized cost
Debt securities issued		✓	-	at amortized cost
	✓		-	designated at FV PL (fair value option)
Trading liabilities	✓		-	FV PL mandatory
Subordinated debt		✓	-	at amortized cost

Loan loss provision for financial instruments in accordance with IFRS 9

BKS Bank allocates loan loss provisions for loans and advances to banks and customers, for debt instruments measured at amortized cost or at fair value through other comprehensive income (FV OCI mandatory), as well as for loan commitments and financial guarantee contracts. The impairment model used in accordance with IFRS 9 is an expected credit loss model.

The amount of provisions to be allocated depends on the change in the credit quality of a financial instrument after its acquisition. IFRS 9 distinguishes between three stages, whereby the amount of the loan loss provision depends on which of these stages the financial instrument is allocated to.

- Stage 1: Loan loss provisions recognized for Stage 1 financial instruments are equivalent to the 12-month expected credit loss (ECL). The 12-month expected credit loss is the credit loss expected on a financial instrument within 12 months of the reporting date. Generally speaking, each financial instrument must be allocated to Stage 1 upon acquisition and this allocation reviewed regularly as part of the credit monitoring process.
- Stage 2: For Stage 2 financial instruments, a lifetime expected credit loss (Lifetime ECL) is allocated, which corresponds to the expected losses over the financial instrument's remaining term.
- Stage 3: For Stage 3 financial instruments, the loan loss provisions are calculated according to the discounted cash flow method for significant liabilities, or according to lump sum criteria for non-significant liabilities (based on risk positions not covered by collateral).

A financial instrument is reclassified from a Stage 1 to a Stage 2 instrument as soon as the credit risk increases by a significant amount. The stage is determined by an automated assessment based on various factors. Both quantitative criteria (rating downgrade, deterioration in lifetime PD) and qualitative criteria are used to make a decision on reclassifying instruments to a different stage. BKS Bank utilizes the low credit risk exemption option for the stage assessment. Accordingly, financial instruments with a low credit risk are measured based on the 12-month ECL. In our assessment, investment grade ratings AA to 1b represent a low credit risk.

A financial instrument is allocated to Stage 3 when it is in default (rating in default classes 5a to 5c).

BKS Bank's definition of default for accounting purposes corresponds with the definition in Article 178 CRR and the provisions of EBA/GL/2016/07. Accordingly, a receivable is considered to be in default if it is overdue by more than 90 days, provided that the value of the overdue receivable is at least 1% of the agreed credit line and at least EUR 100. Furthermore, BKS Bank also classifies receivables as in default if it is assumed that the debtor will not be able to repay the full loan amount to the bank without having to resort to measures such as the realization of collateral ("unlikeliness to pay", UTP). This is assumed, in particular, when one of the following criteria applies:

- Recognition of new individual adjustment due to credit downgrade
- Debtor's financial obligation reduced by more than 1% due to forbearance measures
- Debt collection measures initiated due to insolvency or unwillingness to pay, fraud, or other reasons
- Receivable only collectable at a loss for BKS Bank
- Sale of receivable with significant loss for BKS Bank due to credit rating
- Insolvency of the debtor

- Credit exposures unlikely to be fully repaid for other reasons

In addition, the internal guidelines set out a number of further indications of “unlikeliness to pay” which trigger UTP audits that may, in turn, cause a customer to be downgraded to a default category. The definition of “impaired” corresponds to the CRR definition.

Stage allocation criteria

Criterion	Stage
Non-performing loans	3
Forbearance regarding performing loans	2
More than 30 days overdue	2
Foreign currency loans	2
Initial recognition of the contract	1
Rating corresponds to investment grade (ratings AA to 1b)	1
No risk rating can be determined	2
No current rating	2
Significant deterioration of lifetime PD for one-time loans and bonds	2
Credit downgrade from investment grade by more than 3 grades	2
Credit downgrade from a good rating by more than 2 grades	2
Credit downgrade from a medium or poor rating by at least 1 grade	2

Financial instruments are transferred back to Stage 1 if there is no longer any indication of a significant increase in the credit risk as described in the stage allocation criteria.

The ECL is determined based on forward-looking information, whereby country-specific forward-looking information is used for each of our target markets.

Key ECL model parameters for Stage 1 and Stage 2

ECL model parameter	Explanation
Exposure at default (EAD)	The exposure at the time of the credit default (EAD) is the sum of the future contractually agreed cash flows. Off-balance sheet transactions, such as liabilities and unused customer credit lines, are converted into an EAD, taking into account a cash conversion feature (CCF).
Probability of default (PD)	The probability of default is determined for each customer based on statistical estimation methods and follows the lifetime concept. Accordingly, when calculating future probabilities of default, the PD includes an assessment of the future economic framework conditions in the form of a point-in-time calibration. Specific migration matrices are used for the ECL model.
Forward-looking information (FLI)	Forward-looking information is incorporated into the adjusted contingent probability of default using a linear regression method based on the respective macroeconomic outlook for BKS Bank’s target markets.
Loss given default (LGD)	The LGD identifies the relative loss amount at the time of the credit default. The loss ratio is calculated based on the unsecured part of the EAD which must be written off in the event that the receivable amount is irrecoverable. The LGD is determined based on the customer portfolios of BKS Bank.
Discount rate (D)	Discounting is based on the effective interest rate.

When calculating the ECL in Stages 1 and 2, the EAD, PD, and LGD are modified and discounted based on the contractually agreed term (D). The calculation can be illustrated as follows (m = marginal):

$$ECL = \sum_{t=1}^T ECL_t = \sum_{t=1}^T mPD_t^{PIT} \cdot LGD_t \cdot EAD_t \cdot D_t$$

Information on loan collateral, credit risk excluding collateral held, and a description of the collateral held, as well as quantitative disclosures, is presented in the risk report.

The expected credit loss is calculated based on three scenarios. The first scenario is the base scenario. In addition, upside and downside scenarios are used to calculate the ECL in each case. These scenarios are then combined using weighting factors. The weighting is used to calculate the risk-adjusted, probability-weighted expected credit loss in line with expectations which, by its nature, does not represent a best-case (weighting 20%), worst-case (weighting 20%), or most-likely-case scenario (weighting 60%). The calculation of the expected credit loss (ECL), probability of default (PD) takes account of not only historical information, but also projected macroeconomic factors. BKS Bank uses the following factors as indicators for forecasts: gross domestic product, inflation rate, unemployment rate, and current account balance.

Loss ratios are used to determine the cash flows from financial assets after the default event. LGDs, like PDs, are calculated separately for each segment. Portfolios are broken down into the retail customer, corporate customer, bank, and government segments. In addition to segmentation, a distinction is made between the loss ratio for banking and leasing. Furthermore, the country-specific FLI for each target market is used to calculate PD.

In Stage 3, the loan loss provisions are calculated for significant exposures that exceed a debt amount per customer of EUR 1.0mn in Austria and EUR 0.5mn in foreign markets using the discounted cash flow method for the relevant group of associated customers. In this case, impairment losses arise from the difference between the carrying amount of the receivable and the present value of the expected future cash flows from the receivable and the collateral to be utilized. If there are objective indications for the recognition of impairment losses in Stage 3 and the exposure is not significant (liability < EUR 1.0mn in Austria and/or < EUR 0.5mn in foreign markets), the customers are allocated to a separate portfolio for corporate and retail customers and a general impairment allowance is recognized. The general impairment allowance is calculated according to the following formula: glA = shortfall x glA factor. The glA factor corresponds to a loss ratio in the default range and is applied to each customer segment separately.

Loan loss provisions are recognized in the income statement through profit or loss. For financial assets measured at FV OCI, solvency-related impairment is recognized through profit or loss. The loss provisions formed for loan commitments and financial guarantee contracts are reported under provisions.

Impairment policy

Receivables classed as irrecoverable are derecognized or written off once they can no longer be collected and once the collateral for these receivables has been fully realized. In principle, financial assets subject to enforcement measures are not derecognized. A receivable is derecognized if a writ of execution was issued more than two years ago and the receivable has not been collected, if enforcement has failed at least twice, if the remaining receivable is no longer expected to result in a cash inflow, or if it is no longer possible to obtain a writ of execution. Receivables that are derecognized without the remaining debt being paid off are largely handed over to third parties (e.g., debt collection agencies) for collection.

Contract modifications

Contracts relating to existing financing in BKS Bank's lending operations are subject to change, on the one hand due to changes in market conditions, and on the other on account of a borrower experiencing financial difficulties. A distinction is made between significant and non-significant contract modifications. At BKS Bank, significant contract modifications may occur due to a change of owner or a change of currency, for example. Consequently, the financial asset is derecognized prior to the contractual modification and the modified value of the financial asset is recognized at the time of acquisition. The resulting difference is presented in the income statement as under Profit/loss from recognition.

However, if the contractual adjustment is not significant, i.e., no amount is recognized or derecognized, the difference between the gross carrying amount prior to the contract modification and the gross carrying amount after the contract modification is reported as profit/loss from contract modifications under net interest income.

Investments in companies accounted for using the equity method

Entities in which BKS Bank holds more than 20% of shares but which are not under its control are accounted for using the equity method. Furthermore, the investments in Oberbank AG and BTV Vier Länder Bank AG are accounted for using the equity method, even though the stakes in Oberbank AG and BTV Vier Länder Bank AG are less than 20% in each case. Syndicate agreements are in place that permit BKS Bank to participate in the financial and operating policy decisions of these banks without exercising a controlling influence. Where there are objective indications (triggering events) for the impairment of an investment accounted for at equity, a value-in-use is calculated based on estimated future cash flows to be expected from the associate. The present value (value-in-use) is determined based on an equity method/dividend discount model. The impairment test did not indicate any need for impairment.

Investment property

This item reports properties intended for renting to third parties and for appreciation in value. BKS Bank measures these properties using the fair value model in accordance with IAS 40. Market value is determined by sworn appraisers, with all changes in value reported under Other operating income or expense through profit or loss. Changes in use are presented as a reclassification with no effect on profit or loss.

Property, plant and equipment

Property, plant and equipment comprises land, buildings, other property, plant and equipment which primarily consists of operating and office equipment, and rights-of-use assets from leases. These items are measured at amortized cost or cost of production. Depreciation of property, plant and equipment is linear over an asset's normal useful life and ranges from 1.5% to 2.5% (i.e., 66.7 to 40 years) for fixed assets, and from 10% to 20% (i.e., 10 to 5 years) for operating and office equipment.

In accordance with IAS 36, impairments to property, plant and equipment are taken into account with the recognition of a loss allowance in the income statement under Operating expenses. The corresponding loss allowance is reversed to the asset's amortized cost when the impairment ceases to exist. No depreciation or reversals were recognized in the reporting period.

Intangible assets

All intangible assets are purchased and have a finite useful life. This item primarily comprises purchased customer bases and software. Amortization of intangible assets is linear over an asset's normal useful life and is reported under Operating expenses. The amortization rate for software is usually 25% (i.e., four years); for purchased customer bases, an amortization rate of 10% (i.e., ten years) was determined based on a detailed analysis.

Leasing

Leased assets held by the BKS Bank Group as the lessor primarily pertain to financial leases (both risks and rewards lie with the lessee pursuant to IFRS 16). The leased assets are reported under receivables in the amount of the present values of the agreed payments, taking into account any residual values.

A right-of-use asset and a corresponding lease liability are recognized for contracts under which entities of the BKS Bank Group are lessees. Lease liabilities are initially recognized at the present value of the lease payments to be made over the term of the lease and that have not been paid prior to the start of the lease. These payments are discounted at the interest rate underlying the lease. If this interest rate cannot be determined, an incremental borrowing rate is used. The lease liability is subsequently measured by increasing the carrying amount by the interest rate applicable to the lease liability (constant effective interest rate method) and reducing the carrying amount by the lease installments paid. Upon initial measurement, the right-of-use asset corresponds to the lease liability. Lease payments already made at time of initial recognition and initial direct costs are also taken into account. Right-of-use assets are subsequently measured at cost less accumulated amortization and impairment. Rights of use from real estate are amortized over the contract term of the leases. Lease liabilities are reported under Other liabilities, and rights of use under Property, plant and equipment.

Other assets and other liabilities

Accruals and deferrals and other assets and liabilities are reported under Other assets and liabilities. These are measured at amortized cost. Furthermore, lease liabilities are presented under Other liabilities. For information on their measurement, please refer to the Leasing section.

Debt securities issued

Debt securities issued include debt securities in circulation, bonds, and other debt securities issued (own issues). Debt securities issued are generally measured at amortized cost. However, based on decisions of the Asset and Liabilities Management Committee, the fair value option is also exercised and a fair value measurement is carried out for debt securities issued.

Subordinated debt

Subordinated debt or subordinated obligations are liabilities which, in the event of the liquidation or bankruptcy of BKS Bank, will only be satisfied after the claims of other creditors as contractually agreed. Subordinated debt is generally measured at amortized cost.

Current and deferred tax assets and tax liabilities

Current tax assets and tax liabilities are recognized based on the applicable tax rates and tax laws.

Income taxes are recognized and calculated in accordance with IAS 12. Deferred tax assets and deferred tax liabilities are calculated for each tax entity using the tax rates applied under the applicable laws in the taxation period in which the deferred taxes are reversed. Deferred taxes are calculated as the difference between the valuation base of an asset or an obligation, where the tax base is compared with the IFRS carrying amount. This is likely to result in additional or reduced tax burdens in the future.

BKS Bank AG does not fall within the scope of the global minimum taxation (Pillar Two) application report as it does not meet the minimum revenue thresholds.

Provisions

In accordance with IAS 37, provisions are reported when a past event gives rise to a present obligation to third parties that is likely to result in an outflow of resources, the amount of which can be reliably estimated. At BKS Bank, provisions are primarily recognized for post-employment benefits and similar staff-related obligations in accordance with IAS 19. The provisions for death benefits were also calculated in accordance with the IFRS principles of IAS 19. The AVÖ 2018-P mortality table, published in August 2018, was used for the actuarial calculation of the social capital provisions. BKS Bank also recognizes provisions for taxes. In addition, the ECL determined for financial guarantees and for the undrawn portion of a loan commitment is recognized in the balance sheet as a provision.

Shareholders' equity

Shareholders' equity comprises the paid-in capital and earned capital. Capital reserves contain premiums from the issuance of shares. Retained earnings mainly comprise retained profits. BKS Bank strives to strengthen its shareholders' equity in the long term by retaining the profits it generates. The other reserves (exchange rate fluctuations and fair value reserves) contain the income and expenses recognized in other comprehensive income. Four additional tier 1 bonds have been issued since 2015. These bonds are classified as shareholders' equity according IAS 32 and are reported in shareholders' equity as additional equity instruments.

Notes on individual items in the income statement

Net interest income

Net interest income comprises interest income from lending operations, from securities held in own portfolios, from equity interests in the form of dividend distributions, from lease receivables, and from investment property, less interest expenses for deposits from customers and other banks, for debt securities issued, and for investment property. Interest income and expenses are recognized on an accrual basis. This applies analogously to positive interest expenses, which are recognized as interest income. Modification gains or losses resulting from changes in contractual terms that do not result in a disposal of an asset are also reported in net interest income.

Loan loss provisions

This item includes expenses and income from the allocation and reversal of loan loss provisions equivalent to the 12-month expected credit loss (Stage 1) or the lifetime expected credit Loss (Stage 2 and Stage 3). These provisions are recognized for financial instruments measured at amortized cost or at fair value through other comprehensive income (FV OCI mandatory), as well as for loan commitments and financial guarantee contracts. See also Note (2) for details.

Fees and commission income or expense

Fees and commission income presents all income generated and expenses incurred in connection with the delivery of services on an accrual basis. Fees and commissions for services delivered over a period of time are collected over the corresponding period. This applies, in particular, to certain fees and commissions from lending operations. However, fees and commissions for transaction-related services are not collected until the services have been delivered in full. These mainly consist of fees and commissions from payment and securities transactions.

Net trading income

Net trading income comprises income and expenses related to both proprietary trading activities and derivative transactions. Items in the trading book were measured at fair value. Valuation gains and losses are also recognized in Net trading income.

Operating expenses

Operating expenses include staff costs, material costs, and depreciation/amortization on an accrual basis.

Other operating expenses/income

Other operating expenses/income comprises fees, levies, damage incidents, damage compensation, proceeds from property sales, and similar items on an accrual basis. This item also records changes in the value of investment property.

Profit/loss from financial assets/liabilities

Profit/loss from financial assets/liabilities comprises the profit/loss from financial instruments designated at fair value, as well as the profit/loss from financial assets which are to be measured at fair value through profit or loss (mandatory). This includes net profits or losses from equity instruments for which the fair value OCI option has not been exercised and from financial assets whose contractual cash flows are not solely payments of principal and interest on the outstanding principal amount. This item also comprises profits and losses from the disposal of financial assets measured at amortized cost. It likewise includes direct write-offs and subsequent recoveries on receivables previously written off. Profit/loss from the recognition of from financial assets measured at fair value through other comprehensive income (FV OCI) are presented under Other comprehensive income from financial assets/liabilities.

Judgment calls and estimates

Estimates and assumptions are required to account for certain balance sheet items. These estimates and assumptions are based on historical experience, planning, expectations, and forecasts of future events that appear likely from the current perspective. The assumptions underlying the estimates are reviewed regularly. Potential uncertainties that may affect estimates sometimes require adjustments to the carrying amounts of assets and liabilities in future periods. Current geopolitical developments (the war in Ukraine, conflicts in the Middle East, the U.S. government's trade policy) are exacerbating these uncertainties and may have a significant impact on the assets and liabilities, financial position and profit or loss of the BKS Bank Group. The recoverability of financial assets, in particular, could be negatively impacted in future. The double materiality assessment, which forms the basis of BKS Bank's sustainability reporting, included an assessment of the extent, to which climate risks have a financial impact on the bank. BKS Bank's assumption is that no material impacts are to be anticipated in the short term. However, climate change could have financial impacts in the medium to long term. Additionally, there are estimation uncertainties relating to ongoing legal proceedings. All foreseeable impacts were taken into account in preparing the 2025 annual financial statement. For details on the calculation

of the loan loss provisions in connection with current economic trends, see the section “Impact of current economic developments on accounting policies”.

Furthermore, BKS Bank maintains branches and leasing companies as well as one representative office in the Austrian, Croatian, Slovenian, Serbian, northern Italian and Slovakian markets. In areas where judgment calls, assumptions, and estimates are utilized, the economic environment in these markets is analyzed and factored into the decision-making process.

Significant judgment calls, assumptions, and estimates were made in the following areas:

Ongoing legal proceedings

Please see Note (45) Operational risk in the Risk report for a description of ongoing legal proceedings.

Recoverability of financial assets – loan loss provisions

Identifying an impairment triggering event and determining the need for an impairment adjustment involves significant estimation uncertainties and judgement calls arising from the borrower’s economic position and development, which impact the amount and timing of expected future cash flows. The loss provisions for loans where no impairment has yet been identified are calculated based on statistical methods based on models and metrics such as the probability of default, loss ratio, and scenarios relating to the development of the economic environment. They therefore also involve judgment calls and estimation uncertainties. Furthermore, financial assets measured at amortized cost are assessed at each balance sheet date for objective indications of any potential impairment. This requires estimates of the amount and timing of future cash flows.

Sensitivity analysis

Sensitivity scenario in EUR k	Explanation	2024	2025
Staging: negative scenario	Financial instruments with an “investment grade” rating class move from Stage 1 to Stage 2. This marks a transition from the 12-month ECL perspective to the lifetime concept.	-19,950	-23,862
Staging: positive scenario	Financial instruments that have been classified as Stage 2 due to a historical credit downgrade move from Stage 2 to Stage 1. This is equivalent to moving from the lifetime concept to the 12-month ECL.	14,740	12,406
Macroeconomic assessment: negative scenario	The weighting factors for future economic developments deteriorate and the worst-case scenario is weighted 5% higher, the best-case scenario 5% lower.	-3,075	-3,002
Macroeconomic assessment: positive scenario	The weighting factors for future economic developments in target markets improve and the best-case scenario is weighted 5% higher, the worst-case scenario 5% lower.	3,075	3,002
Macroeconomic assessment: negative scenario	The weighting factors for future economic developments deteriorate and the worst-case scenario is weighted 5% higher, the normal scenario 5% lower.	-2,195	-2,162
Macroeconomic assessment: positive scenario	The weighting factors for future economic developments in target markets improve and the best-case scenario is weighted 5% higher, the normal scenario 5% lower.	880	840
Probability of default: negative scenario	The probability of default in the migration matrix increases by a factor of 1.1.	-5,155	-4,954
Probability of default: positive scenario	The probability of default in the migration matrix decreases by a factor of 1.1.	4,785	4,575

Reclassification from Stage 1 to Stage 2 occurs as soon as there is a significant increase in the credit risk. The assessment of such an increase is subject to discretion.

Measuring the fair value of financial assets and liabilities

The fair value is the price that would be paid in an orderly business transaction between market participants on the measurement date for the sale of an asset or the transfer of a liability. IFRS 13 governs how the fair value is calculated for assets and liabilities which must or can be measured at fair value, as well as the disclosures required for the fair value measurement, applicable across all standards.

Recoverability of investments in companies accounted for using the equity method

Company valuations are performed using the dividend discount method (DDM), which determines the value of the entity as the present value of the cash flows from future business earnings, taking into account regulatory capital requirements. Future earnings are estimated based on plausible and justifiable assumptions. The forecasts are based on approved five-year business plans. A 0.25% increase in the market risk premium reduces the value in use for the shares in Oberbank AG and BTV Vier Länder Bank AG by 2.0%, or EUR 24.2mn. A 0.25% reduction in the market risk premium increases the value in use by 2.1%, or EUR 25.3mn. The sensitivity calculation based on the market risk premium would not have any impact on the balance sheet.

Provisions for social capital

The calculation of provisions for post-employment benefits, termination benefits, anniversary bonuses, and death benefits requires estimates regarding the discount rate, salary trends, career trends, and the retirement age. The discount rate, in particular, plays an important role, since a change in the interest rate has a material impact on the amount of the provisions. Please see Note 30 for further details.

Other provisions

The amount of the other provisions is determined based on empirical data and expert estimates.

Details on the consolidated statement of cash flows

The cash and cash equivalents reported in the consolidated statement of cash flows corresponds to the cash and balances with central banks in the amount of EUR 644.0mn (previous year: EUR 963.9mn) and loans and advances to banks due on demand in the amount of EUR 32.2mn (previous year: EUR 34.7mn).

Changes to the financial liabilities allocated to the cash flow from financing activities were as follows:

2025	01/01	Cash outflow	Cash inflow	Non-cash accrued interest and other changes	12/31
Subordinated liabilities and debt securities issued	1,143,073	-131,500	441,169	6,506	1,459,247
• Debt securities issued	873,693	-111,500	398,027	5,241	1,165,461
• Subordinated debt	269,379	-20,000	43,142	1,265	293,786
Lease liabilities	22,718	-3,323	-	785	20,179

2024	01/01	Cash outflow	Cash inflow	Non-cash accrued interest and other changes	12/31
Subordinated liabilities and debt securities issued	1,087,719	-111,750	164,225	2,879	1,143,073
• Debt securities issued	822,761	-91,750	140,198	2,484	873,693
• Subordinated debt	264,957	-20,000	24,027	395	269,379
Lease liabilities	19,804	-3,287	-	6,201	22,718

Details on the income statement

(1) Net interest income

in EUR k	FY24	FY25	± in %
Lending operations measured at amortized cost	335,975	272,303	-19.0
Fixed-interest securities measured at amortized cost	17,501	23,322	33.3
Fixed-interest securities measured at FV OCI	682	584	-14.3
Modification gains	829	63	-92.4
Total interest income from application of the effective interest method	354,987	296,272	-16.5
Lending operations measured at fair value	14,840	13,367	-9.9
Lease receivables	34,819	30,580	-12.2
Shares and other non-interest-bearing securities	3,671	9,916	>100
Investment property	4,352	5,386	23.8
Total other interest income and other similar income	57,681	59,249	2.7
Total interest income	412,668	355,522	-13.8
Interest expenses and other similar expenses for:			
Deposits from customers and other banks	140,185	85,267	-39.2
Debt securities issued	28,362	37,199	31.2
Modification losses	1,223	1,413	15.5
Investment property	1,000	1,201	20.2
Lease liabilities	292	287	-1.9
Total interest expenses and other similar expenses	171,062	125,368	-26.7
Net interest income	241,606	230,154	-4.7

Contract modifications reported in net interest income resulted in a gain in the amount of EUR 0.1mn (previous year: EUR 0.8mn) and a loss in the amount of EUR 1.4mn (previous year: EUR 1.2mn). Amortized costs prior to contract modifications totaled EUR 62.5mn (previous year: EUR 77.2mn).

(2) Loan loss provisions

in EUR k	FY24	FY25	± in %
Financial instruments measured at amortized cost			
• Allocation (+)/reversal (-) of loan loss provisions (net)	31,207	35,859	14.9
Financial instruments measured at fair value OCI			
• Allocation (+)/reversal (-) of loan loss provisions (net)	-131	-26	80.0
Loan commitments and financial guarantee contracts			
• Allocation (+)/reversal (-) of provisions (net)	9,039	6,774	-25.1
Loan loss provision	40,115	42,607	6.2

Loan loss provisions for lease receivables include an allocation to loan loss provisions in the amount of EUR 2.5mn (previous year: reversal of EUR 0.3mn).

(3) Fees and commission income or expense

in EUR k	FY24	FY25	± in %
Fees and commission income:			
Payment transactions	34,230	35,678	4.2
Securities transactions	22,874	25,438	11.2
Lending operations	16,020	16,978	6.0
Foreign exchange operations	3,655	3,743	2.4
Other services	999	1,000	0.2
Total fees and commission income	77,777	82,837	6.5
Fees and commission expenses:			
Payment transactions	3,918	4,298	9.7
Securities transactions	2,323	2,584	11.2
Lending operations	1,051	1,379	31.2
Foreign exchange operations	89	76	-14.1
Other services	30	22	-27.4
Total fees and commission expenses	7,412	8,359	12.8
Fees and commission income or expense	70,365	74,478	5.8

(4) Profit/loss from companies accounted for using the equity method

in EUR k	FY24	FY25	± in %
Profit/loss from companies accounted for using the equity method	78,912	70,888	-10.2
Profit/loss from companies accounted for using the equity method	78,912	70,888	-10.2

(5) Net trading income

in EUR k	FY24	FY25	± in %
Price-based transactions	-42	-47	-12.7
Interest rate and currency contracts	1,034	593	-42.7
Net trading income	992	546	-45.0

(6) Operating expenses

in EUR k	FY24	FY25	± in %
Personnel expenses	89,374	94,751	6.0
• Wages and salaries	64,946	68,320	5.2
• Social insurance contributions	15,524	16,490	6.2
• Costs of retirement benefits	5,478	4,824	-11.9
• Other social expenses	3,426	5,117	49.3
Material expenses	59,857	58,085	-3.0
Depreciation/amortization	12,343	12,802	3.7
Operating expenses	161,574	165,638	2.5

Expenses for retirement benefits include defined contribution payments to a pension fund to the amount of EUR 1.7mn (previous year: EUR 1.7mn).

(7) Other operating income and expenses

in EUR k	FY24	FY25	± in %
Other operating income	11,624	10,763	-7.4
Other operating expense	-12,056	-12,304	2.1
Other operating income/expenses	-432	-1,541	>-100

The main sources of other operating income relate to non-interest-bearing lease income of EUR 4.7mn (previous year: EUR 3.9mn) and income from the insurance business of EUR 1.7mn (previous year: EUR 1.4mn). Expenses include the Austrian stability charge of EUR 1.8mn (previous year: EUR 1.3mn) and the special bank tax of EUR 2.8mn. Taking into account its deductibility in Austria, tax on the Slovenian balance sheet total will lead to additional expenses of EUR 0.7mn (previous year: EUR 2.7mn). Provisions of EUR 1.6mn were recognized by BKS Bank in connection with the issue of credit processing fees for consumer loans. Other operating income also includes changes in the fair values of investment property which, in total, positively affect other operating income in the amount of EUR 1.0mn (previous year: EUR 0.1mn).

(8) Profit/loss from financial instruments designated at fair value

in EUR k	FY24	FY25	± in %
Profit/loss from fair value option	-3,290	2,466	>100
Profit/loss from financial instruments designated at fair value	-3,290	2,466	>100

Fixed-interest loans to customers in the amount of EUR 256.8mn (previous year: EUR 279.1mn) and own issues in the amount of EUR 26.2mn (previous year: EUR 26.2mn) were hedged using interest rate swaps under the fair value option. Profit/loss from fair value option primarily reflects the net measurement gains or losses from interest rate swaps and the instrument to be hedged.

(9) Profit/loss from financial assets measured at fair value through profit or loss (mandatory)

in EUR k	FY24	FY25	± in %
Profit/loss from measurement	500	1,323	>100
Profit/loss on disposal	-6	110	>100
Profit/loss from financial assets measured at fair value through profit or loss (mandatory)	494	1,433	>100

(10) Profit/loss from the derecognition of financial assets measured at amortized cost

in EUR k	FY24	FY25	± in %
Loans and advances to banks	-	-	-
• of which profit	-	-	-
• of which loss	-	-	-
Loans and advances to customers	523	-5,731	>-100
• of which profit	1,060	1,643	54.9
• of which loss	-537	-7,373	>100
Debt securities	-756	-	-
• of which profit	-	-	-
• of which loss	-756	-	-
Profit/loss from the derecognition of financial assets measured at amortized cost	-233	-5,731	>-100

Profit/loss from the derecognition of loans and advances to customers measured at amortized cost includes disposal gains/losses arising from material amendments to contractual conditions. This item also includes direct write-offs and recoveries on receivables previously written off.

(11) Other comprehensive income from financial assets/liabilities

in EUR k	FY24	FY25	± in %
Derecognition gains/losses	72	20	-71.8
• from financial assets measured at fair value through OCI	4	-	-
• from financial liabilities measured at amortized cost	68	20	-
Other comprehensive income from financial assets/liabilities	72	20	-71.8

(12) Income tax expense

in EUR k	FY24	FY25	± in %
Current taxes	-19,352	-14,683	-24.1
Deferred taxes	-4,209	-2,763	-34.3
Income tax expense	-23,560	-17,446	-26.0

Reconciliation table

in EUR k	FY24	FY25
Profit/loss for the year before tax	186,797	164,468
Applicable tax rate	23%	23%
Computed tax expense	42,963	37,828
Effect of differing tax rates	-258	-325
Tax savings		
• from tax-exempt investment income	-609	-2,060
• effects of investments in companies accounted for using the equity method	-18,150	-16,304
• from other tax-exempt income	-242	-1,535
• from other valuation adjustments	554	-643
Additional tax incurred		
• due to non-deductible expenses	1,907	889
• from other tax effects	5	1,575
Change in tax rate	-228	-
Aperiodic tax expense/income	-2,382	-1,979
Income tax expense in period	23,560	17,446
Effective tax rate	12.6%	10.6%

Details concerning the balance sheet**(13) Cash and balances with central banks**

in EUR k	FY24	FY25	± in %
Cash in hand	41,161	39,451	-4.2
Credit balances with central banks	922,706	604,579	-34.5
Cash and balances with central banks	963,867	644,029	-33.2

(14) Loans and advances to banks

in EUR k	FY24	FY25	± in %
Loans and advances to domestic banks	13,213	7,766	-41.2
Loans and advances to foreign banks	25,669	168,488	>100
Loans and advances to banks	38,881	176,254	>100

Loans and advances to banks by remaining time to maturity

in EUR k	FY24	FY25	± in %
Due on demand	34,613	32,162	-7.1
Up to 3 months	-	95,032	-
Between 3 months and 1 year	-	49,060	-
Between 1 and 5 years	4,268	-	-
Over 5 years	-	-	-
Loans and advances to banks by remaining time to maturity	38,881	176,254	>100

Loss provisions for loans and advances to banks measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	4	92	-	96
Additions due to new business	30	-	-	30
Change within stage				
• Allocation/reversal	-	-	-	-
• Disposal due to use	-	-	-	-
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	2	-92	-	-90
- Reclassification from Stage 3 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 2	-	-	-	-
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2	-	-	-	-
- Reclassification from Stage 1 to Stage 3	-	-	-	-
- Reclassification from Stage 2 to Stage 3	-	-	-	-
Disposals due to repayment	-1	-	-	-1
As of 12/31/2025	35	-	-	35

The gross carrying amounts changed as follows in financial year 2025:

Gross carrying amounts for loans and advances to banks measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	36,316	2,661	-	38,977
Additions due to new business	144,419	-	-	144,419
Change within stage				
• Increase/decrease in receivable	3,103	-9	-	3,094
• Disposal due to use	-	-	-	-
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	2,753	-2,649	-	104
- Reclassification from Stage 3 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 2	-	-	-	-
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2			-	-
- Reclassification from Stage 1 to Stage 3	-	-	-	-
- Reclassification from Stage 2 to Stage 3	-	-	-	-
Disposals due to repayment	-10,304		-	-10,304
As of end of reporting period	176,287	3	-	176,290

(15) Loans and advances to customers

(15.1) Loans and advances to customers by customer group

in EUR k	FY24	FY25	± in %
Corporate customers	6,153,656	6,239,187	1.4
Retail customers	1,287,734	1,303,939	1.3
Loans and advances to customers by customer group	7,441,390	7,543,126	1.4

Loans and advances to customers include receivables from leases in the amount of EUR 730.9mn (previous year: EUR 692.5mn). There were no material sale-and-lease-back transactions in the reporting year.

(15.2) Loans and advances to customers by measurement category

in EUR k	FY24	FY25	± in %
Financial assets measured at amortized cost	7,124,276	7,250,392	1.8
Financial assets measured at fair value through profit or loss (designated)	279,063	256,821	-8.0
Financial assets measured at fair value through profit or loss (mandatory)	38,051	35,913	-5.6
Loans and advances to customers by measurement category	7,441,390	7,543,126	1.4

The maximum credit risk for loans and advances to customers designated at fair value through profit or loss corresponds to their carrying amount of EUR 256.8mn (previous year: EUR 279.1mn).

Loans and advances to customers by remaining time to maturity

in EUR k	FY24	FY25	± in %
Due on demand	1,302	794,583	>100
Up to 3 months	1,090,072	991,920	-9.0
Between 3 months and 1 year	487,940	308,517	-36.8
Between 1 and 5 years	1,906,592	2,000,248	4.9
Over 5 years	3,955,484	3,447,859	-12.8
Loans and advances to customers by remaining time to maturity	7,441,390	7,543,126	1.4

Finance lease receivables by remaining time to maturity – IFRS 16

in EUR k	FY24	FY25
Less than one year	232,958	244,718
One to two years	179,145	186,946
Two to three years	140,280	142,780
Three to four years	98,885	95,249
Four to five years	56,381	57,254
Over five years	69,469	83,522
Total amount of non-discounted lease receivables	777,120	810,469
Unrealized financial income	84,637	79,601
Net investment in lease contracts	692,483	730,867

There are no non-guaranteed residual values as of December 31, 2025.

Loss provisions for loans and advances to customers measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	15,298	32,124	99,329	146,750
Additions due to new business	4,648	2,822	-	7,470
Change within stage				
• Allocation/reversal	-1,553	-4,908	18,544	12,083
• Disposal due to use	-	-	-58,300	-58,300
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	1,314	-5,043	-	-3,729
- Reclassification from Stage 3 to Stage 1	1	-	-32	-31
- Reclassification from Stage 3 to Stage 2	-	690	-1,320	-630
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2	-1,342	6,278	-	4,936
- Reclassification from Stage 1 to Stage 3	-158	-	6,486	6,328
- Reclassification from Stage 2 to Stage 3	-	-6,136	13,712	7,576
Disposals due to repayment	-1,303	-1,309	-8,207	-10,819
As of 12/31/2025	16,905	24,518	70,212	111,635

Loss provisions for loans and advances include impairments for lease receivables in the amount of EUR 6.7mn (previous year: EUR5.2mn).

The gross carrying amounts changed as follows in financial year 2025:

Gross carrying amounts of loans and advances to customers measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	5,763,461	1,238,215	269,350	7,271,026
Additions due to new business	1,182,943	97,269	-	1,280,212
Change within stage				
• Increase/decrease in receivable	-356,382	-78,256	-31,285	-465,923
• Disposal due to use/direct write-off	-	-31,362	-34,298	-65,660
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	151,409	-156,783	-	-5,374
- Reclassification from Stage 3 to Stage 1	114	-	-130	-16
- Reclassification from Stage 3 to Stage 2	-	8,851	-9,632	-781
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2	-338,254	318,572	-	-19,682
- Reclassification from Stage 1 to Stage 3	-32,083	-	26,879	-5,204
- Reclassification from Stage 2 to Stage 3	-	-80,619	79,189	-1,430
Disposals due to repayment	-443,955	-151,387	-29,800	-625,142
As of end of reporting period	5,927,253	1,164,500	270,273	7,362,026

(16) Trading assets

in EUR k	FY24	FY25	± in %
Positive fair values of derivative financial products	6,945	7,069	1.8
• Currency contracts	2,119	500	-76.4
• Interest rate contracts	1	-	-
• Hedging transactions related to fair value option	4,825	6,569	36.1
Trading assets	6,945	7,069	1.8

(17) Debt securities and other fixed-interest securities

in EUR k	FY24	FY25	± in %
Financial assets measured at amortized cost	1,273,445	1,369,192	7.5
Financial assets measured at fair value OCI	32,395	26,718	-17.5
Financial assets measured at fair value through profit or loss (mandatory)	38	-	-
Debt securities and other fixed-interest securities	1,305,878	1,395,910	6.9

Debt securities and other fixed-interest securities by remaining time to maturity

in EUR k	FY24	FY25	± in %
Up to 3 months	50,727	32,683	-35.6
Between 3 months and 1 year	139,135	192,690	38.5
Between 1 and 5 years	641,932	625,730	-2.5
Over 5 years	474,084	544,806	14.9
Debt securities and other fixed-interest securities by remaining time to maturity	1,305,878	1,395,910	6.9

Debt securities and other fixed-interest securities in the amount of EUR 212.8mn (previous year: EUR 180.2mn) will fall due in the financial year 2026.

Loss provisions for debt securities measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	1,256	-	-	1,256
Additions due to new business	431	-	-	431
Change within stage	-	-	-	-
• Allocation/reversal	-134	-	-	-134
• Disposal due to use	-	-	-	-
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 2	-	-	-	-
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2			-	-
- Reclassification from Stage 1 to Stage 3	-	-	-	-
- Reclassification from Stage 2 to Stage 3	-	-	-	-
Disposals due to repayment	-97	-	-	-97
As of 12/31/2025	1,456	-	-	1,456

The gross carrying amounts changed as follows in financial year 2025:

Gross carrying amounts for debt securities measured at amortized cost

in EUR k	Stage 1	Stage 2	Stage 3	2025
As of 01/01/2025	1,274,701	-	-	1,274,701
Additions due to new business	242,466	-	-	242,466
Change within stage				
• Increase/decrease in receivable	28,317	-	-	28,317
• Disposal due to use/direct write-off	-	-	-	-
Stage reclassification:				
• Downgrade due to credit risk				
- Reclassification from Stage 2 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 1	-	-	-	-
- Reclassification from Stage 3 to Stage 2	-	-	-	-
• Upgrade due to credit risk				
- Reclassification from Stage 1 to Stage 2	-	-	-	-
- Reclassification from Stage 1 to Stage 3	-	-	-	-
- Reclassification from Stage 2 to Stage 3	-	-	-	-
Disposals due to repayment	-174,836	-	-	-174,836
As of end of reporting period	1,370,648	-	-	1,370,648

(18) Shares and other non-interest-bearing securities

in EUR k	FY24	FY25	± in %
Financial assets measured at fair value through profit or loss (mandatory)	35,350	33,258	-5.9
Financial assets measured at fair value OCI	144,554	159,153	10.1
Shares and other non-interest-bearing securities	179,904	192,411	7.0

Investment fund assets in the bank's own portfolio are recognized in the measurement category at fair value through profit or loss (mandatory).

(19) Investments in companies accounted for using the equity method

in EUR k	FY24	FY25	± in %
Oberbank AG	567,003	602,312	6.2
BTV Vier Länder Bank AG	308,715	327,509	6.1
Investments in companies accounted for using the equity method	875,718	929,820	6.2

(20) Intangible assets

in EUR k	FY24	FY25	± in %
Intangible assets	8,999	7,678	-14.7
Intangible assets	8,999	7,678	-14.7

Intangible assets include customer bases with a carrying amount of EUR 2.9mn (previous year: EUR 3.8mn).

(21) Property, plant and equipment

in EUR k	FY24	FY25	± in %
Land	6,106	6,104	-
Buildings	38,495	43,063	11.9
Other property, plant and equipment	16,161	18,329	13.4
Right-of-use assets for leased real estate	22,165	19,515	-12.0
Property, plant and equipment	82,927	87,012	4.9

The rights-of-use assets reported predominantly relate to leases for branches and office space in Austria and abroad. Depreciation/amortization of activated rights of use totaled EUR 3.1mn in the financial year 2025 (previous year: EUR 3.1mn). In addition, interest expenses to the amount of EUR 0.3mn (previous year: EUR 0.3mn) were recognized for lease liabilities. There were no material additions to rights-of-use assets in the financial year 2025 (previous year: EUR 0.1mn). Total cash outflows from leases came to EUR 3.3mn (previous year: EUR 3.3mn).

(22) Investment property

in EUR k	FY24	FY25	± in %
Investment property	125,486	127,102	1.3

Rental income in the reporting year totaled EUR 5.4mn (previous year: EUR 4.4mn). Expenses relating to achieving rental income totaled EUR 1.2mn (previous year: EUR 1.0mn).

Property, plant and equipment, intangible assets, and investment property owned 2025

in EUR k	Property, plant and equipment	Intangible assets ¹	Investment property ²	Total
Carrying amount as of 01/01/2025	60,762	8,999	125,486	195,247
Addition	13,398	1,776	622	15,796
Disposal	97	-	-	97
Exchange differences	-	-	-	-
Change in fair value	-	-	995	995
Depreciation/amortization	6,501	3,163	-	9,664
Reclassified	-65	65	-	-
Carrying amount as of 12/31/2025	67,497	7,678	127,102	202,277

¹ Intangible assets

² Investment properties

As of the reporting date, property, plant and equipment with a gross carrying amount of EUR 180.0mn (previous year: EUR 166.8mn) and accumulated depreciation of EUR 112.5mn (previous year: EUR 106.0mn) was reported in the balance sheet. The gross carrying amount of intangible assets as of the reporting date was EUR 28.9mn (previous year: EUR 27.1mn), while accumulated amortization came to EUR 21.2mn (previous year: EUR 18.1mn).

Changes in use did not give rise to any additions in relation to investment property in the reporting year (previous year: EUR 4.5mn). These changes are reported as reclassifications in the statement of changes in fixed assets.

Property, plant and equipment, intangible assets, and investment properties owned 2024

in EUR k	Property, plant and equipment	Intangible assets ¹	Investment property ²	Total
Carrying amount as of 01/01/2024	59,773	9,239	120,870	189,882
Addition	12,774	2,863	-	15,637
Disposal	124	-	-	124
Exchange differences	-	-	-	-
Change in fair value	-	-	142	142
Depreciation/amortization	6,093	3,103	-	9,196
Reclassified	-5,568	-	4,474	-1,094
Carrying amount as of 12/31/2024	60,762	8,999	125,486	195,247

¹ Intangible assets

² Investment properties

(23) Current tax assets and current tax liabilities

in EUR k	FY24	FY25	± in %
Current tax assets	11,823	7,768	-34.3
Current tax liabilities	11,880	9,782	-17.7

(24) Deferred tax assets and deferred tax liabilities

in EUR k	As of 12/31/2024	As of 12/31/2025	Deferred tax assets	Deferred tax liabilities
Loans and advances to banks	-982	-	-	-
Loans and advances to customers	4,853	5,061	5,227	166
Loan loss provisions	7,883	6,680	6,695	16
Trading assets/liabilities	-32	-1,164	459	1,623
Debt securities and other fixed-interest securities	-1,936	-2,509	457	2,966
Shares and other non-interest-bearing securities	-20,639	-24,209	100	24,309
Property, plant and equipment	-4,022	-3,713	41	3,754
Investment property	-7,674	-8,447	447	8,894
Other assets/liabilities	3,232	2,924	2,924	-
Debt securities issued	119	294	294	-
Provisions/social capital	7,186	5,656	5,730	74
Shareholders' equity – issues	-199	-215	-	215
Tax assets/liabilities before netting	-12,212	-19,642	22,374	42,015
Netting of taxes	-	-	-12,583	-12,583
Net deferred tax assets/liabilities	-	-	9,791	29,433

Deferred tax assets and deferred tax liabilities 2024

in EUR k	Balance as of 12/31/2023	As of 12/31/2024	Deferred tax assets	Deferred tax liabilities
Loans and advances to banks	-	-982	-	982
Loans and advances to customers	4,058	4,853	5,334	481
Loan loss provisions	10,867	7,883	7,883	-
Trading assets/liabilities	-717	-32	1,197	1,229
Debt securities and other fixed-interest securities	-1,196	-1,936	422	2,358
Shares and other non-interest-bearing securities	-16,934	-20,639	83	20,722
Property, plant and equipment	-4,787	-4,022	37	4,059
Investment property	-7,172	-7,674	448	8,122
Other assets/liabilities	5,205	3,232	3,232	-
Debt securities issued	83	119	119	-
Provisions/social capital	7,217	7,186	7,266	80
Equity – issues	-199	-199	-	199
Tax assets/liabilities before netting	-3,575	-12,212	26,020	38,232
Netting of taxes	-	-	-16,369	-16,369
Net deferred tax assets/liabilities	-	-	9,651	21,863

Deferred tax assets and deferred tax liabilities were offset in accordance with IAS 12.74.

Deferred tax assets were mainly attributable to the loan loss provisions in accordance with IFRS 9, the deferral of upfront fees in loans and advances to customers, and the measurement of the social capital in accordance with IAS 19, which differs from the tax bases. Deferred taxes recognized directly in shareholders' equity in the reporting year in accordance with IAS 19 totaled EUR -1.3mn (previous year: EUR -0.7mn).

Deferred tax liabilities were primarily attributable to the fair value measurement of investment property, the measurement of financial assets at fair value, the application of the effective interest method to securities measured at amortized cost, and to derivatives in the banking book with positive market values.

The application of IFRS 16 resulted in deferred tax assets and deferred tax liabilities that offset each other almost entirely.

There were no loss carryforwards subject to deferred tax assets.

(25) Other assets

in EUR k	FY24	FY25	± in %
Other assets	9,767	10,573	8.3
Deferred items	11,049	12,240	10.8
Other assets	20,815	22,812	9.6

(26) Deposits from banks

in EUR k	FY24	FY25	± in %
Deposits from Austrian banks	796,550	334,639	-58.0
Deposits from foreign banks	51,349	30,478	-40.6
Deposits from banks	847,899	365,116	-56.9

Deposits from banks by remaining time to maturity

in EUR k	FY24	FY25	± in %
Due on demand	124,211	15,367	-87.6
Up to 3 months	95,177	159,674	67.8
Between 3 months and 1 year	545,388	51,008	-90.6
Between 1 and 5 years	421	43,588	>100
Over 5 years	82,702	95,479	15.4
Deposits from banks by remaining time to maturity	847,899	365,116	-56.9

(27) Deposits from customers

in EUR k	FY24	FY25	± in %
Savings deposits	800,254	700,863	-12.4
• Corporate customers	49,865	42,100	-15.6
• Retail customers	750,390	658,763	-12.2
Other liabilities	6,134,062	6,347,584	3.5
• Corporate customers	3,825,975	3,805,006	-0.5
• Retail customers	2,308,086	2,542,578	10.2
Deposits from customers	6,934,316	7,048,447	1.6

Deposits from customers by remaining time to maturity

in EUR k	FY24	FY25	± in %
Due on demand	4,632,860	4,677,002	1.0
Up to 3 months	223,443	722,867	>100
Between 3 months and 1 year	871,019	943,338	8.3
Between 1 and 5 years	959,928	696,289	-27.5
Over 5 years	247,066	8,951	-96.4
Deposits from customers by remaining time to maturity	6,934,316	7,048,447	1.6

(28) Debt securities issued

in EUR k	FY24	FY25	± in %
Bonds issued	873,693	1,165,461	33.4
Debt securities issued	873,693	1,165,461	33.4

Debt securities issued include bonds issued in the amount of EUR 26.2mn (previous year: EUR 26.2mn) that are measured at fair value (application of the fair value option). The carrying amount of debt securities issued measured at fair value, including accrued interest, is EUR 1.2mn higher than the repayment amount (previous year: EUR 1.2mn).

Debt securities issued by remaining time to maturity

in EUR k	FY24	FY25	± in %
Up to 3 months	81,478	37,756	-53.7
Between 3 months and 1 year	38,606	78,611	>100
Between 1 and 5 years	540,351	818,617	51.5
Over 5 years	213,259	230,477	8.1
Debt securities issued by remaining time to maturity	873,693	1,165,461	33.4

(29) Trading liabilities

in EUR k	FY24	FY25	± in %
Negative fair values of derivative financial instruments	10,282	2,574	-75.0
• Currency contracts	5,761	1,144	-80.1
• Interest rate contracts	86	56	-34.9
• Hedging transactions related to fair value option	4,436	1,374	-69.0
Trading liabilities	10,282	2,574	-75.0

(30) Provisions

in EUR k	FY24	FY25	± in %
Provisions for post-employment benefits and similar obligations	54,268	45,526	-16.1
Provisions for taxes (current taxes)	4,407	6,106	38.6
Provisions for lending operations	47,040	51,751	10.0
Other provisions	26,600	27,400	3.0
Provisions	132,315	130,785	-1.2

Provisions for post-employment benefits and similar obligations include provisions for termination benefits of EUR 16.3mn (previous year: EUR 18.7mn), pension obligations of EUR 23.8mn (previous year: EUR 29.1mn), as well as provisions for anniversary bonuses of EUR 5.4mn (previous year: EUR 6.4mn). Provisions for lending operations include provisions of EUR 9.3mn (previous year: EUR 11.3mn) due to the proportionate consolidation of ALGAR. Provisions of EUR 3.0mn (previous year: EUR 3.3mn) are reported in connection with the legal issue concerning the inter-bank tax exemption pursuant to Section 6 (1) (28), second sentence of the Austrian VAT Act (UstG). Material other provisions concern provisions for death benefits of EUR 2.8mn (previous year: EUR 3.8mn), provisions for remuneration of EUR 2.4mn (previous year: EUR 2.8mn), and provisions of EUR 8.0mn (previous year: EUR 8.1mn) in connection with the legal situation in Slovenia and the court rulings regarding loans in Swiss francs.

Changes in provisions

in EUR k	Total 2024	Post- employment benefits and similar obligations	Taxes	Provisions for lending operations	Other	Total 2025	± in %
Provisions as of 01/01	157,603	54,268	4,407	47,040	26,600	132,315	-16.0
± Currency changes	-	-	-	-	-	-	-
+ Additions	22,522	754	2,126	7,558	7,184	17,622	-21.8
- Drawdown	-19,875	-4,805	-427	-	-4,779	-10,011	-49.6
- Reversal	-27,934	-4,691	-	-2,847	-1,605	-9,143	-67.3
Provisions as of 12/31	132,315	45,526	6,106	51,751	27,400	130,785	-1.2

Provisions for termination benefits

According to the provisions of the Austrian Salaried Employees Act and the Austrian Termination Benefits Act, Austrian BKS Bank employees whose employment began before January 1, 2003 are entitled to termination benefits, provided there are corresponding grounds for termination. Furthermore, the collective bargaining agreement for the employees of banks and bankers provides employees who have been employed for more than 5 years an additional right to termination benefits of two months' salary in the event of termination by the employer. If an employee has worked for the bank for at least 15 years of eligible employment, this right also applies when they retire upon reaching the statutory retirement age. These additional monthly salaries are not covered by the contributions to the employee pension fund (new termination benefits).

Pension obligations

Pension obligations are based on the collective bargaining agreement for the revised pension law as amended December 23, 1996. The benefits provided under the pension obligations predominantly comprise old-age pensions, occupational disability pensions, and widow(er)'s and orphan's pensions. In the financial year 2000, existing benefit obligations were transferred to VBV-Pensionskasse AG as the legal successor to BVP-Pensionskassen AG. BKS Bank's benefit obligations result from pensions already being paid to former employees or their survivors and from the disability pension for employees who are still active.

Actuarial assumptions

in %	FY24	FY25
Financial assumptions		
Interest rate for pension obligations	3.41%	4.06%
Interest rate other social capital provisions	3.56%	4.35%
Salary trend of active employees	3.58%	2.35%
Pensions trend	3.22%	1.95%
Career trend	0.25%	0.25%
Demographic assumptions		
Retirement age	65 years	65 years
Mortality table	AVÖ 2018	AVÖ 2018

In accordance with IAS 19.83, the interest rate was determined based on yields for senior, fixed-rate corporate bonds. As in the previous year, the table published by Mercer (Austria) GmbH was used. Pension obligations and termination benefits are calculated at a discount rate that corresponds to their respective duration.

Changes in provisions for post-employment benefits and similar obligations

in EUR k	FY24	FY25	± in %
Provisions as of 01/01	61,230	54,268	-11.4
+Interest expense	2,040	1,779	-12.8
+Service costs	1,119	1,177	5.2
- Payments in the reporting year	-6,349	-4,480	-29.4
±Actuarial gains (-)/losses (+) ¹	-3,085	-5,842	-89.4
±Other gains and losses	-686	-1,376	>-100
Provisions as of 12/31	54,268	45,526	-16.1

¹ Based on modified financial assumptions

Sensitivity analysis for post-employment benefits and similar obligations

Sensitivity analysis of DBO/present value of obligations in EUR k	Termination benefits 12/31/2024	Post- employment benefits 12/31/2024	Termination benefits 12/31/2025	Post- employment benefits 12/31/2025
Discount rate +0.5%	-788	-1,135	-540	-803
Discount rate -0.5%	591	1,226	499	861
Wage increase +0.5%	587	51	506	29
Wage increase -0.5%	-790	-50	-551	-28
Pension increase +0.5%	-	1,054	-	751
Pension increase -0.5%	-	-994	-	-712
Increase in life expectancy by around 1 year	-	2,032	-	1,551

The sensitivity analysis shows the effect that a change in the parameters of the relevant actuarial assumptions would have on the provisions for termination and post-employment benefits as of December 31, 2025.

Maturity analysis

Cash flows in EUR k	Termination benefits 12/31/2025	Post- employment benefits 12/31/2025
Expected payments 2026	1,173	2,898
Expected payments 2027	1,850	2,595
Expected payments 2028	1,394	2,316
Expected payments 2029	1,543	2,061
Expected payments 2030	1,857	1,828
Total expected payments 2026–2030	7,817	11,698
Weighted average maturity	6.48	7.12

The maturity analysis shows the expected termination and post-employment benefit payments for the next five financial years, as calculated by the actuary. Payments in the financial year 2025 totaled EUR 4.2mn (previous year: EUR 5.9mn).

(31) Other liabilities

in EUR k	FY24	FY25	± in %
Other liabilities	18,686	17,478	-6.5
Deferred items	4,950	5,067	2.3
Lease liabilities	22,718	20,179	-11.2
Other liabilities	46,353	42,723	-7.8

The lease liabilities reported in accordance with IFRS 16 predominantly stem from lease agreements for branches and office space, and fall due as follows:

in EUR k	FY24	FY25	± in %
Up to 1 year	2,977	3,043	2.2
Between 1 and 5 years	10,289	9,476	-7.9
Over 5 years	9,452	7,660	-19.0
Lease liabilities	22,718	20,179	-11.2

(32) Subordinated debt

in EUR k	FY24	FY25	± in %
Supplementary capital	269,379	293,786	9.1
Subordinated debt	269,379	293,786	9.1

Subordinated debt is reported inclusive of accrued interest. The nominal value was EUR 289.8mn (previous year: EUR 266.7mn).

Subordinated debt by remaining time to maturity

in EUR k	FY24	FY25	± in %
Up to 3 months	3,678	4,891	33.0
Between 3 months and 1 year	20,000	17,292	-13.5
Between 1 and 5 years	70,242	97,298	38.5
Over 5 years	175,459	174,305	-0.7
Subordinated debt by remaining time to maturity	269,379	293,786	9.1

Supplementary capital note issues of EUR 17.3mn (previous year: EUR 20.0mn) will become due in the financial year 2026.

Details on subordinated debt (nominal values)

in EUR k	FY24	FY25	Full term
4% Nachrangige Obligation 2015-2025/2	20,000	-	10 years
3% Nachrangige Obligation 2017-2027/4	20,000	20,000	10 years
3.43% Nachrangige Obligation 2018-2028/3 PP	13,000	13,000	10 years
2.25% Nachrangige Obligation 2018-2026/3	17,287	17,287	8 years
4.54% Nachrangige Obligation 2019-2034/2/PP	8,000	8,000	15 years
3% Nachrangige Obligation 2019-2029/3	20,000	20,000	10 years
3% Nachrangige Obligation 2019-2030/4	20,000	20,000	11 years
3.85% Nachrangige Obligation 2019-2034/4/PP	3,400	3,400	15 years
3.125% Nachrangige Obligation 2019-2031/5	20,000	20,000	11.5 years
2.75% Nachrangige Obligation 2020-2032/1	8,433	8,433	12 years
3% Nachrangige Obligation 2020-2030/2	4,289	4,289	10 years
3% Nachrangige Obligation 2020-2030/3	20,000	20,000	10 years
3.25% Nachrangige Obligation 2021-2031/4/PP	20,000	20,000	10 years
3.03% Nachrangiges Schuldscheindarlehen 2021-2032	3,000	3,000	11 years
2.10% Nachrangige Obligation 2022-2032/1	1,229	1,229	10 years
3% Nachrangige Obligation 2022-2032/2	12,000	12,000	10 years
5% Nachrangige Obligation 2022-2032/6	20,000	20,000	10 years
5% Nachrangige Obligation 2023-2033/3	10,000	10,000	10 years
4.8% Nachrangige Obligation 2023-2033/8	10,000	10,000	10 years
4.9% Nachrangige Obligation 2024-2034/2	6,301	6,301	10 years
4% Nachrangige Obligation 2024-2031/5	9,764	9,800	7 years
4% Nachrangige Obligation 2025-2033/1	-	10,000	8 years
4% Nachrangige Obligation 2025-2033/3	-	5,821	8 years
4.25% Nachrangige Obligation 2025-2034/5	-	18,967	9 years
4.3% Nachrangige Obligation 2025-2034/8	-	8,318	9 years
Total subordinated debt	266,703	289,845	

Expenses for subordinated obligations in the financial year totaled EUR 10.5mn (previous year: EUR 9.2mn).

(33) Shareholders' equity

in EUR k	FY24	FY25	± in %
Subscribed capital	91,612	91,612	-
• Share capital	91,612	91,612	-
Capital reserves	273,093	273,093	-
Retained earnings and other reserves	1,494,402	1,632,773	9.3
Consolidated shareholders' equity	1,859,106	1,997,477	7.4
Additional equity instruments (AT1 bond)	65,200	65,200	-
Shareholders' equity	1,924,306	2,062,677	7.2

The capital stock comprises 45,805,760 no-par ordinary voting shares (previous year: 45,805,760), with a nominal value per share of EUR 2.0. The additional equity instruments relate to the additional tier 1 bonds issued, specifically BKS TIER 1 ANL 2015 (notional value EUR 23.4mn), BKS TIER 1 ANL 2017 (notional value EUR 14.5mn), BKS TIER 1 ANL 2018 (notional value EUR 17.3mn), and BKS TIER 1 ANL 2020 (notional value EUR 10.0mn), which must be classified as shareholders' equity in accordance with IAS 32.

Shares in issue 2025

	No-par ordinary shares
Number of shares	
As of 01/01/2025	45,709,522
Changes in treasury shares	3,962
As of 12/31/2025	45,713,484
Treasury shares in the Group's portfolio	92,276
Shares issued	45,805,760

Shares in issue 2024

	No-par ordinary shares
Number of shares	
As of 01/01/2024	45,552,885
Changes in treasury shares	156,637
As of 12/31/2024	45,709,522
Treasury shares in the Group's portfolio	96,238
Shares issued	45,805,760

The other comprehensive income in retained earnings is attributable to the change in the following reserves:

in EUR k	2024		2025	
	Remeasurement from defined- benefit plans	Reserves for own credit risk	Remeasurement from defined- benefit plans	Reserves for own credit risk
As of 01/01	-25,707	1,565	-28,073	1,478
Other comprehensive income	-2,366	167	4,687	23
• Change from remeasurement in accordance with IAS 19	2,372	-	4,499	-
• Change in reserves for own credit risk	-	167	-	23
• Change from entities accounted for using the equity method (IAS 19)	-4,738	-	188	-
Reclassified	-	-253	-	-
As of 12/31	-28,073	1,478	-23,386	1,501

Capital Management

(34) Own funds

Capital management at BKS Bank comprises two processes, namely the management of compliance with the minimum capital requirements, and internal management within the framework of the ICAAP (Internal Capital Adequacy Assessment Process). A distinction is made between the normative and economic perspectives.

The aim is to meet the regulatory minimum requirements even in stress scenarios, and maintain a sufficient degree of risk coverage from an economic perspective within the framework of the ICAAP. Capital management primarily focuses on limiting and controlling the risks assumed by the bank in terms of management of the overall bank risk. The extent to which limits are utilized for all risks is reviewed and reported in the management information process in order to achieve the targets. The core parameters of the analysis and management in the context of capital management are compliance with the regulatory capital and equity requirements, the degree to which the risk coverage is utilized, as well as the leverage ratio and the MREL ratio.

Equity ratios and total risk exposure amounts are determined in accordance with the capital requirements of the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). The standardized approach is used to calculate the equity ratios for credit risk, market risk, and operational risk. The result of the Supervisory Review and Evaluation Process (SREP) conducted by the Austrian Financial Market Authority (FMA) stipulated that BKS Bank had to meet the following minimum requirements as a Total SREP Capital Requirement (TSCR) as of December 31, 2025:

- Common equity Tier 1 capital ratio 5.91%
- Tier 1 capital ratio 7.88%
- Total capital ratio 10.50%

The capital ratios as of the end of December 2025 exceeded these requirements.

BKS Bank Group: own funds pursuant to CRR

In EUR mn	FY24	FY25	Change in %
Capital stock	91.6	91.6	0.0
Reserves net of intangible assets	1,725.8	1,853.3 ¹	7.4
Deductions	-810.1	-865.7	6.9
Common equity Tier 1 capital (CET1)	1,007.3	1,079.2	7.1
Common equity Tier 1 ratio, %	15.0	15.0	0.0
AT1 bond	65.2	65.2	0.0
Additional Tier 1 capital	65.2	65.2	0.0
Tier 1 capital (CET1 + AT1)	1,072.4	1,144.4	6.7
Tier 1 capital ratio, %	16.0	15.9	-0.7
Supplementary capital	224.2	246.2	9.8
Total own funds	1,296.6	1,390.5	7.2
Total capital ratio, %	19.4	19.3	-0.3
Total risk exposure amount	6,695.3	7,196.4	7.5

¹ Includes profit for the year 2025. Formal adoption is still pending.

Risk Report

(35) Risk policy and risk strategy

The guiding principle of our business strategy is to ensure autonomy and independence by improving earnings as part of a sustainable growth strategy. A key feature of our business activities is to systematically assume risks, based on the instruction of identifying all relevant risks arising from banking business and operations at an early stage and actively managing and limiting these risks through effective risk management. All individual risks are recognized, assessed, and analyzed for this purpose. The available capital is used as efficiently as possible, taking into account medium- and long-term strategic goals. The risk/return ratio is optimized on a continuous basis.

BKS Bank Group derives its risk strategy from the business strategy. The strategy is reviewed once a year by Risk Controlling in consultation with the central heads of department. An extraordinary review is conducted if material changes in the strategy arise. The ICAAP committee, jointly with the Management Board, discusses the outcome of the review and evaluates the risk strategy, and determines the risk appetite. The risk strategy is approved by the entire Management Board, discussed with the Risk Committee, and presented to the Supervisory Board.

BKS Bank has established a robust and institution-wide risk culture based on a comprehensive understanding of our risks and the values of BKS Bank. At the highest level, BKS Bank's mission statement and risk strategy describe the risk culture and set out how senior executives and employees are to deal with risks in the course of their activities. A key element of the risk culture is that individual KPIs of the Risk Appetite Framework are incorporated into remuneration policies. This ensures that remuneration is appropriate to the risks in line with the risk appetite. Another important cornerstone of the risk culture is how sustainability risks are managed. The risk policy principles for managing sustainability risks, and in particular those relating to the climate, refer to different levels of governance and risk categories, whereby risks are managed within the individual risk categories of banking operations.

ICAAP

In accordance with the provisions of Sections 39 and 39a of the Austrian Banking Act (BWG), banks must have effective plans and procedures in place to determine the amount, composition, and allocation of capital available for the quantitative coverage of all material banking and operating risks. Based on these requirements, credit institutions must hold sufficient capital to the extent necessary. These procedures are summarized in the ICAAP and quantified at BKS Bank as part of its risk-bearing calculations. The risk-bearing calculation follows the prudentially recommended dual approach and is prepared using the normative perspective and the economic perspective.

Dual perspective for calculation of risk-bearing capacity

Economic perspective

- The economic perspective identifies and quantifies all material risks and compares these against the risk-covering potential.
Purpose: To ensure adequate provision of internal capital.
- The target for maximum utilization of risk-covering potential is defined in the Risk Appetite Framework.
- The ICMP report is prepared on a quarterly basis in accordance with the economic perspective. • The risk-covering potential is calculated based on Common Equity Tier 1 capital.
- Stress scenarios are harmonized with the normative perspective and evaluated annually.
- Time period considered: 1 year.
- Confidence interval: 99.9%.

Normative perspective

- The normative perspective assesses BKS Bank's ability to meet the quantitative regulatory and supervisory requirements over a period of several years.
Purpose: To ensure compliance with regulatory requirements.
- The key performance indicators for management are defined in the Risk Appetite Framework and evaluated annually.
- The ICMP report is prepared on a quarterly basis in accordance with the normative perspective.
- Stress scenarios are based on the EBA stress test and evaluated annually.
- Time period considered: at least 3 years.

ILAAP

The ILAAP comprises the procedures to be established by BKS Bank in accordance with Section 39 (3) BWG for the determination, measurement, management, and monitoring of liquidity risk. BKS Bank measures liquidity and liquidity risk using several established methods and key performance indicators (such as capital flow statement, LCR, NSFR) and monitors compliance with its liquidity targets by means of timely and comprehensive risk reports.

Austrian Federal Act on the Recovery and Resolution of Banks (BaSAG)

The provisions of the Austrian Federal Act on the Recovery and Resolution of Banks (BaSAG) require that banks prepare recovery and resolution plans. The main elements of overall bank management under this Act are

- the recovery plan,
- the resolution plan, and
- the MREL ratio.

In terms of resolution planning, all the requirements of the resolution authority have been implemented and confirmed as part of the resolvability assessment. A key element currently is the regulatory multi-year test program, which will cover all areas of resolution over the next three years.

Stress testing

Stress testing at BKS Bank is based on established management and assessment models, and on different scenarios, severities, and time horizons, as well as on a graduated intensity of the stress scenarios. The risk strategy defines governance aspects in the form of risk policy principles. Regular stress testing is intended to measure BKS Bank's capacity to bear losses without external aid. The ability to maintain liquidity and capital in the event of a crisis is also assessed. Stress tests are an integral part of capital and liquidity management. The stress tests are carried out as part of

- the Internal Capital Adequacy Assessment Process (ICAAP),
- the Internal Liquidity Adequacy Assessment Process (ILAAP), and
- recovery and resolution planning.

The parameters for the stress tests used in the risk-bearing calculation are derived from EBA stress tests. Minimum regulatory requirements are taken into account alongside economic aspects. The minimum regulatory requirements for

- the Total SREP Capital Requirements (TSCR),
- the Overall Capital Requirements (OCR),
- the Liquidity Coverage Ratio (LCR), or
- the Net Stable Funding Ratio (NSFR)

constitute the limits to the utilization of free cover capital in the event of a crisis.

Internal Control Systems

BKS Bank's internal control systems (ICS) are an effective and established system of measures and control steps and are an established part of governance. The "COSO Internal Control – Integrated Framework" forms the basis and reference model for designing and systematizing the internal control system.

In the context of risk control, BKS Bank is committed to the "Three lines of defense model" which states that risks should be addressed and managed in three stages. Furthermore, the external auditor will assess the effectiveness of the risk management system under C Rule 83 of the Austrian Code of Corporate Governance (ACCG).

Our process-oriented risk assessment and description of controls implemented in the ICS enable us to support efficient and correct operations and create the conditions for effective corporate governance. Timely and reliable reporting allows us to identify and mitigate risks, errors, and irregularities at an early stage.

BKS Bank's internal control system is based on the principles set out below and is continually being refined:

- Effectiveness due to being an established component of corporate culture
- Clear responsibilities
- Risk-adequate controls
- Employee training
- Defined information and escalation processes
- Defined verifiable targets and controls
- Efficiency based on optimized control activities, and
- Automation of processes wherever possible

The periodic risk assessment regarding operational risk, as well as the analysis of incidents within the OP Risk Committee contribute substantially to the continuous development of the ICS. Particular attention is paid here to the risk of fraud. The management of fraud risks is an essential part of our risk management and ICS process and is designed to mitigate fraud risks through appropriate preventive, technical, and organizational measures.

Our frameworks and codes of conduct, such as, in particular, the Code of Conduct, the Compliance Charter, and the Principles of Good Governance contain clear guidelines for proper conduct. Whistleblowing regulations and systems, as well as professional complaints management processes are important communication channels for the early detection of incidents and potential incidents.

(36) Risk management structure and organization

BKS Bank's risk strategy is characterized by a conservative approach to risks arising in the banking business and banking operations. These are controlled and managed through a comprehensive system of risk principles, risk measurement and monitoring procedures, and appropriate organizational structures. Central responsibility for risk management lies with the member of the Management Board responsible for risk controlling.

The risk strategy is reviewed annually, approved by the Management Board, and discussed and evaluated by the members of the Risk Committee. The Management Board decides on the principles of risk management, the limits for all relevant risks, and the procedures for monitoring and managing the risks.

In accordance with Section 39 (5) BWG, risk controlling is a central unit within BKS Bank that is independent of operational business, and is responsible for identifying, measuring, and analyzing risks and for the ongoing development and refinement of risk management instruments. This organizational unit reports regularly to the Management Board and to the operating units responsible for risk. It assesses the current risk situation taking into account the relevant risk limits and risk-bearing capacity. As an independent body, it assesses whether all risks are within the limits decided by the Management Board. The annual review of the risk strategy includes undertaking a risk inventory at BKS Bank.

Risks are identified and the degree of risk is assessed based on a risk analysis by the ICAAP committee.

The limits and targets set out in the risk strategy are reviewed annually and amended as necessary. As an independent internal body, BKS Bank's Internal Audit department reviews all operational and business processes, the adequacy and effectiveness of the measures defined by risk management and risk controlling, and the internal control systems.

A number of committees have been established to manage the bank's overall risk. They ensure the individual risk categories are dealt with comprehensively through the broad range of expertise that the individual committee members contribute to the management process.

Risk committees



ICAAP Committee

The ICAAP Committee meets quarterly and discusses the risk-bearing capacity based on normative and economic capital requirements, including under adverse conditions and the available risk coverage.

Asset/Liability Management Committee

The Asset/Liability Management Committee meets monthly, and analyzes and manages the balance sheet structure with respect to interest rate risk in the banking book, the credit spread risk, and the share price and liquidity risk. In connection with this, the Committee also undertakes essential tasks related to funding planning, fund transfer pricing, and the management of concentration risks.

Operational Risk Committee

The OR Committee meets quarterly. The members of the OR Committee analyze incidents that have occurred, support the risk taking units and management in actively managing operational risk, monitor the implementation of agreed actions, and further develop the operational risk management system. The Committee's duties also include the monitoring and development of ICT risk management, in particular cyber security measures and business continuity management (BCM).

Regular credit risk meetings

The weekly credit risk meetings primarily discuss issues arising from day-to-day business in connection with lending, extension, and other current matters related to corporate and retail customer business. An expanded credit risk committee meets on a quarterly basis in addition to the weekly meetings. This committee manages the credit risk at the portfolio level, drives the ongoing development of credit risk management, and renders the effective use of management instruments possible.

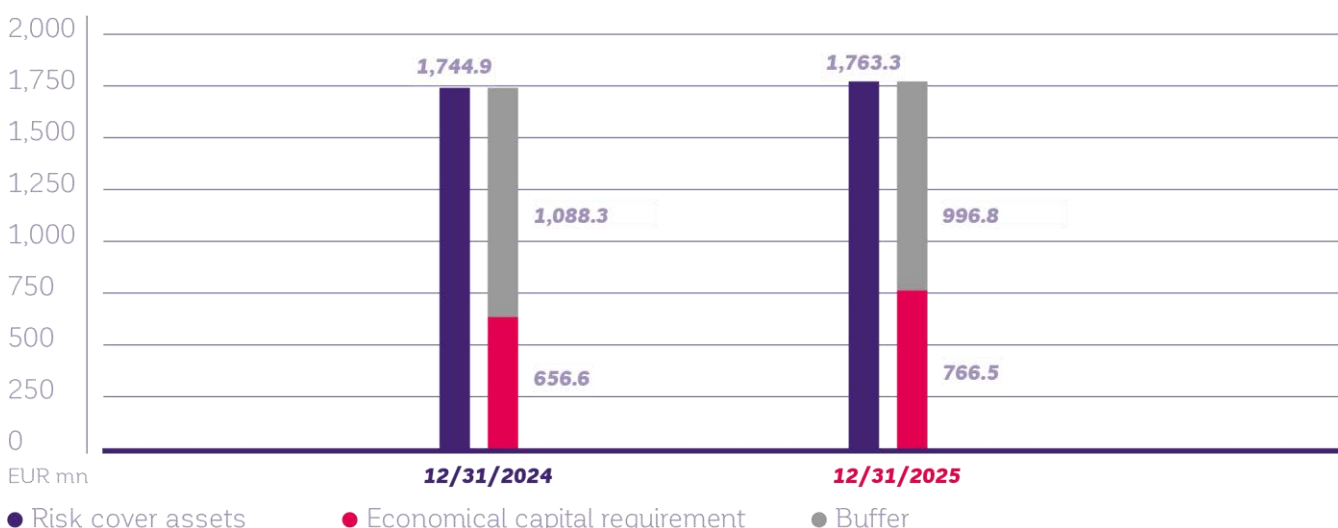
(37) Internal capital adequacy and risk-bearing capacity (ICAAP)

The risk bearing analysis on the basis of the internal capital adequacy procedure (ICAAP) is an essential component of BKS Bank’s overall bank risk management. We pursue a dual approach to risk management at the level of the bank overall. In the normative perspective, we assess the bank’s ability to meet quantitative regulatory and supervisory requirements over a multi-year period. Our aim here is to ensure compliance with regulatory requirements. In the economic perspective, we identify and quantify all material capital-related risks and contrast them with the risk coverage capital, whereby the aim is to ensure appropriate levels of internal capital.

In addition to compliance with the minimum regulatory requirements, a key element of the ICAAP in the normative perspective is meeting the internally defined targets and complying with the internally defined limits of the Risk Appetite Framework. The Risk Appetite Framework is a set of control indicators with targets and limits that are derived from the minimum regulatory requirements via management buffers. The set of risk-relevant control indicators in the Risk Appetite Framework comprises risk categories such as capital risk, liquidity risk, credit risk, as well as interest rate risks and operational risk.

At BKS Bank unexpected losses are determined in the economic perspective for a one-year observation period with a certainty of 99.9%. As of December 31, 2025, the economic capital requirement was measured at EUR 766.5mn, up from EUR 656.6mn in the previous year. The corresponding coverage capital was EUR 1,765.5mn, up from EUR 1,744.9mn as of the end of 2024.

Risk-bearing capacity under the economic perspective



Breakdown of risks under the economic perspective

in %	FY24	FY25
1 Credit risk	61.4	70.2
2 Interest rate risk in the banking book	13.0	7.3
3 Share price risk	3.3	2.3
4 Risk from foreign currency positions	0.1	0.0
5 Credit spread risk	8.1	8.5
6 Operational risk and ICT risk	6.7	5.6
7 Liquidity risk	3.3	2.5
8 Model errors	0.3	0.3
9 Other risks	3.8	3.3

As in the previous year, the economic capital requirements for the credit risk accounted for the largest risk capital commitment within the banking group. Credit risks are responsible for 70.2% (2024: 61.4%) of the total loss potential.

The **normative perspective** of the risk-bearing capacity focuses on the capital ratios, liquidity ratios, and credit risk indicators required by regulations. The normative perspective is subject to a planning horizon of at least 3 years. The first step involves assessing whether or not the bank can comply with the key performance indicators under supervisory law and the internal limits derived from the risk appetite over the planning period. In the second step, the bank verifies whether or not it can comply with the limits and minimum regulatory requirements even in the event of stress. The stress parameters are derived from EBA stress tests and are coordinated with the stress tests under the economic perspective.

The risk-bearing capacity calculation under the normative perspective shows that the limits defined in the **Risk Appetite Framework** are met over the planning period and therefore so are the quantitative legal requirements. The breakdown of stress by risk category from the stress tests presents the following picture:

	in %
Investments accounted for using the equity method	37
Interest rate risk	4
Credit risk Stage 3	26
Credit risk Stage 1 + 2	11
Liquidity risk	13
Credit spread risk	4
Operational risk	1
Other effects	4

(38) Credit risk

We understand credit risk to mean the risk of a partial or complete default of contractually agreed payments in lending operations. Such a default may be due to the creditworthiness of the business partner or indirectly due to the domicile of the business partner within country risk. The credit risk is by far the most important risk category for BKS Bank. Credit risk is monitored and analyzed at the level of products, individual customers, groups of connected customers, and on a portfolio basis.

Credit risk management

The credit risk is managed based on the principle that loans are granted in accordance with the know-your-customer principle. Accordingly, loans are placed only after thorough personal and credit checks. The requirement for collateral depends on the amount, the rating, and/or the product.

The material valuations of collateral are based on average liquidation proceeds achieved in the past. Real estate collateral is valued and regularly reviewed by experts in the credit management department who are independent of the loan award process. Lending in markets outside of Austria is subject to special directives that are tailored to the respective specifics of that country, in particular the economic environment and the respective legal framework.

The Central Risk Analysis and Service department is responsible for risk analysis and management on an individual customer basis. At the portfolio level, the expanded credit risk meeting manages the risk based on reports from Risk Controlling. Key targets in connection with the assumption of new risk positions related to the rating structure, according to which new business is to be acquired only up to certain ratings and with sufficient collateral. Furthermore, a catalog of positive and exclusion criteria determines to which companies BKS Bank does not grant financing.

Concentrations of credit risk are managed at the portfolio level and individual commitments based on the group of connected clients, with the aim of achieving a balanced distribution of the size of the loan exposure and setting limits and targets for the allocation by region and sector, as well as for foreign currencies and size classes. ALGAR, in which BKS Bank holds a 25% stake, is used to cover large-scale financing.

The investment risk comprises the risk of dividend default, devaluation and disposal losses, as well as the risk that hidden reserves will be reduced due to negative economic developments of those companies in which BKS Bank holds investments. Entering into equity investments is not part of BKS Bank’s strategic focus. In the case of affiliated companies, activities focus on the banking and financial institutions sectors as well as companies that provide banking-related services.

Credit risk management



¹ Central Risk Analysis and Service Department
² Central Credit Risk Department
³ Central Risk Controlling Department
⁴ Central Management Board Affairs and Investments Department
⁵ BKS Service GmbH

Budgets for subsidiaries and budgets and forecasts of expected investment income are prepared annually in order to manage and control individual economic risks. Monthly reports on operating subsidiaries are an integral part of the Group's reporting.

The quantitative disclosures in this report pursuant to IFRS 7.31 to 7.42 are based on internal reporting on management of the overall bank risk.

Internal risk management is conducted at the portfolio level and comprises the following risk exposures:

(38.1) Credit risk volume in accordance with internal risk management

in EUR k	FY24	FY25
Loans and advances to customers	7,588,140	7,654,761
Receivables from other banks	38,977	176,290
Credit risks from derivatives and contingent liabilities	2,395,868	2,401,950
Securities and funds	1,342,485	1,430,624
Equity interests	1,020,272	1,088,973
Credit risk volume	12,385,742	12,752,597

(38.2) Reconciliation of IFRS positions to internal credit risk positions

in EUR k	FY24	FY25
Loans and advances to customers pursuant to Note (15.1)	7,441,390	7,543,126
+ Risk provisions for loans and advances to customers pursuant to Note (15.2)	146,750	111,635
Loans and advances to customers	7,588,140	7,654,761
Receivables from other banks pursuant to Note (14)	38,881	176,254
+ Risk provisions for receivables from other banks pursuant to Note (14)	96	35
Receivables from other banks	38,977	176,290
Contingent liabilities pursuant to Note (61)	625,994	596,389
+ Other credit risks pursuant to Note (61)	1,762,929	1,798,492
+ Positive fair values from derivative products pursuant to Note (16)	6,945	7,069
Credit risks from derivatives and contingent liabilities	2,395,868	2,401,950
Debt securities and other fixed-interest securities pursuant to Note (17)	1,305,878	1,395,910
+ Risk provisions for debt securities pursuant to Note (17)	1,256	1,456
+ Shares and funds from the shares and other non-interest-bearing securities item pursuant to Note (18)	35,350	33,258
Securities and funds	1,342,485	1,430,624
Investments in companies accounted for using the equity method pursuant to Note (19)	875,718	929,820
+ Equity investments from the shares and other non-interest-bearing securities item pursuant to Note (18)	144,554	159,153
Equity interests	1,020,272	1,088,973
Risk volume	12,385,742	12,752,597

Credit ratings in credit risk

A comprehensive rating system is the most important pillar of the risk assessment and is the basis for risk management within the BKS Bank Group. The bank's internal rating models are validated annually according to qualitative and quantitative criteria. In total, 14 rating processes are in use in the BKS Bank Group, which classify customers into ten live and three default levels.

Rating grades

AA	Premium, best credit standing
A1	Premium, outstanding credit standing
1a	Premium credit standing
1b	Very good credit standing
2a	Good credit standing
2b	Still good credit standing
3a	Acceptable credit standing
3b	Still acceptable credit standing
4a	Inadequate credit standing
4b	Poor credit standing
5a	In default – continuing operations
5b	In default – non-performing
5c	In default – uncollectible

(38.3) Credit quality by class of receivable 2025

Exposures by rating in EUR k	AA-A1	1a-1b	2a-2b	3a-3b	4a-4b	5a-5c	No rating
Loans and advances to customers	266,206	1,626,892	2,854,894	2,225,451	408,600	270,273	2,444
Receivables from other banks	135,263	41,008	10	8	–	–	–
Credit risks from derivatives and contingent liabilities	59,623	666,964	990,371	595,786	61,275	27,716	215
Securities and funds	1,006,018	376,732	45,956	1,919	–	–	–
Equity interests	960,602	127,313	1,058	–	–	–	–
Total	2,427,713	2,838,908	3,892,289	2,823,164	469,875	297,989	2,659

Credit quality by class of receivable 2024

Exposures by rating in EUR k	AA-A1	1a-1b	2a-2b	3a-3b	4a-4b	5a-5c	No rating
Loans and advances to customers	196,827	1,593,247	2,953,003	2,140,977	432,744	269,350	1,993
Receivables from other banks	22,324	16,553	82	19	–	–	–
Credit risks from derivatives and contingent liabilities	84,845	648,160	1,099,927	479,146	75,644	8,016	130
Securities and funds	974,798	322,282	44,354	1,051	–	–	–
Equity interests	902,742	116,433	1,058	–	38	–	–
Total	2,181,536	2,696,675	4,098,424	2,621,192	508,427	277,365	2,122

The non-performing loan ratio at year-end was 3.5% (2024: 3.2%). The NPL ratio is determined based on the specifications of the EBA dashboard. Cover for the loss potential of non-performing loans is indicated by the coverage ratio. The coverage ratio I is the ratio of risk provisions formed to the total risk position and was 26.0% as of December 31, 2025 (2024: 36.9%).

In addition, we use the coverage ratio III as the internal control variable, whereby the calculation also includes existing collateral, measured according to internal loan limits. As of the reporting date, this amounted to 84.0% (2024: 91.8%).

(38.4) Volumes classified as forbome 2025

in EUR k	Corporate customers	Retail customers	Total
Performing exposure	68,138	9,064	77,202
• thereof concessions on repayments	57,029	8,614	65,643
• thereof refinancing	11,109	450	11,559
Non-performing exposures	123,073	18,590	141,663
• thereof concessions on repayments	119,459	14,210	133,669
• thereof refinancing	3,614	4,380	7,994
Total	191,211	27,654	218,865

Volumes classified as forbome 2024

in EUR k	Corporate customers	Retail customers	Total
Performing exposure	109,311	8,877	118,188
• thereof concessions on repayments	72,679	8,608	81,287
• thereof refinancing	36,632	269	36,901
Non-performing exposures	83,463	20,710	104,173
• thereof concessions on repayments	79,878	16,930	96,808
• thereof refinancing	3,585	3,780	7,365
Total	192,774	29,587	222,361

The concept of “forbearance” plays an important role in the management of problematic exposures. It refers to all new contractual arrangements made because the borrower is in financial difficulty. Financial difficulties are deemed given when repayment cannot be ensured on the basis of realistic terms based on cash flows or the outcome of the creditworthiness assessment. These cases must be flagged in accordance with the CRR.

Examples of such forbearance measures include:

- Extending the loan term
- Concessions regarding the instalments originally agreed
- Concessions relating to borrowing conditions
- Complete restructuring of the loan

**(38.5) Risk positions measured at amortized cost by rating class and stage/
on-balance 2025**

in EUR k	Carrying amounts				Impairments			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AA	1,173,782	–	–	1,173,782	439	–	–	439
A1	195,597	–	–	195,597	274	–	–	274
1a	1,106,676	16,976	–	1,123,652	728	14	–	742
1b	846,076	9,759	–	855,835	1,187	28	–	1,215
2a	1,170,789	22,351	–	1,193,140	2,739	56	–	2,795
2b	1,377,398	123,822	–	1,501,220	4,228	1,250	–	5,478
3a	1,226,128	327,285	–	1,553,413	5,387	5,470	–	10,857
3b	300,491	333,897	–	634,388	1,663	6,498	–	8,161
4a	70,886	195,150	–	266,036	1,289	5,078	–	6,367
4b	6,366	135,262	–	141,628	462	6,124	–	6,586
5a–5c	–	–	270,273	270,273	–	–	70,212	70,212
OR	–	–	–	–	–	–	–	–
Total	7,474,189	1,164,502	270,273	8,908,964	18,396	24,518	70,212	113,126

**Risk positions measured at amortized cost by rating class and stage/
on-balance 2024**

in EUR k	Carrying amounts				Impairments			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AA	1,019,856	–	–	1,019,856	386	–	–	386
A1	124,760	–	–	124,760	169	–	–	169
1a	995,084	16,801	–	1,011,885	560	16	–	576
1b	825,070	22,259	–	847,329	1,238	266	–	1,504
2a	1,276,978	12,336	–	1,289,314	3,038	88	–	3,126
2b	1,398,040	93,935	–	1,491,975	4,354	785	–	5,139
3a	1,087,979	304,899	–	1,392,878	4,407	6,391	–	10,798
3b	298,747	406,552	–	705,299	1,795	8,588	–	10,383
4a	45,256	190,762	–	236,018	494	3,961	–	4,455
4b	2,708	193,332	–	196,040	117	12,121	–	12,238
5a–5c	–	–	269,350	269,350	–	–	99,329	99,329
OR	–	–	–	–	–	–	–	–
Total	7,074,478	1,240,876	269,350	8,584,704	16,558	32,216	99,329	148,103

The risk positions include receivables from other banks pursuant to Note 14, loans and advances to customers measured at amortized cost pursuant to Note 15.1, debt securities and other fixed-interest-bearing securities measured at amortized cost pursuant to Note 17, as well as the corresponding impairments.

(38.6) Off-balance risk positions by rating class and stage 2025

in EUR k	Off-balance exposure				Provisions			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AA	58,579	–	–	58,579	4	–	–	4
A1	30	–	–	30	–	–	–	–
1a	302,946	2,902	–	305,848	85	1	–	86
1b	349,314	456	–	349,770	387	–	–	387
2a	510,932	26,068	–	537,000	769	1	–	770
2b	449,486	20,831	–	470,316	1,676	95	–	1,771
3a	332,138	138,817	–	470,955	1,485	2,588	–	4,073
3b	42,447	72,248	–	114,695	312	1,882	–	2,194
4a	24,000	30,157	–	54,157	55	919	–	974
4b	2,021	4,055	–	6,076	23	140	–	163
5a–5c	–	–	27,244	27,244	–	–	3,022	3,022
OR	67	144	–	211	–	–	–	–
Total	2,071,960	295,677	27,244	2,394,881	4,796	5,626	3,022	13,444

Off-balance risk positions by rating class and stage 2024

in EUR k	Off-balance exposure				Provisions			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AA	84,232	–	–	84,232	10	–	–	10
A1	54	–	–	54	–	–	–	–
1a	271,858	2,796	–	274,654	76	1	–	77
1b	368,187	472	–	368,659	411	–	–	411
2a	555,269	7,711	–	562,980	989	5	–	994
2b	513,147	22,633	–	535,780	1,381	230	–	1,611
3a	280,737	91,262	–	371,999	1,148	643	–	1,791
3b	54,679	52,468	–	107,147	569	1,976	–	2,545
4a	4,835	24,631	–	29,465	110	472	–	582
4b	18,933	26,874	–	45,807	41	1,257	–	1,298
5a–5c	–	–	8,016	8,016	–	–	554	554
OR	77	53	–	130	–	–	–	–
Total	2,152,007	228,900	8,016	2,388,923	4,735	4,584	554	9,873

Provisions for onerous contracts relating to the legal case in Croatia are reported in Note 45 Operational risk – Ongoing proceedings.

Contingent liabilities and commitments in accordance with Note 61 are recognized in the risk positions.

(38.7) Loan collateral 2025¹

in EUR k	Credit risk volume/ maximum default risk	Total collateral	there of financial collateral	thereof personal collateral	thereof real estate collateral	thereof other	Risk position ²
Loans and advances to customers	7,654,761	4,878,763	65,037	125,221	3,932,280	756,225	2,775,998
• thereof at fair value through profit or loss (designated)	256,821	117,936	5,298	7,586	102,276	2,776	138,885
• thereof at fair value through profit or loss (mandatory)	35,913	22,888	272	3	22,220	394	13,025
Receivables from other banks	176,290	–	–	–	–	–	176,290
Credit risks from derivatives and contingent liabilities	2,401,950	426,697	25,098	15,145	258,425	128,030	1,975,252
Securities and funds	1,430,624	378,372	–	118,433	–	259,939	1,052,252
• thereof at fair value through profit or loss (designated)	–	–	–	–	–	–	–
• thereof at fair value through profit or loss (mandatory)	33,258	–	–	–	–	–	33,258
• thereof at fair value OCI	26,718	4,919	–	–	–	4,919	21,799
Equity interests	1,088,973	–	–	–	–	–	1,088,973
• thereof at fair value OCI	159,153	–	–	–	–	–	159,153
• thereof equity interests at fair value (mandatory)	–	–	–	–	–	–	–
• thereof investments in companies accounted for using the equity method	929,820	–	–	–	–	–	929,820
Total	12,752,597	5,683,832	90,135	258,799	4,190,705	1,144,194	7,068,764

¹ Loan values of credit collateral measured in accordance with internal regulations

² Exposure less collateral

Credit collateral 2024¹

in EUR k	Credit risk volume/ maximum default risk	Total collateral	there of financial collateral	thereof personal collateral	thereof real estate collateral	thereof other	Risk position ²
Loans and advances to customers	7,588,140	4,867,533	95,459	152,017	3,892,170	727,887	2,720,607
• thereof at fair value through profit or loss (designated)	279,603	121,795	29,551	8,758	80,205	3,281	157,808
• thereof at fair value through profit or loss (mandatory)	38,051	25,952	241	4	25,331	376	12,099
Receivables from other banks	38,977	–	–	–	–	–	38,977
Credit risks from derivatives and contingent liabilities	2,395,868	459,318	20,340	14,848	282,523	141,606	1,936,550
Securities and funds	1,342,485	307,142	–	113,111	–	194,031	1,035,343
• thereof at fair value through profit or loss (designated)	–	–	–	–	–	–	–
• thereof at fair value through profit or loss (mandatory)	35,350	–	–	–	–	–	35,350
• thereof at fair value OCI	32,395	9,803	–	–	–	9,803	22,592
Equity interests	1,020,272	–	–	–	–	–	1,020,272
• thereof at fair value OCI	144,554	–	–	–	–	–	144,554
• thereof equity interests at fair value (mandatory)	–	–	–	–	–	–	–
• thereof investments in companies accounted for using the equity method	875,718	–	–	–	–	–	875,718
Total	12,385,742	5,633,993	115,799	279,976	4,174,693	1,063,524	6,751,749

¹ Loan values of credit collateral measured in accordance with internal regulations² Exposure less collateral

(38.8) Loans and advances to customers by industry

Sector classification by Statistics Austria (ÖNACE)	FY24		FY25	
	in EUR k	in %	in EUR k	in %
Retail customers	1,211,335	16.0	1,228,418	16.0
Real estate activities	1,680,013	22.1	1,690,968	22.1
Construction	842,832	11.1	865,303	11.3
Manufacturing	702,141	9.3	640,984	8.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	488,840	6.4	476,543	6.2
Professional, scientific and technical activities	438,813	5.8	503,289	6.6
Financial and insurance activities	425,348	5.6	342,730	4.5
Human health and social work activities	281,630	3.7	267,862	3.5
Transportation and storage	272,721	3.6	318,965	4.2
Public administration and defense; social security	257,824	3.4	336,027	4.4
Accommodation and food service activities	209,983	2.8	208,601	2.7
Electricity, gas, steam and air conditioning supply	201,744	2.7	190,832	2.5
Other economic service activities	189,456	2.5	203,108	2.7
Agriculture, forestry and fishing	150,677	2.0	136,678	1.8
Information and communication	62,507	0.8	73,031	1.0
Water supply; sewerage, waste management and remediation activities	54,051	0.7	57,785	0.8
Other service activities	41,296	0.5	38,795	0.5
Arts, entertainment and recreation	36,370	0.5	35,550	0.5
Mining and quarrying	29,460	0.4	29,421	0.4
Education	11,101	0.1	9,870	0.1
Total	7,588,140	100.0	7,654,761	100.0

Due to the persistently uncertain geopolitical situation and the ongoing difficult developments in the real estate market, all real estate financing that is related to a "Land inventory" or is available for "Sale" has been assigned to Stage 2 in connection with the collective level transfer. The management overlay for the "sell-off" and "land holdings" portfolios was reduced from a factor of 1.5 (ECL*1.5) to a factor of 1.25 (ECL*1.25). By doing this, we are continuing to factor in the subdued economic situation and to take into account a potentially longer sale cycle. Furthermore, a premium of +10 percentage points was applied to the LGD corporate customer portfolio. This takes into account the risk that prices in the commercial real estate sector might fall and thus the sales revenue from real estate collateral in the corporate customer business might be lower.

(38.9) Loans and advances to customers in foreign currencies by country and currency 2025

in EUR k	EUR ¹	CHF	USD	JPY	Other	Total
Austria	–	36,151	2	87	13	36,253
Slovenia	–	468	–	–	–	468
Croatia	–	401	–	–	–	401
Germany	–	671	–	–	–	671
Hungary	2,217	–	1	–	–	2,217
Switzerland	10,305	–	–	–	–	10,305
Serbia	33,602	–	–	–	–	33,602
Other	12,647	1,211	–	–	–	13,859
Total	58,772	38,902	3	87	13	97,776

¹ Euro loans to customers from non-euro countries

Loans and advances to customers in foreign currencies by country and currency 2024

in EUR k	EUR ¹	CHF	USD	JPY	Other	Total
Austria	2,438	45,725	2,149	109	257	50,677
Slovenia	–	700	–	–	–	700
Croatia	–	389	–	–	–	389
Germany	–	674	–	–	–	675
Hungary	2,967	–	–	–	–	2,968
Switzerland	12,018	–	–	–	–	12,018
Serbia	21,239	–	–	–	–	21,239
Other	12,151	1,215	–	–	–	13,367
Total	50,812	48,704	2,150	109	257	102,032

¹ Euro loans to customers from non-euro countries

(38.10) Loans and advances to customers by country 2025

in EUR k	Receivables ¹	Past due ²	Specific impairment ³	Collateral for past due receivables
Austria	5,546,420	192,056	35,950	135,912
Slovenia	847,681	16,663	4,631	12,009
Croatia	501,679	37,079	23,785	18,142
Slovak Republic	386,758	6,279	3,506	2,441
Germany	238,820	17,139	2,136	2,872
Serbia	33,832	59	23	36
Hungary	29,546	919	177	697
Other	70,024	79	4	79
Total	7,654,761	270,273	70,212	172,187

¹ See table Risk volume in accordance with ICAAP on page 232

² Past due according to the default definition of BKS Bank

³ Level 3 Risk management

For all financial instruments accounted for in default classes (rating 5a, 5b or 5c), no impairment is recognized for the secured portion.

Loans and advances to customers by country 2024

in EUR k	Receivables ¹	Past due ²	Specific impairment ³	Collateral for past due receivables
Austria	5,457,056	207,952	66,944	135,193
Slovenia	874,444	10,669	3,020	7,691
Croatia	537,955	41,633	25,571	20,591
Slovak Republic	355,877	7,523	3,203	4,170
Germany	241,684	13	10	–
Serbia	21,479	–	–	–
Hungary	28,345	1,465	549	915
Other	71,300	95	32	87
Total	7,588,140	269,350	99,329	168,647

¹ Risk volume in accordance with internal risk management

² Past due according to the default definition of BKS Bank

³ Level 3 Risk management

(38.11) Securities and funds by domicile of issuer

in EUR k Regions	Acquisition costs		Carrying amount in accordance with IFRS ¹	
	FY24	FY25	FY24	FY25
Austria	485,378	474,642	488,163	490,219
Supranational, EU	218,560	205,301	222,652	209,282
Germany	161,806	147,152	162,574	148,033
France	59,090	68,364	59,438	69,256
Slovenia	49,822	54,797	50,308	55,426
Norway	49,517	44,640	49,911	45,148
Slovak Republic	42,499	52,524	43,096	53,323
Belgium	39,711	34,769	40,124	35,201
Spain	38,001	48,049	38,295	48,650
Poland	34,922	54,953	35,843	56,262
Netherlands	29,249	34,317	29,643	34,916
Finland	23,619	53,663	23,595	54,250
Ireland	23,149	23,149	23,111	23,094
Sweden	18,970	28,984	19,475	29,844
Portugal	15,187	15,103	15,136	15,125
Luxembourg	13,179	13,179	12,465	13,752
Croatia	10,122	5,022	10,164	5,038
Other	18,392	43,427	18,493	43,806
Total	1,331,174	1,402,036	1,342,485	1,430,624

¹ Including accrued interest**(39) Investment risk****Equity positions**

in EUR k	FY24	FY25
Listed banks	875,718	929,820
Non-listed banks	31,663	35,091
Other non-listed investments	112,890	124,063
Total	1,020,272	1,088,973

(40) Interest rate risk

Interest rate risk is the risk of negative impacts on the institution's shareholders' equity or net interest income due to changes in interest rates or the structure of interest-rate sensitive positions. Therefore, the interest rate risk reflects changes in market value and periodic income

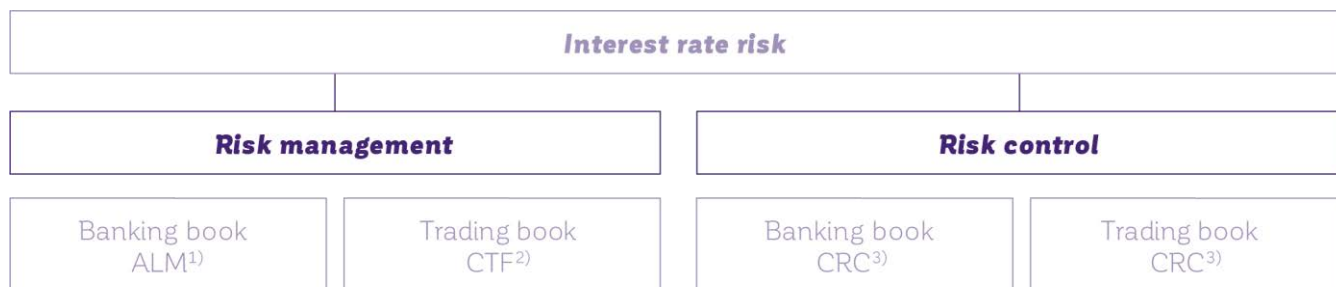
- resulting from changes in interest rates,
- relating to interest-rate sensitive instruments,
- including gap risk,
- basis risk, and
- option risk.

The interest rate risk is managed, evaluated, and limited in accordance with EBA/GL/14/2022 and EBA/RTS/2022/10.

Mismatched maturities and interest rate adjustment periods may create interest rate risks for both the assets and liabilities side of the balance sheet. These risks can generally be hedged by a combination of on-balance sheet and off-balance sheet transactions.

The management of interest rate risk and the definition of the relevant limits are based on a combination of indicators and methods such as modified duration, volume sizes, scenario analysis in accordance with the rules for determining interest rate risk in the banking book (IRRBB) from an economic perspective, such as the economic value of equity (EVE) as well as the net interest income perspective (NII) in conjunction with the standard regulatory stress tests. Managing interest rate risk in the banking book is the responsibility of the Asset/Liability Management Committee. Controlling interest rate risk in the banking book is the responsibility of the Treasury and Financial Institutions department, and is of secondary importance. The risk is controlled by Risk Controlling.

Management of interest rate risk



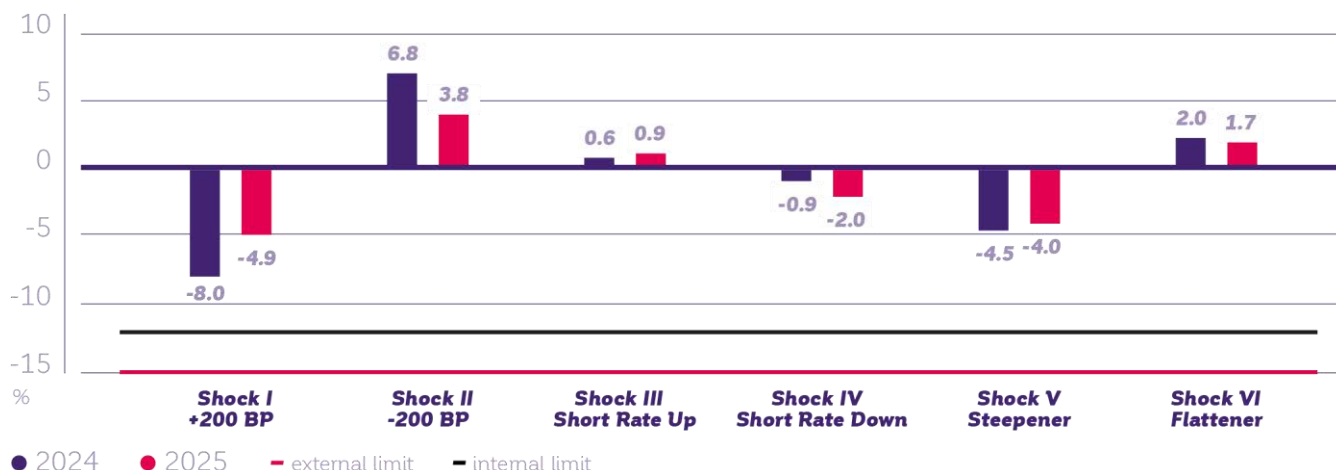
¹⁾ Asset/Liability Management Committee
²⁾ Central Treasury and Financial Institutions Department
³⁾ Central Risk Controlling Department

BKS Bank pursues a conservative interest rate risk strategy. BKS Bank does not engage in excessive maturity transformations. Our activities do not focus on term arbitrage involving significant open interest positions for generating income in accordance with the Riding the Yield Curve approach. In addition, the bank generally does not engage in speculative derivative financial transactions. Derivative financial transactions are entered into largely to hedge market risks, especially using instruments the features and associated risks of which are known and for which a market-compliant measurement is possible. The central interest rate control instruments used at BKS Bank are interest rate swaps.

In October 2022, the EBA published new guidelines on the management of interest rate risk (IRRBB) and credit spread risk (CSRBB) in the banking book. These were incorporated into risk management. Supervisory outlier tests (SOTs) are reviewed internally on a monthly basis and incorporated into the management of interest rate risk.

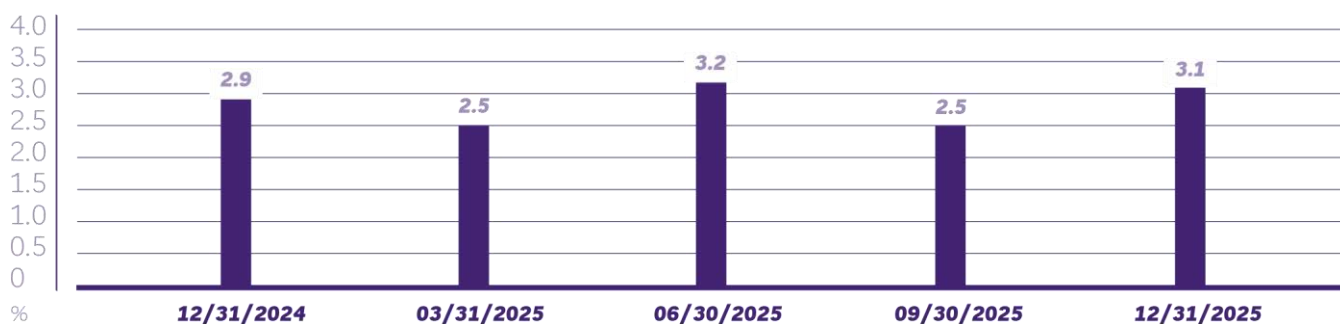
To manage the interest rate risk under the economic perspective, we introduced an internal limit of 12% over and above the regulatory limit of 15% of core capital. The results of the supervisory stress tests show the following situation:

Change in present value as a percentage of Tier 1 capital

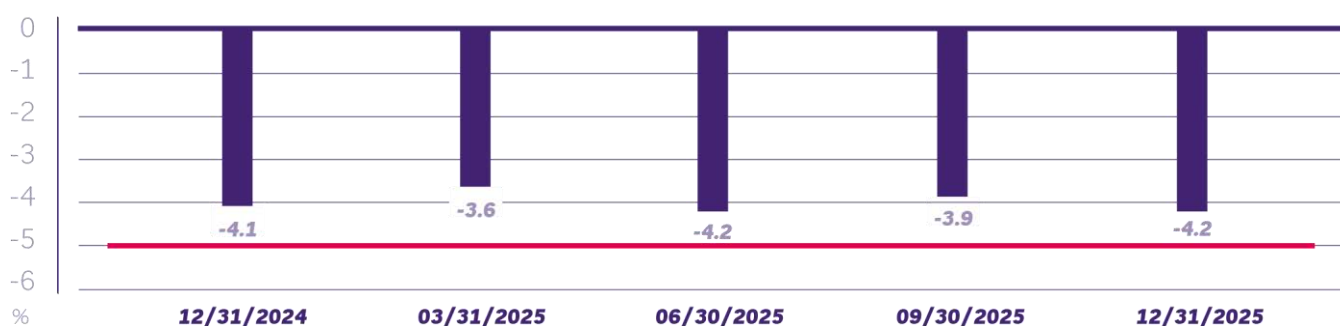


The interest rate risk from the perspective of the net interest income and the regulatory shock scenarios shows that the limit of 5% of the core capital was adhered to:

Change in net interest income as a percentage of core capital shock I +200 bp



Change in net interest income as a percentage of core capital shock II -200 bp



(40.1) Interest rate gaps EUR and foreign currencies

in EUR k	FY24	FY25
< 1 month	-557,457	-842,015
1 to 3 months	286,962	304,719
3 to 6 months	1,804,572	2,159,701
6 to 12 months	-2,097,283	-2,135,641
1 to 2 years	-35,454	-87,165
2 to 3 years	-115,301	-145,324
3 to 4 years	247,598	330,382
4 to 5 years	82,784	-150,459
> 5 years	678,611	575,935

Positive values in the interest rate gaps indicated represent an asset surplus, while negative values represent a liability surplus of the volume that comes up for interest rate adjustment in the corresponding maturity bands.

(40.2) Interest rate risk

in EUR k	FY24	FY25
Minimum values	85,514	54,052
Maximum values	107,145	93,679
Average values	93,486	67,710
Year-end value	85,514	55,718

The interest rate risk as reflected in the ICAAP is calculated on the basis of a worst-case scenario made up from the 6 EVE (economic value of equity), IRRBB shocks and the ALM duration risk (+100 bp shock), which is relevant for risk management.

(41) Credit spread risk

In accordance with EBA GL/14/2022, the credit spread risk in the banking book (CSRBB) is defined as the risk caused by changes in the market price

- for the credit risk,
- for liquidity, and
- for potential other characteristics of credit instruments that are not covered by another regulatory framework.

The CSRBB measures the risk of a change in a financial instrument's spread assuming the same credit rating, i.e., how the credit spread moves within a given credit rating or likelihood of default.

The credit spread risk is managed on a monthly basis by the ALM Committee. The risk is controlled by Risk Controlling.

In BKS Bank, the credit spread risk is determined under the economic perspective for the entire bond portfolio in the banking book, for loans measured at fair value, for subordinated promissory notes, as well as for own issues.

in EUR k	FY24	FY25
Minimum values	40,091	55,707
Maximum values	52,893	65,522
Average values	47,181	60,723
Year-end value	52,893	65,522

The value-at-risk for the credit spread risk is calculated based on the historical simulation on the basis of the market price changes observed in the last 1,000 days with a holding period of 250 days and a confidence level of 99.9%.

(42) Share price risk

Share price risk comprises the risk of price changes resulting from the interaction of supply and demand.

The ALM Committee manages the share price risk in the banking book. Proprietary trading of shares was suspended during the reporting year. We generally make long-term investments in shares and assets in the banking book through investments funds. The share price risk is quantified monthly as value-at-risk based on the historical simulation. The risk is controlled by Risk Controlling.

Management of share price risk¹⁾ Asset/Liability Management Committee²⁾ Central Risk Controlling Department**Value-at-risk, share price risk**

in EUR k	FY24	FY25
Minimum values	18,816	16,380
Maximum values	21,578	18,786
Average values	19,751	17,496
Year-end value	21,578	17,693

The value-at-risk for the share price risk is calculated using the historical simulation based on the market price changes observed in the last 1,000 days with a holding period of 250 days and a confidence level of 99.9%.

(43) Risks from foreign currency positions

These arise from entering into foreign currency positions on the asset or liability side that are not concluded through an offsetting position or a derivative transaction. Unfavorable developments in exchange rates can therefore lead to losses. Open foreign currency positions are assessed daily and compared with the corresponding limits to check the foreign exchange risk. BKS Bank traditionally assumes only a small amount of the currency risk because our business policy does not focus on generating income from outstanding foreign exchange positions. The Treasury and Financial Institutions department is responsible for managing foreign exchange positions. Foreign exchange positions are monitored by Risk Controlling.

Value-at-risk, foreign currency positions

in EUR k	FY24	FY25
Minimum values	259	324
Maximum values	3,691	634
Average values	1,345	448
Year-end value	464	324

The value-at-risk from foreign currency positions is calculated using a historical simulation based on changes in market prices observed in the preceding 1,000 days with a holding period of 250 days and a confidence level of 99.9%.

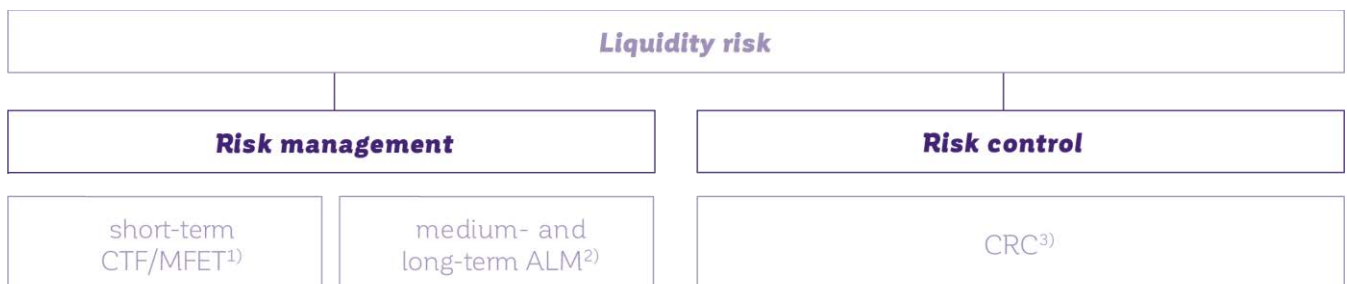
(43.1) Exchange rate risk – open foreign exchange position

in EUR k	FY24	FY25
USD	-955	-730
GBP	51	-467
JPY	-	22
CHF	-403	-1,082

Positive values represent net long positions, while negative values represent net short positions relative to the respective reporting date.

(44) Liquidity risk and liquidity risk management (ILAAP)

Liquidity risk is associated with the risk that current or future payment obligations may not be able to be settled in full or on time. This also includes the risk of only being able to refinance at higher-than-usual market rates (refinancing risk) or that assets can only be liquidated at lower-than-usual market rates (market liquidation risk).

Managing liquidity risk

¹⁾ Central Treasury and Financial Institutions Department/Money and Foreign Exchange Trading Group

²⁾ Asset/Liability Management Committee

³⁾ Central Risk Controlling Department

Liquidity management principles

ILAAP is a fundamental element of the supervisory review and evaluation process (SREP) and is designed to ensure adequate liquidity and effective liquidity risk management. In order to manage liquidity risk, BKS Bank has in place clearly defined principles that are incorporated into the risk strategy and the ILLAAP framework.

The diversification of the refinancing profile by investor categories, products, and terms is essential for liquidity management. The policy for loan terms and conditions in the customer business is managed on the basis, among other things, of the Risk Management Ordinance and the EBA Guidelines underlying it.

Funds transfer pricing is allocated in the product costing and the profit center calculation. Liquidity is managed on an intraday basis through the management of daily incoming and outgoing payments. This is based on information about transactions with an effect on liquidity. It includes the arrangements for payment transactions as well as advance information from sales about upcoming customer transactions, from the securities back office about cash flows from own issues, and from Treasury about security and money market transactions. Liquidity spikes are offset by borrowing funds from or investing funds in the Austrian National Bank or in the interbank market. Intraday liquidity management is based on predefined limits, the utilization of which is determined, analyzed, and reported on daily.

The Asset and Liability Management Committee manages the longer-term liquidity as well as the liquidity buffer. Risk Controlling is responsible for controlling liquidity risk to ensure compliance with the established principles, procedures, and limits. Reports are prepared on a daily, weekly, monthly, and quarterly basis. In the event of

extraordinary developments or when certain early warning stages or limits are reached, an ad hoc report is sent to the Management Board.

BKS Bank has a comprehensive system of limits (limit for each maturity band, time-to-wall limit) in place that provides a quick overview of the current situation. The analyses are supplemented by stress tests, which we categorize as general macroeconomic scenarios, bank-specific scenarios or combined stress scenarios.

Refinancing is primarily undertaken on a euro basis. In the case of foreign currencies, activities chiefly focus on coverage for refinancing loans in Swiss francs via medium to long-term capital market swaps.

Key performance indicators for managing liquidity risk

	FY24	FY25
Deposit concentration	0.33	0.34
Loan/deposit ratio (LDR)	89.1%	85.7%
Liquidity coverage ratio (LCR)	213.5%	214.0%
Net stable funding ratio (NSFR)	121.6%	128.2%

(44.1) Collateral eligible for refinancing

in EUR k	FY24	FY25
Securities deposited with the OeNB	1,223,863	1,308,123
Securities deposited with Euroclear	80,658	87,444
Credit claims assigned to the OeNB	516,224	510,487
Credit claims assigned to the Bank of Slovenia	27,580	13,452
Total ECB refinancing-eligible collateral	1,848,325	1,919,506
less OeNB tender block	-250,284	-
Total available ESCB refinancing-eligible collateral	1,598,041	1,919,506
Cash	41,157	39,448
Credit balance with OeNB	858,175	538,621
Other securities	33,810	35,219
Counterbalancing capacity	2,531,183	2,532,794

(44.2) Development of the refinancing structure

in EUR k	FY24	FY25
Savings deposits	800,254	700,863
Other customer deposits	6,134,062	6,347,584
Debt securities issued	873,693	1,165,461
Subordinated debt	269,379	293,786
Deposits from banks	847,899	365,116

(44.3) Derivative and non-derivative liabilities on a cash flow basis 2025

in EUR k	Carrying amounts	Contractual cash flows ¹	< 1 month	1 month to 1 year	1–5 years	> 5 years
Non-derivative liabilities	8,872,810	9,246,285	601,637	3,119,944	1,971,002	3,553,702
• Deposits from banks	365,116	421,235	188,837	69,436	43,360	119,602
• Customer deposits ²	7,048,447	7,150,671	400,091	2,903,377	868,179	2,979,024
• Debt securities issued	1,165,461	1,320,028	12,309	119,926	925,756	262,037
• Subordinate liabilities	293,786	354,352	400	27,204	133,708	193,040
Derivative liabilities	2,574	2,925	-398	9,596	-2,338	-3,935
• Derivatives in the banking book	2,574	2,925	-398	9,596	-2,338	-3,935
Total	8,875,384	9,249,209	601,238	3,129,540	1,968,664	3,549,767

¹ Undiscounted² Cash flows from customer deposits due on a daily basis are modeled using maturity profiles.**Derivative and non-derivative liabilities on a cash flow basis 2024**

in EUR k	Carrying amounts	Contractual cash flows ¹	< 1 month	1 month to 1 year	1–5 years	> 5 years
Non-derivative liabilities	8,925,287	9,397,860	986,572	3,657,137	1,209,999	3,544,152
• Deposits from banks	847,899	935,921	204,214	598,684	40,810	92,213
• Customer deposits ²	6,934,316	7,169,253	715,475	2,964,748	467,121	3,021,910
• Debt securities issued	873,693	967,699	66,883	64,388	600,517	235,910
• Subordinate liabilities	269,379	324,987	0	29,318	101,551	194,118
Derivative liabilities	10,282	15,428	-374	15,612	687	-497
• Derivatives in the banking book	10,282	15,428	-374	15,612	687	-497
Total	8,935,569	9,413,288	986,198	3,672,749	1,210,686	3,543,655

¹ Undiscounted² Cash flows from customer deposits due on a daily basis are modeled using maturity profiles.**(45) Operational risk**

We associate the term operational risk with the risk of losses that may be caused as a result of inappropriate or non-functional internal procedures, personal and system errors, or external impact drivers. Other types of risk that are closely related to operational risk include reputational risks, legal risks, ESG risks, behavioral risks, model risks, and information and communication technology (ICT) risks.

Operational risks are limited at BKS Bank AG, and in all domestic and foreign subsidiaries, by means of an appropriate and continually refined internal control system. This encompasses a large number of organizational measures ranging from appropriate separation of functions in execution processes (separation of front office and back office, dual control principle), extensive internal rules and regulations, and regular controls through to emergency plans and self-auditing systems.

An OR Committee that meets quarterly is established to manage operational risks holistically at the level of the entire bank. Risk Controlling is responsible for the measurement and definition of the operational risk framework, whereas the risk taking units are responsible for implementing measures to minimize risk.

¹⁾ Central Risk Controlling Department²⁾ Operational Risk Committee

The new Standardized Approach in accordance with CRR III was applied as the basis for the prudential underpinning of operational risk. In the reporting year, the regulatory capital requirement was EUR 40.1mn (previous year: EUR 40.9mn). This was offset by an effective claims total of EUR 5.9mn, taking into account reimbursement for claims.

Operational risk

in EUR k	FY24	FY25
Fraud	2,161	3,479
Employment practices and workplace safety	8	209
Customers, products, business practices	-958	1,891
Damage to property	10	24
System failures	7	44
Settlement, delivery, and process management	128	235

In total, 175 claims were reported in 2025 (previous year: 202). The most severely affected loss category was fraud. The fraud category continues to be adversely affected by costs relating to a 2022 fraud case in Croatia. The Customers, products, business practices category essentially reports provisions for legal risks.

Ongoing proceedings

In Austria, the Oberste Gerichtshof (Supreme Court, OGH) dealt with credit processing fees for consumer loans in several rulings during the fiscal year. The court initially took up cases in which a processing fee was agreed in the form of a percentage of the total loan amount, and declared them inadmissible. Subsequently, the OGH made further rulings, some of which qualified this case-law and some of which developed it further. As of the end of the reporting year, rulings prevailed that deemed the loan processing fees to be inadmissible in the event of "grossly exceeding" the bank's actual costs incurred or in the event of a lack of transparency in the contractual arrangement of the fee. A consistent line of case-law with meaningful content was not apparent. Due to the long limitation period, consumers can also claim repayment of loan processing fees that have been paid in the past through the court if they are deemed inadmissible, but only to the extent that they exceed the bank's actual costs. BKS Bank has made a provision of EUR 1.6mn based on the claims already made.

In 2022, misappropriations by an employee in Croatia were uncovered. The employee had, in particular, also sent falsified guarantees to alleged beneficiaries, who subsequently filed legal actions against BKS Bank. The case-law on this is inconsistent and does not follow a clear course in our favor. The proceedings are taking much longer than initially expected. This also increases potential default interest. Settlement negotiations have also been held and in some cases have already finished. As a result, BKS Bank was forced to increase its provisions in the reporting year by EUR 3.9mn to EUR 29.0mn.

In Slovenia, since mid-2023, the highest court ruling regarding the interpretation of national consumer protection laws with regard to foreign currency loans has changed retrospectively to impose higher information requirements on banks prior to the conclusion of contracts. BKS Bank is already facing several lawsuits relating to the termination of the contract ex tunc. These proceedings are currently pending at first instance, and in

some cases already at second instance. A supreme court decision has not yet been reached. In the reporting year, the highest court in Slovenia referred a question in this regard to the ECJ for preliminary ruling; a decision has yet to be made. Any clawback affects not only existing credit agreements but also credit agreements that have already been repaid. BKS Bank has assumed different scenarios regarding possible settlement amounts and drawdowns and determined an expected cash outflow taking into account different probabilities. The provision thus determined amounted to EUR 8.0mn in the reporting year. The amount of the provision represents the best possible estimate of the future outflow of cash. However, uncertainties remain that may cause the final payments to differ from the assumptions made in recognizing the provision. In addition to the time horizon, this applies, in particular, to the drawdowns and expected repayment amounts on existing loans and loans already repaid.

(46) ICT risks

We understand information and communication technology (ICT) risks to be risks that could affect the security of network and information systems, any technology-dependent instruments or processes, or the provision of services. We address these challenges through professional IT security management at 3 Banken IT GmbH, which is held jointly with our sister banks, and through comprehensive data protection and data security measures, which also ensure professional business continuity management. Internal Audit regularly reviews the adequacy of these arrangements.

All business processes are connected to information and communication technology, which is why ICT governance is so important. ICT governance summarizes principles, processes, and measures to ensure that the ICT strategy supports the business strategy, and that through the hardware and software used we address business objectives, use resources responsibly, and monitor risks appropriately. The Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience in the financial sector (DORA) was implemented at BKS Bank by the end of December 2024 as part of a 3-Banken project.

DORA is a comprehensive legal basis for ensuring the operational resilience of financial service providers and has been applicable since January 17, 2025. A digital resilience strategy and a multi-vendor strategy were developed as part of the implementation project. The position of Chief Information Security Officer was newly established, creating an independent control function within BKS Bank. All contracts with third-party ICT service providers were reviewed for compliance with DORA, the formal process for handling and classifying ICT incidents was improved, and the reporting process was redesigned. The complete information register was also made available to the supervisory authority by March 31, 2025. Furthermore, the IT security policies were revised in accordance with the requirements of the DORA Regulation.

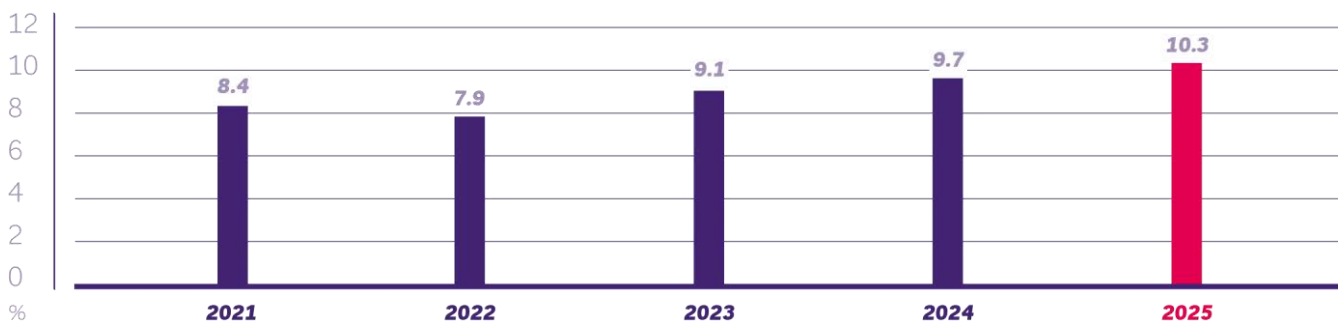
(47) Macroeconomic risk

The macroeconomic risk describes the risk of negative macroeconomic changes and the resulting risks that could arise for BKS Bank. The development of the underlying macroeconomic conditions is continually reviewed based on a set of key figures, discussed in the committees, and mapped into our risk models.

(48) Risk of excessive debt

The risk of excessive debt reflects the risk of high debt levels, which could have a negative impact on the business operations of BKS Bank. Alongside adjustments to the business plan that may be required, refinancing bottlenecks could also arise that make the disposal of assets necessary in an emergency situation, and could therefore lead to losses or valuation adjustments of the remaining assets.

The risk of excessive debt is measured by the leverage ratio. The leverage ratio is the ratio of the capital measure (Tier 1 capital) to the total exposure measure and was 10.3% at year end (previous year: 9.7%). This means that the leverage ratio is well above the minimum regulatory requirement of 3%.



(49) ESG risks

ESG or sustainability risks are events or conditions related to the environment, social affairs, or corporate governance that may have or could have significant adverse impacts on the assets and liabilities, financial position and profit or loss, and reputation of a company.

ESG sustainability risks

Risk policy principles are an integral part of the risk strategy in order to manage ESG risks. For example, different measures are defined for each individual type of bank operating risk to manage the sustainability risks.

Sustainability risks are managed in the context of managing BKS Bank’s individual risk types. Accordingly, the risk policy principles for managing sustainability risks and, in particular, climate-related risks refer to different levels of control and risk categories at BKS Bank. Sustainability targets and non-financial key performance indicators are also an element of BKS Bank’s remuneration policies for the Management Board and for employees with variable compensation components.

BKS Bank has had a sustainability strategy for many years now; this strategy is adjusted and expanded annually. It encompasses principles for actively managing and reducing negative financial, environmental, and social impacts on BKS Bank, the environment, and society. Furthermore, ESG risks are a fixed component of the annual risk assessment and the evaluation and assessment of our risk map. We see ESG factors and the associated risks as a holistic influencing factor and take them into account in our risk policy principles and in the risk management. In this respect, we pursue a dual perspective and thus potential interdependencies and feedback between ESG factors with respect to both an “outside-in” and an “inside-out” assessment. No material financial risks were identified for the risk parameters of the risk types listed above from ESG risks.

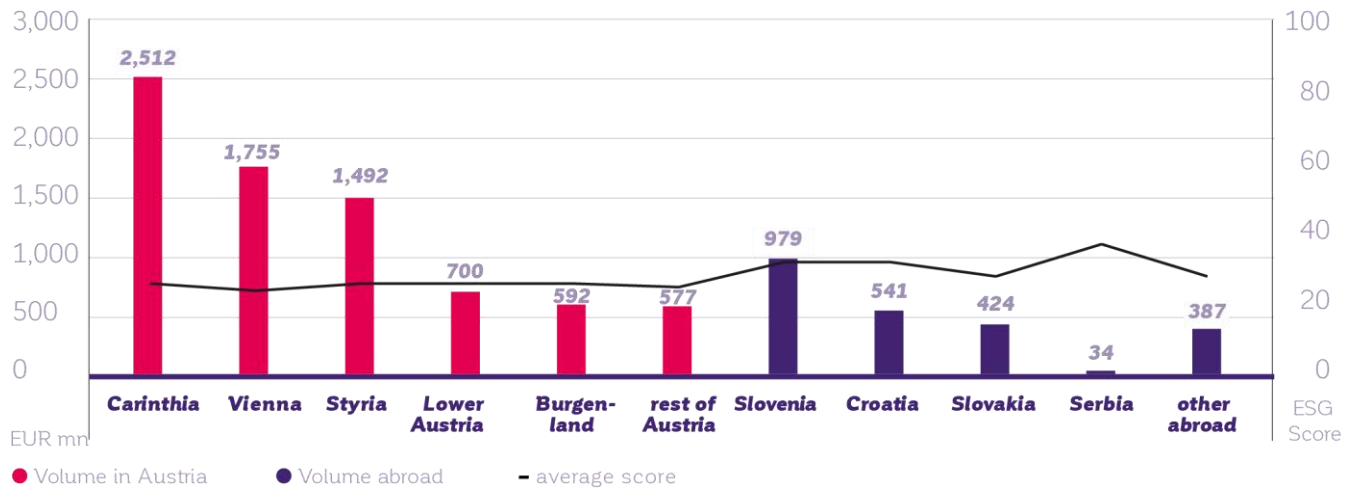
A buffer that is evaluated annually to cover any ESG risks in terms of economic capital requirements was established within overall bank management. Scenario analyses for our loan portfolio are also conducted as part of the stress test. Scenario analyses consider whether or not the 1.5 degree target is achieved. Using external generally accepted scenario analyses (Network for Greening the Financial System, NGFS), we derive the impact on the macroeconomic environment of BKS Bank’s target markets and the possible expected loss.

The Sustainable Development Goals are an integral part of the sustainability strategy and the process for launching new businesses and major structural changes at BKS Bank. In addition, BKS Bank has a catalog of exclusion and positive criteria that manages new customer business, as well as a catalog of business relationships that are generally to be rejected under the rules for preventing money laundering and terrorism financing.

We aim to gradually decarbonize the loan and investment portfolio to sustainably reduce ESG risks. We have defined a pathway using Science Based Targets (SBTs) for defined portfolios to best meet the Paris Agreement’s objectives. This agreement intends to limit global warming to 1.5°C above pre-industrial levels. The targets have already been validated by the Science Based Targets initiative.

The impact of ESG risks on our customer portfolio is measured using a system purchased from external sources. It determines score values between 0 for insignificant risks and 100 for extremely high risks. This has already provided us with a good overview of ESG risks in our loan portfolio, in particular also their geographical distribution.

ESG risk scores by target markets



(50) Other risks

Other types of risk, which are not currently classified as material at BKS Bank, are grouped under the Other risks category in terms of control. This includes:

- Risks from novel transactions and significant structural changes
- Reputation risks
- Residual value risks in the lease business
- Risks of money laundering and terrorism financing as well as compliance violations
- Risks from financial penalties
- Risks from the bank's business model
- Systemic risks and risks from financing shadow banks
- Equity risks
- Behavioral risks
- Model risks

The risk resulting from the implementation of precautions to prevent money laundering and terrorism financing is monitored by an organizational unit within BKS Bank set up specifically for this purpose. Managing risks from money laundering and terrorism financing is based on employee manuals, the risk analysis, and the risk strategy. These provisions apply to all employees, senior executives, and governing bodies of BKS Bank. The latest available risk analysis shows that 97.2% of customers are classified in the low to medium AML risk categories, and 87.1% in the two lowest AML risk classes out of a total of five risk classes.

Additional Disclosures

(51) Fair values

Financial assets and liabilities measured at fair value 12/31/2025

in EUR k	Level 1 "Market value"	Level 2 "Based on market value"	Level 3 "Internal measurement method"	Total fair value
Assets				
Loans and advances to customers				
• at fair value through profit or loss (mandatory)	-	-	35,913	35,913
• at fair value through profit or loss (designated)	-	-	256,821	256,821
Trading assets (derivatives)	-	7,069	-	7,069
Debt securities and other fixed-interest securities				
• at fair value OCI	26,718	-	-	26,718
Shares and other non-interest-bearing securities				
• at fair value through profit or loss (mandatory)	30,179	-	3,079	33,258
• at fair value OCI	96,139	-	63,014	159,153
Equity and liabilities				
Debt securities issued – at fair value through profit or loss (designated)	-	26,206	-	26,206
Trading liabilities	-	2,574	-	2,574

In the reporting year, there was a reclassification from Level 3 to Level 1 for equity interests measured at fair value through OCI, as observable market inputs became significantly more important. Based on the inputs used in the measurement methods, investment property is assigned to Level 2 as in the previous year.

12/31/2024

in EUR k	Level 1 "Market value"	Level 2 "Based on market value"	Level 3 "Internal measurement method"	Total fair value
Assets				
Loans and advances to customers				
• at fair value through profit or loss (mandatory)	-	-	38,051	38,051
• at fair value through profit or loss (designated)	-	-	279,063	279,063
Trading assets (derivatives)	-	6,945	-	6,945
Debt securities and other fixed-interest securities				
• at fair value through profit or loss (mandatory)	38	-	-	38
• at fair value OCI	31,344	-	1,051	32,395
Shares and other non-interest-bearing securities				
• at fair value through profit or loss (mandatory)	32,730	-	2,621	35,350
• at fair value OCI	-	-	144,554	144,554
Equity and liabilities				
Debt securities issued – at fair value through profit or loss (designated)	-	26,189	-	26,189
Trading liabilities	-	10,282	-	10,282

Level 3: Movements in financial assets and liabilities measured at fair value

in EUR k	Loans and advances to customers at fair value through profit or loss (designated)	Loans and advances to customers at fair value through profit or loss (mandatory)	Debt securities and other fixed-interest securities at fair value through OCI	Shares and other non-interest-bearing securities at fair value through OCI	Shares and other non-interest-bearing securities at fair value through profit or loss (mandatory)
As of 01/01/2025	279,063	38,051	1,051	144,554	2,621
Income statement ¹	1,877	-893	-	-	458
Reclassifications	-	-	-	-82,932	-
Change to group of consolidated companies	-	-	-	-	-
Other comprehensive income	-	-	-	1,393	-
Purchased/added	15,146	3,109	-	-	-
Sold/redeemed	-39,265	-4,354	-1,051	-	-
As of 12/31/2025	256,821	35,913	-	63,014	3,079

¹ Measurement changes made via the income statement; reported in the Profit/loss from FI designated at fair value item and the Profit/loss from FA measured at fair value through profit or loss (mandatory) item

in EUR k	Loans and advances to customers at fair value through profit or loss (designated)	Loans and advances to customers at fair value through profit or loss (mandatory)	Debt securities and other fixed-interest securities at fair value through OCI	Shares and other non-interest-bearing securities at fair value through OCI	Shares and other non-interest-bearing securities at fair value through profit or loss (mandatory)
As of 01/01/2024	213,310	41,170	1,041	129,189	2,222
Income statement ¹	-3,867	-148	9	-	399
Reclassifications	-	-	-	-	-
Change to group of consolidated companies	-	-	-	-	-
Other comprehensive income	-	-	-	15,404	-
Purchased/added	78,325	1,782	-	-	-
Sold/redeemed	-8,705	-4,753	-	-39	-
As of 12/31/2024	279,063	38,051	1,051	144,554	2,621

¹ Measurement changes made via the income statement; reported in the Profit/loss from FI designated at fair value item and the Profit/loss from FA measured at fair value through profit or loss (mandatory) item

Fair values – measurement policies and classification

The fair values presented in Level 1 “Market values” were measured using quoted prices in active markets (stock exchanges).

If fair values are unavailable, the fair value is ascertained using customary measurement models based on observable input factors and market data and presented in the category Level 2 “Based on market data” (e.g., discounting future cash flows from financial instruments). In general, fair values shown in this category were ascertained on the basis of market data observable for the assets or liabilities (e.g., yield curves, foreign exchange rates). Generally, items in Level 2 were measured using the DCF method. In the case of investment property, the expected rental income is discounted, and the location of the property is also taken into account.

In Level 3 “Internal measurement method”, the values of individual financial instruments were measured on the basis of special generally accepted measurement methods. The factors of influence for the measurement of items in Level 3 not observable in the market are adjustments to the credit ratings of customers based on internal rating procedures. In general, items in the category Level 3 were measured using the DCF method.

Reclassification

Reclassifications between the individual categories are carried out if market values (Level 1) or reliable input factors (Level 2) are no longer available or if market values (Level 1) become newly available for individual financial instruments (e.g., IPO).

Changes in credit rating of receivables recognized at fair value

Changes in the fair values of securities and loans measured at fair value through profit or loss arising from default risk were determined on the basis of the internal ratings of the financial instrument and the remaining time to maturity. In the reporting year 2025, changes in the ratings of loans and advances to customers recognized at fair value had an effect on the fair value of EUR -0.3mn (previous year: EUR -1.1mn).

Sensitivity analysis

The result of the sensitivity analysis of loans and advances to customers measured at fair value resulted in an accumulated change in value of EUR 1.3mn (previous year: EUR 1.5mn), assuming an improvement or deterioration in the credit rating of 10 basis points in the credit spread.

For Level 3 equity instruments amounting to EUR 48.1mn (previous year: EUR 47.2mn), the material non-observable parameter used for the calculation is the cost of equity. An interest rate increase by 50 basis points reduces the fair value by EUR 2.6mn (previous year: EUR 2.3mn). An interest rate decrease by 50 basis points raises the fair value by EUR 3.0mn (previous year: EUR 2.6mn). The remainder refers to immaterial minority investments for which no fair value measurement was applied.

Financial assets and liabilities not recognized at fair value

12/31/2025

in EUR k	Level 1 "Market value"	Level 2 "Based on market value"	Level 3 "Internal measurement method"	Total fair value	Carrying amount FY25
Assets					
Receivables from other banks	-	-	176,247	176,247	176,254
Loans and advances to customers	-	-	7,299,256	7,299,256	7,250,392
Debt securities and other fixed-interest securities	1,338,812	-	-	1,338,812	1,369,192
Equity and liabilities					
Deposits from banks	-	-	363,512	363,512	365,116
Deposits from customers	-	-	7,046,010	7,046,010	7,048,447
Debt securities issued	-	1,113,314	-	1,113,314	1,139,254
Subordinated debt	-	282,956	-	282,956	293,786

12/31/2024

in EUR k	Level 1 "Market value"	Level 2 "Based on market value"	Level 3 "Internal measurement method"	Total fair value	Carrying amount FY24
Assets					
Receivables from other banks	-	-	38,975	38,975	38,881
Loans and advances to customers	-	-	7,250,455	7,250,455	7,124,276
Debt securities and other fixed-interest securities	1,235,608	-	-	1,235,608	1,273,445
Equity and liabilities					
Deposits from banks	-	-	847,172	847,172	847,899
Deposits from customers	-	-	6,929,488	6,929,488	6,934,316
Debt securities issued	105,438	726,070	-	831,508	847,504
Subordinated debt	100,911	163,496	-	264,407	269,379

(52) Financial investments in equity instruments

In accordance with IFRS 9, all equity instruments not designated as held for trading are measured at fair value through other comprehensive income (FV OCI), as the fair value OCI option is selected for these instruments. These are mainly other equity investments and shares in subsidiaries that are not consolidated due to immateriality.

The fair value OCI option was selected because these equity instruments represent financial investments that are intended to be held for the long term.

Other material equity investments

in EUR k	Fair value as of 12/31/2024	Dividend income recognized in 2024	Fair value at 12/31/2025	Dividend income recognized in 2025
Beteiligungsverwaltung Gesellschaft m.b.H.	11,931	113	12,756	165
G3B Holding AG	69,959	174	82,192	964
Wienerberger AG	1,042	35	1,191	37
3-Banken Beteiligung Gesellschaft mbH	1,407	-	1,445	-
Oesterreichische Kontrollbank AG	26,301	1,479	29,497	1,828
Bausparkasse Wüstenrot Aktiengesellschaft	3,976	-	4,208	-
PEKRA Holding GmbH	16,964	-	14,353	5,000
VBG Verwaltungs- und Beteiligungs GmbH	7,103	-	7,643	-
3 Banken Kfz-Leasing GmbH	2,701	164	2,701	559
3 Banken IT GmbH	1,050	-	1,050	-
Other strategic equity investments	2,119	474	2,118	415
Total	144,554	2,438	159,153	8,969

(53) Gains/losses by measurement category

in EUR k	2024	2025
Interest income	7,709	3,312
Profit/loss recognized in the income statement	1,486	1,978
Profit/loss from FA¹ measured at fair value through profit or loss (mandatory)	9,195	5,290
Interest income	12,894	11,787
Interest expense	-1,085	-829
Profit/loss recognized in the income statement	-3,290	2,466
Profit/loss recognized in other comprehensive income	217	30
Profit/loss from FI² measured at fair value through profit or loss (designated)	8,736	13,454
Interest income	386,040	324,530
Fees and commission	48,847	50,646
Profit/loss recognized in the income statement	-233	-5,731
Profit/loss from FA measured at amortized cost	434,653	369,445
Interest income	2,655	8,969
Profit/loss recognized in other comprehensive income	15,215	14,608
Profit/loss from FA measured at fair value through other comprehensive income (designated)	17,869	23,578
Interest income	682	584
Profit/loss recognized in the income statement	4	-
Profit/loss recognized in other comprehensive income	846	240
Profit/loss from FA measured at fair value through other comprehensive income	1,531	824
Interest expense	-170,348	-122,097
Profit/loss recognized in the income statement	68	20
Profit/loss from financial liabilities measured at amortized cost	-170,280	-122,076

¹ FA = financial assets

² FI = financial instruments

(54) Information on shares in other entities

Under "Investments in companies accounted for using the equity method", Oberbank AG and BTV Vier Länder Bank AG were included in the consolidated financial statements for the following reasons even though the stake held did not reach the 20% threshold: For the investment in Oberbank AG, there is a syndicate agreement in place between BKS Bank and BTV Vier Länder Bank AG, and for the investment in BTV Vier Länder Bank AG there is a syndicate agreement in place between BKS Bank AG, Oberbank AG and G3B Holding AG. These agreements permit participation in the financial and business policy decisions of the banks without having a controlling interest in them.

Oberbank AG and BTV Vier Länder Bank AG were included in the consolidated financial statements as of the cut-off date September 30, 2025, because the figures of the IFRS consolidated financial statements as at year-end were not available due to tight schedules. The financial statements of the associated companies are adjusted as needed for the effects of significant transactions or events between the reporting date of the associated companies on September 30 and the reporting date of the consolidated financial statements on December 31. As of the reporting date on December 31, 2025, there were no events requiring a corresponding adjustment.

Associates

Values as of 12/31	Type of relationship	Head office	Direct voting rights in %		Direct equity interests in %		Fair value of the share	
			2024	2025	2024	2025	2024	2025
Oberbank AG	Strategic investment to secure autonomy	Linz	14.2	14.2	14.2	14.2	697,439	761,388
BTV Vier Länder Bank AG	Strategic investment to secure autonomy	Innsb ruck	12.8	12.8	12.8	12.8	266,736	323,893

Financial information about material associates

In EUR mn	Oberbank		BTV	
	09/30/2024	09/30/2025	09/30/2024	09/30/2025
Net interest income	491.3	463.8	201.1	181.7
Fees and commission	152.1	172.3	44.8	48.7
Consolidated profit for the year after tax	309.8	284.1	198.2	144.1
Total assets	27,973.6	29,343.5	14,710.9	15,485.3
Loans and advances to customers by risk provisions	20,649.9	21,734.6	8,835.8	9,186.2
Shareholders' equity	4,065.2	4,285.2	2,464.8	2,616.8
Primary funds	19,300.9	20,613.1	10,763.2	11,407.3
• thereof savings deposits	1,209.8	1,059.5	533.9	447.1
• thereof debt securities issued incl. subordinated debt	3,606.0	4,152.9	1,701.4	1,795.4
Dividends received (in EUR k)	9,995	11,495	1,906	2,859

Joint arrangements, joint operations

Oberbank AG, BKS Bank AG, and BTV Vier Länder Bank AG each hold a 50% and 25%, stake respectively in Alpenländische Garantie-Gesellschaft m.b.H. ("ALGAR" for short). The business purpose of ALGAR, which holds a limited banking license, is to assume default risk for defined loans and advances of its shareholder banks, whereby the extent of utilization is limited to the assets available in ALGAR that are not reserved for guarantees already utilized (maximum amount of provisions for expected future use). The term of the guarantee is unlimited in time. The shareholder banks are required to pay guarantee fees on an ongoing basis, which increase accordingly when funds are drawn down (penalty rule).

As of December 31, 2025, the volume reported by the shareholder banks and covered by the guarantee contrasted with provisions for expected future drawdowns in ALGAR of EUR 37,086k (previous year: EUR 45,339k). As the expected credit loss determined for the guarantee volume far exceeds the maximum amount of provisions for expected future utilization, the limitation rule described above applies.

Given the special provisions in the articles of association and the syndicate agreement with BTV Vier Länder Bank AG and Oberbank AG, ALGAR was classified as a joint operation pursuant to IFRS 11 (Joint Arrangements) and was included in the consolidation of BKS Bank AG.

To the extent that the shareholder banks have already used ALGAR guarantees due to an event of default, the provisions recognized for such purpose by ALGAR were allocated to the respective shareholder bank within the consolidated accounting. The same applied to the credit exposures reported under preliminary guarantees, for which ALGAR had already recognized risk provisions.

The shareholder banks included the provisions recognized by ALGAR for expected credit losses for guarantee volumes not yet defaulted in the consolidated accounts in proportion to their stakes, as the risk provisions could not be unambiguously attributed to specific guaranteed loans and advances. For BKS Bank AG, this resulted in provisions of EUR 9,272k (previous year: EUR 11,335k) for expected credit losses for exposures not unambiguously attributable. These are reported under risk provisions for credit operations.

Financial information on ALGAR is of minor importance.

(55) Related party disclosures

The following tables contain mandatory disclosures pursuant to Section 245a of the Austrian Commercial Code (UGB) and IAS 24 on BKS Bank's relations with related entities and persons. Entities and persons are deemed to be related parties if they are able to exercise a controlling or significant influence over the enterprise. IAS 24.9 defines key management staff as persons having authority and responsibility for planning, directing, and supervising the activities of the entity, whether directly or indirectly, and these must be taken to include the members of the Management Board and Supervisory Board of BKS Bank AG as well as the managing directors of subsidiaries.

Related party disclosures

in EUR k	Outstanding balances as of	
	FY24	FY25
Non-consolidated subsidiaries		
• Receivables	11,510	10,378
• Liabilities	12,104	7,202
Associates		
• Receivables	705	729
• Liabilities	45,000	-
Key management staff		
• Receivables	4,172	3,656
• Liabilities	7,332	5,440
Other related parties		
• Receivables	309	236
• Liabilities	400	388

As of the reporting date of December 31, 2025, there are receivables of EUR 0.8mn (previous year: EUR 0.5mn) from companies with a significant influence on BKS Bank AG, and no payables (previous year: EUR 80.0mn) to these companies. This results in interest expenses of EUR 1.4mn in 2025 (previous year: EUR 1.9mn).

Transactions with related parties were conducted on arm's length terms. In the financial year, no provisions for doubtful receivables and no expenses on irrecoverable or doubtful receivables were recognized in connection with related parties. Banking transactions with associated entities resulted in interest expenses in the financial year 2025 of EUR 1.4mn (previous year: EUR 3.3mn), and with non-consolidated subsidiaries in interest income of EUR 0.4mn (previous year: EUR 0.7mn).

Related party disclosures

in EUR k

	FY24	FY25
Average number of staff	1,029	1,050
• thereof blue collar	14	14
• thereof white collar	1,015	1,036
Average number of people employed by entities accounted for on a proportionate basis	3,838	3,811
Remuneration paid to the Management Board		
• Remuneration paid to active Management Board members	3,180	2,651
• Remuneration paid to former Management Board members and their surviving dependents	985	1,023
Remuneration paid to Supervisory Board members		
• Remuneration paid to active members of the Supervisory Board	351	319
• Remuneration paid to former Supervisory Board members and their surviving dependents	-	-
Compensation of key management personnel pursuant to IAS 24	4,500	3,018
• Short-term employee benefits	2,902	2,509
• Post-employment benefits	1,598	347
• Other long-term benefits	-	81
• Termination benefits	-	81
• Share-based payment benefits	-	-
Loans and advances granted		
• Loans and advances granted to members of the Management Board	52	-
• Loans and advances granted to members of the Supervisory Board	3,644	3,140
Expenditure on termination and post-employment benefits		
• Expenditure on termination and post-employment benefits for Management Board members	-360	48
• Expenditure on termination and post-employment benefits for other employees	7,338	5,886

All loans and advances to and deposits from members of the Management Board and Supervisory Board were granted or taken on arm's length terms. Pursuant to Article 94 (1) (l) and (m) of Directive 2013/36/EU and point 260 et seq of the EBA Guidelines on sound remuneration policies (EBA/GL/2021/04) and pursuant to (11) of the Annex to Section 39 of the Austrian Banking Act (BWG), the payout of the variable remuneration components to Management Board members must be 50% in cash and 50% in BKS Bank's ordinary shares. The shares are subject to a three-year holding or vesting period.

(56) Segment Report

Segment reporting is based on the organizational structure of the Group that is the foundation of its internal management reporting system.

Segment results 2025

in EUR k	Corporate customers	Retail customers	Financial markets	Other	Total
Net interest income	145,090	70,123	14,941	-	230,154
Risk provisions	-41,925	-612	-70	-	-42,607
Fees and commission	40,560	33,573	-410	756	74,478
Profit/loss from companies accounted for using the equity method	-	-	70,888	-	70,888
Net trading income	-	-	546	-	546
Operating expenses	-74,646	-71,551	-8,339	-11,102	-165,638
Other operating income/expenses	1,211	71	-33	-2,790	-1,541
Profit/loss from financial assets/liabilities	-5,649	-69	3,905	-	-1,812
Profit for the year before tax	64,641	31,535	81,428	-13,136	164,468
Average risk-weighted assets	4,385,729	1,134,128	646,261	258,786	6,424,904
Average allocated shareholders' equity	570,145	147,437	1,195,605	80,305	1,993,492
Segment liabilities	5,274,826	3,983,281	1,598,857	293,820	11,150,784
RoE based on profit for the year before tax	11.3%	21.4%	6.8%	-	8.3%
Cost/income ratio	39.9%	69.0%	9.7%	-	44.2%
Risk/earnings ratio	28.9%	0.9%	-	-	18.5%

Segment results 2024

in EUR k	Corporate customers	Retail customers	Financial markets	Other	Total
Net interest income	149,738	78,898	12,970	-	241,606
Risk provisions	-41,111	3	994	-	-40,115
Fees and commission	39,046	30,875	-276	721	70,365
Profit/loss from companies accounted for using the equity method	-	-	78,912	-	78,912
Net trading income	-	-	992	-	992
Operating expenses	-72,495	-70,083	-8,210	-10,786	-161,574
Other operating income/expenses	927	1,111	-37	-2,433	-432
Profit/loss from financial assets/liabilities	925	522	-4,404	-	-2,957
Profit for the year before tax	77,030	41,324	80,941	-12,498	186,797
Average risk-weighted assets	4,229,700	989,230	707,417	252,955	6,179,302
Average allocated shareholders' equity	530,854	124,100	1,116,040	75,624	1,846,617
Segment liabilities	5,054,615	3,698,393	2,027,355	291,924	11,072,287
RoE based on profit for the year before tax	14.5%	33.3%	7.3%	-	10.1%
Cost/income ratio	38.2%	63.2%	8.9%	-	41.3%
Risk/earnings ratio	27.5%	-	-	-	16.6%

Method: Net interest income is broken down using the market interest rate method. The costs incurred are allocated to the business areas in which these costs originate.

The structural contribution is allocated to the Financial Markets segment. Capital is allocated based on prudential considerations. The average allocated shareholders' equity carries 5% interest and is recognized as return on equity invested in net interest income. The profit for the respective segment is measured on the profit before tax earned in the segment. Apart from the cost/income ratio, return on equity is one of the principal benchmarks for managing the business segments. Segment reporting is based on our internal management

processes. The Management Board as a whole is responsible for corporate governance. The reports used for internal management purposes comprise the monthly reporting of results at the profit center level, quarterly reports on all relevant risk types, and ad-hoc reports for exceptional events.

Disclosures are not made concerning segment revenue from external customers for individual products and services or homogeneous product groups and service segments or concerning geographical areas since these are not reported to corporate governance within the context of internal management.

Corporate customers

At year-end 2025, this segment provided services to about 28,500 corporate customers. BKS Bank was originally conceived as a corporate and business bank, and this segment is still our most important source of income. Corporate customers account for the larger part of the loan portfolio and contribute substantially to profit. Also reported in this segment – apart from the income and expense components of BKS Bank AG from business with corporate customers – are income and expenses of the leasing companies provided they relate to transactions with corporate customers.

Retail customers

In the retail customers segment, all income and expense components of BKS Bank AG, BKS-Leasing Gesellschaft m.b.H., BKS-leasing d.o.o., BKS-leasing Croatia d.o.o., and BKS-Leasing s.r.o. from business with retail customers, wage and salary earners, and members of the health professions are reported in the retail customers segment. At the end of December 2025, this segment provided services to about 166,500 customers.

Financial markets

The financial markets segment includes the profits from BKS Bank AG's proprietary trading activities, from treasury securities, from equity investments, from derivatives in the banking book and interbank transactions as well as from income from term structure management.

The **Other segment** includes items of income and expenses that cannot be allocated to any other segment and those contributions to profit that cannot be attributed to any other operation.

(57) Total return on equity

The total return on equity was 1.3% (previous year: 1.5%) as of December 31, 2025.

(58) Subordinated assets

in EUR k	FY24	FY25	± in %
Loans and advances to customers	700	700	-
Profit participation rights	2,621	3,079	17.5

(59) Foreign currency balances

in EUR k	FY24	FY25	± in %
Assets	83,607	88,945	6.4
Liabilities	129,833	168,264	29.6

(60) Breakdown of listed securities

in EUR k	FY24		FY25	
	Listed	Unlisted	Listed	Unlisted
Debt securities and other fixed-interest securities	1,306,045	1,089	1,392,185	5,180
Shares and other non-interest-bearing securities	1,042	178,862	1,191	191,220

(61) Contingent liabilities and commitments

in EUR k	FY24	FY25	± in %
Guarantees	625,874	592,878	-5.3
Letters of credit	121	3,510	>100
Contingent liabilities	625,994	596,389	-4.7
Other commitments	1,762,929	1,798,492	2.0
Commitments	1,762,929	1,798,492	2.0

Other commitments consisted mainly of credit lines already promised but not yet used. The probability of these credit lines being used is monitored continuously and the probability of use is reviewed regularly.

(62) Netting of financial instruments**12/31/2025**

in EUR k	Financial instruments (gross)	Netted amounts (gross)	Recognized financial instruments (net)	Effects of netting arrangements ¹	Cash collateral received/given ¹	Net
Assets						
Trading assets	7,069	-	7,069	-1,546	-	5,523
Total assets	7,069	-	7,069	-1,546	-	5,523
Equity and liabilities						
Trading liabilities	2,574	-	2,574	-1,546	-	1,029
Total equity and liabilities	2,574	-	2,574	-1,546	-	1,029

¹ Current netting possibilities which were not netted in the balance sheet items

12/31/2024

in EUR k	Financial instruments (gross)	Netted amounts (gross)	Recognized financial instruments (net)	Effects of netting arrangements ¹	Cash collateral received/given ¹	Net
Assets						
Trading assets	6,945	-	6,945	-5,053	-288	1,604
Total assets	6,945	-	6,945	-5,053	-288	1,604
Equity and liabilities						
Trading liabilities	10,282	-	10,282	-5,053	-4,390	839
Total equity and liabilities	10,282	-	10,282	-5,053	-4,390	839

¹ Current netting possibilities which were not netted in the balance sheet items

BKS Bank uses master netting agreements for derivatives to reduce credit risks. These contracts qualify as potential netting arrangements. Master netting agreements are relevant for counterparties with multiple derivative contracts. When one counterparty defaults, these contracts ensure netting across all contracts. If additional

hedging is provided in the form of cash collateral, this is reported in the corresponding column “Cash collateral received/given”. Such cash collateral is recognized under Receivables from other banks or Deposits from banks.

(63) Events after the balance sheet date

From today’s perspective, the war in the Middle East has no direct impacts on BKS Bank. However, indirect impacts (including higher inflation resulting from higher oil prices) cannot be excluded at this stage. There were no business transactions of material relevance or of relevance for reporting purposes between the end of the financial year and the preparation of the financial statements.

(64) Assets serving as collateral for liabilities

Liabilities	Assets	FY24	FY25
Money held in trust pursuant to Section 230 a Austrian Civil Code	Securities	14,984	14,991
Collateral deposit for the clearing system of the Vienna Stock Exchange	Securities	1,535	1,530
Deposit for trading on EUREX	Receivables from other banks	9,049	7,662
Collateral for trading on Xetra	Securities	4,941	4,950
Euroclear pledge agreement	Securities	10,011	14,582
Margin for futures	Receivables from other banks	4,390	-
Receivables ceded to OeKB	Loans	114,621	138,413
Collateral for OeNB funding	Loans	250,284	-
Cover pool of mortgage loans for covered bonds	Loans	574,259	681,516
Cover pool of mortgage loans for covered bonds	Securities	-	2,823
Collateral for payment transactions, Croatia	Receivables from other banks	-	51
Pledge for OeKB CCPA clearing pool	Receivables from other banks	360	550

Trust money savings deposits were secured in conformity with the legal requirements set out in Section 68 Banking Act (BWG). The cover pool for covered bonds is governed by the Austrian Covered Bonds Act (FBSchVG). Additionally, assets are pledged as collateral for liabilities arising from derivative transactions. Moreover, retained covered bonds not recognized in the balance sheet issued by BKS Bank AG with a nominal value of EUR 150.0mn (previous year: EUR 150.0mn) were deposited as collateral with OeNB.

(65) Disclosure on fees paid to the bank auditor

in EUR k	FY24	FY25	± in %
Fees for mandatory audits of the single-entity and consolidated financial statements	483	532	10.1
Fees for other auditing services	198	220	11.4
Total fees	681	752	10.5

(66) Derivatives transaction volume: Banking book

in EUR k	Nominal amount by time to maturity		
	< 1 year	1–5 years	> 5 years
Interest rate contracts	400	167,251	424,986
Interest rate swaps	400	167,251	424,986
• Purchase	200	83,625	212,493
• Sale	200	83,625	212,493
Interest rate options	-	-	-
• Purchase	-	-	-
• Sale	-	-	-
Currency contracts	450,291	-	-
Currency forwards	238,361	-	-
• Purchase	119,023	-	-
• Sale	119,339	-	-
Capital market swaps	-	-	-
• Purchase	-	-	-
• Sale	-	-	-
Money market swaps (currency swaps)	211,930	-	-
• Purchase	106,001	-	-
• Sale	105,929	-	-
Securities contracts	-	-	-
Stock options	-	-	-
• Purchase	-	-	-
• Sale	-	-	-

Derivatives transaction volume: Trading book

in EUR k	Nominal amount by time to maturity		
	< 1 year	1–5 years	> 5 years
Interest rate contracts	-	67	-
Interest rate swaps	-	-	-
• Purchase	-	-	-
• Sale	-	-	-
Interest rate options	-	67	-
• Purchase	-	34	-
• Sale	-	34	-
Currency contracts	-	-	-
Currency options	-	-	-
• Purchase	-	-	-
• Sale	-	-	-

Nominal amount		Market value (positive)		Market value (negative)	
FY24	FY25	FY24	FY25	FY24	FY25
640,800	592,637	4,711	6,728	4,447	1,535
640,800	592,637	4,711	6,728	4,447	1,535
320,400	296,318	4,711	6,728	-	-
320,400	296,318	-	-	4,447	1,535
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
614,531	450,291	2,119	500	5,761	1,144
308,812	238,361	1,876	146	273	767
155,378	119,023	1,875	142	269	767
153,434	119,339	1	5	4	-
101,597	-	-	-	4,799	-
48,473	-	-	-	-	-
53,124	-	-	-	4,799	-
204,121	211,930	243	354	689	377
101,703	106,001	27	65	44	342
102,418	105,929	215	289	645	35
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Nominal amount		Market value (positive)		Market value (negative)	
FY24	FY25	FY24	FY25	FY24	FY25
201	67	1	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
201	67	1	-	1	-
101	34	1	-	-	-
101	34	-	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Positions (securities and derivatives) entered into by the Money, Foreign Exchange and Securities Trading unit to achieve price gains or take advantage of interest rate fluctuations were reported in the trading book. The market value is the amount that could be realized from the sale of a financial instrument on an active market or that would be payable for a corresponding acquisition. Where market prices were available, these were used as the market value. Where market prices were unavailable, we used internal valuation models, including the present value method.

Profit Distribution Proposal

The Management Board proposes to the Annual General Meeting to distribute a dividend of EUR 0.50 per eligible share on the net profit of EUR 22,918,655.65 reported in the annual financial statements for the financial year ended on December 31, 2025, thus a total of EUR 22,902,880.00, and to carry forward the remaining amount of approximately EUR 15,775.65 to new account.

Klagenfurt am Wörthersee, March 6, 2026

The Management Board



Nikolaus Juhász
Chairman of the Management Board



Dietmar Böckmann
Member of the Management Board



Clemens Bousquet
Member of the Management Board



Renata Maurer Nikolić
Member of the Management Board

The Company's Boards and Officers

Management Board

Mr. Nikolaus Juhász
Mr. Dietmar Böckmann
Mr. Clemens Bousquet (from November 1, 2025)
Ms. Claudia Höller (until February 28, 2026)
Ms. Renata Maurer Nikolić (from April 1, 2025)
Mr. Alexander Novak (until March 31, 2025)

Shareholder representatives on the Supervisory Board

Mr. Hannes Bogner
Mr. Gerhard Burtscher, Deputy Chairman
Ms. Christina Fromme-Knoch
Dr. Franz Gasselsberger
Dr. Reinhard Iro
Dr. Susanne Kalss
Mr. Christoph Kulterer
Dr. Stefanie Lindstaedt
Dr. Sabine Urnik, Chairwoman of the Supervisory Board
Mr. Klaus Wallner

Employee representatives on the Supervisory Board

Mr. Sandro Colazzo
Ms. Corinna Doraponti
Ms. Marion Dovjak
Ms. Andrea Haingartner
Mr. Roland Igumnov

Klagenfurt am Wörthersee, March 6, 2026



Nikolaus Juhász
Chairman of the Management Board



Dietmar Böckmann
Member of the Management Board



Clemens Bousquet
Member of the Management Board



Renata Maurer Nikolić
Member of the Management Board

Closing Remarks by the Management Board

Statement by the Management Board pursuant to Section 124 of the Austrian Stock Exchange Act

The Management Board of BKS Bank AG declares that these annual financial statements have been prepared in conformity with the IFRS Accounting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as effective and as adopted by the EU including the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and that they present a true and fair view of the financial position, financial performance and cash flows of the BKS Bank Group. The Management Board furthermore states that the Management Report presents the development of business, profit or loss, and situation of the BKS Bank Group in such a way as to give a true and fair view of the financial position, financial performance, and cash flows as well as of the material risks and uncertainties to which the Group is exposed.

Klagenfurt am Wörthersee, March 6, 2026

Management Board



Nikolaus Juhász

Chairman of the Management Board



Dietmar Böckmann

Member of the Management Board



Clemens Bousquet

Member of the Management Board



Renata Maurer Nikolić

Member of the Management Board



Independent Auditor's Report

Report on the Audit of the Consolidated Financial Statements

Audit Opinion

We have audited the accompanying consolidated financial statements of **BKS Bank AG, Klagenfurt**, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year ended on said date, as well as the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2025, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU and the additional requirements under Section 245a UGB (Austrian Commercial Code) and the Austrian Banking Act.

Basis for the audit opinion

We conducted our audit in accordance with EU Regulation 537/2014 (hereinafter EU Regulation) and the generally accepted standards for the audit of financial statements in Austria. These standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under these rules and standards are described in more detail under "Responsibility of the auditor for the audit of the consolidated financial statements" in our audit report. We are independent of the Group as stipulated by Austrian company law and statutory professional standards and have complied with our other professional duties in accordance with these requirements. We believe that we have obtained sufficient and suitable audit evidence until the date of the audit opinion so that our audit provides an adequately reliable basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of loans and advances to customers

Matters and problems

As of December 31, 2025, loans and advances to customers of EUR 7,543mn were reported in the consolidated financial statements.

The Bank describes the process for monitoring credit risk and the procedure for determining impairments in the Notes in the section Accounting policies/Loss allowances for financial instruments pursuant to IFRS 9 and in the section Risk Report/Credit Risk.

The Bank has implemented processes to identify expected default events and significant increases in credit risk to determine expected credit losses. Calculation of the impairment adjustment for non-performing, individually significant loans and borrowings is based on expected recoverable amounts in different scenarios. These are influenced by the assessment of the economic situation and development of the respective customers, as well as the expected realization of loan collateral.

The impairment adjustment for non-performing loans that are individually insignificant is calculated as a percentage of the unsecured loan (depending on the default status) based on empirical data.

In the case of non-defaulted loans, the expected credit loss for the next twelve months (Stage 1) is recognized or – if the credit risk has increased significantly since the loan was initially recognized – the expected credit loss for the entire remaining term (Stage 2).

Estimates and assumptions as well as the exercise of discretion are required when calculating the expected credit loss. These include the identification of default events, probabilities of default, loss ratios and expected exposure at default. The calculation considers ratings, current and forward-looking information.

The assessment of the recoverability of loans and advances to customers involves considerable uncertainties and leaves room for discretion in all of the aforementioned variants. Therefore, we have determined the recoverability of loans and advances to customers as a key audit matter.

Audit procedures

In auditing the recoverability of loans and advances to customers, we performed the following audit procedures:

- We assessed the methodologies used to determine expected credit losses and their compliance with accounting standards.
- We analyzed the documentation of the processes applied to loan monitoring and allocation of risk provisions and carefully examined whether these processes are suitable for identifying credit defaults in time and adequately reflecting the recoverability of loans and advances to customers. We also assessed the processes and tested key controls regarding their design and implementation, including the relevant IT systems, and tested their effectiveness on a sample basis.
- We examined the risk aspects of individual exposures on the basis of random samples. For defaulted loans, we assessed the Bank's estimates of the amount of expected cash flows taking into account collateral and examined whether the assumptions used in the calculation were appropriate and derivable from internal or external evidence. In the case of non-defaulted loans, we examined whether there were indicators for a default.
- To assess the appropriateness of the expected credit losses for non-defaulted loans (Stage 1 and Stage 2), we examined the plausibility of assumptions and the appropriateness of the models used, as well as the proper application of these models with the assistance of specialists. We paid special attention to the assumptions made in connection with forward-looking information. We also examined the appropriateness of the assumptions of the parameters probability of default, loss given default and exposure at default as well as the stage model considering the results of the bank's internal validations and re-performed selected calculation steps.
- To assess the appropriateness of the expected credit losses on individually non-significant non-performing loans, we surveyed and assessed the process and method applied in the calculation and also monitored the appropriateness of the percentages.
- Finally, we assessed whether the disclosures in the notes to the consolidated financial statements regarding the calculation of expected credit losses and the significant assumptions and estimation uncertainties are appropriate.

Other information

Management is responsible for the other information. Other information refers to all the information in the management report, except for the consolidated financial statements, the Group management report and the Independent Auditor's Report. We received the management report (except the report of the Supervisory Board) before the date of the Independent Auditor's Report; the report of the Supervisory Board is expected to be made available to us after this date.

Our audit opinion regarding the consolidated financial statements does not cover the "Other information", and we do not express any form of assurance in this respect. Regarding the information in the Group management report, we refer to the section "Report on the Group management report".

With respect to our audit of the consolidated financial statements, we have the responsibility to read the other information and assess if it contains any material inconsistency with respect to the consolidated financial statements or to the knowledge we gained during our audit or in any other way seems to be presented incorrectly.

If we conclude, based on the work we have performed on the other information obtained prior to the date of this auditor's report, that there is a material misstatement in respect of such other information, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements and must ensure that these are in compliance with IFRS Accounting Standards as applicable within the European Union and the additional requirements of Section 245a Austrian Commercial Code and the Banking Act, and present fairly in all material respects the financial position, financial performance and cash flows of the group. Management is also responsible for such internal controls as it deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's accounting process.

Responsibilities of the auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether or not the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation (EU) and the Austrian principles on proper auditing, which require the application of the ISAs, will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or overall, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with the generally accepted standards for the audit of financial statements in Austria, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit proof that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not identifying a material misstatement resulting from fraud is higher than for one resulting from error because fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- obtain an understanding of the internal controls relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Group's internal controls.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- conclude on the adequacy of Management's use of the going concern basis of accounting and, based on the obtained audit proof, whether or not material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if these disclosures are inappropriate, to modify our audit opinion. We draw our conclusions based on the audit proof obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether or not the consolidated financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- plan and perform the consolidated financial audit to obtain sufficient appropriate audit proof in respect of the financial information of companies or operating segments within the Group as the basis for forming an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit activities performed for the purposes of the consolidated financial audit. We are solely responsible for our audit opinion.

communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in the internal controls that we identify during our audit.

provide the Audit Committee with a statement that we have complied with relevant ethical requirements relating to independence and communicate with them regarding all relationships and other matters that may reasonably be thought to impact our independence and, where applicable, regarding actions taken to eliminate threats or safeguards applied.

of the matters communicated with the Audit Committee, we determine those that were of most

significance in the audit of the consolidated financial statements of the fiscal year and are thus the key audit matters. describe these matters in our auditor's report unless legislation or regulation precludes public disclosure of the matter or, in extremely rare cases, we determine that a matter should not be disclosed in our report because the negative consequences of such disclosure are reasonably expected to outweigh the public interest benefits thereof.

Other legal and regulatory requirements Group Management Report

According to the legislation in force in Austria, the Group management report must be audited to ascertain whether it is consistent with the consolidated financial statements and to ensure that it has been drafted in accordance with the requirements of applicable law. It is our responsibility to assess whether or not the consolidated non-financial statement included in the Group management report has been prepared, to read it and in that respect assess whether or not such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be misstated.

The company's legal representatives are responsible for preparing the Group management report in accordance with Austrian company law.

We conducted our audit in accordance with the professional ethics on auditing the Group management report.

Opinion

In our opinion, the Group Management Report has been prepared in accordance with the applicable legal requirements, contains correct disclosures pursuant to Section 243a of the Austrian Commercial Code and is consistent with the annual financial statements.

Explanation

In view of the knowledge gained in the course of the audit of the consolidated financial statements and

the understanding of the Group and its environment, material misstatements were not identified in the Group management report.

Additional disclosures in accordance with Article 10 of the EU Regulation

We were appointed as auditors of the financial statements for the financial year ended December 31, 2025 by the Annual General Meeting on May 8, 2024, and on May 15, 2024, were commissioned by the Supervisory Board to conduct our audit of the financial statements. We were also appointed as auditors of the financial statements by the Annual General Meeting on May 15, 2025, for the following financial year, and, on May 19, 2025, were commissioned by the Supervisory Board to conduct our audit of the financial statements. We have been the Group auditor since the financial year ending December 31, 2022.

We declare that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee pursuant to Article 11 EU Regulation.

We hereby confirm that we have not provided any prohibited non-audit services (Article 5 (1) EU Regulation) and that we maintained our independence when conducting our audit.

Responsible auditor

The auditor responsible for the audit of the financial statements is Wolfgang Wurm.

Vienna, March 6, 2026

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Wolfgang Wurm
Auditor



Interconnection

***The Whole
Is More
Than the Sum
of Its Individual
Parts.***

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***Additional
Information***

Glossary

3 Banken Group refers to a syndicate consisting of Oberbank, BTV, BKS Bank and G3B Holding. The agreement provides for joint corporate action and transfer restrictions with regard to the shares held by each party.

The **1.5 degree** target is the goal of limiting global warming to 1.5 degrees Celsius above pre-industrial levels.

The EU presented its **action plan on financing sustainable growth** in 2018. Among other things, it aims to raise the transparency of sustainability in finance and channel money into sustainable finances and investments.

ALM Committee: The Asset Liability Management (ALM) Committee is an internal body of BKS Bank and is responsible for managing the balance sheet structure, interest rate risk, and liquidity.

Amendment: Amendments to, supplementary information regarding or improvements to existing IFRS standards are issued in the form of so-called amendments.

An **asset class** is a group of financial instruments that share similar characteristics, functions and risk/return profiles. They serve to structure assets in order to minimize risks through diversification (distribution). The most important asset classes are equities, bonds, real estate, commodities, and liquidity (cash).

The **Austrian Ecolabel for Sustainable Financial Products** certifies ethically oriented projects and companies that generate profits through sustainable investments in the financial sector.

The **Austrian Sustainability and Diversity Improvement Act (NaDiVeG)** is the legal basis for sustainability reporting in Austria.

The **banking book** comprises all on and off-balance sheet items in a bank balance sheet that are not allocated to the trading book.

Basel III Capital Requirements: Basel III is an international regulatory framework that requires banks to hold significantly higher and better quality capital

reserves. It aims to strengthen the stability of the financial system.

Basis points (bps) is a unit of measurement used in the financial world to precisely express changes in interest rates and returns. One basis point is equal to 0.01%.

The Austrian **“berufundfamilie” audit** is a state-sponsored quality label for family-friendly companies in Austria.

Biodiversity or biological diversity means the diversity of life on Earth, including all living creatures, species, ecosystems, and landscapes.

The **BKS Portfolio Strategy Sustainable** is an asset management strategy that invests exclusively in investment funds from the sustainability sector. These funds are subject to strict criteria, and compliance with these criteria is reviewed internally and externally on an ongoing basis.

The **book value per share** is calculated from the reported shareholders' equity (book value) divided by the average number of shares of a company in circulation. A comparison of the book value per share with the share price allows conclusions to be drawn regarding its valuation.

Business model pursuant to IFRS 9: Pursuant to IFRS 9 financial instruments are to be allocated to a business model. The business model determines how the financial instruments are managed and measured.

CapEx (Capital Expenditure) refers to a company's capital expenditure on non-current assets, i.e., expenditure that is recognized as assets in the balance sheet and depreciated over several years rather than recognized as an expense immediately.

The **Capital Requirements Directive (CRD IV)** is an EU Directive that has been implemented in Austria by amendments to the Austrian Banking Act (BWG) and related supervisory laws. Together with the CRR, it implements the Basel III regulations into law.

The **Capital Requirements Regulation (CRR)** is an EU regulation that, together with the CRD, implements the Basel III framework into law. It is directly legally binding for all EU Member States and includes

provisions on equity components, capital requirements, large loans, liquidity, debt (leverage) and disclosure regulations.

Capital stock is the total amount of the par values of all issued shares of a corporation. The par value of one share of BKS Bank AG is EUR 2.00.

The **carbon footprint** is a measure of the total amount of carbon dioxide emissions that arises or is caused, directly or indirectly, by the activities or life stages of products or persons.

Circular economy is a model of production and consumption. It aims to sort, repair, refurbish, or recycle existing products or materials for as long as possible in order to prolong the life cycle of products or materials.

Climate change is a global change in the Earth's climate.

Climate neutrality is a state in which human activities do not cause additional warming of the climate because emitted greenhouse gases are either completely avoided or offset through measures such as carbon capture.

Climcycle is a tool for assessing ESG risks to classify taxonomy eligibility and determine CO₂ emissions according to PCAF.

The **CO₂ equivalent** is a measure used to standardize the climate impact of different greenhouse gases.

A **Code of Conduct** is a set of rules governing proper conduct.

Companies accounted for using the equity method are associate companies that are not controlled, but in which it is possible to significantly influence financial and operating policy decisions. They are incorporated in the consolidated balance sheet on the basis of the proportionate shareholders' equity in the associate company. The Group income statement includes the proportionate share of the profit/loss for the year of the associate company corresponding to the shareholding ratio.

The term **compliance** refers to compliance by companies with all legal requirements. The term Compliance also includes the establishment of organizational precautions within the company to ensure compliance with both statutory directives and directives defined by the company.

Consolidated companies are significant, controlled companies the assets, equity and liabilities, income and expenses of which are included in their entirety in the consolidated financial statements of BKS Bank after deducting consolidation items.

Corporate governance is the legal and de facto framework for a company's management and oversight for the benefit of all relevant stakeholders and represents good corporate governance.

Corporate social responsibility (CSR) is an entrepreneurial practice that combines social justice and environmental responsibility with economic targets: systematic, traceable, transparent, and voluntary.

The **Corporate Sustainability Reporting Directive (CSRD)** is an EU regulation that sets out the manner in which sustainability matters are to be reported.

Corporate volunteering refers, on the one hand, to the voluntary commitment of employees in social projects and on the other to the promotion of existing employee volunteering.

The **cost/income ratio** measures the operating expense/income ratio of banks. In this respect, it is the ratio of the operating expenses incurred in the respective financial year to the bank's operating income. The operating income is the sum of interest and fees and commission income, net trading income, and other operating income. This metric shows the percentage of operating income used up by operating expenses, and provides insight into cost management and cost efficiency. The lower the ratio, the better the company is performing.

The **Credit Institutions Real Estate Financing Measures regulation (KIM-V)** was issued by the FMA to limit the systemic risks associated with debt financing of residential properties. The regulation was legally binding until March 6, 2025 for newly agreed private residential real estate financing. The loan-to-value or debt-service ratios were tightly regulated by KIM-V.

The **credit spread** is the risk premium or return difference between an interest-bearing security and a risk-free reference interest rate with the same term. The credit spread risk represents the changes in the market prices of the interest-bearing securities portfolio caused by the credit rating and or risk premium.

DBO stands for defined benefit obligation, which is the value of a retirement benefit obligation under the projected unit credit method.

Decarbonization refers to the transition of the economy, especially the energy industry, toward lower carbon emissions through the phase-out of fossil fuels.

Demand deposits are bank balances that customers can dispose of on a daily basis without having to consider notice periods or terms. They are used primarily for day-to-day payment transactions (current account, overnight funds) and often bear no interest or only a low interest rate.

The **deposit concentration** is used to estimate the withdrawal risk associated with a run on deposits and indicates, above all, the risk of being dependent on large deposits.

Derivatives are financial instruments whose prices depend on price fluctuations or price expectations of other financial instruments. Therefore, they can be used both to hedge against losses in value and to speculate on price gains of the underlying security. Key derivatives include options, futures, and swaps.

Directors' dealings are reportable public transactions by senior executives of listed companies with shares or financial instruments derived from shares of their own companies. Their purpose is to ensure transparency and prevent market abuse.

Diversity refers to the conscious handling of diversity in the company, related not only to gender but also to other characteristics such as ethnicity, social background, age, religion, sexual orientation and disability.

The **Diversity Charter** is an initiative to promote appreciation towards all members of society.

A **dividend** is a portion of the profit distributed by a stock corporation to its shareholders.

The **dividend yield** indicates the percentage of the dividend paid out relative to the share price at a given point in time. The closing price of the share is often used as the share price.

DORA stands for the Digital Operational Resilience Act and is an EU regulation aimed at strengthening IT security in the financial sector. It requires financial institutions and their ICT service providers to prevent

and manage cyber-attacks and system failures and become more resilient to digital risks.

Due diligence is the thorough review and analysis of a company's economic, legal, tax, and financial circumstances.

Earnings per share indicate the calculated proportion of a company's net profit for a single share in circulation. It is calculated from the net profit for the year less interest expense on bonds that are classified as additional core capital. This is divided by the average number of shares of a company in circulation.

The **EFQM model** is a total quality management system developed in Europe. EFQM stands for European Foundation for Quality Management.

EMAS (Eco-Management and Audit Scheme) is one of Europe's most widespread and demanding environmental management systems.

Emissions refer to the emissions of gases or particles that pollute the air, soil or water.

Endorsement: In order to be applicable in Austria, International Financial Reporting Standards must be adopted by the European Union. This process is called endorsement.

ESG – environmental, social, and corporate governance – are the three central pillars of comprehensive sustainability management. They are used to measure the social impact of capital expenditure in companies and/or of financing by banks.

The **European Green Deal** is a policy set out by the 2019 European Commission with the aim of reducing net emissions from greenhouse gases to zero by 2050 in the European Union and thus becoming the first continent to be climate neutral.

The **European Sustainability Reporting Standards (ESRS)** are mandatory European sustainability reporting standards defined by the Corporate Sustainability Reporting Directive (CSRD). They require companies to provide detailed disclosures on the environment (E), social affairs (S), and governance (G) based on a materiality assessment.

The **European Union Taxonomy** provides a binding definition of environmentally sustainable activities and capital expenditure.

Expected credit loss model: Expected credit losses that may occur on a financial instrument within 12 months or during the entire term (lifetime expected credit loss) after the reporting date.

Fair value defines the price that would be received to sell an asset or paid to transfer a liability in a regular business transaction between market participants on the measurement date.

Financed Emissions include CO₂ emissions generated on the basis of loans granted and investment products sold.

Financial literacy refers to general financial knowledge.

The **Fit & Proper policy** is a key governance instrument, especially in the financial sector. It ensures that members of management, supervisory boards, and key function holders have the necessary professional qualifications, personal reliability, and availability in terms of time.

Forbearance refers to concessions to a debtor (e.g., modifications of contracts) when the debtor runs the risk of being unable to meet its payment obligations. It covers loans, debt securities, revocable and irrevocable loan commitments, with the exception of exposures held in trading. Forbearance status must be reported on a quarterly basis under the guidelines of the European Banking Authority (EBA).

GDP stands for gross domestic product and shows the total value of all goods and services produced by an economy within one year after deducting all inputs. To see GDP in isolation from changes in prices, real GDP is used to measure all goods and services at the price of a base year.

The **gender pay gap** describes the difference between the average income of women and men.

The **GHG Protocol (Green House Gas Protocol)** is an internationally generally accepted standard for accounting for GHG emissions and related reporting by companies.

The **Global Reporting Initiative** is a provider of guidelines for producing sustainability reports for large companies, small and medium-sized enterprises, governments, and non-governmental organizations.

The **Going Concern principle** states that accounting or risk analysis shall assume that the Group will

continue as a going concern unless there are factual or legal circumstances to the contrary. Among other things, this is important for the measurement of assets.

The **Green Asset Ratio (GAR)** indicates the proportion of a bank's business that should be classified as sustainable in accordance with regulation (EU) 2020/852 ("Taxonomy Regulation").

Green bonds are bonds, the issuance proceeds of which are used exclusively to fund or refinance suitable green projects on a proportionate basis or in full, and which meet all four core components of the Green Bond Principles. These can be new and/or existing projects. The selected green projects should provide a clear environmental benefit that should be evaluated and quantified where feasible.

Green Brands is an international, neutral and independent brand evaluation organization that recognizes environmentally sustainable brands with the Green Brand seal of approval. It is an EU certification mark.

The term **green electricity** is commonly used to refer to electricity generated from environmentally friendly renewable energy sources.

Green finance means environmentally sustainable financing and is often used as an umbrella term for a more sustainable financial industry.

The **Green Finance Alliance** is an initiative by the Austrian Federal Ministry for Climate Action for forward-looking financial companies. Members of the Green Finance Alliance play a pioneering role in climate change mitigation and demonstrate the compatibility of climate change mitigation and sustainable business.

Greenhouse gases (GHG) are gases that contribute to the greenhouse effect and can be of both natural and anthropogenic origin. They absorb some of the long-wave thermal radiation emitted by the ground that would otherwise escape into space.

ICAAP (Internal Capital Adequacy Assessment Process) is the name of the process prescribed by the Basel III regulations by which banks decide the amount, composition and allocation of their capital resources. The allocation of economic capital serves to manage and limit all material risks to banking and operating activities.

ID Austria is a method for digital authentication in Austria. It enables individuals to prove their identity online to the authorities and private service providers using digital means. ID Austria can also be used to create qualified electronic signatures, for example on PDF documents. These electronic signatures are legally equivalent to a handwritten signature.

IFRS Accounting Standards are the financial reporting standards issued by the International Accounting Standards Board (IASB) in the form of individual standards. The objective of annual financial statements prepared in accordance with IFRS is to make available to investors information relevant to decision-making about the company's financial position, financial performance and results of operations, as well as changes in these over time. By contrast, a financial statement prepared in accordance with the Austrian Commercial Code (UGB) is primarily based on the idea of protecting creditors.

ILAAP (Internal Liquidity Adequacy Assessment Process) is a procedure prescribed in the Basel III regulations for assessing the adequacy of internal liquidity and is thus an important risk management instrument for credit institutions.

The **International Labor Organization** is a specialized agency of the United Nations charged with promoting social justice, human rights and labor rights.

The **International Standards on Auditing (ISA)** are internationally accepted standards for carrying out audits of financial statements that must be adhered to in accordance with the International Financial Reporting Standards (IFRS).

An **investment grade** bond is one whose creditworthiness (or that of the issuer) is rated at least BBB- (Baa3) by the rating agencies. If the rating is lower, the bond is known as speculative high-interest or high-yield bonds, or even junk bonds.

ISIN stands for International Securities Identification Number and is used to uniquely label securities worldwide. The ISIN is a twelve-digit alphanumeric code and consists of a two-digit international country abbreviation (e.g., AT for Austria), a nine-digit national identification number and a one-digit check digit. The ISIN of the ordinary share of BKS Bank AG is AT0000624705.

ISS-ESG is a leading global provider of sustainability ratings, analyses, and data for investors. It assesses

companies with respect to environmental, social, and governance (ESG) risks, awarding a "Prime" status to industry leaders. ISS (Institutional Shareholder Services, Inc.) is majority-owned by the Deutsche Börse Group.

Issues in a financial context refer to the issuance of securities or money

Key Audit Matters are the most significant audit matters that, from the auditor's perspective, could pose the greatest risk of material misstatement.

Leasing is a method of financing that works in a similar way to a rental agreement. In this case, a leased asset is financed by a lessor and transferred to a lessee in exchange for monthly payments. In contrast to renting, where the lessor bears the costs of maintenance and repair, with leasing it is the lessee who is responsible for maintenance, repairs, and depreciation.

In the context of banking regulation, the **leverage ratio** measures a minimum capital ratio. It indicates the percentage of a bank's core capital relative to its total lending business. The lending business also includes off-balance sheet transactions. Since the risk weighting is not taken into account, this indicator is not risk-sensitive. If a bank falls below the regulatory minimum of 3%, it must either reduce its lending business or increase its own funds.

Lifetime Expected Loss: the credit losses that result from all possible default events during the expected term of a financial instrument.

Liquidity coverage ratio (LCR): tests whether a bank is in a position to remain liquid for the next 30 days in the event of simultaneous market and bank-specific stress situations. Highly liquid assets are compared with the expected net cash outflow (cash outflow less cash inflow) during the next 30 days. The LCR manages a bank's short-term liquidity.

Loan deposit ratio is the ratio of loans to primary deposits. The key performance indicator describes the percentage to which the loans can be refinanced by way of primary deposits.

The **main refinancing operations interest rate (MRO)** is the main refinancing rate. It is one of the three key interest rates that the ECB sets. Banks can refinance themselves at this interest rate with the ECB.

MAMFORCE®: In Croatia, MAMFORCE© sets the standards for work-life balance.

Market capitalization is the market value of a listed entity at a particular reporting date. It is calculated by multiplying the number of shares in circulation by the current stock market price of one share.

Minimum Requirement for Eligible Liabilities

(MREL): Minimum requirement for own funds and eligible liabilities. EU member states must ensure that banks meet a minimum requirement for own funds and eligible liabilities at all times.

Modified duration is a metric used to evaluate the interest rate sensitivity of financial assets. This indicator provides a means of approximating future changes in market value.

Money laundering is the process of channeling illegally generated funds or assets into the legal financial and economic cycle.

MSCI ESG is a global provider of sustainability analyses and ratings. MSCI is an American financial services firm.

The **Net Stable Funding Ratio (NSFR)** monitors the Basel III requirement that banks must be able to refinance their long-term loans on a stable basis for at least twelve months. The source of funds (liabilities) available for at least twelve months must therefore always exceed long-term loans (assets, use of funds), even under stress assumptions. The NSFR controls a bank's short-term liquidity.

The basis for calculating the **NPL ratio** is the non-performing loans in categories 5a–5c of the BKS Bank rating system (default classes). They are contrasted with gross receivables from customer loans, assured credit facilities, bank receivables, and fixed-interest securities.

ÖGNI is the Austrian Society for Sustainable Real Estate, which is a non-governmental organization for promoting sustainability in all matters of the construction and real estate industry in Austria.

ÖNACE is the Austrian version of the European classification system of economic activities derived from NACE (Nomenclature statistique des activités économiques dans la Communauté européenne). The current NACE-compatible statistics are called ÖNACE 2008.

Own funds refer to the capital defined by Basel III rules that a bank must hold as a minimum reserve. It is distinct from the notion of shareholders' equity reported on the balance sheet.

Paris Agreement on Climate Change: The Paris Agreement was adopted by the international community in 2015 with the aim of reducing global warming to below 2 degrees Celsius.

The **Partnership for Carbon Accounting Financials (PCAF)** is a global industry initiative of the financial sector to standardize the measurement of GHG emissions for the financial sector.

The **payout ratio** indicates what proportion of a company's profits is distributed to shareholders as dividends. The dividend per share is divided by the earnings per share.

In the context of climate change, risks arising directly from the effects of climate change are referred to as **physical risks**.

Positive criteria refer to corporate performance, technologies, and business practices, or to the activities and practices of governments that adhere to the principles of sustainability and thus can be positively assessed in transactions.

The **price-book ratio** (P/B ratio) compares the current share price with the book value per share and serves as a valuation indicator for shares. A P/B ratio of 1 means that the market values the entity exactly at its balance sheet equity. Substantial companies such as banks often have lower P/B ratios than high-growth technology companies.

Primary funds are customer funds made available to a bank, securitized at premium and subordinated debt. These funds are used primarily for granting loans.

Projected Unit Credit Method or defined benefit obligation method is an actuarial valuation technique for commitments from occupational retirement benefits. It is required by many other accounting standards through the International Accounting Standard IAS 19. For each valuation date, only the portion of the obligation that is already earned is measured. The present value of the earned part of the obligation is called a defined benefit obligation.

The term **renewable energies** or regenerative energies refers to available energy sources that are practically

inexhaustible in the human time horizon for a sustainable energy supply or that renew themselves relatively quickly. Examples include solar and wind energy.

A **resolvability assessment** is a regulatory procedure in the banking and financial sector that assesses whether a credit institution can be wound up in an orderly manner in the event of a severe crisis.

respACT – Austrian business council for sustainable development is Austria's leading business platform for corporate social responsibility (CSR) and sustainable development.

Return on Assets (ROA) is profit (net profit for the year after minority interests) expressed as a percentage of the average total assets. This indicator can be calculated before or after tax. The higher the indicator, the more profit is generated on the capital invested.

Return on Equity (ROE) expresses the relationship between profit before or after tax and average shareholders' equity. This indicator may be calculated before or after tax and describes a company's rate of return on equity. The higher this value, the more profit was generated on the company's shareholders' equity.

Risk costs in bps: The risk cost measured in basis points (bps) compares the annualized credit provision of a bank with the average gross credit volume (net loan amount plus interest and fees).

Risk-to-earnings ratio (RER) indicates the credit risk expenses in relation to net interest income. The percentage indicates the proportion of net interest income that is used to cover the credit risk.

Risk-weighted assets (RWA) refer to the basis for calculating a bank's capital reserves as defined by the Basel III regulations. The individual assets of a bank are weighted by credit risks, market risks, and operational risks.

The **science-based targets (SBTs)** are reduction targets for relevant GHG emissions that are calculated on a scientific basis.

Scope 1 emissions: all GHG emissions generated by an entity itself through combustion in its own facilities.

Scope 2 emissions: all greenhouse gas emissions associated with purchased energy (e.g., electricity, district heating).

Scope 3 emissions refer to the GHG emissions that are not directly caused by a company. These include, for example, emissions from the supply chain, transportation, the use of products, or their disposal.

A **senior preferred bond** is a senior unsecured corporate bond. In the event of bankruptcy, it is serviced before other debt instruments. If this bond is issued by a bank, subscribers of a senior preferred bond are not included in the losses incurred in the event of bankruptcy until after the equity and subordinated investors and the senior non-preferred bond subscribers. A senior preferred bond provides a higher level of security, but usually lower interest rates, than subordinated debt. It is aimed at investors seeking a balance between security and returns.

Shareholders' equity on the balance sheet comprises the capital stock and reserves.

The **share price/earnings ratio** (P/E ratio) compares the current share price with the earnings per share. It indicates how many years of profits are included in the current price – or how long it would theoretically take for the purchase value to be offset by the most recent profit generated. A low price-to-earnings ratio indicates a favorable valuation.

Shares outstanding are the total number of shares of an entity that are actually held by its shareholders. These are the total number of shares issued by a company less the number of shares held by the company itself (treasury shares).

Social bonds are bonds the issuance proceeds of which are used exclusively to finance suitable social projects. They meet all four core components of the Social Bond Principles. The selected projects should provide clear social benefits that should be evaluated and quantified where feasible.

The **SPPI criterion** is a criterion for classifying and measuring financial instruments. SPPI stands for 'solely payment of principal and interest' and is intended for determining the contractual cash flows of a financial asset. SPPI-compliant means that interest reflects consideration for the fair value of money, default risk and other fundamental risks, the cost of lending operations, and a profit margin. The wording of the SPPI criterion combined with the

business model results in a particular classification and measurement in accordance with IFRS 9.

A **stakeholder** is a person or group that has a legitimate interest in the course or outcome of a process or project.

The **Standard Market Auction** is the market segment of the Vienna Stock Exchange in which BKS Bank's shares are traded. This segment aggregates shares and other equity securities admitted to official trading and traded in a one-time intraday auction.

Stranded assets generally refer to assets (e.g., corporate shares, technical installations, or inventories) the earning power or market value of which has unexpectedly dropped dramatically to the point of their complete or total devaluation.

Subordinate refers to the legal order in which the financial claims of creditors of an entity are satisfied in the event of bankruptcy. Liabilities that are only repaid after all non-subordinated creditors have been satisfied are referred to as subordinated liabilities.

The **Supervisory Review and Evaluation Process (SREP)** is part of a bank's risk management prescribed by the Basel III regulations. In Austria, the process is carried out by the Financial Market Authority (FMA) acting as the competent supervisory authority.

The **Sustainable Development Goals (SDGs)** are the 17 goals for sustainable development defined by the United Nations, which are intended to ensure sustainable development worldwide at the economic, social, and ecological levels.

A **Sustainable Financing Pool** is a structured financing instrument that pools capital from various sources. The capital is used to finance projects that meet environmental or social sustainability criteria.

In the case of a **sustainable investment**, the issuer undertakes to invest the proceeds in projects or technologies that are climate relevant or environmentally friendly.

In **sustainable procurement** purchasing is based on minimum ecological and social standards.

Sustainability means meeting the needs of the present without compromising the needs of future generations.

Swap is the term for an exchange transaction in which partners exchange payment obligations. For example, fixed interest payments may be exchanged for variable interest payments (interest rate swaps), or amounts may be exchanged in different currencies (currency swaps). Interest rate swaps are used to hedge against interest rate risks. They make it possible to take interest as a fixed quantity in financial calculations.

The **Task Force on Climate-Related Financial Disclosures (TCFD)** was established to develop voluntary, consistent disclosures about climate-related financial risks that companies can use.

In the context of the Basel III rules, the **tier** is the classification of own funds that a bank is required to hold as a minimum reserve. Tier 1 capital means core capital, tier 2 capital is supplementary capital.

Tier 1 capital is a component of a bank's own funds reserves as defined by Basel III rules. It describes the capital of a bank that is available without restriction to cover losses immediately and to ensure financial stability. It is composed of **core equity tier 1 (CET1)**, consisting exclusively of share capital and retained earnings, and **additional tier 1 (AT1)**, comprising subordinated liabilities that are available to the bank without restriction and on a permanent basis.

Tier 2 capital is a component of a bank's own funds reserves as defined by Basel III rules. It consists primarily of subordinated liabilities (e.g., supplementary capital bonds) with an original maturity of at least five years. It supplements the Tier 1 capital to cover losses.

Time deposits are bank accounts into which customers place their money for a specified period of time until maturity. The money can only be withdrawn at the end of the term. Investors usually receive a higher interest rate for giving up their right of disposal than for demand deposits.

The **total risk exposure amount (TREA)** is the sum of the assets weighted by counterparty or partner risk, including requirements for operational risk, off-balance sheet and special off-balance sheet items in the banking book determined in accordance with Austrian regulatory provisions for banks.

The **total shareholder return** is the total return on an equity investment over a period of time. It is composed of the development of the share price, i.e., the percentage change in the price of the current

period compared with that of the previous period, and the dividend yield. It measures the total increase in value for the investor.

The **trading book** comprises all items of a credit institution that relate to proprietary trading of financial instruments that it holds or has acquired for the purpose of resale for the purpose of briefly exploiting existing or expected differences between the purchase and selling price or interest rate fluctuations in the short-term. Items that do not form part of the trading book are held in the banking book.

The **Universal Declaration of Human Rights** (resolution 217 A (III) of 10 December 1948) consists of 30 articles, adopted by the United Nations, and aims to ensure the highest level of protection for all.

Value-at-risk is a method for quantifying risk. It measures the likelihood of future losses that are not

exceeded within a specified period of time and with a specified probability.

The Austrian Sustainability Index (VBV-Österreichischer Nachhaltigkeitsindex, **VÖNIX**) is the sustainability benchmark of the Austrian stock market. It includes those domestic companies listed on the Vienna Stock Exchange that are leaders in environmental and social activities and services. VBV Vorsorgekasse AG is the name of the partner.

Volume traded: number of shares traded within a given period. Can be expressed as monetary turnover in euros or as unit turnover in shares. The Vienna Stock Exchange reports volume traded as double counting (purchases and sales). Our key performance indicator (KPI) is used to report monetary turnover in double counting.

List of Abbreviations

ABGB	Austrian Civil Code	FA	Financial assets
AktG	Austrian Stock Corporation Act	FI	Financial instruments
ALGAR	ALPENLÄNDISCHE GARANTIE – GESELLSCHAFT m.b.H.	FLI	Forward-looking information
ALM	Asset/liability management	FMA	Financial Market Authority
AML	Anti-Money Laundering	FM-GwG	Financial Market Money Laundering Act
APRÄG 2016	Audit of financial statements Amending Act 2016	FV OCI	Fair Value Through Other Comprehensive Income
AR	Supervisory Board	FV PL	Fair Value Through Profit or Loss
AT1	Additional Tier 1 capital	FX	Foreign exchange, foreign currency
AVÖ	Austrian Actuarial Association	FY	Fiscal year, financial year
aws	Austria Wirtschaftsservice GmbH	G3B Holding	G3B Holding AG
BaSAG	Austrian Federal Act on the Recovery and Resolution of Banks	GAR	Green Asset Ratio
bp	Basis point	GBP	Great Britain Pound
BTV	BTV Vier Länder Bank AG	GEOS	Global Effects Online System, electronic processing and management system of securities
BWG	Austrian Banking Act	GHG	Greenhouse Gas Protocol
C Rules	Comply or Explain rules	Protocol	Greenhouse Gas Protocol
CABO	CABO Beteiligungsgesellschaft m.b.H., investment vehicle owned by UniCredit Bank Austria AG	GL	Guidelines
CCPA	California Consumer Privacy Act	GRI	Global Reporting Initiative
CET1	Common Equity Tier 1 capital	GWh	Gigawatt-hours
CFO	Chief Financial Officer	IAS	International Accounting Standard
CHF	Swiss francs	IASB	International Accounting Standards Board
CO ₂	Carbon Dioxide	ICAAP	Internal Capital Adequacy Assessment Process
CO ₂ e	CO ₂ equivalent	ICS	Internal control system
COSO	Committee of Sponsoring Organizations of the Treadway Commission	ICT	Information and communication technology
CRD	Capital Requirements Directive	IFAC	International Federation of Accountants
CRO	Chief Risk Officer	IFRIC	International Financial Reporting Interpretations Committee
CRR	Capital Requirements Regulation	IFRS	International Financial Reporting Standards
CSR	Corporate Social Responsibility	ILAAP	Internal Liquidity Adequacy Assessment Process
CSRBB	Credit spread risk in the banking book	IMF	International monetary fund
CSRD	Corporate Sustainable Reporting Directive	IRRBB	Interest Rate Risk in the Banking Book
D	Discount rate	ISA	International Standards on Auditing
DBO	Defined Benefit Obligation	ISIN	International Securities Identification Number
DCF method	Discounted cash flow method	IT	Information technology
DGNB	German company for sustainable construction	JPY	Japanese yen
DORA	Digital Operational Resilience Act	k	Thousands
EAD	Exposure at Default	L Rules	Legal Requirements rules
EBA	European Banking Authority	LCR	Liquidity Coverage Ratio
ECB	European Central Bank	LDR	Loan/deposit Ratio
ECBC	European Covered Bond Conference	LGD	Loss given default
ECL	Expected Credit Loss	MKK	Munich capital market conference
EMAS	Eco-Management and Audit Scheme	MREL	Minimum requirement for own funds and eligible liabilities
ESCB	European System of Central Banks	n/a	not applicable
ESEF	European Single Electronic Format	NGOs	Non-governmental Organizations
ESG	Environmental, Social, Governance	NII	Net Interest Income
ESRS	European Sustainability Reporting Standards	NPL	Non-performing loan
EUREX	European Exchange (forward exchange for financial derivatives)	NSFR	Net Stable Funding Ratio
EVE	Economic Value of Equity		

ÖCGK	Austrian Code of Corporate Governance	PY	Person-year
OCI	Other Comprehensive Income	R Rules	Recommendations rules
OECD	Organisation for Economic Cooperation and Development	RER	Risk Earnings Ratio
OeKB	Oesterreichische Kontrollbank AG	ROA	Return on Assets (total capital yield)
OeNB	Austrian National Bank	ROE	Return on Equity (equity yield)
OGH	High Court of Justice	RWA	Risk-weighted assets
ÖGNI	Austrian Society for Sustainable Real Estate	SAP	Software for processing a company's business processes
ÖNACE	Austrian version of NACE Nomenclature statistique des activités économiques dans la Communauté européenne	SPPI criterion	Solely Payments of Principal and Interest
OR	Operational Risk Committee	SREP	Supervisory Review and Evaluation Process
P&L	Income statement	t	Tons
p.p.	Percentage points	UGB	Austrian Commercial Code
P/E ratio	Share price/earnings ratio	USD	US dollar
PCAF	The Partnership for Carbon Accounting Financials	VÖNIX	VBV Austrian Sustainability Index
PD	Probability of Default	WAG	Securities Supervision Act
pEWB	Flat-rate specific valuation allowance	WIFO	Austrian Institute for Economic Research
		Xetra	Exchange Electronic Trading
		XHTML	Extensible Hypertext Markup Language

Forward-looking Statements

This consolidated non-financial statement contains disclosures and forecasts related to the future development of the BKS Bank Group. The forecasts are estimates we have made based on all information available to us on the reporting date, March 6, 2026.

If the assumptions on which the forecasts are based do not materialize or if risks materialize, the actual results may differ from the results expected at present. This consolidated non-financial statement does not constitute a recommendation to buy, sell or hold financial instruments from BKS Bank AG.

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