

# BKS Bank

***Investor Presentation***

***Your business is our passion***

# Agenda



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# **BKS Bank Group**

# BKS Bank Group

- Head Office in **Klagenfurt**, Austria
- **Successful business** for over **100 years**
- Independence secured by **3 Banken Group**
- **Stock-listed** since 1986
- **63 branches** in Austria and abroad
- **5** Leasing companies
- **~167k** retail customers
- **~27.8k** corporate and business customers
- **Total assets:** EUR 11.2bn
- S&P Rating: **BBB+ stable**

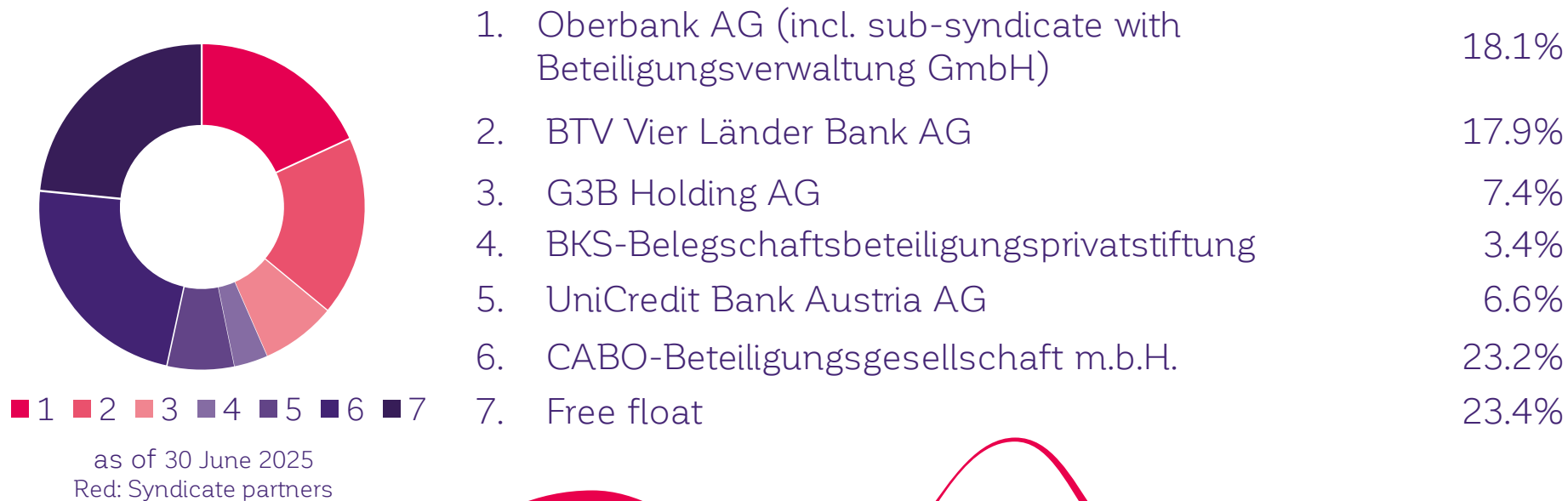


# Why BKS Bank?

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

# Shareholder Structure

BKS Bank is part of the 3 Banken Group and owned jointly by Oberbank and BTV Vier Länder Bank. The 3 Banken Group is an alliance of three independent regional banks. BKS Bank's independence is secured by cross shareholdings as well as syndicate agreements. The banks exploit the synergies of a joint IT company and collaborate on development projects. On the market, they are friendly competitors.



# ***Key Figures***

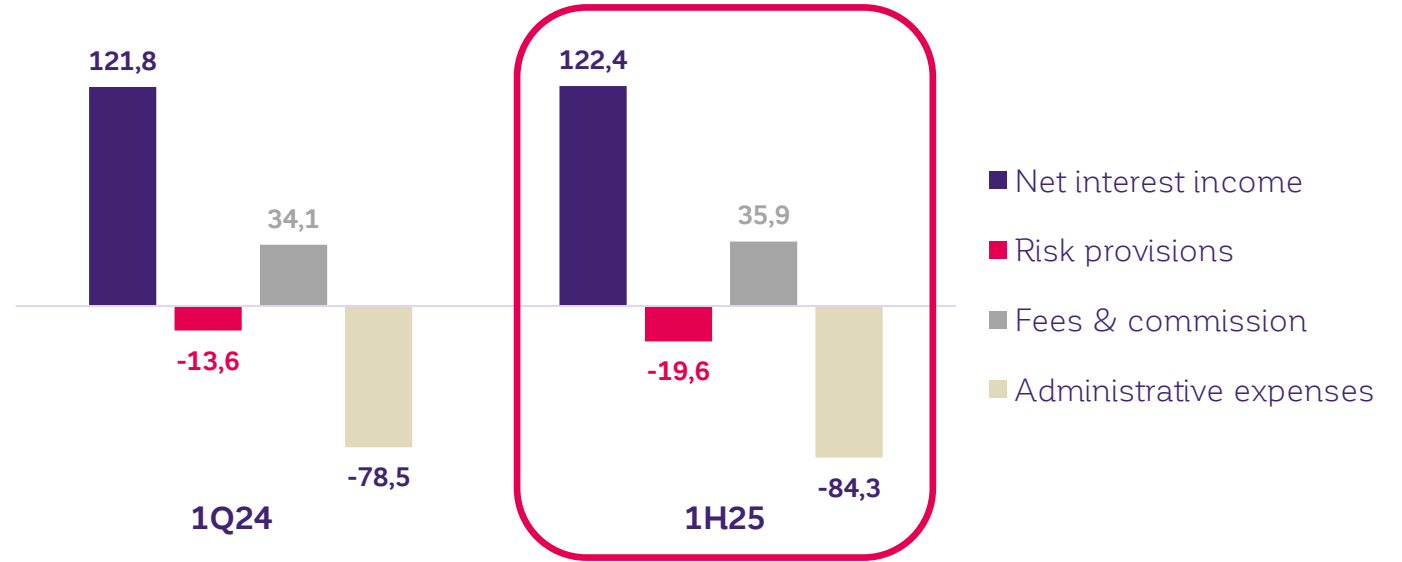
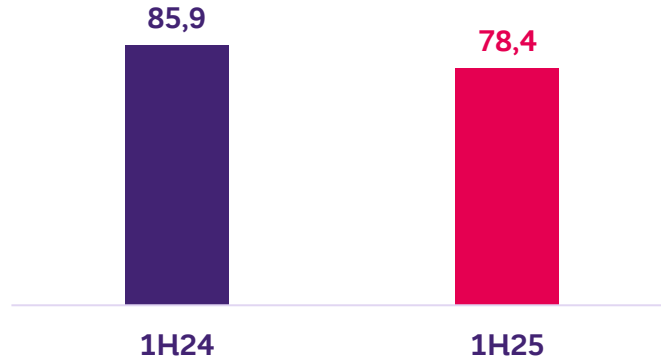
# Key Figures at a Glance

	FY23	FY24	1H25
Total assets EUR mn	10,673.1	11,072.3	11.151.7
Net interest income EUR mn	248.6	241.6	122.4
Risk provisions EUR mn	-38.4	-40.1	-19.6
Profit after tax EUR mn	179.1	163.2	78.4
Return on equity after tax %	10.8	8.8	7.4
Cost-income ratio %	38.7	41.3	44.3
Common equity tier 1 ratio %	13.6	15.0	14.9
Total capital ratio %	17.9	19.4	19.1
NPL - non-performing loan ratio %	2.9	3.2	3.5
LCR - liquidity coverage ratio %	223.2	213.5	220.7
NSFR - net stable funding ratio %	123.3	121.6	127.1

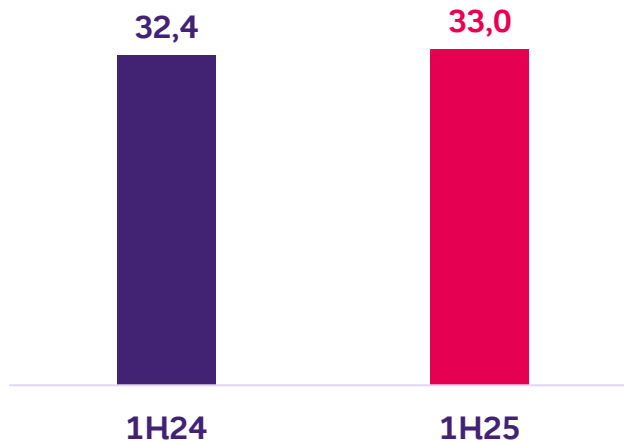


# Key Figures EUR mn

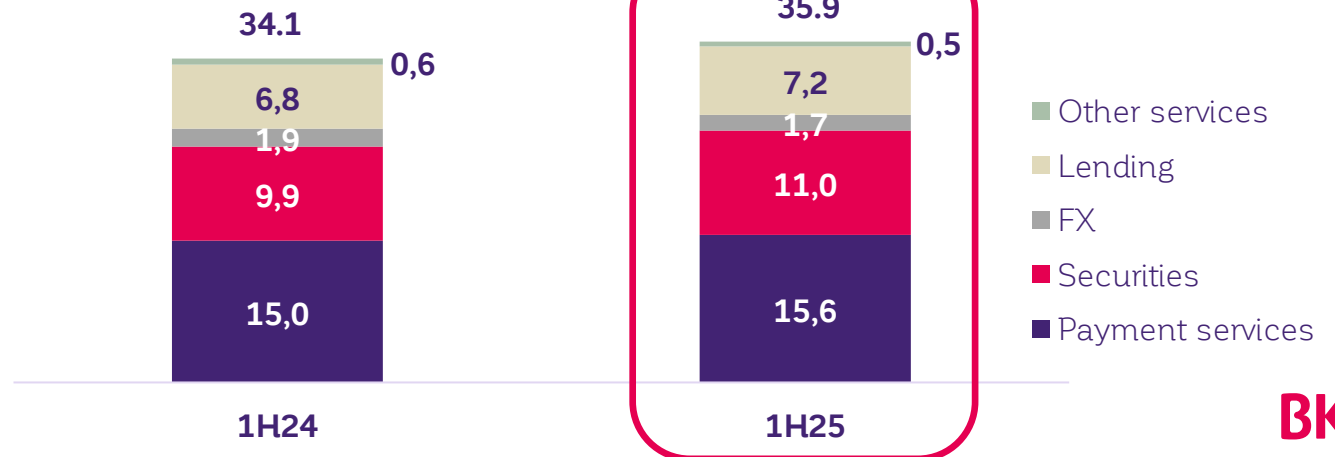
## Net Profit After Tax



## At-Equity Income



## Fees and Commission



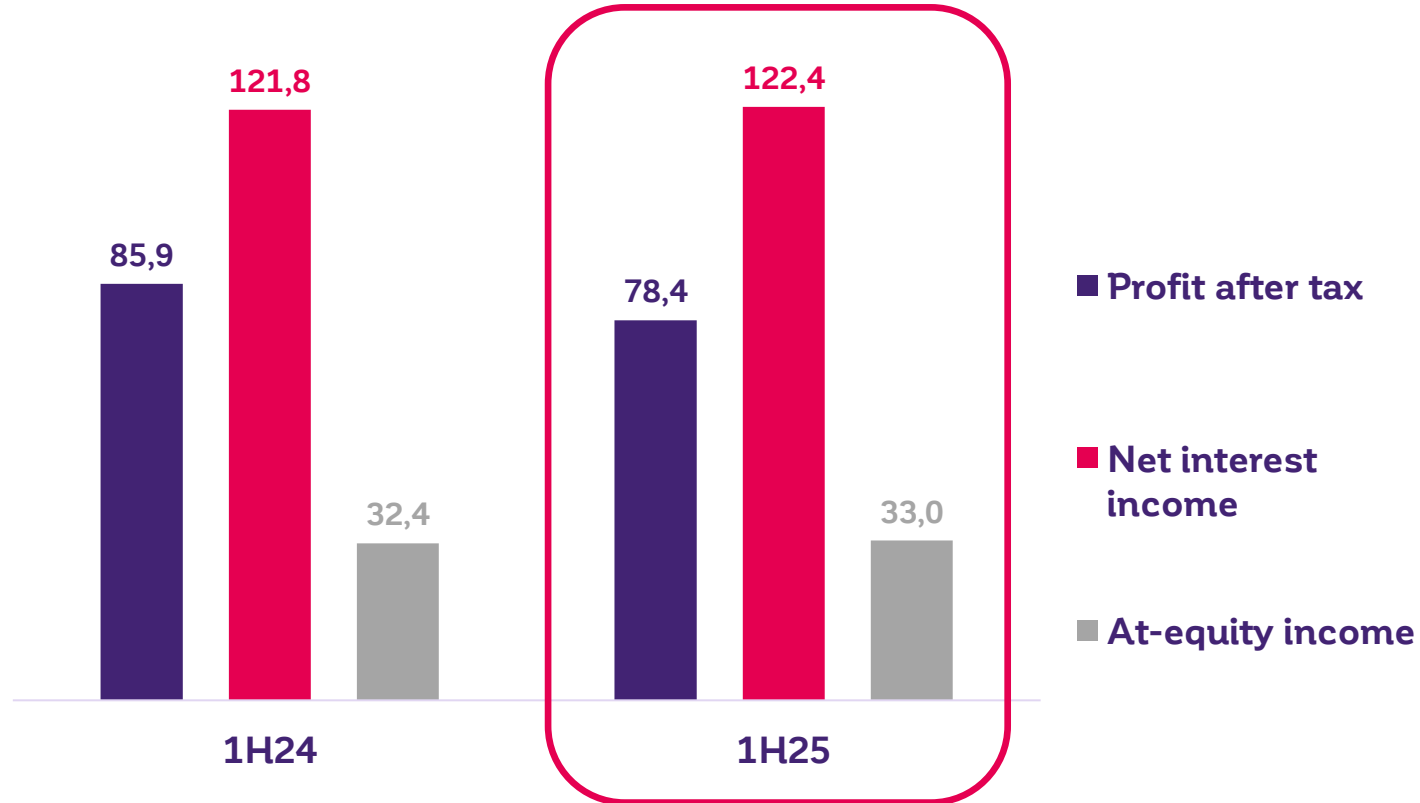
# Credit Ratings

**S&P assessment**

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

# ***Income Statement***

# Income Statement *EUR mn*



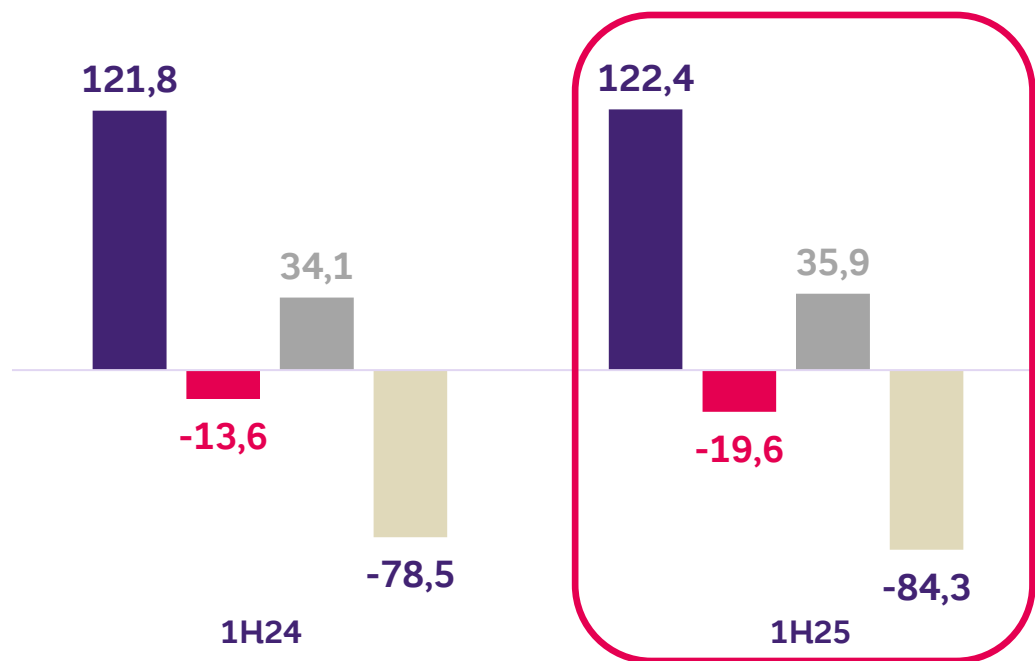
**Stable net interest income:**  
Owed to robust interest margin and good loan production

**Strong fees & commission result:**  
Owed to growing securities demand and a high interest for payment services.

# Income Statement

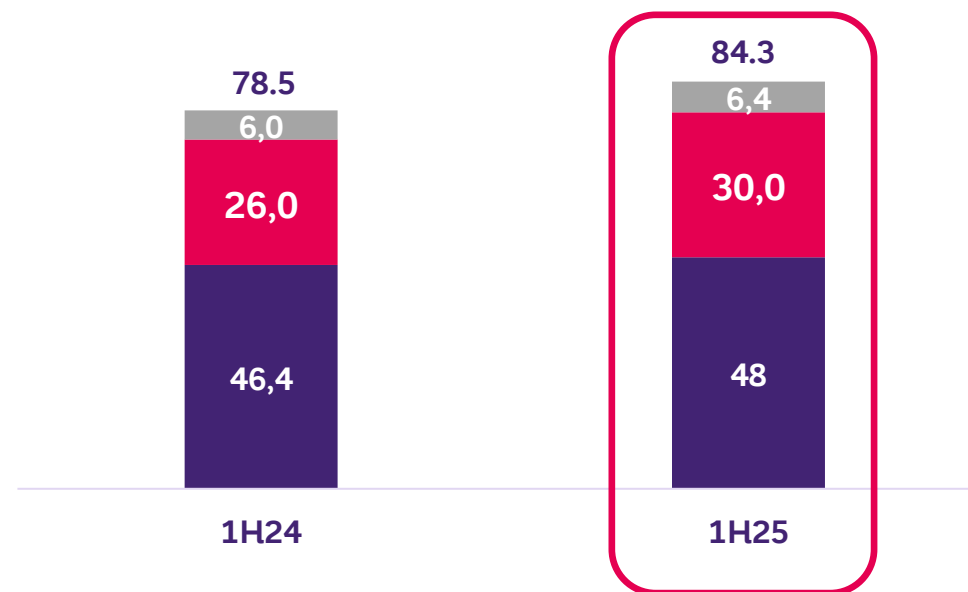
EUR mn	FY24	1H24	1H25	Change 1H25 vs. 1H24	
				absolute	in %
Net interest income	241.6	121,8	122.4	0.6	0.5
Risk provisions	-40.1	-13,6	-19.6	-6.0	44.5
Net interest income after risk provisions	201.5	108,2	102.7	-5.5	-5.0
Fees and commission	70.4	34,1	35.9	1.8	5.3
At-equity income	78.9	32,4	33.0	0.6	1.9
Net trading income	1.0	0,3	0.1	-0.2	-80.3
SG&A	-161.6	-78,5	-84.3	-5.8	7.5
Other operating income/expenses	-0.4	1,6	-1.0	-2.6	n.a.
Profit/loss from financial assets/liabilities	-3.0	-0,3	2.0	2.3	n.a.
Profit before tax	186.8	97,9	88.5	-9.4	-9.7
Income tax expense	-23.6	-12,0	-10.1	1.9	-16.0
<b>Profit after tax</b>	<b>163.2</b>	<b>85,9</b>	<b>78.4</b>	<b>-7.5</b>	<b>-8.8</b>

# Income and Expenses EUR mn



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

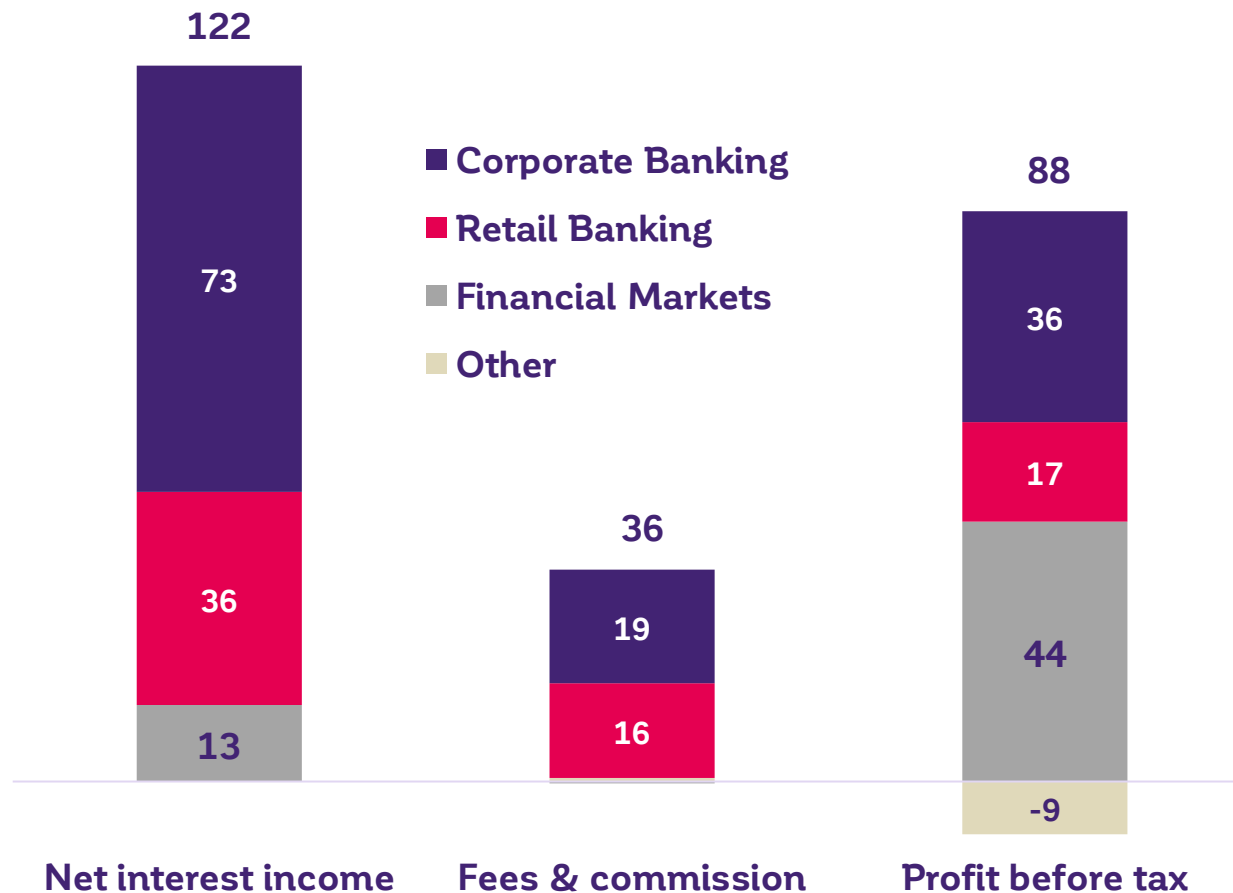
## SG&A



■ Staff ■ OPEX ■ Depreciation/amortisation

- Stable 1H25 interest income owed to robust interest margin and good loan production
- SG&A rose only slightly, as strict cost management helped defy inflationary pressure

# 1H25 Segment Results *EUR mn*



## Result of „Other“ Segment dominated by one-off taxes

- **Austrian special bank levy**
    - EUR 2.8mn for FY25 fully recognized in 1Q25 statement
    - No further costs from this position in FY25
  - **„Normal“ Austrian bank levy**
    - EUR 0.9mn recognized in 1H25
  - **Slovenian balance sheet tax**
    - EUR 1mn of EUR 2.8mn recognized 1H25
- 
- **1H25 one-off tax total EUR 4.7mn**

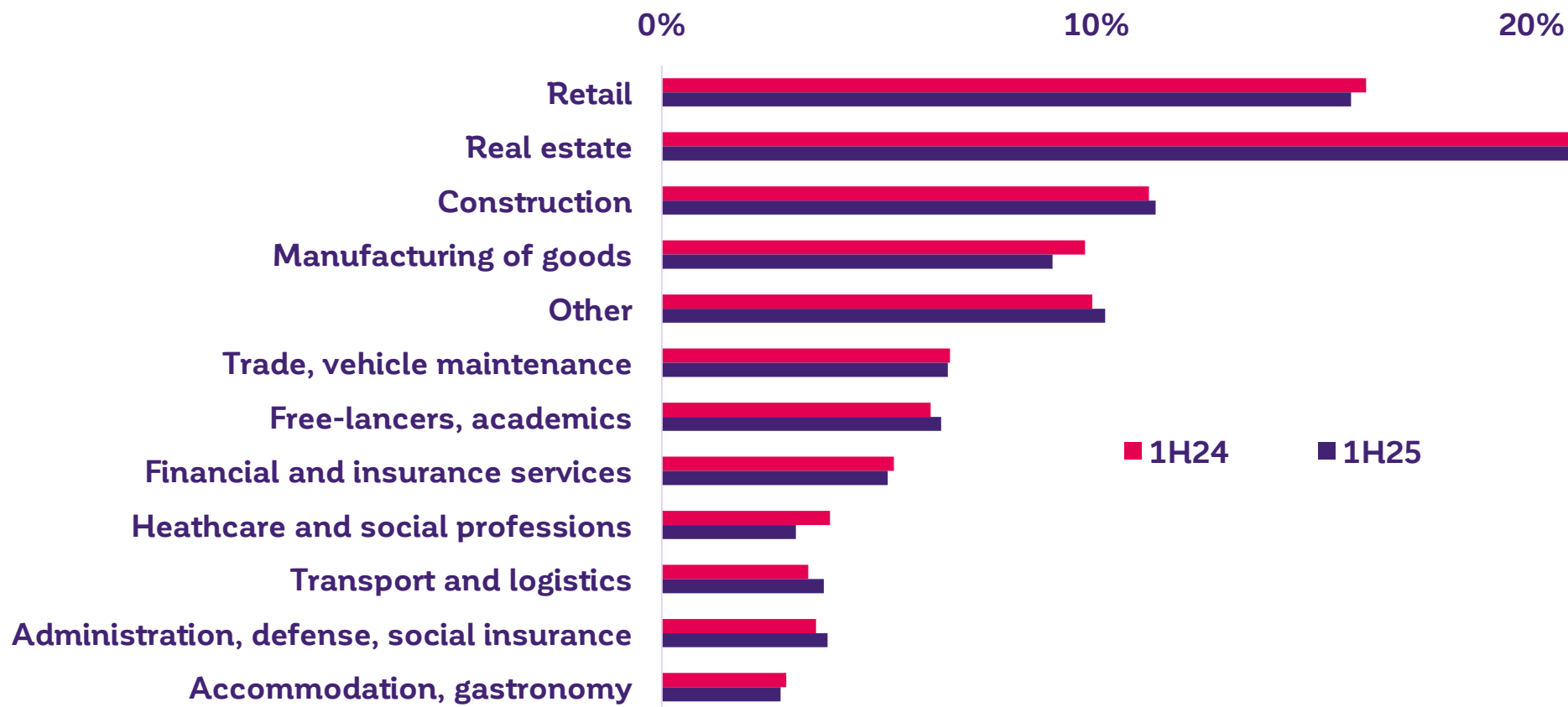
# ***Balance Sheet***



# Assets

EUR mn	FY23	FY24	1H25	Change 1H25 vs. FY24	
				absolute	in %
Cash and balances with the central bank	584.5	963.9	843.9	-119.9	-12.4
Loans and advances to banks	186.8	38.9	46.9	8.0	20.6
Loans and advances to customers (net)	7,411.7	7,441.4	7,524.4	83.0	1.1
Debt securities and other fixed-income securities	1,241.7	1,305.9	1,384.6	78.7	6.0
Shares and other non-interest bearing securities	171.2	179.9	185.1	5.2	2.9
At-equity investment	813.9	875.7	891.7	16.0	1.8
Property, plant and equipment	79.1	82.9	84.8	1.9	2.3
Investment property	120.9	125.5	126.3	0.9	0.7
<b>Total assets</b>	<b>10,673.1</b>	<b>11,072.3</b>	<b>11,151.7</b>	<b>79.4</b>	<b>0.7</b>

# Our Customer Loan Portfolio is Well Diversified Across Sectors



# Strong Position in our Home Market

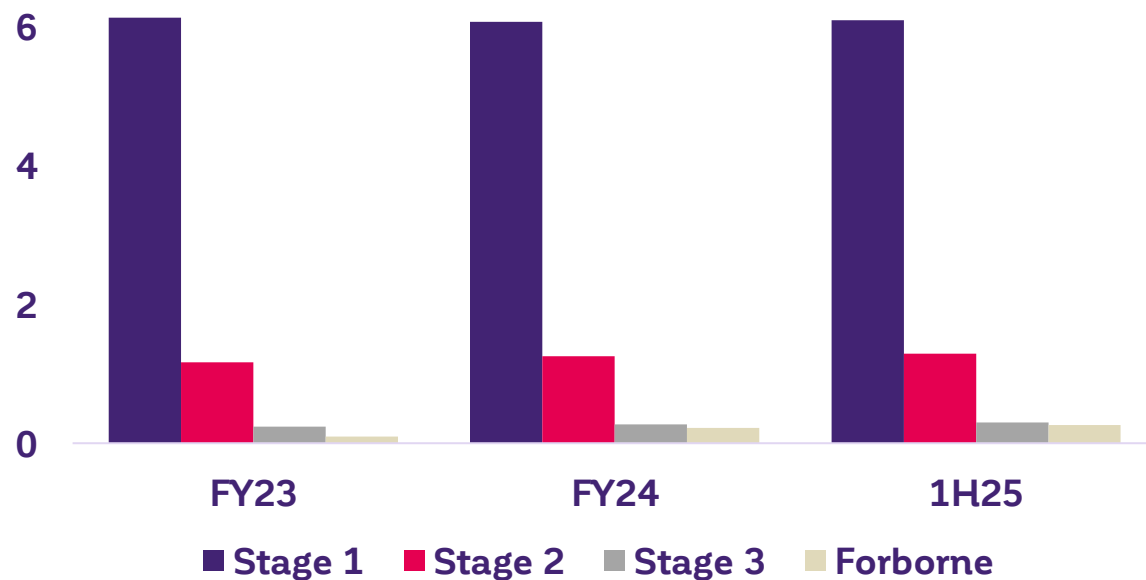
Regional Breakdown by Banking and Leasing Businesses  
as of 30/06/2025 EUR bn



# Loans Within the Group

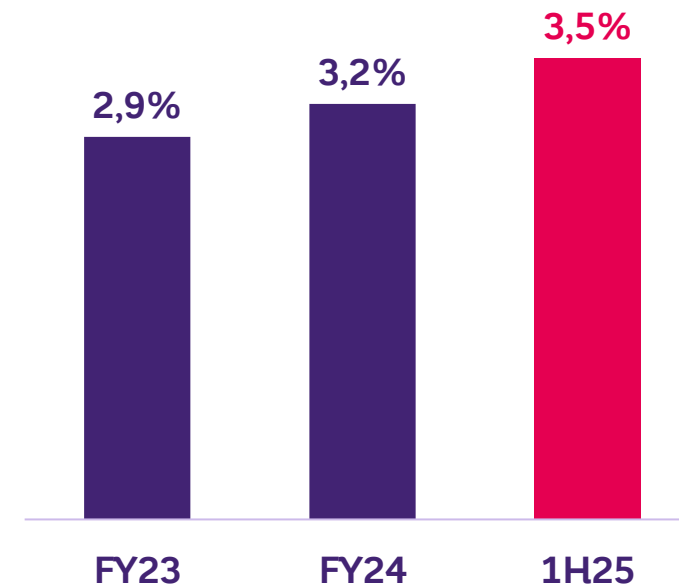
(expected credit loss-model)

By Stage EUR bn



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

NPL Ratio

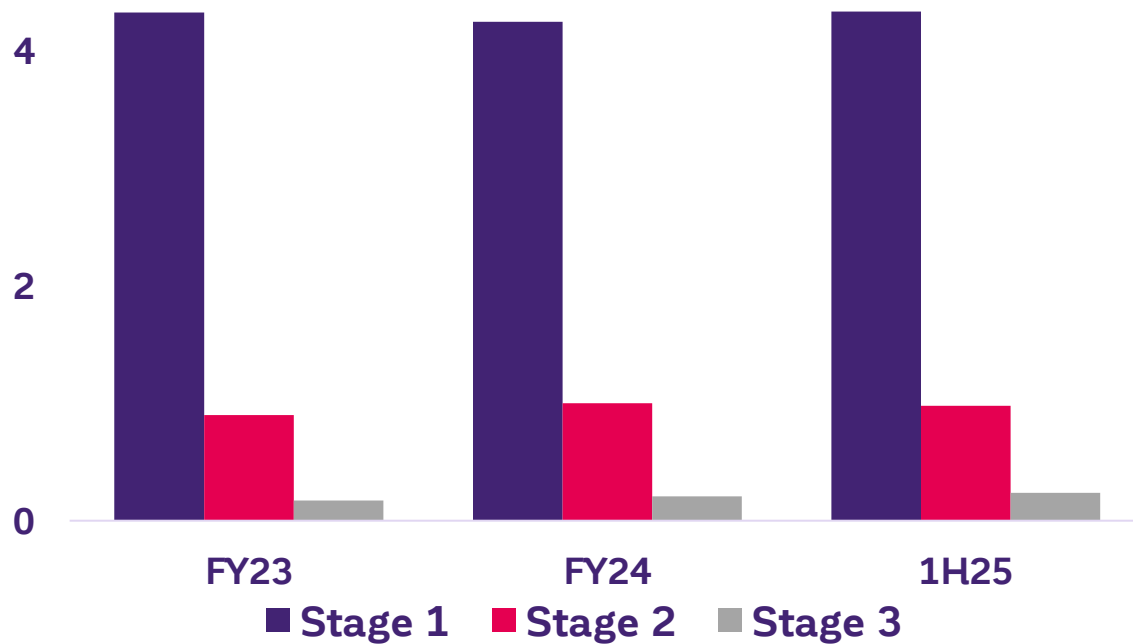


NPL = non-performing loans

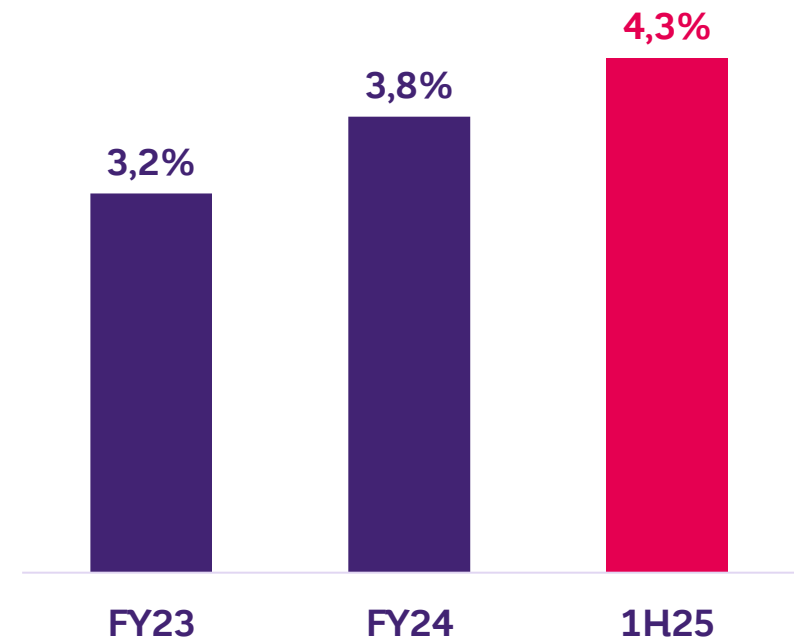
The NPL ratio corresponds to the EBA computation methodology (EBA Risk Dashboard) and considers receivables from customers, receivables from financial institutions, and cash and balances with the central bank.

# Loans in Austria

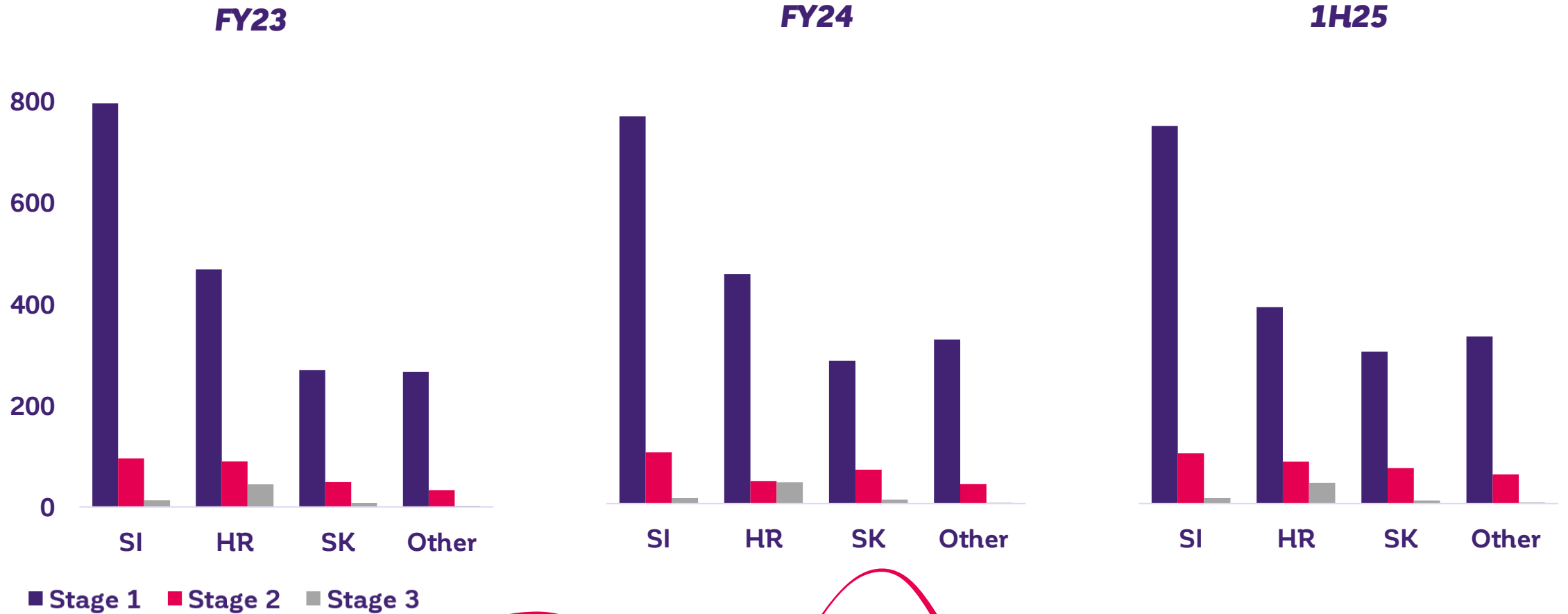
**By Stage EUR bn**



**NPL Ratio**

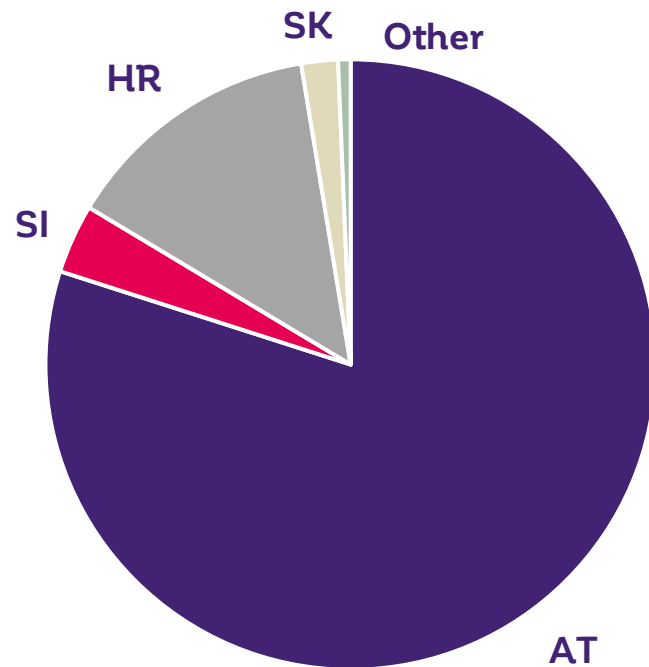


# Loans Abroad by Stage EUR mn



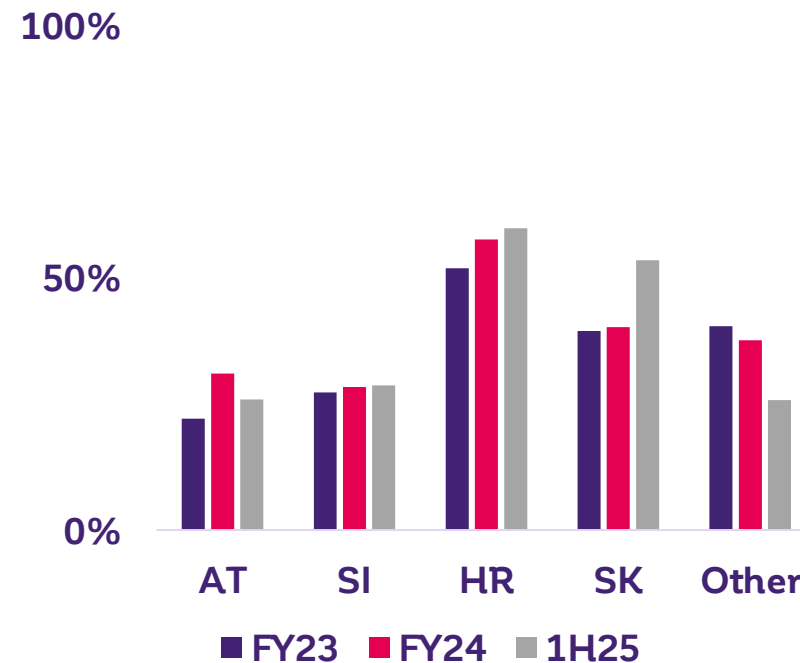
# Our Regional Risk Diversification

## NPL in EUR mn - Regional Distribution



as of 30/06/2025

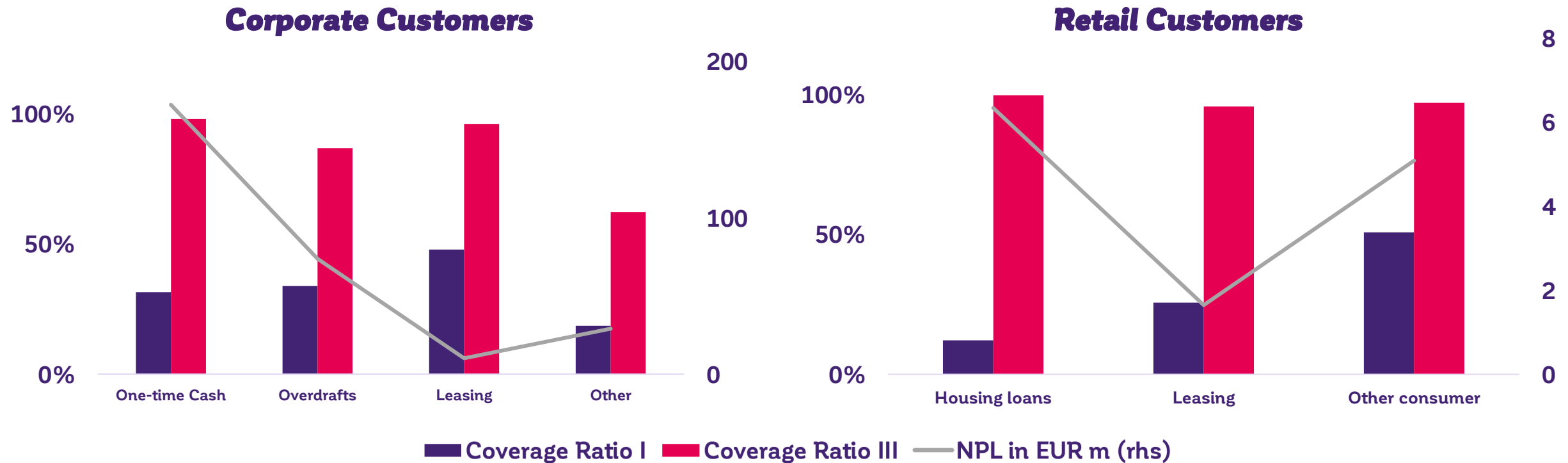
## Coverage Ratio I



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

Specific impairment allowance = Impairment charges  
EAD = customer loans

# Coverage Ratios by Customer Segment and Product Group as of 30/06/2025



The relatively low value of coverage ratio I is due to the high degree of collateralisation of customer loans.

Coverage ratio I = EWB/EAD of NPLs (EWB = Einzelwertberichtigung, specific impairment allowance); EAD = exposure at default

Coverage Ratio III = (EWB+collateral)/EAD of NPLs



# Asset Quality by Rating Class

## Credit Quality by Class of Receivable as of 30/06/2025

Risk position by rating EUR mn	AA-A1	1a-1b	2a-2b	3a-3b	4a-4b	5a-5c	No rating
Loans and advances customers	217.1	1,624.3	2,861.0	2,215.2	440.4	298.2	19.6
Loans and advances to banks	21.6	22.5	0.0	0.0	-	-	-
Credit risks from contingent liabilities	54.4	660.2	1,033.2	549.8	65.8	22.8	0.3
Securities and investment funds	1,072.3	323.9	47.2	3.8	-	-	-
Equity investments	920.3	118.7	1.1	0.0	-	-	-
<b>Total</b>	2,285.7	2,749.7	3,942.5	2,768.8	506.1	321.0	19.9

Explanation:

AA-4b → Performing loan stages

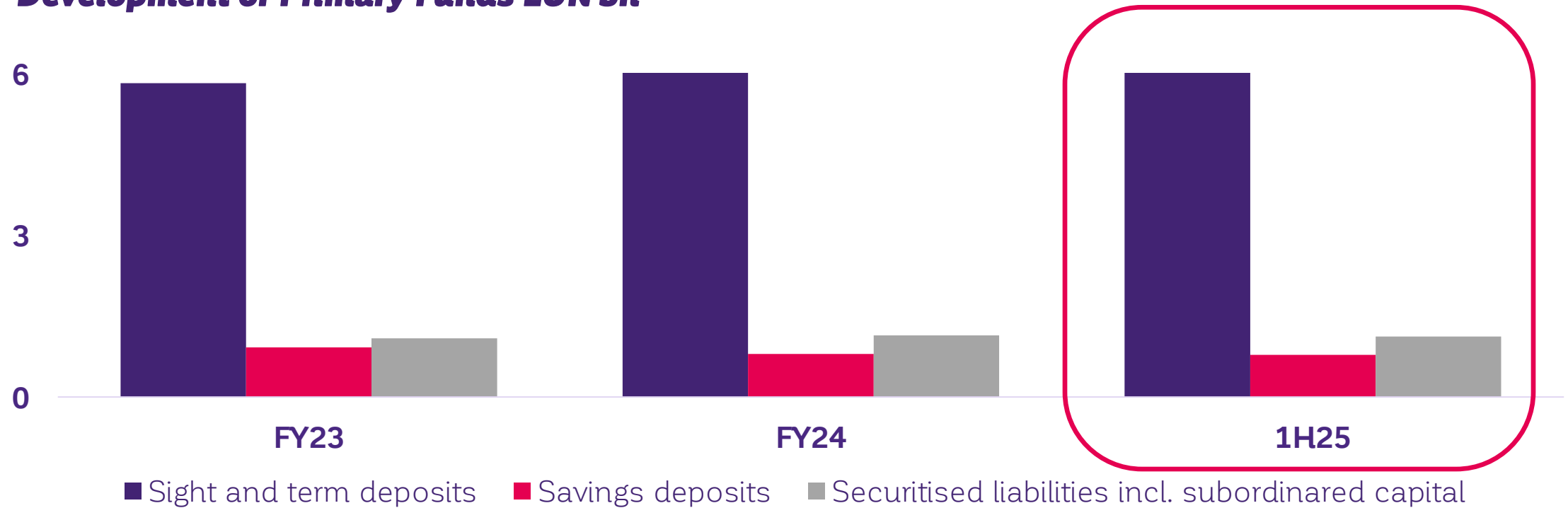
5a-5c → Non-performing loans (NPL)

# Equity and Liabilities

EUR mn	FY23	FY24	1H25	Change 1H25 vs. FY24	
				absolute	in %
Deposits from banks	832.4	847.9	555.7	-292.6	-34.5
Deposits from customers	6,744.6	6,934.3	6,998.6	64.2	0.9
Debt securities issued	822.8	873.7	1,090.8	217.1	24.9
Subordinated debt	265.0	269.4	296.4	27.0	10.0
Provisions	157.6	132.3	122.6	-9.7	-7.4
Shareholders' equity	1,768.9	1,924.3	1,989.2	64.9	3.4
<b>Total shareholders' equity and liabilities</b>	<b>10,673.1</b>	<b>11,072.3</b>	<b>11,151.7</b>	<b>79.4</b>	<b>0.7</b>
Primary funds	7,832.3	8,077.4	8,385.7	308.4	3.8

# Liabilities

## Development of Primary Funds EUR bn



Note: Savings refer only to deposits on savings passbooks.

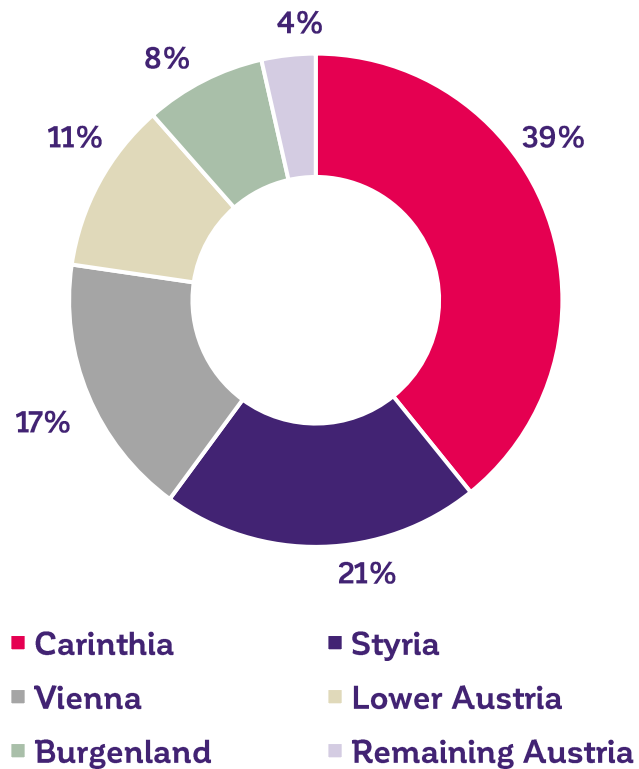
# Mortgage Cover Pool

Cover Pool		Covered Bonds	
Outstanding Coverage	597 Mio.	Outstanding Covered Bonds	EUR 392mn
Quantity	4,043	Quantity	23
☒ Amount	~EUR 147,000	☒ Amount	~EUR 17.04mn
☒ Weighted Average Life	11.11 years	☒ Weighted Average Life	7.49 years
<b>Percentage Over-collateralization</b>	<b>52%</b>	<b>Nominal Over-collateralization</b>	EUR 231mn
Weighted average LTV	60.20%		
Region	100% Austria	Region	Investors from Germany and Austria
Currency	EUR	Currency	EUR
Utilization	88.47% residential 11.53% commercial	<b>Rating S&amp;P</b>	<b>AAA/stable</b>

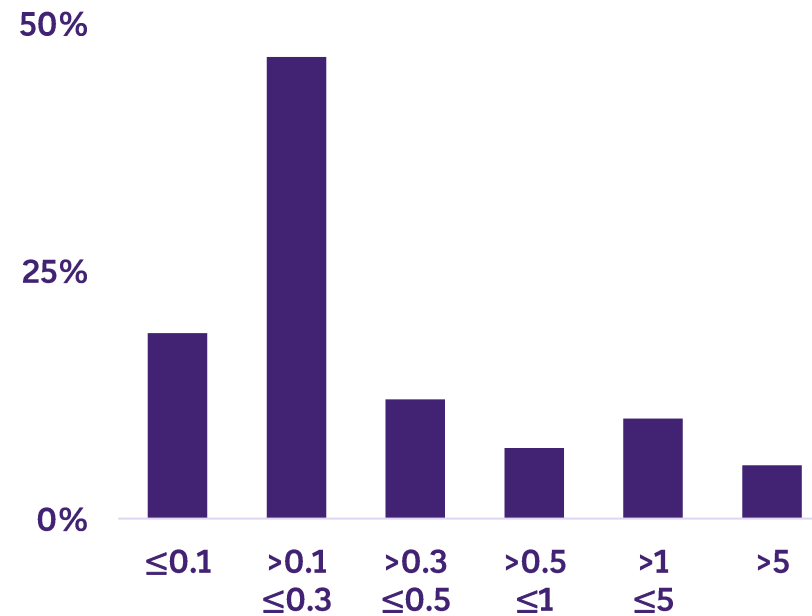
Data as of 30/06/2025

# Mortgage Cover Pool

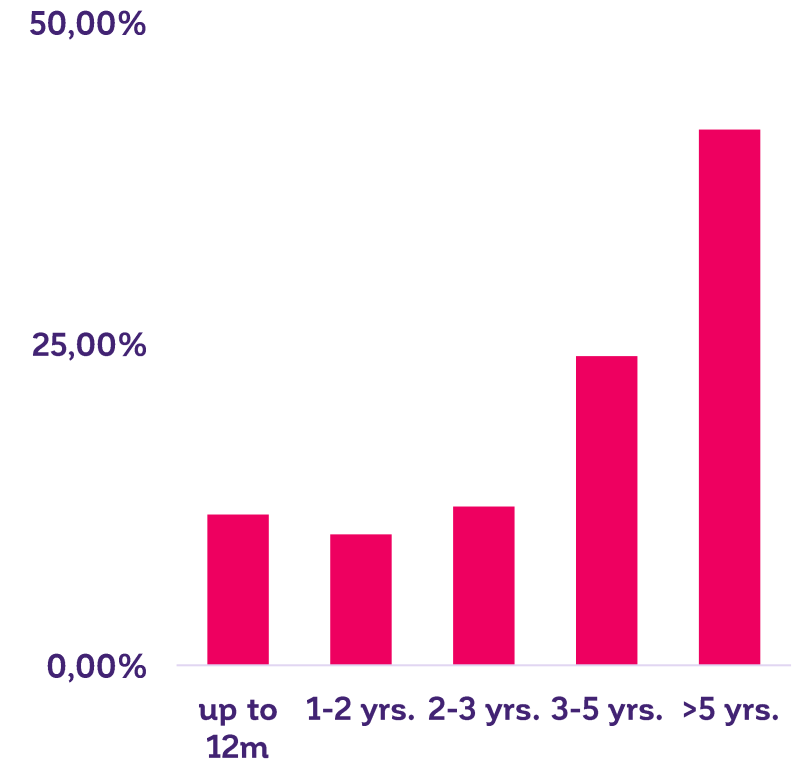
**Primary Coverage by Austrian Province**



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



**Primary Coverage by Seasoning**



Data as of 30/06/2025

# ***Customers & Products***

# **Independent Universal Bank**

## **Retail Banking**

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

## **Financial Markets**

- Treasury
- Equity investments
- Custodian bank
- Real estate

## **Corporate Banking**

- ~27.8k corporate and business customers

Individual solutions for

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

# State of the Art Digital Products

## Recently added digital innovations




- **Launch of the new BKS Bank website**
  - Modern, inclusive appearance
  - Fully focused on attracting new customers
  - Convenient - easy to use
- **Latest BKS Banking App functionalities**
  - Security order placement
  - Chat function
  - Online shop for FX ordering, etc.
- **Digital securities account opening** incl. end-to-end credentials
- **Preliminary offers** for corporate loans
- **Bizz Net Pro** replaces Elba
- **BKS Sign** - a new signature and credentials tool





# ***Sustainability***

# We are Pioneers in Sustainability

Results BKS Bank	Position within peer group
	<b>AA</b> <b>Top 2</b>
	<b>C+</b> <b>Top 5%</b>
	<b>B+</b> <b>Top 20 in Austria</b>

BKS quality and ESG certifications BKS Bank		
		

## Our Vienna Stock Exchange pioneer position:

- We were the first bank in Austria to issue a social bond and among the first to issue a green bond
- We were awarded the VÖNIX sustainability award for the fourth time in 2025

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# We are Green Finance Alliance Founding Member

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

## Priority goals

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



# “Du & Wir Stiftung” Foundation

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



Photo: Green Finance Alliance

# Science-Based Targets to Attain Net Zero

## Science-based climate targets

- Target: Greenhouse gas reduction targets **in line with** goals of the **Paris Climate Agreement**
- For banks, the focus is on **financed emissions** and **Scope 1** and **2**

## BKS Bank's science-based targets include:

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

# Sustainability Highlights



As of 30/06/2025 except for <sup>1</sup> as of 31/12/2024.



# **Contacts**

# Contacts



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9020 Klagenfurt, St. Veiter Ring 43, [www.bks.at](http://www.bks.at)

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Companies Registration Number: FN 91810s

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

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

Copy deadline: August 2025

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BIC: BFKKAT2K

Reuters Dealing Code: BSKK

Bloomberg Code: BKUS AV

LEI (Legal Entity Identifier):

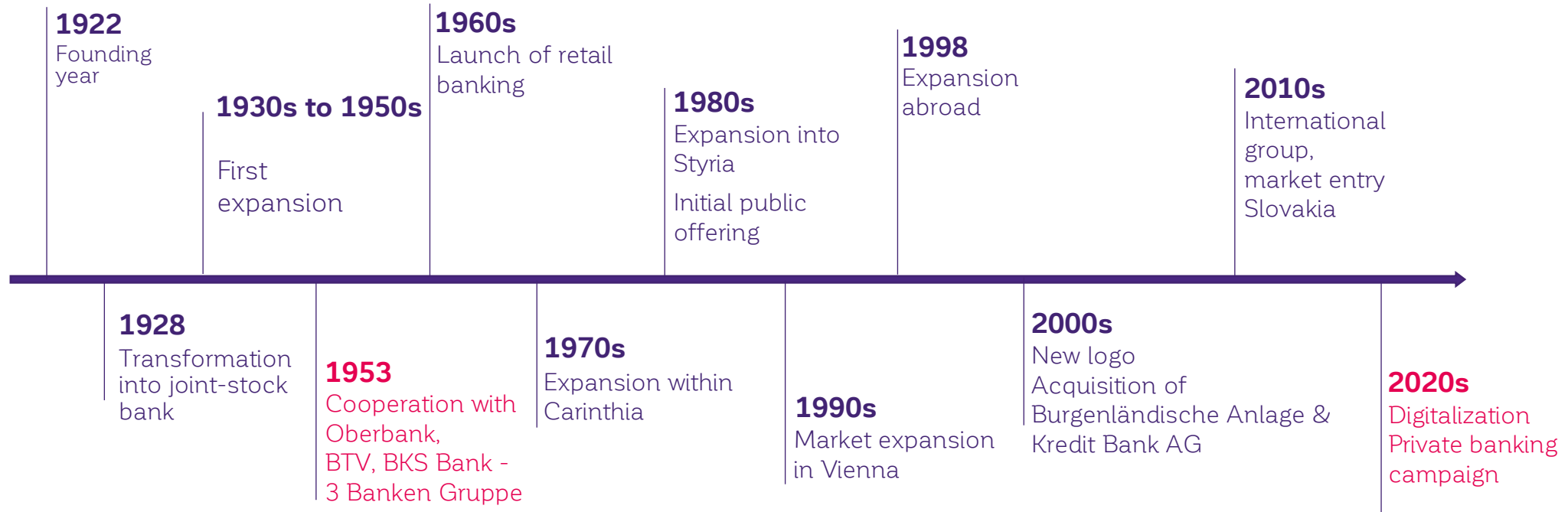
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# BKS Bank

***Your business is our passion***

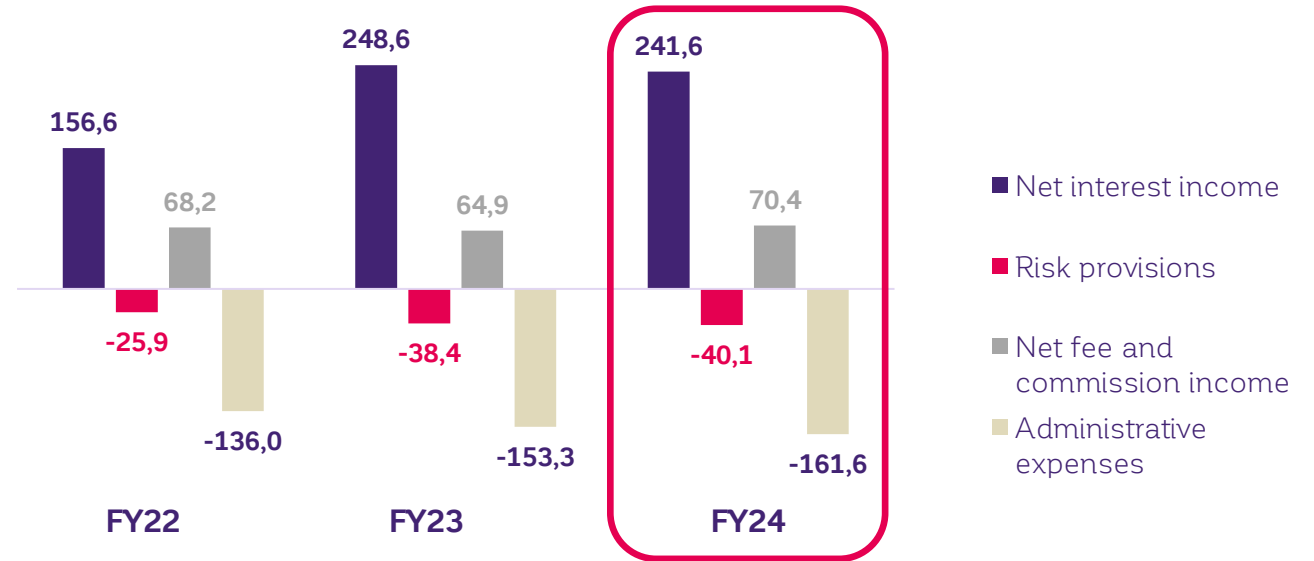
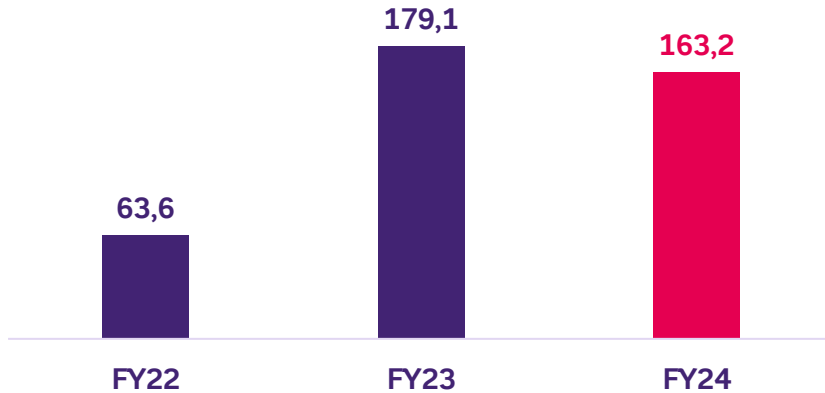
# ***Backup slides***

# Over 100 Years of History

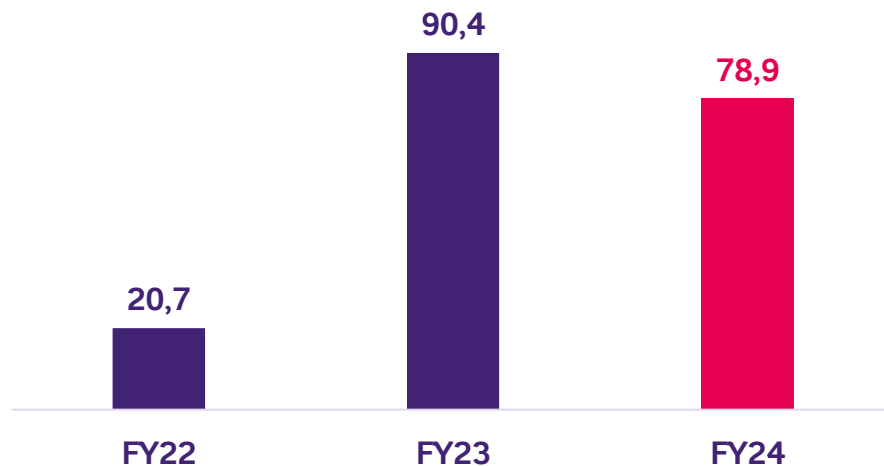


# Key Figures in EUR mn

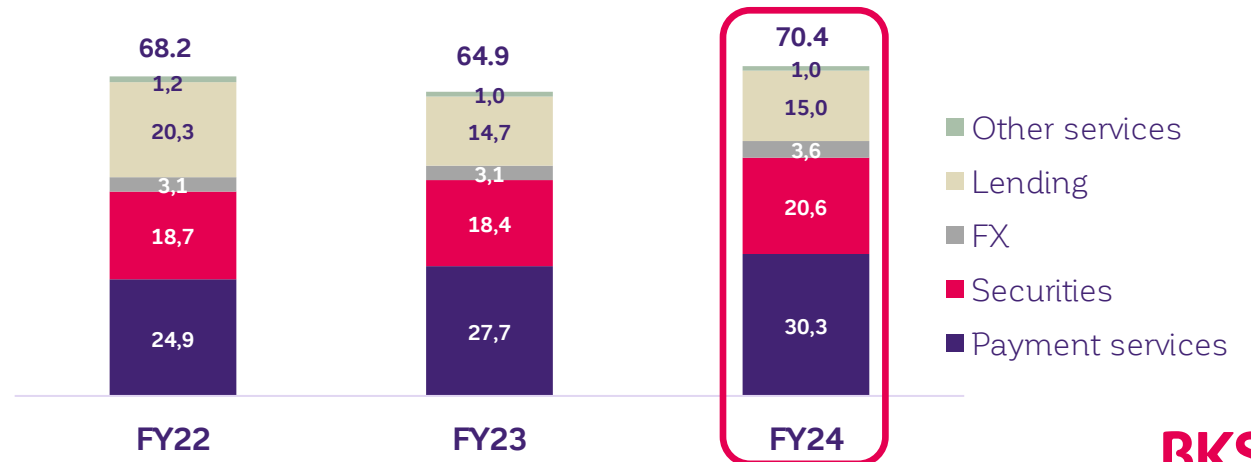
## Net Profit After Tax



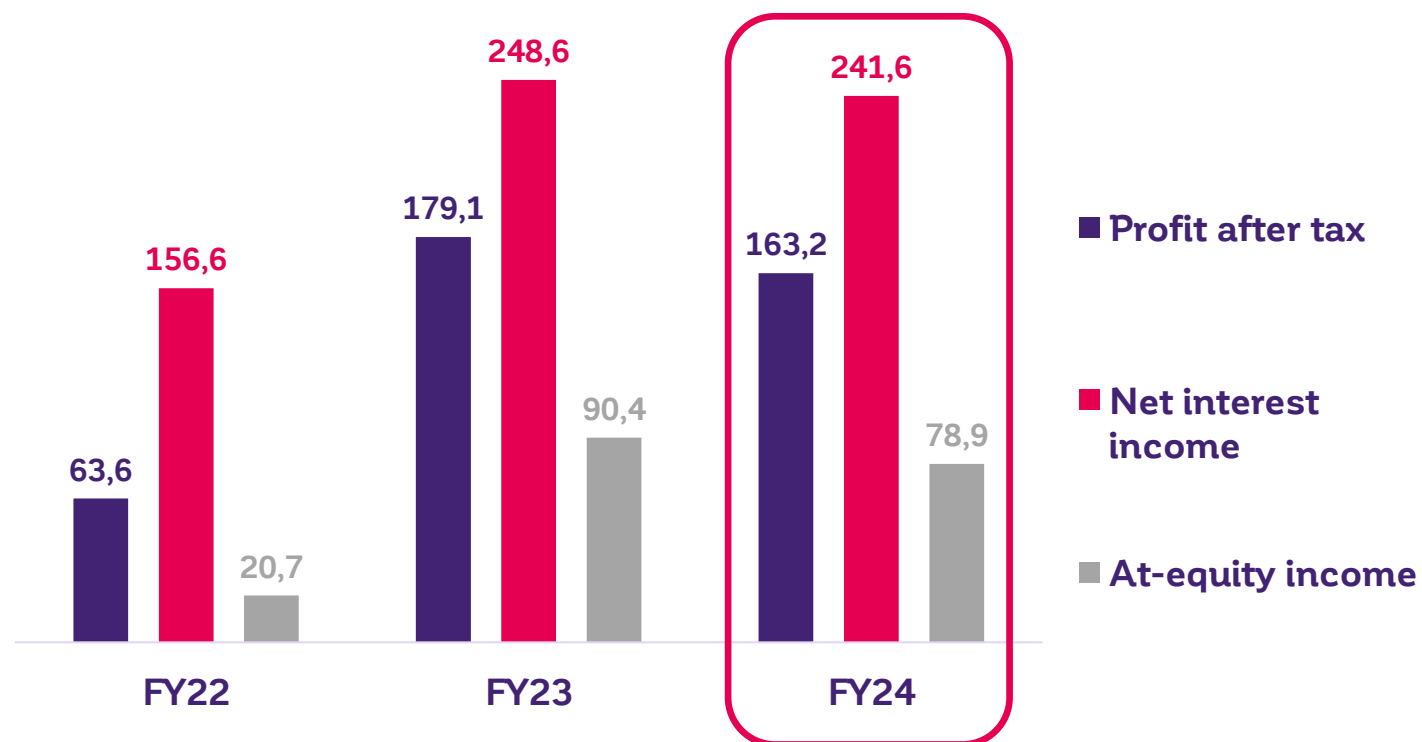
## At-Equity Income



## Fees and Commission in EUR mn



# Income Statement

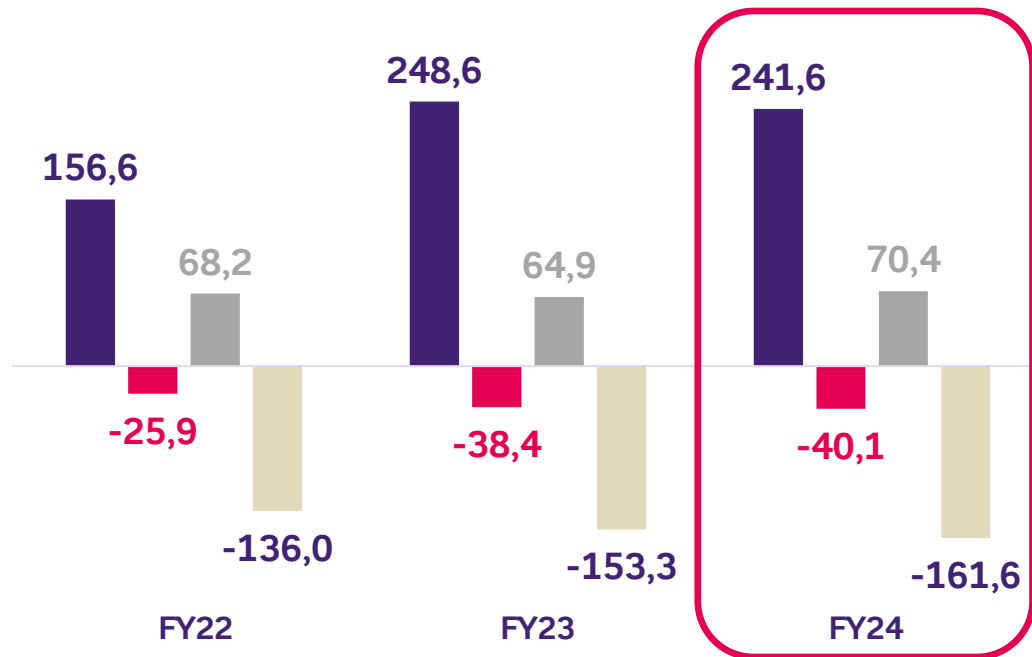


BKS Bank achieved a profit after tax of EUR 163.2mn in FY 2024, which was only slightly lower than the record level reported for the preceding year. This excellent result was supported by an extraordinarily strong fees and commission income.

Net interest income remained high at EUR 241.6mn.

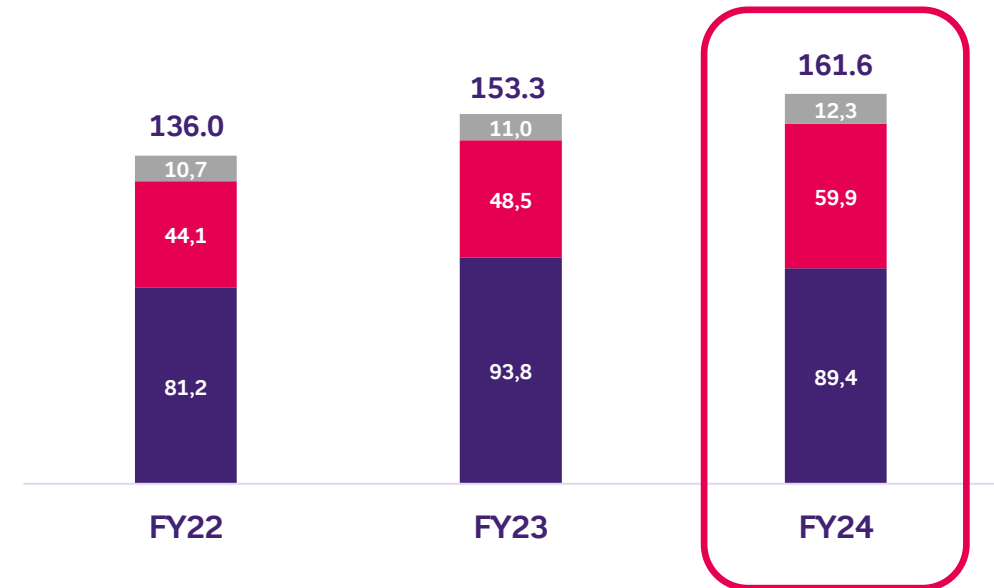
At-equity income made a substantial contribution of EUR 78.9mn.

# Income and Expenses in EUR mn



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

## SG&A



■ Staff ■ OPEX ■ Depreciation/amortisation

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