IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY US PERSON AND ADDRESSES IN THE US

IMPORTANT: You must read the following before continuing. The following disclaimer applies to the attached Prospectus and/or the Final Terms, if any accessed via internet or otherwise received as a result of such access and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Prospectus and/or the Final Terms, if any. In accessing the attached Prospectus and/or the Final Terms, if any, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT''), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND, SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE FOLLOWING PROSPECTUS AND/OR THE FINAL TERMS, IF ANY MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to review this Prospectus and/or the Final Terms, if any or make an investment decision with respect to the securities described herein, investors must not be a US Person (as defined in Regulation S under the Securities Act). You have been sent the attached Prospectus and/or the Final Terms, if any on the basis that you have confirmed to the Syndicate Banks, the Issuer and their respective affiliates (i) that you and any customers that you represent are not US Persons, (ii) that the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (where "possessions'' include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (iii) that you consent to delivery by electronic transmission.

You are reminded that the Prospectus and/or the Final Terms, if any had been delivered to you on the basis that you are a person into whose possession the Prospectus and/or the Final Terms, if any may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus and/or the Final Terms, if any to any other person.

The materials relating to this mail do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Also, there are restrictions on the distribution of the attached Prospectus and/or the offer or sale of Notes in the member states of the European Economic Area. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction. The Prospectus and/or the Final Terms, if any may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply. Further restrictions may apply as set out in the Prospectus and/or the Final Terms, if any.

The Prospectus and/or the Final Terms, if any has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Syndicate Banks, the Issuer or any person who controls any of them or any director, officer, employee, auxiliary person or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from UBS AG, if lawful.

Hypo Vorarlberg Bank AG

CHF 50,000,000 4.375% Perpetual Callable Fixed to Reset Rate Additional Tier 1 Notes (the "**Notes**")

Issuer's Name and registered office:	Hypo Vorarlberg Bank AG, Hypo-Passage 1, 6900 Bregenz, Austria Legal Entity Identifier (LEI): NS54DT27LJMDYN1YFP35
Distributions:	The Notes shall bear distributions on their Current Principal Amount from (and including) 14 November 2025 to (but excluding) the First Reset Date at the rate of 4.375% *per annum*, and thereafter from (and including) each Reset Date to (but excluding) the next following Reset Date at the applicable Reference Rate plus the Margin. "**Reference Rate**" means (i) in case of the First Reset Date the 5.25 years CHF mid-market swap rate based on the arithmetic interpolation of the five and six-years CHF mid-market swap rates; or (ii) in case of any further Reset Dates the five-year CHF mid-market swap rate (subsequent benchmark rate); in each case with a floating leg based on SARON and expressed as an annual rate. "**Margin**" means (i) 4.246% or (ii) in case Government Spread 1 or Government Spread 2 are applicable 4.387%.
Distribution Payment Dates:	14 February in each year. The first Distribution Payment Date is 14 February 2026 (short first coupon of 90 Days).
First Call Date:	14 February 2031
Reset Dates:	The first reset date is on 14 February 2031 and the further reset dates (if any) are on any fifth anniversary of the immediately preceding Reset Date.
Issue Price:	100% of the aggregate nominal amount of the Notes (before commissions)
Placement Price:	The Placement Price of the Notes will be fixed in accordance with supply and demand.
Payment Settlement Date:	14 November 2025
Maturity:	Perpetual, with no maturity date.
Status and Subordination of the Notes:	The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall constitute AT 1 Instruments and shall rank junior to (*inter alia*) all present or future unsubordinated instruments or obligations and Tier 2 instruments, *pari passu* among themselves and with all other present or future AT 1 instruments and senior to (*inter alia*) all present or future ordinary shares and any other CET 1 instruments.
Write-down:	Upon the occurrence of a Trigger Event, a write-down shall be effected *pro rata* with all of the Issuer's other AT 1 Instruments which provide for a write-down (whether permanent or temporary) or a conversion into common equity tier 1 capital instruments upon the occurrence of such Trigger Event. "**Trigger Event**" means if at any time (i) the Group CET 1 Capital Ratio and/or (ii) the Issuer CET 1 Capital Ratio is lower than the applicable Minimum Trigger Level. The Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority shall determine whether a Trigger Event has occurred at any time. "**Minimum Trigger Level**" means in respect of: (i) the Group CET 1 Capital Ratio 5.125% and/or (ii) the Issuer CET 1 Capital Ratio 5.125%.
Write-up:	The Issuer may, at its sole discretion, effect a reversal of a Write-down by writing up, in any financial years of the Issuer subsequent to the occurrence of such Write-down, the Current Principal Amount in whole or in part up to a maximum of the Original Principal Amount, provided that a positive Profit has been recorded for each of the Issuer and the Regulatory Group, and subject to certain limitations. There will be no obligation for the Issuer to operate or accelerate a Write-up under any specific circumstances.
Redemption at the Option of the Issuer:	The Issuer may, upon giving notice, redeem the Notes, in whole but not in part, subject to the prior permission of the Competent Authority, with effect as of (i) the First Reset Date; and (ii) each Distribution Payment Date following the First Reset Date. The Issuer may exercise this redemption right only if the Current Principal Amount of each Note is equal to its Original Principal Amount.
Clean up Call:	The Issuer may redeem all but not some only of the Notes if at any time the number of Notes outstanding (calculated by dividing the aggregate Current Principal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Principal

	Amount) has fallen to 25% or less of the number of Notes originally issued (calculated by dividing the aggregate principal amount of Notes (including any Notes additionally issued in accordance with the terms and conditions) originally issued by the Original Principal Amount) subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Tax Call:	If a Tax Event (loss of tax-deductibility or gross up) occurs, the Issuer may redeem the Notes in whole, but not in part, at the Redemption Amount at any time subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Regulatory Call:	If a Regulatory Event (full or partial exclusion) occurs, the Issuer may redeem the Notes in whole, but not in part, at the Redemption Amount at any time subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Reopening of the Issue:	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Notes without consent of the Holders.
Denominations:	CHF 5,000 nominal and multiples thereof.
Form of the Notes:	The Notes will be documented by a Global Note and registered as intermediated securities (*Bucheffekten*) in the main register (*Hauptregister*) with SIX SIS Ltd. Investors do not have the right to request the printing and delivery of definitive Notes.
Listing and Trading:	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange AG. The Notes have been provisionally admitted to trading on the SIX Swiss Exchange on 12 November 2025.
Governing Law and Jurisdiction:	The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Austrian law except for its conflict of law rules as far as such rules would lead to the application of foreign law. The competent court in Vienna, Austria shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with the Notes).
Selling Restrictions:	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom.
Rating:	The Notes are rated Ba2 by Moody's Deutschland GmbH.
Security Number/ ISIN/Common Code:	149.462.626 / CH1494626265 / 322656971

UBS Investment Bank (the "Lead Manger")

Hypo Vorarlberg Bank AG (the "Co-Lead Manager")

together the "Syndicate Banks"

Prospectus dated 12 November 2025

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (*Finanzdienstleistungsgesetz*, the FINSA) on 28 November 2025.

The Issuer is relying on article 51(2) of the FinSA as described on page 2 of this Prospectus under "*Important Information*".

IMPORTANT INFORMATION

The Issuer is relying on article 51(2) of the Swiss Financial Services Act of 15 June 2018 (the "FinSA"). Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Notes are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. This Prospectus will only be submitted to SIX Exchange Regulation Ltd in its capacity as Swiss review body pursuant to article 52 of the FinSA (the "Swiss Review Body") for review after completion of the offering of the Notes.

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent the date indicated in the document containing the same.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes and for the admission to trading and listing of the Notes on the SIX Swiss Exchange (the "**Market**"). The Issuer has not authorized the use of this Prospectus for any other purpose.

The Lead Manager

The Lead Manager has not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Notes.

To the fullest extent permitted by law, the Lead Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Lead Manager or on its behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Notes. The Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) that it might otherwise have in respect of this Prospectus or any such statement.

The Lead Manager and certain of its respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which it has received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of its business activities, the Lead Manager and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Lead Manager and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for its own account or for the account of its customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SUMMARY

This summary should be read as an introduction to this Swiss listing prospectus (the "Prospectus"). Any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole and not only this summary, including any documents incorporated by reference into this Prospectus. Potential investors in the Notes should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Prospectus.

A. Information on the Issuer

Issuer's Name, registered office and legal form	Hypo Vorarlberg Bank AG (the "**Issuer**") is an Austrian joint stock corporation (Aktiengesellschaft). Its registered office is at Hypo-Passage 1, 6900 Bregenz, Austria.
Legal Entity Identifier ("LEI") of the Issuer	NS54DT27LJMDYN1YFP35
Auditor / Auditor Supervision of the Issuer	The auditor of the Issuer is Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Strasse 19, IZD-Tower, 1220 Vienna, Austria ("**Ernst & Young**"). Potential Investors are informed that Ernst & Young is supervised by the Austrian Audit Oversight Authority (*Abschlussprüferaufsichtsbehörde - APAB*), which is recognised by the Swiss Federal Council.

B. Information on the Terms of the Notes

Nature of Notes	Perpetual Callable Fixed to Reset Rate Additional Tier 1 Notes
Aggregate Nominal Amount	CHF 50,000,000
Settlement Date	14 November 2025
Maturity	Perpetual, with no maturity date.
Distributions	The Notes shall bear distributions on their Current Principal Amount from (and including) 14 November 2025 to (but excluding) the First Reset Date at the rate of 4.375% *per annum*, and thereafter from (and including) each Reset Date to (but excluding) the next following Reset Date at the applicable Reference Rate plus the Margin. "**Reference Rate**" means (i) in case of the First Reset Date the 5.25 years CHF mid-market swap rate based on the arithmetic interpolation of the five and six-years CHF mid-market swap rates; or (ii) in case of any further Reset Dates the five-year CHF mid-market swap rate (subsequent benchmark rate); in each case with a floating leg based on SARON and expressed as an annual rate. "**Margin**" means (i) 4.246% or (ii) in case Government Spread 1 or Government Spread 2 are applicable 4.387%.
Distribution Payment Dates	14 February in each year. The first Distribution Payment Date is 14 February 2026 (short first coupon of 90 days).
First Call Date	14 February 2031
Reset Dates	The first reset date is on 14 February 2031 and the further reset dates (if any) are on any fifth anniversary of the immediately preceding Reset Date.
Cancellation of Distributions	The Issuer has the right to cancel all or part of any payment of distributions in its sole discretion and at any time for an unlimited period and on a non-cumulative basis. Further distributions shall be excluded and cancelled mandatorily and automatically to the extent that: (i) such payment of distributions and any Additional Amounts thereon together with any additional Relevant Distributions would exceed the available Distributable Items provided that, for such purpose, the available Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for payments of interest,

dividends or distributions on Tier 1 Instruments (including payments of distributions on the Notes and any Additional Amounts thereon) in the calculation of the profit (*Gewinn*) on which the available Distributable Items are based; or,

(ii) the Competent Authority orders that all or part of the relevant distribution payment scheduled to be paid on the Notes be cancelled

(iii) another prohibition or restriction of distributions on the Notes, or to make such distribution on the Notes when aggregated with any other Relevant Distributions, is imposed by law or the Competent Authority (or any other relevant supervisory authority) or any other restriction to make distributions exists under the Applicable Supervisory Regulation (including but not limited to, any maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) and the maximum distributable amount related to the leverage ratio (L-MDA), in each case if applicable to the Issuer and/or the Regulatory Group at that point in time).

"**Distributable Items**" means in respect of any payment of distributions on the Notes the distributable items as defined in Article 4(1)(128) CRR, as amended from time to time, in respect of each financial year of the Issuer, as at the end of the latest financial year of the Issuer ended prior to the relevant Distribution Payment Date for which Relevant Financial Statements are available, all as determined in accordance with the accounting principles applied by the Issuer and as derived from the most recent Relevant Financial Statements.

"Competent Authority" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or the Regulatory Group on a consolidated basis.

"Maximum Distributable Amount" means any maximum distributable amount (*maximal ausschüttungsfähiger Betrag*) relating to the Issuer and/or the Regulatory Group, as the case may be, that may be required to be calculated in accordance with (i) § 24(2) of the Austrian Banking Act (implementing Article 141(2) CRD in Austria), as amended or replaced from time to time, or (ii) any successor provision thereto.

"Regulatory Group" means from time to time, the Issuer and each entity which is part of the banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

Write-down

Upon the occurrence of a Trigger Event, a write-down shall be effected *pro rata* with all of the Issuer's other AT 1 Instruments which provide for a write-down (whether permanent or temporary) or a conversion into common equity tier 1 capital instruments upon the occurrence of such Trigger Event.

"**Trigger Event**" means if at any time (i) the Group CET 1 Capital Ratio and/or (ii) the Issuer CET 1 Capital Ratio is lower than the applicable Minimum Trigger Level. The Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority shall determine whether a Trigger Event has occurred at any time.

"**Minimum Trigger Level**" means in respect of: (i) the Group CET 1 Capital Ratio 5.125% and/or (ii) the Issuer CET 1 Capital Ratio 5.125%.

Write-up

The Issuer may, at its sole discretion, effect a reversal of a Write-down by writing up, in any financial years of the Issuer subsequent to the occurrence of such Write-down, the Current Principal Amount in whole or in part up to a maximum of the Original Principal Amount, provided that a positive Profit has been recorded for each of the Issuer and the Regulatory Group, and subject to certain limitations. There will be no

	obligation for the Issuer to operate or accelerate a Write-up under any specific circumstances.
Redemption at the Option of the Issuer	The Issuer may, upon giving notice, redeem the Notes, in whole but not in part, subject to the prior permission of the Competent Authority, with effect as of (i) the First Reset Date; and (ii) each Distribution Payment Date following the First Reset Date. The Issuer may exercise this redemption right only if the Current Principal Amount of each Note is equal to its Original Principal Amount.
Clean up Call	The Issuer may redeem all but not some only of the Notes if at any time the number of Notes outstanding (calculated by dividing the aggregate Current Principal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Principal Amount) has fallen to 25% or less of the number of Notes originally issued (calculated by dividing the aggregate principal amount of Notes (including any Notes additionally issued in accordance with the terms and conditions) originally issued by the Original Principal Amount) subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Tax Call	If a Tax Event (loss of tax-deductibility or gross up) occurs, the Issuer may redeem the Notes in whole, but not in part, at the Redemption Amount at any time subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Regulatory Call	If a Regulatory Event (full or partial exclusion) occurs, the Issuer may redeem the Notes in whole, but not in part, at the Redemption Amount at any time subject to the conditions to redemption and repurchase including prior permission of the competent authority.
Denomination	CHF 5,000 nominal and multiples thereof.
Status	The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall constitute AT 1 Instruments and shall rank junior to (*inter alia*) all present or future unsubordinated instruments or obligations and Tier 2 instruments*, pari passu* among themselves and with all other present or future AT 1 instruments and senior to (*inter alia*) all present or future ordinary shares and any other CET 1 instruments.
Form of the Notes	The Notes will be documented by a Global Note and registered as intermediated securities (*Bucheffekten*) in the main register (*Hauptregister*) with SIX SIS Ltd. Investors do not have the right to request the printing and delivery of definitive Notes.
Reopening of the Issue	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Notes without consent of the Holders.
Principal Paying Agent	UBS AG
Governing Law and Jurisdiction	The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Austrian law except for its conflict of law rules as far as such rules would lead to the application of foreign law. The competent court in Vienna, Austria shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with the Notes).

C. Information on the Offering

Public Offer	The Notes will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.
Issue Price	100% of the aggregate nominal amount of the Notes (before commissions)
Placement Price	The Placement Price of the Notes will be fixed in accordance with supply and demand.
Clearing and Settlement	SIX SIS Ltd

Net Proceeds / Use of Net Proceeds	The gross proceeds of the Notes amount to CHF 50,000,000, and the commissions and other costs to CHF 600,000 in total. The corresponding net proceeds of the Notes will be used by the Issuer for its general corporate purposes.
Swiss Security Number	149.462.626
ISIN	CH1494626265
Common Code	322656971
Selling Restrictions	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom. See "*Selling Restrictions*" below.
Lead Manager and sole bookrunner	UBS AG
Co-Lead Manager	Hypo Vorarlberg Bank AG

D. Information on the Admission to Trading and Listing

Swiss Trading Venue	SIX Swiss Exchange
Admission to Trading and Listing	The Notes have been provisionally admitted to trading on the SIX Swiss Exchange as of 12 November 2025. Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.

E. Information on Prospectus Approval

Swiss Review Body	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland.
Approval of Prospectus	The Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Notes are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Prospectus will be submitted to the Review Body for review only after completion of the offering of the Notes.
Prospectus Date and Approval	This Prospectus is dated 12 November 2025, and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus. This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of the approval by the Swiss Review Body**.**

SELLING RESTRICTIONS

Each of the Issuer and the Lead Manager warrants and agrees that it will comply with the following selling restrictions:

General

Save for (i) the preparation of a Preliminary Prospectus and a Prospectus for a public offering and admission to trading the Notes on a trading venue in Switzerland and (ii) having the Notes admitted to trading on a trading venue in Switzerland, no action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in or from any country or jurisdiction where action for that purpose is required. In addition to the specific selling restrictions set out below, each the Issuer and the Lead Manager undertakes to comply with all applicable laws and regulations in each country or jurisdiction in which it purchases or in or from which it offers, sells or delivers the Notes or has in its possession or distributes any offering material in respect of the Notes.

United States of America and United States Persons

A) The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States of America or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Terms used in this paragraph (A) have the meanings given to them by Regulation S under the Securities Act.

B) The Lead Manager represents, warrants and agrees that it has not entered and will not enter into any contractual arrangement (other than this Agreement) with respect to the distribution or delivery of the Notes, except with their affiliates or with the prior written consent of the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area (the "**EEA**") (each a "**Member State**"), the Lead Manager represents and agrees, that it has not made and will not make an offer of Notes to the public in that Member State except that it may make an offer of such Notes to the public in that Member State at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager; or

(iii) in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

In relation to the United Kingdom (the "**UK**"), the Lead Manager represents and agrees that it has not made and will not make an offer of Notes to the public in the UK except that it may make an offer of such Notes to the public in the UK at any time:

(i) to any legal entity that is a qualified investor as defined in the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager; or

(iii) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

provided that no such "offer of Notes to the public" referred to in (i) to (iii) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression

"**UK Prospectus Regulation**" means the Prospectus Regulation as it forms a part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**").

Each of the Issuer and the Lead Manager represents and agrees that:

(i) Financial Promotion: it has only communicated or caused to be communicated and it will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and

(ii) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

FORWARD LOOKING STATEMENTS

This preliminary prospectus contains or incorporates by reference statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the current prospects, expectations, estimates, plans, strategic aims, vision statements, and projections of the Issuer and are based on information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify prospects and/or other forward-looking statements but are not the exclusive means of identifying such prospects and other statements. The Issuer, in reliance on article 69(3) FinSA, hereby cautions you that any such prospects, expectations, estimates, plans, strategic aims, vision statements, and projections contained or incorporated by reference in this preliminary prospectus are not historical in nature but are forward-looking based on information and assumptions the Issuer considers to be reasonable. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the Issuer's control and could cause actual results to differ materially from what the Issuer anticipates. Due to the uncertainty of future developments, to the fullest extent permitted by applicable law, neither the Issuer nor the Lead Manager assume any liability in respect to or in connection with such prospects or other forward-looking statements contained or incorporated by reference herein.

Except as required by the FinSA or other applicable securities laws, neither the Issuer nor the Lead Manager undertake an obligation to update any prospects or forward-looking statements after the date hereof, even if new information, future events or other circumstances have made them incorrect or misleading.

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RISK FACTORS

Risk Factors relating to the Issuer

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and specific and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material and specific or of which it is not currently aware, and any of these risks could have the effects set forth above.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of distribution which investors will receive in respect of the Notes. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur. Below the Issuer expresses its view on the likelihood of any such contingency occurring as of the date of this Prospectus.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay distributions or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risk factors herein are organised into the following categories below depending on their nature. In each of the following categories the most material risk factors are listed in a manner that is consistent with the assessment of their materiality:

Risk factor relating to the credit risk of the Issuer

Default, suspension of payments or deterioration in the creditworthiness of customers or other counterparties may result in losses for the Issuer (credit default risk).

The Issuer is exposed to a number of counterparty and credit default risks. Third parties who owe money, securities or other assets to the Issuer, could not fulfil their obligations to the Issuer, e.g. due to insolvency, lack of liquidity, deterioration of creditworthiness, economic downturns, operational problems or loss of value of real estate. The counterparty risk between financial institutions has increased as a result of the volatility of the financial markets in recent years. In view of the economic and financial solidarity of many financial institutions due to loans, trading and other relationships among each other, the Issuer is exposed to the risk that possible defaults of one financial institution may lead to a liquidity shortage which has a negative impact on the entire financial and capital market or to substantial losses or non-fulfilment of liabilities also by other financial and capital market participants (e.g. the Issuer). An assumed lack of creditworthiness can also lead to market-wide liquidity problems. This risk is often referred to as "systemic risk" and affects credit institutions and all other types of intermediaries (such as clearing houses) in the financial services industry.

In accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRS), the Issuer takes into account the possibility that customers or counterparties may fail to meet their obligations by making write-downs and/or value adjustments for defaults that have occurred. The Issuer assumes a potential need for impairment if the following indicators exist: delayed payment over a certain period of time, initiation of compulsory measures, imminent insolvency or over-indebtedness, application for or opening of insolvency proceedings or failure of restructuring measures. This assumed impairment requirement may be incorrect for various reasons. An unexpected downturn in general economic conditions, unforeseen political events or a lack of liquid funds in the economy may lead to credit defaults at the Issuer which exceed the amount of write-downs made by the Issuer and the probable maximum losses assumed by risk management. As the Issuer is primarily active in Vorarlberg, other parts of Austria and some neighbouring countries (Germany, Switzerland and Northern Italy), it is primarily exposed to the risk of a general economic downturn which increases the probability of credit default in these regions.

Finally, sanctions against the Russian Federation ("**Russia**") may negatively impact the economic environment of the Issuer, in particular the business models of its customers. In particular, if within this economic environment assets are frozen or confiscated customers may experience shortages of raw material or an increase of prices in raw material and energy. Also, as sanctions can result in devaluations of local currency, in particular Russian roubles, customers of the Issuer selling their products in Russia may be exposed to a decline of demand; demand may also decrease in the Republic of Ukraine ("**Ukraine**") and other countries (Austria, Germany, Switzerland and Northern Italy) which are exposed to the events of war in Ukraine and consumers as well as enterprises may become more conservative in their

spending. All this could have a material negative impact on the business and the creditworthiness of the Issuer's clients and may result in higher credit risk costs for the Issuer. In addition, sanctions may lead to a substantial increase in energy or commodity prices, which, if of longer duration, could result in a recession in the Issuer's markets. Furthermore, the situation in the Middle East remains fragile and has the potential for further escalation with the risk of higher commodity prices and lower trade volume. An escalation of the conflict could lead to higher prices and weaker global growth, which would affect Issuer's loan growth and risk costs.

Real estate prices depend on many volatile factors, including the supply of and the demand for real estate, the availability of tenants and their ability to pay the rent. The prices for commercial real estate are even more volatile, depending, *inter alia*, on the investment behaviour and risk appetite of investors, refinancing possibilities and on general economic developments. In real estate financing, particularly for commercial real estate projects, some major defaults have been recorded in recent quarters due to the higher interest rates in the past years, increased construction costs and the reduced demand on the real estate market. The commercial real estate market remains tense and problem exposures are being closely monitored by the Issuer. A part of the Issuer's loan portfolio is secured by mortgages. A decrease of real estate prices may lead to impairments in respect of collateral and to an increase of loan loss provisions for the Issuer which may have material adverse effects on its profitability and financial position. Where collateral is realised by the Issuer following a default of mortgage loans, a decrease of real estate prices may lead to the collateral no longer being sufficient to cover the outstanding loan which would in addition lead to actual losses at the Issuer.

If the losses resulting from the defaults of customers and other counterparties of the Issuer substantially exceed the amount of write-downs and/or value adjustments made by the Issuer or require an increase in such write-downs and/or value adjustments, this would have a negative effect on the results of operation or financial results of the Issuer and could lead to an increase in capital requirements, restricting the operating activities and consequently impair the Issuer's ability to meet its payment obligations in connection with the Notes and their market price.

Risk factors relating to the Issuer's business

There is a risk that the Issuer may not have sufficient funds available to meet its payment obligations or that it may only be able to procure these funds on terms that are less favourable to the Issuer (liquidity risk).

The Issuer is required by law to hold sufficient liquid funds to be able to meet its payments at all times. The Issuer relies on customer deposits in order to be able to cover a considerable part of its (statutory) financial requirements. The majority of the Issuer's deposits are retail customer deposits, of which a significant proportion are overnight deposits. Such deposits are subject to fluctuation due to factors beyond the Issuer's control and could be subject to a large outflow of deposits within a short period of time. As a significant part of the Issuer's funding comes from its deposit base, any significant reduction in deposits may have a negative effect on the liquidity of the Issuer.

Furthermore, credit and money markets worldwide have been and will continue to be reluctant for credit institutions to lend to each other due to uncertainty about the creditworthiness of the borrowing credit institution. Even the perception among market participants that a credit or financial institution, such as the Issuer, has a greater liquidity risk may result in substantial damage to the institution, as potential lenders may demand additional collateral or other measures that further reduce the Issuer's ability to raise funds. This increase in counterparty risk has led to further restrictions on the Issuer's access to traditional sources of funds and may be exacerbated by further regulatory restrictions on the capital structure and calculation of regulatory capital ratios.

The liquidity situation of the Issuer can be shown by comparing outgoing and incoming payments. A mismatch of incoming and outgoing payments (for example, due to late repayments, unexpectedly high outflows of funds, the failure of follow-up financing or due to a lack of market liquidity) may result in liquidity bottlenecks or accumulations which may mean that the Issuer is no longer able to meet payment obligations and defaults or has to procure liquid funds at conditions that are less favourable to the Issuer. This may have negative effects on the liquidity management of the Issuer and furthermore on the results of operations of the Issuer.

The Issuer may incur losses due to changes in market prices (market risk).

Conditions on financial markets have a significant influence on the Issuer's business activities. Changes and fluctuations in market interest rates (interest rate volatility), negative market interest rates, a flat or inverse yield curve, as well as changes and fluctuations in market prices in the foreign exchange, stock, commodity or other markets (for example, due to protectionist measures, in particular the imposition of tariffs, by the newly elected government in the United States of America and the resulting countermeasures by other countries) may have an adverse effect on the Issuer's business results. In addition, credit spread risks may materialise as a result of changes in credit spreads or the spread curve compared with the risk-free interest rate, resulting in losses for the Issuer due to changing market prices.

Furthermore, distortions on the financial and capital markets may lead to devaluation requirements with regard to existing asset positions of the Issuer, i.e. increase the value of the Issuer's liabilities or reduce the value of assets, such as in particular equity investments held by the Issuer.

Since part of the Issuer's business activities as well as those of its customers are located in countries outside the Euro zone, transactions in currencies other than Euro may increase the exchange rate risk. In addition, local governments may take measures which affect the currency levels and exchange rates and the credit risk of the Issuer in relation to these currencies. Unexpected adverse changes in exchange rates against certain currencies, particularly in the case of

the Issuer against the Swiss franc (CHF), may have an adverse effect on the income generated by the Issuer's business, adversely affect the Issuer's financial condition and results of operations and thereby impair the Issuer's ability to make payments on the Notes.

The Issuer is exposed to risks of changes in interest rates (interest rate risk).

The Issuer collects interest from loans and other assets and pays distributions to security holders and other creditors. Interest rates are highly sensitive to many factors which are beyond the Issuer's control, such as inflation, the monetary policy determined by central banks or governments, innovations in financial services and increased competition in the financial markets in which the Issuer operates, national and international economic and political conditions. In an environment with very low or even negative interest rates, the Issuer bears higher costs for maintaining regulatory liquidity reserves in cash holding and highly liquid assets. An increase in the interest rates charged to the Issuer's clients may also have a negative impact on the Issuer's net interest income if this results in fewer funds being borrowed by its clients. For reasons of competition, the Issuer may also decide to increase the interest rates on deposits without raising the interest rates on loans granted accordingly. Finally, an imbalance in the maturity structure of interest-bearing assets and interest-bearing liabilities in the event of changes in the yield curve could reduce the Issuer's net interest margin over a certain period of time, with a significant negative impact on its net interest income. This may also affect the Issuer's ability to make payments on the Notes.

The suspension, lowering or cancellation of a rating of the Issuer could have a negative effect on the refinancing conditions of the Issuer, in particular on its access to the debt capital markets.

A rating is a statement by a credit rating agency regarding the creditworthiness of the Issuer, for example, a forecast or indicator of a possible credit default due to insolvency, late or incomplete payments to investors.

A credit rating agency may suspend, downgrade or cancel a rating of the Issuer. Changes in the Issuer's ownership structure may lead to a reduction in the Issuer's rating. Furthermore, there is a risk that the Issuer's rating may be adversely affected by a decrease in the rating of Austria, as the Issuer's rating is limited to the rating of Austria. A rating may also be suspended or revoked if the Issuer terminates its contract with the relevant credit rating agency or decides that it is no longer in its interest to continue providing the credit rating agency with financial information.

A downgrading of a rating may result in the Issuer's access to funds being restricted and consequently in higher funding costs. A rating of the Issuer could also be negatively affected by the soundness or perceived soundness of other financial institutions. Should a credit rating agency suspend, lower or revoke a rating of Austria or publish unfavourable reports or forecasts for Austria, this could also increase the Issuer's funding costs.

Any lowering of a rating of the Issuer could have a negative impact on its liquidity and competitive situation, undermine confidence in the Issuer, increase its borrowing costs, limit its access to funding and capital markets or limit the number of counterparties willing to enter into transactions with the Issuer.

Economic or political developments and/or a downturn of the economy in the Issuer's main markets may have a material adverse effect on its results of operations and financial position.

The business activities of the Issuer and its subsidiaries are primarily concentrated in Vorarlberg, the rest of Austria and the neighbouring countries (Switzerland, Southern Germany and Northern Italy). Consequently, the Issuer is particularly exposed to political and economic developments which affect the growth of the banking market or the creditworthiness of its customers and other counterparties in these markets. The Issuer's core market is the federal state of Vorarlberg. The Issuer's business activities are therefore highly exposed to economic and other factors (e.g. an economic downturn (recession), deflation, hyper-inflation, unemployment, terrorist threats, financial crises, increased crude oil prices or falling real estate prices) which affect growth in the Vorarlberg banking market and the creditworthiness of the Issuer's private and corporate customers in Vorarlberg.

Adverse changes in the economic or political environment in Austria and/or in the regions in which the Issuer operates and further geopolitical uncertainties as well as a renewed and/or intensified adverse development of the world economy and global financial markets could at any time adversely affect the Issuer and its contractual partners or the demand for the services and financial products developed and offered by the Issuer.

The Issuer operates in highly competitive markets and competes with large national and global financial institutions as well as with established local competitors in Austria, Southern Germany, Switzerland and Northern Italy. Due to the competition, the net interest margins of the Issuer could decrease and therefore have negative effects on the financial and earnings position of the Issuer.

The Issuer is exposed to significant competition in all areas of its business and it must be assumed that competition will increase further in the future. The Issuer competes with a number of large national and global financial and credit institutions, FinTechs and established local competitors. If the Issuer is unable to respond to the competitive environment with profitable products and services, it may lose market share in important parts of its business or suffer losses in respect of some or all of its activities.

The trend towards consolidation in the global financial services industry, which has increased as a result of the financial and economic crisis, is creating competitors of the Issuer with a wide range of products and services, increased access to capital and greater effectiveness and pricing power. These national and global financial and credit institutions may be more attractive to customers, in particular large corporate customers, due to their greater global presence or financial resources and the Issuer therefore risks losing market share. In Vorarlberg and in Austria the Issuer is also exposed to competition from new market participants from neighbouring countries (Germany, Switzerland and Northern Italy). In addition, the Issuer is exposed, particularly in Vorarlberg and Austria, to

competition from established local credit institutions which operate a large number of branches, offer customers a wide range of banking and financial products and services and benefit from relationships with a large number of existing customers.

As a result of this competition, especially in the retail sector, net interest margins have always been very low. Should it prove impossible to maintain the net interest margins at the current level, this could have negative effects on the Issuer's financial position and results of operations.

The Issuer is exposed to risks arising from the unsuitability or failure of internal processes, people or systems (especially IT systems) or from external events - whether deliberate or accidental or caused by natural circumstances (operational risk).

The Issuer is exposed to various risks arising from potential inadequacies or failures of internal controls, processes, people or systems or external events - whether deliberate or accidental or caused by natural circumstances - which may result in significant losses. In the case of the Issuer, such operational risks include the risk of unexpected losses resulting from individual events, which in turn may be the result of faulty information systems, inadequate organisational structures or non-functioning control mechanisms. For the Issuer, these risks include the risk of higher costs or lost profits due to unfavourable macroeconomic or industry-specific trends. Damage to the reputation of the Issuer due to the occurrence of such an event also falls into this risk category.

The operational risk is part of all activities of the Issuer and cannot be eliminated. The Issuer is heavily dependent on information systems to conduct its business. Failures, interruptions or breaches of security may lead to limited functionality of the systems of the issuer for risk management, accounting, custody or credit provision. If the Issuer's information systems, including its back-up systems, were to fail, even for a short period of time, or if its contingency plans for continuing operations were to prove ineffective in the event of an emergency, the Issuer could fail to meet some of its customers' needs in a timely manner and thereby lose some of its business. Similarly, a temporary shutdown of the Issuer's information system could result in costs for the recovery and verification of information. The occurrence of such failures or interruptions may have a material adverse effect on the Issuer's business, financial condition and results of operations.

A lack of control of operational risks may impair the ability of the Issuer to fulfil its obligations in connection with the Notes issued under this Prospectus.

Risk factor relating to other risks affecting the Issuer

The Issuer is controlled by a majority shareholder, whose resolutions potentially may not be in the interest of the investors.

The federal state of Vorarlberg holds 76.8732% of the Issuer's ordinary shares through Vorarlberger Landesbank-Holding, a special fund of the federal state of Vorarlberg. With this majority, the majority owner, possibly in cooperation with Austria Beteiligungsgesellschaft mbH, can control important resolutions of the Issuer's general meeting in accordance with the Austrian Stock Corporation Act (*Aktiengesetz - AktG*) and pass resolutions that are not in the interest of the investors.

Risk factors regarding legal and regulatory risks of the Issuer

The Issuer is subject to a number of strict and extensive regulatory rules and requirements.

As Austrian credit institution, the Issuer must comply with a number of regulatory rules and requirements at all times which continuously change and become more extensive and stricter.

- *EU Banking Package and Reform of the Banking Union*

  The Banking Union is a system for the supervision and resolution of credit institutions (including the Issuer) on EU level which is based on EU wide rules and currently consists of the Single Supervisory Mechanism and the Single Resolution Mechanism.

  On 7 June 2019, a legislative package for amendments of the following EU legal acts regarding the Banking Union ("**EU Banking Package**") was published which successively entered into force from 27 June 2019 onwards: (i) Directive 2013/36/EU, as amended (*Capital Requirements Directive* – "**CRD**"); (ii) Regulation (EU) No 575/2013, as amended (*Capital Requirements Regulation* – "**CRR**"); (iii) Directive 2014/59/EU, as amended (*Bank Recovery and Resolution Directive* – "**BRRD**"); and (iv) Regulation (EU) No 806/2014, as amended (*Single Resolution Mechanism Regulation* – "**SRMR**").

  On 27 October 2021, the European Commission adopted a further package of a revision of the CRR and the CRD. On 14 December 2023 the final elements of the package have been agreed and endorsed by the European Parliament and the Council. The new CRR rules started applying from 1 January 2025 (the implementation of the fundamental review of the trading book (FRTB) has been deferred to 2026), the new provisions included in the CRD will need to be transposed by Member States into national law within eighteen months as of publication of the legal texts in the Official Journal of the EU, which took place on 19 June 2024. This package is comprised of the following legislative elements:
  - implementing Basel III (for details, see "*Amended BCBS Standards*" below);
  - sustainability; and
  - stronger enforcement tools.

The amended CRD (CRD VI) introduces further enhancements, including the integration of ESG factors and crypto-assets into risk management.

- *Amended BCBS Standards*

  On 7 December 2017, 11 December 2018 and on 14 January 2019, the Basel Committee on Banking Supervision ("**BCBS**") published amended standards for its international regulatory framework for credit institutions developed by the BCBS. Within the EU, the revised standards must be transposed into EU law for being applicable. These Basel III reforms, *inter alia*, include the following key measures which are a specific and material risk to the Issuer if transposed into EU law:
  - a revised standardised approach and the internal ratings-based approach for the calculation of credit risks;
  - revisions to the credit valuation adjustment (CVA) framework;
  - a revised standardised approach for operational risk;
  - revisions to the measurement of the leverage ratio;
  - an aggregate output floor, which will ensure that risk-weighted assets ("**RWAs**") generated by internal models are not lower than 72.5% of RWAs as calculated by the Basel III framework's standardised approaches; and
  - the finalized revised market risk framework.

  On 27 March 2020, the implementation dates for the revised BCBS standards have been deferred to 1 January 2023 and will be phased in over five years.

  On 7 December 2017, the BCBS also published a discussion paper on the regulatory treatment of sovereign exposures which would result in higher risk weights for certain sovereign exposures for the Issuer.

  In addition, on 31 March 2021, the BCBS released documents on the principles for operational risk and operational resilience.

Compliance with these regulatory rules and requirements, in particular including the ongoing monitoring and implementation of new or amended rules and regulations cause significant costs and additional effort for the Issuer and any (factual or even only alleged) breach of such rules and requirements may cause result in significant regulatory measures and bear a main legal and reputational risk. Furthermore, stricter regulatory rules and requirements, such as the EU Banking Package and the amended BCBS standards, result in significant capital demand for the Issuer and/or result in constraints and limitations on risk related business and other business of the Issuer; the latter will negatively affect the income and revenues of the Issuer.

The Issuer must comply with its applicable regulatory capital requirements at any time.

The Issuer must comply with certain regulatory capital requirements (on an individual and consolidated basis) at any time:

- In this regard, the Issuer is required to satisfy the applicable minimum capital requirements pursuant to Article 92 CRR (so-called "Pillar 1 requirements") at all times. This includes a Common Equity Tier 1 ("**CET 1**") capital ratio of 4.5%, a Tier 1 capital ratio of 6% and a total capital ratio of 8%.

- In addition, the Issuer is required to satisfy at all times the capital requirements that are imposed by the Austrian Financial Market Authority ("**FMA**") following the supervisory review and evaluation process ("**SREP**") (so-called "Pillar 2 requirements") ("**SREP add-on**") in form of CET 1 capital. As of the date of this Prospectus, the SREP add-on determined for the Issuer (on individual and consolidated basis) amounts to 2.1%. In addition, the Issuer is required to satisfy the so-called "Pillar 2 guidance".

- Furthermore, the Issuer must satisfy at all times the combined buffer requirement within the meaning of § 22a of the Austrian Banking Act, as amended (*Bankwesengesetz* – "**BWG**") in form of CET 1 capital. For the Issuer, the combined buffer requirement consists of the sum of the capital buffer requirement for compliance with the capital conservation buffer of 2.5%, the countercyclical capital buffer for relevant credit exposures of 0.1523% and the capital buffer requirement for systemic vulnerability of 0.5% (on consolidated basis), in each case based on the total risk exposure calculated pursuant to Article 92(3) CRR.

- In the "Recommendation FMSB/6/2024: guidance on applying the sectoral systemic risk buffer" of the Austrian Financial Market Stability Board (*Finanzmarkstabilitätsgremium* - "**FMSB**") of 3 October 2024, the FMSB recommended that the FMA shall prescribe a systemic risk buffer pursuant to § 23e BWG for the subset of risk exposure amounts stemming from commercial real estate lending (sectoral systemic risk buffer) in the amount of 1% of these risk exposure amounts at consolidated and unconsolidated level as of 1 July 2025. Accordingly, the FMA implemented this buffer requirement in the Capital Buffer Regulation 2025 (*Kapitalpuffer-Verordnung 2025*). In the "Recommendation FMSB/4/2025: guidance on applying the sectoral systemic risk buffer" of 1 October 2025 the FMSB advises maintaining the current systemic risk buffer level. Based on the current developments in the Austrian banking sector, the FMSB sees no need for an adjustment at this time.

- Furthermore, the Issuer shall meet minimum requirement for own funds and eligible liabilities ("**MREL**") in accordance with the Austrian Recovery and Resolution Act, as amended (*Sanierungs- und Abwicklungsgesetz* – "**BaSAG**")/the SRMR upon request of the resolution authority. This MREL target is determined by the

resolution authority and is calculated as a percentage of the total Risk Exposure Amount ("**TREA**") and the Leverage Exposure ("**LRE**"). As of the date of this Prospectus, the MREL target for the Issuer (on consolidated level) amounts to 22.40% of TREA and 5.91% of LRE.

Stricter regulatory capital requirements applicable to the Issuer and/or any failure to comply with such requirements may result in (unscheduled) additional (quantitative or qualitative) capital demand for the Issuer and/or result in constraints and limitations on risk related business and other business of the Issuer; the latter would negatively affect the income and revenues of the Issuer.

The Issuer is obliged to contribute to the Single Resolution Fund and to the deposit guarantee fund.

The Single Resolution Fund ("**SRF**") has been established by the SRMR and is composed of contributions by credit institutions (including the Issuer) and certain investment firms in the participating Member States of the Banking Union. The SRF was gradually built up during the initial period of eight years (2016 – 2023) and has surpassed the target level of at least 1% of the amount of covered deposits of all credit institutions (including the Issuer) within the Banking Union by 31 December 2023. However, there is the risk that the Issuer may be obliged to make contributions to the SRF after the future next verification exercise due to take place towards the beginning of 2026.

The Issuer is a member of the Einlagensicherung AUSTRIA Ges.m.b.H. ("**ESA**"), the statutory (Austrian) deposit guarantee scheme within the meaning of the Austrian Deposit Guarantee and Investor Protection Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz* – "**ESAEG**"). The ESAEG stipulates a target level of the *ex ante* financed deposit guarantee fund for the ESA of 0.8% of covered deposits to be fully composed by contributions of its members (including the Issuer) by 3 July 2024. There is the risk that the Issuer may be obliged to make further *ex ante* contributions or extraordinary *ex post* contributions to the deposit guarantee scheme in the future.

The Issuer's obligation to make such contributions may result in additional financial burden for the Issuer and may have a negative impact on its financial position and results of operation.

The Issuer is obliged to comply with extensive rules and regulations, in particular on anti-money laundering, corruption, anti-terrorism financing and cybersecurity which cause significant costs, require the Issuer to abstain from new or terminate existing business for precaution measures and on the basis of formal criteria's.

The Issuer is subject to legal provisions in connection with measures to avoid money laundering, corruption and terrorism financing ("**AML Rules**") which are continuously amended and tightened.

However, Directive (EU) 2015/849 is repealed with effect from 10 July 2027 and replaced by the Directive (EU) 2024/1640 and the Regulation (EU) 2024/1624. In addition, Regulation (EU) 2024/1620 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) applies in principle since 1 July 2025.

In addition, the Issuer is subject to the so-called Digital Operational Resilience Act ("**DORA**"). The associated requirements are part of the European Commission's Digital Finance Package in particular stipulated by the Regulation (EU) 2022/2554 ("**DORA Regulation**") which applies since 17 January 2025.

The Issuer's obligation to comply with all these rules and regulations causes significant costs and expenses for the Issuer.

If the relevant conditions are met, the resolution authority shall apply resolution actions in relation to the Issuer.

The BRRD and the SRMR are the main legal basis for the recovery and resolution of credit institutions (including the Issuer) in the Banking Union.

If the conditions for resolution are met, the resolution authority shall take resolution actions (i.e. resolution tools and resolution powers) in relation to the Issuer in order to be able to exercise an orderly resolution, if the Issuer is failing (or likely to fail) and to preserve the financial stability.

The conditions for resolution of the Issuer are:

- the determination that the Issuer is failing or likely to fail has been made by the competent authority or the resolution authority;
- having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments and eligible liabilities taken in respect of the Issuer, would prevent the failure of the Issuer within a reasonable timeframe; and
- a resolution action is necessary in the public interest.

The resolution authority has so-called resolution powers, which it may exercise individually or in any combination in relation to or for the preparation of the application of a resolution tool in relation to the Issuer. The different resolution tools are: (i) the sale of business tool; (ii) the bridge institution tool; (iii) the asset separation tool; and (iv) the bail-in tool.

By applying the bail-in tool the resolution authority may write down eligible liabilities in a cascading contribution to loss absorption of the Issuer or convert them into instruments of ownership. Moreover, the resolution authority can separate the performing assets from the impaired or under-performing assets and transfer the shares in the Issuer or all or part of the assets of the Issuer to a private purchaser or a bridge institution without the consent of the shareholders.

Risk Factors relating to the Notes

Prospective Holders of the Notes, which are the subject of this Prospectus, should consider the following risk factors, which are specific to the Notes and which are material for taking an informed investment decision and should make such decision only on the basis of this Prospectus as a whole.

No person should acquire the Notes without a thorough understanding of the mechanism of the Notes and without being aware of the potential risk of loss. Any prospective Holder should carefully examine whether an investment in the Notes is appropriate given his or her personal circumstances and financial situation.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" shall have the same meanings in this section "Risk Factors relating to the Notes".

The risk factors herein are organised into the following categories below depending on their nature. In each of the following categories the most material risk factors are listed in a manner that is consistent with the assessment of their materiality:

1 Risk factors relating to the status of the Notes and their regulatory qualification

2 Risk factors relating to the structure of the rate of distributions of the Notes

3 Risk factors relating to redemption or repurchase of the Notes

4 Risk factors relating to a write-down, resolution measures and a subsequent write-up of the Notes

5 Risk factors relating to the investment in the Notes

6 Risk factors relating to tax and legal matters

7 Risk factors relating to certain provisions of the Terms and Conditions of the Notes and conflicts of interest

1 Risk factors relating to the status of the Notes and their regulatory qualification

The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations which are subordinated to the claims of all unsubordinated and subordinated creditors (other than subordinated claims ranking *pari passu* with or junior to the Notes) of the Issuer. There is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment, should the Issuer become insolvent.

The Notes to be issued by the Issuer are intended to qualify as Additional Tier 1 instruments pursuant to Article 52 CRR. They constitute direct, unsecured and subordinated obligations of the Issuer. In the event of insolvency proceedings (*Konkursverfahren*) or the liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

(a) junior to all present or future:

  (i) unsubordinated instruments or obligations of the Issuer; and

  (ii) Tier 2 Instruments and instruments or obligations of the Issuer, if any, which rank senior to Tier 2 Instruments; and

  (iii) instruments or obligations of the Issuer that do not result from own funds items of the Issuer; and

  (iv) other instruments or obligations of the Issuer, if any, ranking or expressed to rank subordinated to any unsubordinated instruments or obligations of the Issuer (other than instruments or obligations of the Issuer which rank *pari passu* with or subordinated to the Notes as referred to below); and

(b) *pari passu*:

  (i) among themselves; and

  (ii) with all other present or future AT 1 Instruments; and

(c) senior to all present or future:

  (i) ordinary shares of the Issuer and any other CET 1 Instruments; and

(ii) other subordinated instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with the ordinary shares of the Issuer and any other CET 1 Instruments.

There is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment, should the Issuer become insolvent or, following a write-down, either have insufficient profit to write-up the Notes or decide in its sole discretion to not (or not fully) write-up its Notes at all.

Furthermore, claims of the Issuer are not permitted to be set-off or netted against payment claims of the Holders under the Notes which are not, and may not become secured or subject to a guarantee or any other arrangement that enhances the seniority of the claim under the Notes. A Holder should therefore not expect to be able to set-off any obligations of the Issuer under the Notes against obligations of the Holder *vis-à-vis* the Issuer.

The regulatory classification of the Notes as AT 1 Instruments may change which may adversely impact the Issuer's capitalisation and entitle the Issuer to redeem the Notes for regulatory reasons.

If the Issuer redeems the Notes for regulatory reasons (as described below), a Holder is exposed to the risk that, due to such redemption, its investment will have a lower-than-expected yield. The Issuer might exercise its call right if the yield on comparable notes in the capital markets falls, which means that the Holder may only be able to reinvest the redemption proceeds in notes with a lower yield or with a similar yield of a higher risk.

In the opinion of the Issuer the Notes shall qualify with regard to its Regulatory Group's own funds requirements as AT 1 Instruments upon issue. "**Regulatory Group**" means, from time to time, the Issuer and each entity which is part of the banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

No supervisory authority will approve or assess the regulatory classification of the Notes as AT 1 Instruments of the Issuer prior to their issuance. There is a risk that there is a change in the regulatory classification of AT 1 Instruments that may result in the exclusion of the Notes from own funds or reclassification as a lower quality form of own funds. Such change in the regulatory classification may be caused not only by changes in law but also by other reasons, for example changes in the corporate structure of the Regulatory Group such that the Notes are no longer eligible as own funds of the Issuer. If the Notes are reclassified as a lower quality form of own funds or even excluded from the Issuer's own funds, this can have a negative impact on the capitalisation of the Issuer and the Issuer may call the Notes for redemption (regulatory call).

The Issuer is not prohibited from issuing further debt which may rank *pari passu* with or senior to the Notes. The issue or guaranteeing of any such debt may reduce the amount recoverable by Holders upon the Issuer's insolvency.

The Terms and Conditions of the Notes place no restriction on the amount of debt that the Issuer may issue or guarantee that ranks senior to, or *pari passu* with, the Notes. The Issuer may also issue debt instruments with trigger levels for write-down or conversion that are lower than those of the Notes (to the extent permitted by the Applicable Supervisory Regulations), so that such debt instruments absorb losses after the Notes.

The issue or guaranteeing of any such debt instruments may reduce the amount recoverable by Holders upon the Issuer's insolvency. If the Issuer's financial condition were to deteriorate, the Holders could suffer direct and materially adverse consequences, including cancellation of distributions and reduction of the principal amount of the Notes and, if the Issuer were liquidated, the Holders could suffer loss of their entire investment (total loss).

In addition, the Issuer is not prohibited from issuing or guaranteeing other instruments that share in, or which depend upon, Distributable Items, thereby reducing the amount available for distributions under the Notes. This could result in distributions on the Notes being either reduced or even cancelled entirely.

Some aspects of the manner how the CRR/CRD framework is applied, including after any future amendment, are uncertain. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

Many of the provisions of the Terms and Conditions of the Notes depend on the final interpretation of the latest amendments of the CRR and the Directive 2013/36/EU, as amended (*Capital Requirements Directive* – "**CRD**") (including any regulations promulgated thereunder).

The CRR/CRD framework is a complex set of rules and regulations that imposes a series of requirements. Although the CRR is directly applicable in each EU Member State, it provides for important interpretational issues to be further specified through binding technical standards and/or delegated legal acts and through guidelines and leave certain other matters to the discretion of the competent authority.

The manner in which many of the concepts and requirements under the CRR/CRD framework are applied to the Issuer and/or the Regulatory Group remains somewhat uncertain.

In particular, the interplay between the Supervisory Review and Evaluation Process ("**SREP**") requirements and the Maximum Distributable Amount, the 'maximum distributable amount related to the minimum requirement for own funds and eligible liabilities' ("**M-MDA**"), any potential application of the leverage ratio related maximum distributable amount ("**L-MDA**") framework if applicable to the Issuer (which is not the case as of the date of this Prospectus) as well as the determination of the Maximum Distributable Amount are complex. The Maximum Distributable Amount imposes a cap on the Issuer's ability to make discretionary payments including distribution

payment on the Notes, on the Issuer's ability to reinstate the Current Principal Amount of the Notes following a write-down and, on its ability, to redeem or repurchase the Notes. There are a number of factors for the complexity of the determination of the Maximum Distributable Amount, including the following:

(i) The Maximum Distributable Amount framework applies when certain capital buffers are not maintained. The capital buffer requirements must be met with CET 1 capital. Certain capital buffers depend and will depend on the macro-economic situation (in the case of the (institution-specific) countercyclical buffer: the credit cycle and risks due to excess credit growth in an EU Member State, taking into account specificities of the national economy) or the existence of systemic risks (in the case of the systemic risk buffer). In addition, certain buffers apply on the basis of the consolidated situation whereas others apply on an individual basis (or both). As a result, it is difficult to predict when or if the Maximum Distributable Amount will apply to the Notes, and to what extent.

(ii) The Issuer will have the discretion to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141(2) CRD.

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit distribution payments on the Notes, the reinstatement of the Current Principal Amount of the Notes following a write-down and the ability of the Issuer to redeem or repurchase the Notes.

This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

The Notes do not contribute to the determination of over-indebtedness of the Issuer. The Holders' claims under the Notes, when due but unpaid, will not result in an insolvency of the Issuer.

The Holders are entitled to payments, if any, under the Notes only once any negative equity (*negatives Eigenkapital*) within the meaning of § 225 (1) of the Austrian Enterprise Code (*Unternehmensgesetzbuch – UGB*) has been removed (*beseitigt*) or if, in the event of the liquidation of the Issuer, all other creditors (other than creditors whose claims rank or are expressed to rank *pari passu* with or junior to the Notes) of the Issuer have been satisfied first.

Pursuant to the Terms and Conditions of the Notes, no insolvency proceedings against the Issuer are required to be opened in relation to the non-performance of any obligations of the Issuer under the Notes. The Notes do not contribute to a determination that the liabilities of the Issuer exceed its assets, and will therefore be disregarded for purposes of determining whether the Issuer is over-indebted (*überschuldet*) in accordance with § 67 (3) of the Austrian Insolvency Code (*Insolvenzordnung – IO*).

The Holders' claims under the Notes, when due but unpaid, will not result in an insolvency of the Issuer, and that they have no means to request the institution of insolvency proceedings against the Issuer on the basis of any claims under the Notes.

2 Risk factors relating to the structure of the rate of distributions of the Notes

Distribution payments are entirely discretionary and subject to the fulfilment of certain conditions. If the Issuer elects to cancel a distribution payment or is prevented from paying distributions by law or under the Terms and Conditions of the Notes, such deferral will be non-cumulative, i.e. the Issuer will be under no obligation to compensate for such non-payment at any later point in time. There will be no circumstances under which a distribution payment will be compulsory for the Issuer. Non-payments will not lead to an event of default.

The Issuer may make the election to cancel the payment of any distribution payment (in whole or in part) on any Distribution Payment Date (as specified in the Terms and Conditions of the Notes) for any reason. In addition, the Issuer will be legally prevented from paying distributions (in whole or in part) if and to the extent any of the conditions set out under (i) to (iii) below is fulfilled.

Pursuant to the Terms and Conditions of the Notes, no distribution payments will accrue or be payable by the Issuer on any Distribution Payment Date (as specified in the Terms and Conditions of the Notes):

(i) to the extent that such payment of distributions and any Additional Amounts thereon together with any additional Relevant Distributions would exceed the available Distributable Items, provided that, for such purpose, the available Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for payments of interest, dividends or distributions on Tier 1 Instruments (including payments of distributions on the Notes and any Additional Amounts thereon) in the calculation of the profit (*Gewinn*) on which the available Distributable Items are based; or

(ii) if and to the extent that the Competent Authority orders that all or part of the relevant distribution payment scheduled to be paid on the Notes be cancelled; or

(iii) if and to the extent that another prohibition or restriction of distributions on the Notes, or to make such distribution on the Notes when aggregated with any other Relevant Distributions, is imposed by law or the Competent Authority (or any other relevant supervisory authority) or any other restriction to make distributions exist under the Applicable Supervisory Regulations.

No such election to cancel the payment of any distribution payment (or part thereof) or non-payment of any distribution payment (or part thereof) will constitute a default under the Notes for any purpose or entitle the Holders

or any other person to demand such payment or to take any action to cause the liquidation, dissolution or winding-up of the Issuer.

If due to any of the reasons set out above distribution payments do not accrue and are not paid on any Distribution Payment Date (as specified in the Terms and Conditions of the Notes), such distribution payments will not be paid at any later point of time (non-cumulative). Accordingly, distribution amounts on following Distribution Payment Dates (as specified in the Terms and Conditions of the Notes) will not be increased to compensate for any shortfalls in distribution payments on any previous Distribution Payment Date (as specified in the Terms and Conditions of the Notes).

Furthermore, if the Issuer exercises its discretion to cancel distribution payments on the Notes with respect to any Distribution Payment Date (as specified in the Terms and Conditions of the Notes), this will not give rise to any restriction on the Issuer making dividend payments or other distributions or any other payments to the holders of any other instruments, including instruments ranking *pari passu* with, or junior to, the Notes, and the Issuer is entitled to use the funds from cancelled payments of distributions without restrictions for the fulfilment of its own obligations when due. There will be no circumstances under which a distribution payment will be compulsory for the Issuer. As of the date of this Prospectus, the Issuer intends to give due consideration to the capital hierarchy and preserve seniority of claims.

Certain market expectations may exist among investors in the Notes with regard to the Issuer making distribution payments. Should the Issuer's actions diverge from such expectations or should the Issuer be prevented from meeting such expectations for regulatory reasons, any such event which could result in a distribution payment not being made or not being made in full may adversely affect the market price of the Notes and reduce the liquidity of the Notes.

Distribution payments may be excluded and cancelled for regulatory reasons, including if the Issuer fails to comply with minimum requirements for own funds, capital buffer requirements, additional supervisory capital requirements and eligible liabilities. Even if the Issuer was intrinsically profitable and willing to make distribution payments, it could be prevented from doing so by regulatory provisions and/or regulatory action.

Distribution payments will be mandatorily cancelled and excluded if such distribution payments are prohibited or restricted under statutory law or by virtue of a decision of Competent Authority, such as the following:

If the Issuer fails to meet the combined buffer requirement, which is the case if the Issuer does not have sufficient own funds (of the required qualities, as applicable) in an amount needed to meet at the same time (a) its minimum capital requirements under the CRR, (b) any additional capital requirements, such as the "Pillar 2" requirements imposed on the Issuer by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* – "**FMA**") on the basis of the annual SREP, and (c) the sum of the capital buffers applicable to it, the Issuer will be required to calculate the Maximum Distributable Amount. Until approval of a capital conservation plan, the Issuer will be prohibited from making any distribution payments on the Notes. Upon approval of the capital conservation plan or upon specific approval of the FMA to do so, the Issuer will be entitled to make distribution payments on the Notes, however only up to the amount of its Maximum Distributable Amount. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce discretionary payments, including potentially exercising the Issuer's discretion to cancel (in whole or in part) distribution payments in respect of the Notes.

Moreover, payments made earlier in the relevant period will reduce the remaining Maximum Distributable Amount available for payments later in the relevant period, and the Issuer will have no obligation to preserve any portion of the Maximum Distributable Amount for payments scheduled to be made later in a given period. Even if the Issuer attempts to do so, it may not be successful, because the Maximum Distributable Amount will depend, among other things, on the amount of profits earned during the course of the relevant period, which will be difficult to predict.

In addition, the framework for the minimum requirement for own funds and eligible liabilities ("**MREL**") under Regulation (EU) No 806/2014, as amended (the "**SRM Regulation**") includes certain supervisory powers conferred to the Single Resolution Board ("**SRB**") which allow the SRB to, for example, prohibit payments on AT 1 Instruments. Subject to the requirements under the SRM Regulation, the SRB may impose upon the Issuer a prohibition under which it would be prohibited to distribute more than the M-MDA pursuant to the MREL framework of the SRM Regulation. The prohibition under the M-MDA may be imposed if the Issuer meets the combined buffer requirement but fails to meet the combined buffer requirement when considered in addition to the MREL requirements, and the SRB shall exercise its power in case it finds that the Issuer still fails to meet such requirement nine months after such situation has been notified.

In addition and under certain conditions, the European Central Bank ("**ECB**") may restrict or prohibit all or part of the distribution payments as set forth in Article 16 (1) in connection with (2) point (i) of Council Regulation (EU) No 1024/2013, as amended (the "**SSM Regulation**"). In particular, pursuant to Article 16 (2) point (i) of the SSM Regulation, the ECB has the power to restrict or prohibit distributions by the credit institution to shareholders, members or holders of AT 1 Instruments where the prohibition does not constitute an event of default of the Issuer. Relevant circumstances where the ECB may restrict or prohibit the Issuer from making any distribution payments exist, for example, if the Issuer does not meet the minimum own funds requirements set forth in the CRR or any additional capital requirements ordered by the FMA, such as the "Pillar 2" requirements set by the FMA as a result of the annual SREP.

Accordingly, even if the Issuer was intrinsically profitable and willing to make distribution payments, it could be prevented from doing so by regulatory provisions and/or regulatory action. In all such instances, Holders would receive no, or reduced, distribution payments on the relevant distribution payment date.

The Issuer's ability to make distribution payments depends, among other things, on the Issuer's available Distributable Items, which, on any or all Distribution Payment Dates, may not be sufficient.

The distribution payments depend, among other things, on the future available Distributable Items (substantially the 'distributable items' as defined in Article 4 (1) no. 128 CRR) of the Issuer. Distribution payments will not accrue if and to the extent that such payment, together with any other payments of dividends, interest or distributions that are scheduled to be made or have been made on the same day or that have been made by the Issuer on other capital instruments, which, according to the CRR, qualify as CET 1 Instruments or AT 1 Instruments or any other instruments or obligations of the Issuer ranking *pari passu* with respect to payment of interest, dividends or distributions with CET 1 Instruments (Tier 1 Instruments) in the then-current financial year, would exceed the available Distributable Items, provided, however, that, for the purposes of this determination, the available Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for payments of interest, dividends or distributions on Tier 1 Instruments (including payments of distributions on the Notes and any Additional Amounts thereon) in the calculation of the profit (*Gewinn*) on which the available Distributable Items are based.

In such event, Holders would receive no, or reduced, distribution payments on the relevant Distribution Payment Date. With the annual profit and any distributable reserves with respect to AT 1 Instruments of the Issuer forming an essential part of the available Distributable Items, any change in the financial prospects of the Issuer or its inherent profitability may have an adverse effect on the Issuer's ability to make a payment in respect of the Notes.

In addition, when determining whether distribution payments under the Notes will or will not accrue, the available Distributable Items shall be determined on the basis of the Applicable Supervisory Regulations at the time of the determination. Accordingly, only those amounts shall be added or deducted that may be added or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1 Instruments under the Applicable Supervisory Regulations. The interpretation of the definition of 'distributable items' and its exact scope are, in the absence of an established supervisory practice, difficult to predict.

The Issuer's management has broad discretion within the applicable accounting principles to influence the amounts relevant for determining the available Distributable Items and the amount of the distributions will also be in the Issuer's discretion. In addition, the Issuer is not prevented from issuing further Tier 1 Instruments with distribution payments and other distributions potentially being made thereunder also prior to the Distribution Payment Date under the Notes in any financial year. This would reduce the available Distributable Items available for making distribution payments under the Notes on any Distribution Payment Date. Accordingly, the Issuer is legally capable of influencing its ability to make distribution payments to the detriment of the Holders.

Ongoing and future legislative reforms may introduce new restrictions or supervisory powers to impose restrictions with regard to distribution payments on the Notes. Once in force and (where necessary) implemented, any legislative reforms in the future may impose or result in further restrictions on the Issuer's ability to make payments on the Notes or may limit the reinstatement of the nominal amount of the Notes following a write-down, which may in turn adversely impact the trading price and the liquidity of the Notes.

Financial institutions, such as the Issuer, have been, and are expected to be in the future, subject to extensive regulation and it is expected that ongoing and future regulatory reforms may affect the treatment of the Notes and potentially lead to the imposition on restrictions of distribution payments on the Notes.

Any of the legislative acts amending the CRR, the SRM Regulation, the CRD and the BRRD as well as other legislative reforms in the future may impose or result in further restrictions on the Issuer's ability to make payments on the Notes or may limit the reinstatement of the nominal amount of the Notes following a write-down, which may in turn adversely impact the trading price and the liquidity of the Notes.

Distribution payments are linked to the mid-market swap rates in each case with a floating leg based on SARON and are therefore exposed to the risks of financial benchmarks and reference rate continuity. A discontinuity of the SARON (including a material alteration of the methodology for its calculation) could affect the return under the Notes due to fallback provisions and may adversely affect the trading market and the market price of the Notes.

From the applicable Reset Date the rate of distributions payable under the Notes will be calculated by reference to the mid-market swap rates in each case with a floating leg based on SARON (referred to as the "**Original Benchmark Rate**" for the Notes).

Interest rates or other types of rates and indices which are deemed to be a "benchmark" ("**Benchmark**") have, in recent years, been, are and/or will be the subject of ongoing national and international regulatory review and reform. These reforms have resulted in the cessation of certain Benchmarks, including Sterling London Interbank Offered Rate ("**LIBOR**") and Japanese Yen LIBOR, and the cessation of U.S. dollar LIBOR at the end of June 2023. Other Benchmarks could be eliminated entirely or declared unrepresentative. Some of these reforms, such as the Benchmarks Regulation, are already effective while others are still to be implemented. These reforms may cause the Original Benchmark Rate to perform differently than in the past, or to disappear entirely, or declared unrepresentative

or there could be other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the market price and the amount payable under the Notes linked to the Original Benchmark Rate.

The Benchmarks Regulation could have a material impact on the Notes, including in any of the following circumstances:

- the administrator of the Original Benchmark Rate could lose its authorisation as an administrator under the Benchmarks Regulation and may not be able to obtain another form of registration under the Benchmarks Regulation; or
- the methodology or other terms of the Original Benchmark Rate could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including the calculation agent's determination of the rate.

In addition to the Benchmarks Regulation, there are numerous other proposals, initiatives, and investigations which might impact the Original Benchmark Rate. In this context, among other things, a general review of the Benchmarks Regulation was initiated at a European level, on the basis of which the European Parliament and the Council reached an agreement on certain reforms. The reforms are expected to come into force in January 2026, following their final confirmation and publication in the Official Journal of the European Union.

Benchmark fallback provisions in case of Notes linked to a mid-swap rate

Under the Terms and Conditions of the Notes which provide for a reset over a mid-swap rate, certain benchmark replacement provisions will apply in case the Original Benchmark Rate used as a reference for calculation of amounts payable under the Notes were to be discontinued or otherwise unavailable (including a material change of the methodology used by the administrator on the distribution commencement date for the determination of the Original Benchmark Rate) (a "**Benchmark Event**").

If a Benchmark Event occurs, the Issuer shall use reasonable endeavour to appoint an independent advisor, which must be an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets. Such independent advisor will be tasked with determining whether an officially recognised successor rate or an alternative rate, possibly after application of adjustments or spreads, can replace the Original Benchmark Rate affected by the Benchmark Event.

If, prior to the 10th Business Day prior to the Effective Date, no independent advisor is or can be appointed by the Issuer in time or, if an independent advisor is appointed by the Issuer, but fails to determine an officially recognised successor rate or, as the case may be, an alternative rate, then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a successor rate or, as the case may be, an alternative rate, which, possibly after application of adjustments or spreads, shall replace the Original Benchmark Rate affected by the Benchmark Event.

Any such adjustments or spreads applied by the independent advisor or the Issuer, as the case may be, are intended to be applied in order to produce an industry-accepted replacement benchmark rate, however the relevant adjustments or spreads may not be successful in doing so and the Notes may still perform differently than if the Original Benchmark Rate had continued to be used.

If the independent advisor or the Issuer, as the case may be, determines a successor rate or an alternative rate, such rate will replace the Original Benchmark Rate for purposes of determining the relevant rate of distributions. Such determination will be binding for the Issuer, the Fiscal Agent, the Paying Agent(s) and the Holders. Any amendments pursuant to these fallback provisions will apply from (and including) the Effective Date selected by the independent advisor or the Issuer.

No adjustment to the Original Benchmark Rate in case of a Benchmark Event will be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as AT 1 Instruments under the Applicable Supervisory Regulations.

Uncertainty as to the continuation of the Original Benchmark Rate and the rate that would be applicable in case of a Benchmark Event in relation to such Original Benchmark Rate may adversely affect the trading market and the market price of the Notes. The same risks as described above may also apply to any rate qualifying as a Benchmark that would replace the Original Benchmark Rate due to the application of the fallback provisions under the Notes.

The Notes bear distributions at a rate that converts from a fixed distribution rate to a different fixed distribution rate. A Holder bears the risk that after such conversion, the new distribution rate may be lower than the then prevailing distribution rates relating to the same reference rate.

The Notes bear distributions at a rate that converts from a fixed distribution rate to a different fixed distribution rate. The conversion of the distribution rate may affect the market price of the Notes. If the distribution rate converts from a fixed distribution rate to a different fixed distribution rate, such fixed distribution rate may be lower than the then prevailing distribution rates payable on fixed distribution rate notes.

Holders are exposed to the risk that the market price of the Notes falls as a result of changes in the market interest rate.

Holders are exposed to the risk that the market price of the Notes falls as a result of changes in the market interest rate. While the nominal distribution rate of the Notes is fixed for the relevant fixed distribution period, the current

interest rate on the capital market for issues of the same maturity (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the market price of the Notes also changes, but in the opposite direction. If the market interest rate increases, the market price of the Notes typically falls, until the yield of the Notes is approximately equal to the market interest rate. If the market interest rate falls, the market price of the Notes typically increases, until the yield of the Notes is approximately equal to the market interest rate. Additionally, even expected future changes of interest rates could cause a change of current market prices of the Notes.

3 Risk factors relating to redemption or repurchase of the Notes

The Notes are perpetual and may not be redeemed at the option of the Holders, any rights of the Issuer to redeem or repurchase the Notes are subject to the prior permission of the Competent Authority and/or the Resolution Authority, and redemption may occur at a time when the redemption proceeds are less than the market price of the Notes. Investors should not expect that the Issuer will exercise any redemption right in relation to the Notes.

The Notes are perpetual and have no maturity date. The Issuer is under no obligation to redeem the Notes at any time before its liquidation or insolvency.

The Issuer may, at its sole discretion, redeem the Notes at any time either for tax or regulatory reasons at the Redemption Amount plus accrued distributions, if any. In addition, the Issuer may, at its sole discretion, (i) redeem the Notes, but not before five years after the date of their issuance, on the Optional Redemption Date (as specified in the terms and Conditions of the Notes) or (ii) redeem all but not some only of the Notes if at any time the number of Notes outstanding (calculated by dividing the aggregate Current Principal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Principal Amount) has fallen to 25% or less of the number of Notes originally issued ("**Clean-up Call**"), at the Redemption Amount plus accrued distributions, if any. Such optional redemption features are likely to limit the market price of the Notes, as during any period when the Issuer may decide to redeem the Notes, the market price of the Notes generally will not rise substantially above the price at which they can be redeemed.

Any such redemption and any repurchase of the Notes (including any repurchase for market making purposes) is subject to the prior permission pursuant to Article 77 *et seqq.* CRR of the Competent Authority which is responsible to supervise the Issuer and/or the Regulatory Group and compliance with regulatory capital rules applicable from time to time to the Issuer. In addition, it might be possible that the Issuer also requires the prior permission of the Resolution Authority. Under the CRR, the Competent Authority may only permit institutions to redeem AT 1 Instruments such as the Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Competent Authority in its assessment of whether or not to permit any redemption or repurchase. It is uncertain how the Competent Authority and/or the Resolution Authority will apply these criteria in practice and such rules and standards may change during the tenor of the Notes. It is therefore difficult to predict whether, and if so, on what terms, the Competent Authority and/or the Resolution Authority will grant its prior permission for any redemption or repurchase of the Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Competent Authority and/or the Resolution Authority, any decision by the Issuer as to whether it will redeem the Notes will be made at the absolute discretion of the Issuer, and the Issuer may have regard to external factors such as the economic and market impact of exercising a redemption right, regulatory capital requirements and prevailing market conditions. The Issuer may not exercise any redemption right in relation to the Notes and thus, Holders may be required to bear the financial risks of an investment in the Notes perpetually.

The Holders have no rights to call for redemption of their Notes and bear the risk that any redemption right will not be exercised by the Issuer. Excluding the Holders' right to demand for redemption of the Notes is mandatory due to the Applicable Supervisory Regulations. Thus, without redemption by Holders being excluded, the Issuer would not be able to issue the Notes at all.

Even if the Issuer exercises a right to redeem the Notes in any of the circumstances mentioned above:

- there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market price of the Notes (i.e. in case of redemption at the option of the Issuer, if the Notes are trading above par or, in case of redemption for regulatory reasons or reasons of taxation, if the Redemption Amount is below par), which may result in a crystallisation of a loss for the Holders, in particular if the Current Principal Amount is less than the Original Principal Amount, in case of a redemption of the Notes for regulatory reasons or reasons of taxation.
- it may be prohibited from making any payment of the Redemption Amount, *inter alia*, if (i), at the time of payment, the Issuer is illiquid or over-indebted or (ii) would become illiquid or over-indebted as a result of such payment, within the meaning of §§ 66 and 67 of the Austrian Insolvency Code (*Insolvenzordnung – IO*). Such a prohibition may apply for an indefinite period of time, or even permanently, and may significantly affect the Holder's ability to recover the invested amount (please also see the risk factor "*The Notes do not contribute to the determination of over-indebtedness of the Issuer. The Holders' claims under the Notes, when due but unpaid, will not result in an insolvency of the Issuer*" above).

In the event that the Notes are redeemed, a Holder may be exposed to the risk that the investment will have a lower-than-expected yield.

According to and subject to the requirements set out in the Terms and Conditions of the Notes, the Issuer has the right to call the Notes on the Optional Redemption Date (as specified in the terms and Conditions of the Notes), for purposes of a Clean-up Call and upon occurrence of a Tax Event or a Regulatory Event.

If the Issuer redeems the Notes, a Holder is exposed to the risk that, due to such redemption, its investment will have a lower-than-expected yield, in particular if the Current Principal Amount is less than the Original Principal Amount. The Issuer might exercise its call right if the yield on comparable notes in the capital markets falls, which means that the Holder may only be able to reinvest the redemption proceeds in notes with a lower yield or with a similar yield of a higher risk.

There are no events of default under the Notes. Upon a payment default relating to any obligations under the Notes, the sole remedy available to Holders for recovery of amounts owing in respect of any such payment will be the institution of proceedings to enforce such payment.

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations due and payable under the Notes (although in any case, payments of distributions are at the sole discretion of the Issuer) investors will not have a right of acceleration of the Notes. Upon a payment default relating to any obligations under the Notes, the sole remedy available to Holders for recovery of amounts owing in respect of any such payment will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the opening of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

4 Risk factors relating to a write-down, resolution measures and a subsequent write-up of the Notes

The Issuer may be required to reduce the Original Principal Amount or any Current Principal Amount of the Notes to absorb losses, which would reduce any redemption amount and any distribution payable on the Notes while the Notes are written down. Any indication that the Issuer CET 1 Capital Ratio and/or the Group CET 1 Capital Ratio are approaching the level that would trigger a Trigger Event may have an adverse effect on the market price of the Notes.

The Notes are issued in order to meet prudential capital requirements with the intention and purpose of being eligible as own funds of the Issuer. In the opinion of the Issuer the Notes shall constitute AT 1 Instruments of the Issuer upon issue, i.e. Additional Tier 1 instruments pursuant to Article 52 CRR on a solo and/or group level of the Issuer. Such eligibility depends on a number of statutory conditions being satisfied. One of these conditions relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, under the Terms and Conditions of the Notes, if it has been determined that: (i) the Group CET 1 Capital Ratio (i.e. the Common Equity Tier 1 capital ratio pursuant to Article 92 (2)(a) CRR of the Regulatory Group on a consolidated basis); and/or (ii) the Issuer CET 1 Capital Ratio (i.e. the Common Equity Tier 1 capital ratio pursuant to Article 92 (2)(a) CRR of the Issuer on an individual basis) fall to an amount that is lower than the applicable minimum trigger level (a "**Trigger Event**"), the Issuer will reduce the then Current Principal Amount of the Notes by the Write-down Amount.

For the avoidance of doubt, the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority may determine whether a Trigger Event has occurred on more than one occasion and each Note may be subject to a write-down on more than one occasion. The occurrence of a Trigger Event, which would result in a write-down of the Current Principal Amount of the Notes, is inherently unpredictable. A Trigger Event could occur at any time.

The Write-down Amount shall be the lower of (i) the *pro rata* share of the Note in the Required Loss Absorption Amount and (ii) an amount necessary to reduce the Current Principal Amount to Swiss francs 0.01; whereas the "**Required Loss Absorption Amount**" means the amount by which, upon the occurrence of a Trigger Event, a write-down of the Current Principal Amount of a Note (in conjunction with the concurrent write-down of the other Notes) shall be effected *pro rata* with the aggregate (current) principal amount of any other Loss Absorbing AT 1 Instruments the trigger events for a write-down or conversion (loss absorption) of which pursuant to their terms have occurred and whose minimum trigger levels have not been restored, irrespective of the opening of any insolvency proceedings. For such purpose, the total amount of the write-downs to be allocated *pro rata* shall be equal to the amount required to fully restore or maintain the Issuer CET 1 Capital Ratio and/or the Group CET 1 Capital Ratio to at least the Minimum Trigger Level, as applicable, but shall not exceed the sum of the current principal amounts of Loss Absorbing AT 1 Instruments the trigger events for a write-down or conversion of which pursuant to their terms have occurred, the minimum trigger levels of which have not been restored and which are outstanding at the time of occurrence of the Trigger Event.

To the extent the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other Loss Absorbing AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant trigger event has occurred will not be, effective for any reason:

(i) the ineffectiveness of any such write-down (or write-off) or conversion into Common Equity Tier 1 instruments shall not prejudice the requirement to effect a write-down of the Notes (loss absorption); and

(ii) the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other Loss Absorbing AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred which is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Trigger Event has occurred will not be, effective shall not be taken into account in determining such write-down of the Notes.

Any other Loss Absorbing AT 1 Instrument that may be written down or converted in full but not in part will, for the purposes of determining the relevant Write-down Amounts, be treated as if its terms permit a partial write-down or conversion.

The market price of the Notes is expected to be affected by fluctuations in the Common Equity Tier 1 capital ratio of both, the Issuer and the Regulatory Group. Any indication that the Issuer CET 1 Capital Ratio and/or the Group CET 1 Capital Ratio are approaching the level that would trigger a Trigger Event may have an adverse effect on the market price of the Notes.

Upon the occurrence of a Trigger Event, there may be a write-down of the Notes even if other capital instruments of the Issuer are not written down or converted into Common Equity Tier 1 instruments.

The terms and conditions of other capital instruments already in issue or to be issued after the date of this Prospectus by the Issuer may vary and accordingly such instruments may not be written down at the same time as the Notes if the Notes are written down, or to the same extent, as the Notes, or at all. Alternatively, such other capital instruments may provide that they shall convert into Common Equity Tier 1 instruments, or become entitled to reinstatement of the Current Principal Amount of the Notes or other compensation in the event of a potential recovery of the Issuer and/or any other member of the Regulatory Group or a subsequent change in the financial condition thereof. Such capital instruments may also provide for such reinstatement or compensation in different circumstances from those in which, or to a different extent to which, the Current Principal Amount of the Notes may be reinstated.

Upon the occurrence of a Trigger Event, to the extent that the prior or *pro rata* write-down or conversion of any other capital instruments issued by the Issuer is not applicable under their respective terms, or if applicable, does not occur for any reason, this shall not in any way affect the write-down of the Notes.

If the competent resolution authority imposes a write-down of the Notes (without prospect of a potential write-up in accordance with the Terms and Conditions of the Notes) or a conversion of the Notes into ordinary shares or other instruments of ownership of the Issuer, and if the terms of the Notes are varied by the competent resolution authority to the detriment of the Holders, potential investors may lose all of their investment.

In addition to being subject to a possible write-down upon the occurrence of a Trigger Event in accordance with the Terms and Conditions of the Notes, the Notes may also be subject to a permanent write-down or conversion into ordinary shares or other instruments of ownership (in whole or in part) and/or to other resolution measures, in particular in circumstances where the competent authorities have determined that the Issuer or the Regulatory Group (as applicable) has reached the point of non-viability and the competent resolution authority has taken the decision to apply these measures to the Issuer.

If the FMA or the SRB determines that the Issuer is failing or likely to fail and certain other conditions are met (as set forth in the SRM Regulation, the BaSAG and other applicable rules and regulations), the FMA, upon a resolution scheme adopted by the SRB, has the power to write-down, including to write-down to zero, all claims for payment of the principal, distributions or any other amount in respect of the Notes or to convert the Notes into ordinary shares or other instruments qualifying as CET 1 Instruments. The SRB and the FMA will have to exercise the write-down and conversion powers in accordance with the following order of priority of the Issuer's capital instruments (also called "loss absorbing cascade"): (i) CET 1 Instruments; (ii) AT 1 Instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments which meet the conditions pursuant to § 131(3)(1) to (3) BaSAG (so-called "non-preferred senior debt instruments"); and (vi) the rest of bail-inable liabilities in accordance with the hierarchy of claims in bankruptcy proceedings, including the ranking provided for deposits in § 131 BaSAG, to the extent required. In addition to the bail-in tool, the SRB and the FMA may apply any other resolution measure including (but not limited to) a transfer of the Notes to another entity, a variation of the Terms and Conditions of the Notes or a cancellation of the Notes. The bail-in tool and each of these other resolution measures are hereinafter referred to as a "**Resolution Measure**". Generally, the SRB and the FMA may apply Resolution Measures individually or in any combination.

Furthermore, according to the BRRD and the SRM Regulation, public financial support should only be granted as a last resort after having assessed and exploited, to the maximum extent practicable, the application of Resolution Measures, including the bail-in tool, to the Issuer.

In all these cases, the Holders can lose the entire or a substantial part of their investments. Consequently, any amounts so written-down in respect of the Notes would be irrevocably lost and the Holders would cease to have any claims thereunder, and any conversion into CET 1 Instruments of the Issuer (or a third party such as a bridge institution) with generally higher risks would be permanent, regardless of whether or not the Issuer's or the Regulatory Group's financial position is restored. Holders would have no claim against the Issuer in such cases and there would be no obligation of the Issuer to make any further payments under the Notes.

Potential investors may lose all of their investment, including the nominal amount plus any accrued distributions in particular if the SRB and the FMA impose a write-down or conversion of the Notes into CET 1 Instruments. In addition,

the provisions of the Terms and Conditions of the Notes relating to a write-up will not apply if the Notes have been subject to a Resolution Measure.

The Issuer is under no obligation to reinstate any written down amounts. Moreover, the option of the Issuer to reinstate any written down amounts is subject to various conditions and these conditions may never be met or the Issuer may never write-up the Current Principal Amount of the Notes following a write-down.

The Issuer is under no obligation to reinstate any principal amounts which have been subject to any write-down up to a maximum of the Original Principal Amount, even if certain conditions (further described in the Terms and Conditions of the Notes) that would permit the Issuer to do so were met. Any write-up of the Notes is at the sole discretion of the Issuer.

Moreover, the Issuer will, *inter alia*, only have the option to write-up the Current Principal Amount of the Notes if, at a time when the Current Principal Amount of the Notes is less than their Original Principal Amount, positive Profit is recorded on an individual basis and consolidated basis, and if the Maximum Distributable Amount (if any) (when the amount of the write-up is aggregated together with other distributions of the Issuer or the Regulatory Group, as applicable, of the kind referred to in Article 141(2) CRD) would not be exceeded when operating a write-up (please also see the risk factor: "*Some aspects of the manner how the CRR/CRD framework is applied, including after any future amendment, are uncertain. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.*" above).

These conditions may never be met or the Issuer may never write-up (fully or partially) the principal amount (i.e. the then Current Principal Amount) of the Notes following a write-down.

Furthermore, any write-up must be undertaken on a pro rata basis with all other Notes and any Loss Absorbing Written-down Instruments (i.e. any (directly or indirectly issued) AT 1 Instrument (other than the Notes) of the Issuer or, as applicable, any instrument issued by a member of the Regulatory Group and qualifying as AT 1 Instruments of the Issuer and/or the Regulatory Group, that has had all or some of its principal amount written-down on a temporary basis, and that has terms permitting a principal write-up to occur on a basis similar to that provided herein in the circumstances existing on the date of the write-up of the Notes).

The calculation of the Common Equity Tier 1 capital ratios will be affected by a number of factors, many of which may be outside the Issuer's control. Due to the uncertainty regarding whether a Trigger Event will have occurred, it will be difficult to predict when, if at all, the Current Principal Amount of the Notes may need to be written down. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated instruments.

The calculation of the Common Equity Tier 1 capital ratios of the Issuer and/or of the Regulatory Group could be affected by a wide range of factors, including factors affecting the level of earnings or dividend payments, the mix of its businesses, its ability to effectively manage the risk-weighted assets in its ongoing businesses, losses in the context of its banking activities or other businesses, changes in the Issuer's or the Regulatory Group's structure or organisation. The calculation of the ratios also may be affected by changes in the applicable laws and regulations or applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised.

Holders are, due to the Notes being subject to write-down in case of the occurrence of a Trigger Event, directly exposed to any changes of the Common Equity Tier 1 capital ratios and will, unless and until the Notes are written-up, lose all or part of their investment in case of a redemption of the Notes or in the liquidation or insolvency of the Issuer.

Due to the uncertainty regarding whether a Trigger Event will have occurred, it will be difficult to predict when, if at all, the Current Principal Amount of the Notes may need to be written down. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated instruments. Any indication that the Common Equity Tier 1 capital ratios of the Issuer and/or of the Regulatory Group are approaching the level that would trigger a Trigger Event may have an adverse effect on the market price and liquidity of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

5 Risk factors relating to the investment in the Notes

The market price of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors. The price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

The market price of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, market interest, rate of return, certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption and the right not to pay distributions on the Notes.

The market price of the Notes depends on a number of interacting factors. These include economic and political events in Europe or elsewhere as well as scenarios which generally affect the capital markets and the stock exchanges

on which the Notes are traded. The price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

The credit rating of the Notes may not adequately reflect all risks of the investment in the Notes, credit rating agencies could assign unsolicited credit ratings, and the credit rating(s) may be suspended, downgraded or withdrawn, all of which could have an adverse effect on the market price and trading price of the Notes.

The credit rating of the Notes may not adequately reflect all risks of the investment in the Notes. Credit rating agencies could decide to assign credit ratings to the Notes on an unsolicited basis. Equally, the credit rating(s) may be suspended, downgraded or withdrawn. Any such unsolicited credit rating, suspension, downgrading or withdrawal may have an adverse effect on the market price and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

A liquid secondary market for the Notes may not develop or, if it does develop, it may not continue. In an illiquid market, a Holder may not be able to sell his Notes at fair market prices.

Application may be made to admit the Notes to the Market, which appears on the list of regulated markets issued by the European Commission. Regardless of whether the Notes are listed or not, a liquid secondary market for the Notes may not develop or, if it does develop, it may not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, a Holder might not be able to sell its Notes at any time at fair market prices or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Generally, these types of Notes would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market price of the Notes. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

There is a risk that listing of the Notes will not be accepted or trading in the Notes will be suspended, interrupted or terminated, any of which may have an adverse effect on the market price of the Notes.

If the Notes shall be listed on the Market, the listing of the Notes may – depending on the rules applicable to the Market – not be accepted or be suspended or interrupted by the Market or a competent regulatory authority upon the occurrence of a number of events, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the Market or generally if deemed required in order to secure a functioning market or to safeguard the interests of Holders. Furthermore, trading in the Notes may be terminated, either upon decision of the Market, a regulatory authority or upon application by the Issuer. The Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and Holders in any event must bear the risks connected therewith. In particular, Holders may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of the Notes may not adequately reflect the market price of the Notes. Finally, even if trading in the Notes is suspended, interrupted or terminated, such measures may not be sufficient, adequate or in time to prevent price disruptions or to safeguard the Holders' interests; for example, where trading in the Notes is suspended after price-sensitive information relating to the Notes has been published, the market price of the Notes may already have been adversely affected. All these risks would, if they materialise, have a material adverse effect on the Holders.

Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions may charge their customers commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of the Notes (direct costs), any follow-up costs (such as custody fees) must be taken into account.

The purchase price applicable to the Notes on a given day will often include a bid-ask spread so that the purchase price will be higher than the price at which Holders are able to sell the Notes on that given day.

Holders have to rely on the functionality of SIX SIS Ltd and there is the risk that due to the use of SIX SIS Ltd any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed.

The Notes are purchased and sold through SIX SIS Ltd. Holders have to rely on the functionality of SIX SIS Ltd. There is the risk that due to the use of SIX SIS Ltd any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the investor or will be delayed. Thus, the Holder may suffer economic disadvantages.

Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than Swiss francs in which the Issuer will make principal and distribution payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.

The Issuer will pay principal and distributions on the Notes in Swiss francs. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit ("**Holder's Currency**") other than Swiss francs. These include the risk that exchange rates may significantly change (including changes due to devaluation of Swiss francs or revaluation of the Holder's Currency) and the risk that authorities with jurisdiction over the Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Holder's Currency relative to Swiss francs would decrease (i) the Holder's Currency-equivalent yield on the Notes, (ii) the Holder's Currency-equivalent value of the principal payable on the Notes, and (iii) the Holder's Currency-equivalent market price of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Holders may receive less distributions or principal than expected, or no distributions or principal.

6 Risk factors relating to tax and legal matters

The Notes are governed by Austrian law and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.

The Terms and Conditions of the Notes will be governed by Austrian law. The impact of any possible judicial decision or change to Austrian law, or administrative practice after the date of this Prospectus is unclear. Furthermore, the governing law may not be the law of the Holders' own home jurisdiction and the law applicable to the Notes may not provide the Holders with similar protection as their own law.

There may be circumstances under which the Notes may be subject to withholding tax which will not be grossed-up, including withholding tax under FATCA.

Duties, other taxes and expenses, including any stamp duty, depositary charges, transaction charges and other charges, may be levied in accordance with the laws and practices in the countries where the Notes are transferred and that it is the obligation of an investor to pay all such duties, other taxes and expenses.

All payments made under the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted ("**Additional Amounts**") and such event will allow the Issuer to redeem them early as this would allow the Issuer to redeem the Notes in whole, but not in part as further specified in the Terms and Conditions of the Notes.

In no event will Additional Amounts be payable in respect of U.S. withholding taxes pursuant to the Foreign Account Tax Compliance Act ("**FATCA**"). Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**Foreign Passthru Payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Austria) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply before the date that is two years after the date of publication in the Federal Register of final regulations defining the term Foreign Passthru Payment. To date such final regulations have not yet been published. Investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

Payments made under the Notes and capital gains from the sale or redemption of the Notes may be subject to taxation in the jurisdiction of the Holder or in other jurisdictions in which the Holder is required to pay taxes.

Changes in tax law may negatively affect the Holders.

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the market price of the Notes. Any such change may cause the tax treatment of the Notes to change from what the purchaser understood the position to be at the time of purchase.

An Austrian court could appoint a trustee for the Notes to exercise the rights and represent the interests of Holders on their behalf in which case the ability of Holders to pursue their rights under the Notes individually may be limited.

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenergänzungsgesetz*), a trustee (*Kurator*) could be appointed by an Austrian court upon the request of any

interested party (e.g. a Holder) or upon the initiative of a competent court, for the purposes of representing the common interests of the Holders in matters concerning their collective rights to the extent the rights are endangered due to a lack of joint representation. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions of the Notes or changes relating to the Issuer, or under other similar circumstances.

If a trustee is appointed, it will exercise the collective rights and represent the interests of the Holders and will be entitled to make statements on their behalf which shall be binding on all Holders. Where a trustee represents the interests of and exercises the rights of Holders, this may conflict with or otherwise adversely affect the interests of individual or all Holders.

The role of an appointed trustee may also conflict with provisions of the Terms and Conditions of the Notes related to majority resolutions of the Holders pursuant to the Terms and Conditions of the Notes. It is not clear whether and to which extent a court would give effect to such majority resolutions, both in the context of a trustee having been appointed or without appointment of a trustee, and investors should not rely on the enforceability or protection afforded by these provisions.

Legal investment considerations may restrict certain investments.

Due to certain laws and regulations in relation to investments (e.g. securities-specific or regulatory provisions) or due to the scrutiny or regulation by certain authorities, an investment in the Notes may be restricted for certain potential investors. Furthermore, investors might not be able to claim (or only to claim partial) indemnification for damage that has been caused to them due to certain exclusions or restrictions of the Issuer's, the Calculation Agent's and/or the liability of any paying agent for negligent acts or omissions in connection with the Notes (or calculations thereof).

7 Risk factors relating to certain provisions of the Terms and Conditions of the Notes and conflicts of interest

The Terms and Conditions of the Notes may be amended by resolution of the Holders in which a Holder may be subject to the risk of being outvoted by a majority resolution of the Holders.

The Terms and Conditions of the Notes may be amended by the Issuer with consent of the Holders by way of a majority resolution in a Holders' meeting or by a vote not requiring a physical meeting. The Issuer may subsequently amend the Terms and Conditions of the Notes with the consent of the majority of Holders as described in the Terms and Conditions of the Notes, which amendment will be binding on all Holders, even on those who voted against the change.

Therefore, a Holder may be subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution is binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled, which may have significant negative effects on the market price of the Notes and the return from the Notes.

The Holders may by majority resolution provide for the appointment or dismissal of a joint representative. If a joint representative is appointed, a Holder may be deprived of its individual right to pursue and enforce a part or all of its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Holders' joint representative who is then exclusively responsible to claim and enforce the rights of all the Holders.

The Issuer's interests may not be aligned with those of investors in the Notes. Holders will not have any claim against the Issuer and/or other entities of the Regulatory Group relating to decisions that affect the capital position of the Issuer and/or the Regulatory Group, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Holders to lose all or part of their investment in the Notes.

The Issuer CET 1 Capital Ratio as well as the Group CET 1 Capital Ratio, the Distributable Items and the Maximum Distributable Amount will depend in part on decisions made by the Issuer and/or other members of the Regulatory Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and/or other members of the Regulatory Group will have no obligation to consider the interests of Holders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities of the Regulatory Group and its group structure.

The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. Moreover, in order to avoid the use of public resources, the Competent Authority may decide that the Issuer should allow a Trigger Event to occur at a time when it is feasible to avoid it.

Holders will not have any claim against the Issuer and/or other entities of the Regulatory Group relating to decisions that affect the capital position of the Issuer and/or the Regulatory Group, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Holders to lose all or part of their investment in the Notes.

The Issuer is exposed to conflicts of interest which might adversely affect the Holders.

The Issuer acts in other capacities with regard to the Notes, i.e. as Calculation Agent and Paying Agent, which allows the Issuer to make calculations and payments in respect of the Notes (e.g. the amount of distributions to be paid) which are binding for the Holders.

The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may decrease or increase the market price of the Notes. These hedging transactions and structuring costs might cause a depreciation of the initial value received by the Holders.

The Issuer might make use of information with regard to the Notes on the issue date and afterwards which significantly influence their market price and which is not publicly accessible.

All of this could generate conflicts of interest which might adversely affect the Holders and may affect the market price of the Notes.

GENERAL INFORMATION

Notice to Investors

The Prospectus shall be read and construed on the basis that the annexes hereto are deemed to be incorporated in, and to form part of, this Prospectus.

The financial institution involved in the issuance and offering of the Notes is a bank, which directly or indirectly has participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Investors are advised to familiarise themselves with the entire content of this Prospectus.

Documents incorporated by reference

The following parts of the following documents shall be deemed to be incorporated in, and form part of this Prospectus (copies of the documents incorporated by reference are available upon request at the address indicated in the preceding paragraph):

Document/Heading	**Page reference in the Annual Report 2023**
German language version of (i) the Audited Consolidated Financial Statements of Hypo Vorarlberg as of and for the financial year ended 31 December 2023 (the "**Audited Consolidated Financial Statements 2023**") **and (ii) the Auditor's Report thereon**, both included in the Hypo Vorarlberg Bank AG Annual Report 2023 (*Bericht zum Geschäftsjahr 2023 (Geschäftsbericht 2023)*)[1]	
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Auditor's Report (*Bestätigungsvermerk*)	117 - 119
Document/Heading	**Page reference in the Annual Report 2024**
German language version of (i) the Audited Consolidated Financial Statements of Hypo Vorarlberg as of and for the financial year ended 31 December 2024 (the "**Audited Consolidated Financial Statements 2024**") **and (ii) the Auditor's Report thereon**, both included in the Hypo Vorarlberg Bank AG Annual Report 2024 (*Bericht zum Geschäftsjahr 2024 (Geschäftsbericht 2024)*)[1]	
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German language version of the Unaudited Consolidated Interim Financial Statements of Hypo Vorarlberg as of and for the financial year ended 30 June 2025 (the "**Unaudited Consolidated Interim Financial Statements 2025**")[1]	
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[1] The officially signed German language versions of the Unaudited Consolidated Interim Financial Statement 2025 and the Audited Consolidated Financial Statements 2023 and 2024 and the Auditor's Reports thereon are solely legally binding and definitive.

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Document/Heading	**Page reference in the Annual Report 2024**
English language translation of (i) the Audited Consolidated Financial Statements of Hypo Vorarlberg as of and for the financial year ended 31 December 2024 and (ii) the Auditor's Report thereon, both included in the Hypo Vorarlberg Bank AG Annual Report 2024[2]	
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Documents Available

Copies of this Prospectus (or of the documents incorporated by reference see section above) are available in electronic or printed form, free of charge, upon request at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland, or can be ordered by e-mail swiss-prospectus@ubs.com. The documents incorporated by reference herein are also available on the website of the Issuer (www.hypovbg.at). The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Prospectus

This Prospectus is available in English language only and provides information about the Issuer and the Notes. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

No person has been authorized to give any information or make any representation in connection with the offering of the Notes other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Lead Manager. Neither the delivery of this Prospectus, nor the issue of the Notes nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

[2] The English language translations of the Audited Consolidated Financial Statements of Hypo Vorarlberg as of and for the financial years ended 31 December 2023 and 31 December 2024 and the Auditor's Reports thereon are not legally binding and are incorporated into this Prospectus by reference for convenience purposes only.

INFORMATION ON THE NOTES

Authorisation

Pursuant to a resolution of the Managing Board of the Issuer dated 6 October 2025, adopted in line with the refinancing strategy approved by the Supervisory Board of the Issuer in its meeting on 18 December 2024, and the Note Purchase and Paying Agency Agreement dated 12 November 2025 between the Issuer on one side and UBS AG, acting through its business division UBS Investment Bank ("**UBS AG**" or the "**Lead Manager**") and Hypo Vorarlberg Bank AG (together with UBS AG the "**Syndicate Banks**") on the other side, the Issuer has decided to issue the Notes of CHF 50,000,000 to be paid on 14 November 2025 with no maturity date.

Use of Net Proceeds

The gross proceeds of the Notes amount to CHF 50,000,000, and the commissions and other costs to CHF 600,000 in total. The corresponding net proceeds of the Notes will be used by the Issuer for its general corporate purposes. The Lead Manager does not have any responsibility for, or be obliged to concern itself with, the application of the net proceeds of the Notes.

Offering, Issue Price and Placement Price

The Notes will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.

The issue price of the Notes has been set at 100% of the principal amount, before commissions and expenses.

The placement price of the Notes will be fixed in accordance with supply and demand.

Clearing System and Security Numbers

The uncertificated securities representing the Notes will be registered with SIX SIS. The Swiss Security Number, the International Securities Identification Number ("**ISIN**") and the Common Code of the Notes are as follows:

Swiss Security Number	ISIN	Common Code
149.462.626	CH1494626265	322656971

Transferability / Tradability

No restrictions. For certain selling restrictions with respect to the Notes, see "Selling Restrictions".

Notices

So long as the Notes are listed on SIX Swiss Exchange and so long as the rules of SIX Swiss Exchange so require, all notices in relation to the Notes and/or the Issuer (with respect to the Notes) will be validly given through UBS AG by means of electronic publication on the internet site of SIX Swiss Exchange under the section headed Official Notices (currently: http://www.six-swiss-exchange.com/news/official_notices/search_en.html).

Representation

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed UBS AG to file the application with the SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including to provisional admission to trading) and listing of the Notes on SIX Swiss Exchange.

Information on the Admission to Trading and Listing

The Notes have been provisionally admitted to trading on the SIX Swiss Exchange as of 12 November 2025.

Listing will be applied for in accordance with the standard for Notes of the SIX Swiss Exchange.

INFORMATION ON THE ISSUER

Name, registered office, location

The Issuer's legal name is Hypo Vorarlberg Bank AG, its commercial name is Hypo Vorarlberg. The Issuer's headquarters and domicile are in Bregenz, Austria. The registered office is located at:

Hypo-Passage 1
6900 Bregenz
Austria

Tel: +43 (0) 50 414 - 1000

Its LEI is NS54DT27LJMDYN1YFP35.

Incorporation, duration

Hypo Vorarlberg was established by the Province of Vorarlberg in 1897 for an indefinite time.

System of law, legal form

The Issuer is registered as an Austrian joint stock corporation (*Aktiengesellschaft*) with the Austrian companies register (*Firmenbuch*), operating under the legislation of Austria.

Purpose

The Issuer is a medium-sized Austrian regional bank that started its operations on 1 January 1899. In 1996, Hypo Vorarlberg was transformed into a stock corporation. In 1998, the Austria Beteiligungsgesellschaft mbH (founded by the Landesbank Baden-Württemberg and Landeskreditbank Baden-Württemberg Förderbank) became a strategic partner and new shareholder of the Hypo Vorarlberg). Today the federal state of Vorarlberg holds 76.8732% of the voting rights of Hypo Vorarlberg via Vorarlberger Landesbank-Holding, the rest of the voting rights (23.1268%) are held by Austria Beteiligungsgesellschaft mbH.

The total assets of the Hypo Vorarlberg Group amounted to EUR 15,487 million as of 30 June 2025. It has 15 branches in Vorarlberg and additional branches in Vienna, Graz, Wels, Salzburg and St. Gallen (Switzerland), as well as a leasing subsidiary in Italy with branches in Bolzano, Treviso and Como and 788 employees on average in the first six months of 2025.

The Issuer's business objectives are laid down in section 3 of its articles of association and read in particular as follows:

(1) The object of the business of the company is the operation of all banking business according to Section 1, subsection 1 Austrian Banking Act (BWG) domestically and abroad, except

   a) the building society savings business in accordance with Section 1, subsection 1, item 12 Austrian Banking Act (BWG);

   b) the investment business relating to the management of investment funds in accordance with Section 1, subsection 1, item 13 Austrian Banking Act (BWG);

   c) the real estate fund business relating to the management of real estate funds in accordance with Section 1, subsection 1, item 13a Austrian Banking Act (BWG); and

   d) the occupational pension fund business in accordance with Section 1, subsection 1, item 21 Austrian Banking Act (BWG).

(2) The business object also includes the execution of all secondary and auxiliary activities listed in the Austrian Banking Act (BWG) that are permitted to banks.

(3) The company's entitlement also extends to:

   a) the investments in companies of all kinds;

   b) the acquisition or start-up of companies;

   c) all transactions which, considering the relevant statutory provisions, are suitable for directly or indirectly promoting the company's business purpose.

(4) The company is authorized to establish and operate branches and branch establishments.

(5) The company's business activity extends to domestic and abroad.

Articles of Association

The articles of association of the Issuer are dated 8 July 2022.

Register

The Issuer is registered with the Austrian companies register (*Firmenbuch*) at the Regional Court (*Landesgericht*) of Feldkirch, Austria, registration number FN 145586 y. The date of the first time registration of the Issuer as joint stock corporation (*Aktiengesellschaft*) was 24 August 1996. The history of the Issuer dates back to 1897 as the Issuer's legal entity pre-existed in different form.

Group

Hypo Vorarlberg is part of Vorarlberger Landesbank-Holding. The Hypo Vorarlberg Group comprises a number of subsidiaries which are fully consolidated. Investments in associates are accounted for "*at equity*".

Consolidated Companies

Consolidation took place on the basis of uniform group financial statements. The fully consolidated companies of the Hypo Vorarlberg Group as of 31 December 2024 include the following:

Company Name, Place	Percentage of capital	Date of financial statements
"Hypo-Rent" Leasing- und Beteiligungsgesellschaft mbH, Bregenz	100%	31 Dec. 2024
LD-Leasing GmbH, Dornbirn	100%	31 Dec. 2024
Hypo Vorarlberg Leasing AG, IT-Bolzano	100%	31 Dec. 2024
HYPO VORARLBERG HOLDING (ITALIEN) G.m.b.H, IT-Bolzano	100%	31 Dec. 2024
Hypo Vorarlberg Immo Italia srl, IT-Bolzano	100%	31 Dec. 2024
VKL VI PBZ Korneuburg Leasinggesellschaft m.b.H.	100%	31 Dec. 2024
Hypo Immobilien Besitz GmbH, Dornbirn	100%	31 Dec. 2024
"HERA" Grundstücksverwaltungsgesellschaft m.b.H., Dornbirn	100%	31 Dec. 2024
Hypo Immobilien Bankgebäudemanagement GmbH, Dornbirn	100%	31 Dec. 2024
Hypo Immobilien Investment GmbH, Dornbirn	100%	31 Dec. 2024
Hypo Immobilien & Leasing GmbH, Dornbirn	100%	31 Dec. 2024
HIL Mobilienleasing GmbH & Co KG, Dornbirn	100%	31 Dec. 2024
HIL Immobilien GmbH, Dornbirn	100%	31 Dec. 2024
HIL BETA Mobilienverwertung GmbH, Dornbirn	100%	31 Dec. 2024
HIL Baumarkt Triester Straße Immobilienleasing GmbH, Dornbirn	100%	31 Dec. 2024
HIL Real Estate alpha GmbH, Dornbirn	100%	31 Dec. 2024
HIL Kommunalleasing GmbH, Dornbirn	100%	31 Dec. 2024
"POSEIDON" Grundstücksverwaltungsgesellschaft m.b.H., Dornbirn	100%	31 Dec. 2024
Hypo Immobilien Cinemabetriebs GmbH, Dornbirn	100%	31 Dec. 2024
Edeltraut Lampe GmbH & Co KG, Dornbirn	100%	31 Dec. 2024
D. TSCHERNE Gesellschaft m.b.H., Vienna	100%	31 Dec. 2024
VKL IV Leasinggesellschaft mbH, Dornbirn	100%	31 Dec. 2024
VKL V Immobilien Leasinggesellschaft m.b.H., Dornbirn	100%	31 Dec. 2024
HYPO EQUITY Beteiligungs GmbH, Bregenz (zuvor: HYPO EQUITY Beteiligungs AG)	100%	31 Dec. 2024
KUFA GmbH, Bregenz	100%	31 Dec. 2024
HYPO EQUITY Unternehmensbeteiligungen AG, Bregenz[1])	100%	30 Sep. 2024
METIS - Beteiligungs und Verwaltungs GmbH, Bregenz[1])	100%	30 Sep. 2024

Company Name, Place	Percentage of capital	Date of financial statements
"HSL-Lindner" Traktorenleasing GmbH, Dornbirn	76%	31 Dec. 2024

[1]) The separate financial statements of these companies have 30 September 2024 as their basis as these companies' financial years differ from the calendar year. The financial data of the fourth quarter were taken into account.

The following companies were included in the Issuer's consolidated financial statements as of and for the financial year ended 31 December 2024 according to the equity method:

Company Name, Place In '000 EUR, unless otherwise indicated	Percentage of capital	Shareholders' equity	Total assets	Liabilities	Revenues
comit Versicherungsmakler GmbH, Dornbirn	40.00%	5,340	6,898	1,558	81
MASTERINVEST Kapitalanlage GmbH, Vienna	37.50%	5,038	9,722	4,684	112

Comit Versicherungsmakler GmbH is a financial services company in the field of advice and support for industrial, commercial and private customers on insurance issues and insurance solutions. The business activity of MASTERINVEST Kapitalanlage GmbH involves the management of investment funds in accordance with the Austrian Investment Fund Act.

All companies included in the Issuer's consolidated financial statements as of and for the financial year ended 31 December 2024 according to the equity method are based on separate financial statements as of 31 December 2024. For the companies, net interest income is shown under revenues. The Issuer is not dependent upon its subsidiaries and shareholdings.

Supervisory, Management and State Supervisory Bodies

Managing Board

The members of the Issuer's managing board as at the date of this Prospectus are:

Name	Principal activities performed outside Hypo Vorarlberg Bank AG
Mag. Michel Haller, CEO, Chairman Managing Board	Chairman Managing Board: Vorarlberger Landesbank-Holding, 6900 Bregenz Division Chairman: Vorarlberg chamber of commerce, bank & insurance division, 6800 Feldkirch Managing Director: "Hypo-Rent" Leasing- und Beteiligungsgesellschaft mbH, 6900 Bregenz Member Supervisory Board: Hypo-Wohnbaubank Aktiengesellschaft, 1040 Vienna Chairman Supervisory Board: Hypo Immobilien & Leasing GmbH, 6850 Dornbirn Hypo-Banken-Holding Gesellschaft m.b.H., 1040 Vienna Vice President: Association of the Austrian "Landes-Hypothekenbanken", 1040 Vienna **Foreign activities**: Member Supervisory Board: Internationales Bankhaus Bodensee AG, 88046 Friedrichshafen, Germany Würth Finance International B.V., 9400 Rorschach, Switzerland

Dipl. Ing. (FH) Philipp Hämmerle, MSc., Member Managing Board	Member Managing Board: Vorarlberger Landesbank-Holding, 6900 Bregenz Deputy Chairman Supervisory Board: "Wirtschafts-Standort Vorarlberg" Betriebsansiedlungs GmbH, 6850 Dornbirn Managing Director: "Hypo-Rent" Leasing- und Beteiligungsgesellschaft mbH, 6900 Bregenz
Dr. Stephan Sausgruber, Member Managing Board	Member Managing Board: Vorarlberger Landesbank-Holding, 6900 Bregenz Deputy Chairman Supervisory Board: Hypo Immobilien & Leasing GmbH, 6850 Dornbirn Member Supervisory Board: "Wirtschafts-Standort Vorarlberg" Betriebsansiedlungs GmbH, 6850 Dornbirn Managing Director: "Hypo-Rent" Leasing- und Beteiligungsgesellschaft mbH, 6900 Bregenz **Foreign activities:** Member Board of Directors: Hypo Vorarlberg Immo Italia GmbH, 39100 Bolzano, Italy President Board of Directors: Hypo Vorarlberg Holding (Italy) GmbH, 39100 Bolzano, Italy Hypo Vorarlberg Leasing AG, 39100 Bolzano, Italy

Supervisory Board

The members of the Issuer's supervisory board as at the date of this Prospectus are:

Name	**Principal activities performed outside Hypo Vorarlberg Bank AG**
MMag. Dr. Alfred Geismayr, Chairman Supervisory Board	Shareholder and Managing Director: ALG Steuerberatung und Wirtschaftsprüfung GmbH, 6850 Dornbirn Managing Director: MOORE RTG Wirtschaftsprüfung GmbH, 6850 Dornbirn RTG Dr. Rümmele Steuerberatung und Wirtschaftsprüfung GmbH, 6850 Dornbirn RTG Unternehmensberatung GmbH, 6850 Dornbirn RTG Zettinig Steuerberatung GmbH, 1030 Vienna Deputy Chairman Managing Board: Achim Doppelmayr Privatstiftung, 6850 Dornbirn General partner and Functionary: Kögl & Co OEG, 6850 Dornbirn Functionary: Österreichischer Rundfunk, 1136 Vienna MOORE RTG Wirtschaftsprüfung GmbH, 6850 Dornbirn RTG Unternehmensberatung GmbH & Co KG, 6850 Dornbirn RTG Dr. Rümmele Steuerberatung und Wirtschaftsprüfung GmbH & Co KG, 6850 Dornbirn

Name	Principal activities performed outside Hypo Vorarlberg Bank AG
Ing. Eduard Fischer, Deputy Chairman Supervisory Board	Shareholder: Skilifte Schröcken Strolz GmbH, 6888 Schröcken Chairman Supervisory Board: Schwarzach Packaging GmbH, 6858 Schwarzach VBG Holding AG, 6858 Schwarzach VBG Immo GmbH, 6858 Schwarzach Member Supervisory Board: Hefel Textil GmbH, 6858 Schwarzach
Astrid Bischof, Member Supervisory Board	Shareholder and Managing Director: BISCHOF HOLDING GMBH, 6800 Feldkirch Managing Director: Otto Bischof Transport-Gesellschaft m.b.H., 6800 Feldkirch NUFA Nutzfahrzeuge und Baumaschinen GmbH, 6830 Rankweil NUFA Rent GmbH, 6830 Rankweil **Foreign activities:** Managing Director and President Board of Directors: Bischof Lagerhaus AG, 9466 Sennwald, Switzerland
Mag. Karl Fenkart, Member Supervisory Board	Managing Director: Landesvermögen-Verwaltungsgesellschaft m.b.H., 6900 Bregenz Member Supervisory Board: Messe Dornbirn GmbH, 6850 Dornbirn Vorarlberg Tourismus GmbH, 6850 Dornbirn Vorarlberger Krankenhaus-Betriebsgesellschaft mit beschränkter Haftung, 6800 Feldkirch Vorarlberger Kulturhäuser-Betriebsgesellschaft mbH, 6900 Bregenz Vorarlberger gemeinnützige Wohnungsbau- und Siedlungsgesellschaft mbH, 6850 Dornbirn illwerke vkw AG, 6900 Bregenz
Johannes Heinloth, Member Supervisory Board	**Foreign activities:** Member Managing Board: L-Bank, 76131 Karlsruhe, Germany Member Supervisory Board: Transnet BW GmbH, 70173 Stuttgart, Germany
Karl Manfred Lochner, Member Supervisory Board	**Foreign activities:** Member Supervisory Board: AVAG Holding SE, 86167 Augsburg, Germany Herrenknecht Aktiengesellschaft, 77963 Schwanau, Germany
Mag. Birgit Sonnbichler, Member Supervisory Board	-
Dr. Petra Winder, Member Supervisory Board	Managing Director: BONA GmbH, 6830 Rankweil E.R. Verwaltungs GmbH, 6830 Rankweil Walser Holding GmbH, 6830 Rankweil GDR Admin GmbH, 6830 Rankweil GDR Bildgasse 12 GmbH, 6830 Rankweil
Mag. Judith Österle, Member Supervisory Board, Works Council delegate	-

Name	Principal activities performed outside Hypo Vorarlberg Bank AG
Elmar Köck, Member Supervisory Board, Works Council delegate	-
MMag. Dr. Gerhard Köhle, Member Supervisory Board, Works Council delegate	-
Veronika Moosbrugger, Member Supervisory Board, Works Council delegate	-

The members of the Issuer's supervisory board and managing board may be contacted at the registered office of Hypo Vorarlberg, which is located at Hypo-Passage 1, 6900 Bregenz, Austria.

Conflicts of Interest

There are no conflicts of interests between any duties regarding the Hypo Vorarlberg and the private interests or any other duties of the above mentioned persons of the Issuer's managing board and supervisory board.

State Supervisory Bodies

Pursuant to the BWG, the Austrian Federal Minister of Finance is required to appoint representatives, who monitor the Issuer's compliance with certain legal requirements. The state supervisory bodies as at the date of this Prospectus are:

Name	Position
MinR Mag. Jutta Raunig	State Commissioner
Kmsr Mag. Matthias Ofner	Vice State Commissioner

Auditor / Auditor Supervision

The independent auditors of the Issuer's German language consolidated financial statements as of and for the financial years ended 31 December 2023 and 31 December 2024 were Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Straße 19, IZD-Tower, 1220 Vienna, Austria ("**Ernst & Young**"). For the financial years ended 31 December 2023 and 31 December 2024, Ernst & Young issued on the above-mentioned consolidated financial statements an unqualified German language auditor's report dated 27 March 2024 and 28 March 2025, respectively.

Ernst & Young is a member of the Austrian Chamber of Certified Public Accountants (*Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen*).

Potential Investors are informed that the Auditor is supervised by the Austrian Audit Oversight Authority (*Abschlussprüferaufsichtsbehörde - APAB*), which is recognised by the Swiss Federal Council.

Business activities

Principal Activities

Hypo Vorarlberg is a regional universal bank and in recent years has developed into a financial services provider engaged in Austria and in the neighbouring countries: a branch office in St. Gallen (Switzerland), a competence centre for real estate and leasing - Hypo Immobilien & Leasing GmbH, the insurance expert comit Versicherungsmakler GmbH and also the leasing specialist Hypo Vorarlberg Leasing AG in Bolzano (Italy).

Main categories of products sold and/or services offered

Corporate Bank

Corporate services represent an important pillar of the Issuer's activities. Being a universal bank, Hypo Vorarlberg offers its corporate customers both traditional banking products and other bank-related services such as leasing, real-estate services, and insurances through its subsidiaries. The range of financing portfolio products also includes competent advice and support in connection with subsidy programmes and institutions.

The lending volume to corporate customers of the Hypo Vorarlberg Group as of 30 June 2025 (calculated as the sum of the amounts related to corporate customers contained in the measurement categories financial assets at fair value (Non-SPPI), financial assets at fair value (option) and financial assets at amortised cost, each as shown in the notes to the Issuer's consolidated financial statements as of and 30 June 2025) amounted to EUR 7,636 million (31 December 2024: EUR 7,720 million).

Residential Real Estate Bank

The lending volume to private customers of the Hypo Vorarlberg Group as of 30 June 2025 (calculated as the sum of the amounts related to private customers contained in the measurement categories financial assets at fair value (Non-SPPI), financial assets at fair value (option) and financial assets at amortised cost, each as shown in the notes to the Issuer's consolidated financial statements as of 30 June 2025) amounted to EUR 2,209 million (31 December 2024: EUR 2,227 million).

Private Banking

The Issuer operates separate private banking centres in all large branch offices in Vorarlberg as well as in Graz, Wels, and Vienna. Private Banking supports wealthy individuals, their families and selected institutional customers. The varied product range is oriented towards customers' needs in all areas and offers contemporary solutions through the use of flexible concepts adapted to the market situation in asset management and the use of viable alternatives to the money market in the investment business.

Asset Management

As of 30 June 2025, assets under management of the Hypo Vorarlberg Group totalled EUR 1,125 million (31 December 2024: EUR 1,110 million).

As of 30 June 2025, the Hypo Vorarlberg Group acted as a custodian for several investment funds with a total volume of EUR 10,763 million (30 June 2024: EUR 10,467 million). The fund service division's core competence is to act as depositary for Austrian investment funds.

Principal Markets

- Core market Vorarlberg: The region of Vorarlberg is the Issuer's core market with a well-equipped branch network.
- In eastern Austria, in eastern Switzerland, in southern Germany and northern Italy the Issuer continues to follow a strategy of specialisation in individual product segments.

Austria

In order to be present in large business centres, the Issuer operates branch offices in Vienna, Graz, Wels and Salzburg, where it has considerable potential for growth.

Germany

The Issuer serves the South German market (Bavaria, Baden-Württemberg) from Bregenz and Riezlern (Kleinwalsertal).

Switzerland

The Issuer has established itself in eastern Switzerland as an alternative to the major large banks and as well as the cantonal banks. In Switzerland, Hypo Vorarlberg has expanded its territorial reach towards Zurich and offers property financing as well as services for small-and-medium-sized enterprises ("**SMEs**")/corporate customers and private banking customers.

Italy

Hypo Vorarlberg Leasing AG is headquartered in Bolzano, develops real estate and selected equipment leasing solutions for SMEs in Northern Italy. The company has offered its products and services on the Northern Italian market for over 25 years and has a branch in Como.

Material Contracts

Hypo Vorarlberg has not entered into material contracts that are not entered into in the ordinary course of its business, which could result in any group member being under an obligation or entitlement that is material to Hypo Vorarlberg's ability to meet its obligations to Holders in respect of the Notes.

Court, arbitral and administrative proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Main Business Prospects

The first half of 2025 has developed positively. However, the ECB's interest rate cuts are weighing on the net interest income, as margins - particularly on the liabilities side - are declining significantly. On the other hand, operating income from commission business is showing a positive trend, while rising personnel and administrative expenses are dampening the overall result.

The current environment remains challenging, marked by ongoing recession risks in Germany and Austria, a high number of corporate insolvencies, and falling interest rates. Upside potential exists through a sharper than expected

decline in the savings rate, which could stimulate consumption, as well as through expansive fiscal policy in Germany, which may provide additional growth impulses. Forecasts for the 2025 financial year are heavily influenced by geopolitical uncertainties. In addition to unpredictable U.S. trade policies, conflicts in the Middle East and Ukraine are having a negative impact. At present, it is difficult to assess how these factors will affect the earnings performance of the Hypo Vorarlberg Group in 2025.

Credit demand presents a mixed picture: There are signs of a slight recovery in the retail customer segment, while demand from corporate clients remains subdued. Overall, providing a reliable earnings forecast for the full year 2025 - especially with regard to risk costs - remains challenging. For the banking and financial sector, this means increased challenges: The number of corporate insolvencies is rising noticeably, which could lead to higher credit risks and strain portfolios. Moreover, fair value asset valuation is gaining importance, as fluctuations in value in a volatile environment have direct effects on accounting and earnings.

Capital

Capital structure

As of 30 June 2025, the subscribed capital of Hypo Vorarlberg consists of share capital of EUR 162.2 million (31 December 2024: EUR 162.2 million) fully paid in. As of 30 June 2025, 316,736 shares with a nominal value of EUR 512 were issued. The voting rights of the subscribed capital are as follows (as of 30 June 2025):

Shareholders	Shares	Interest	Voting rights
Vorarlberger Landesbank-Holding – federal state of Vorarlberg	243,485	76.8732%	76.8732%
Austria Beteiligungsgesellschaft mbH	73,251	23.1268%	23.1268%
– Landesbank Baden-Württemberg	48,834	15.4179%	—
– Landeskreditbank Baden-Württemberg – Förderbank	24,417	7.7089%	—
Share Capital	316,736	100.0000%	100.0000%

The Vorarlberger Landesbank-Holding (federal state of Vorarlberg) and the Austria Beteiligungsgesellschaft mbH are direct shareholders of Hypo Vorarlberg. Landesbank Baden-Württemberg and Landeskreditbank Baden-Württemberg-Förderbank are indirect shareholders of Hypo Vorarlberg through Austria Beteiligungsgesellschaft mbH.

Vorarlberger Landesbank-Holding as direct controlling person is able to pass majority resolutions and control the Issuer. The Issuer does not consider it necessary to take measures to prevent the abuse of control.

The Issuer is not aware of any arrangements the operation of which may at a subsequent date result in a change in control over the Issuer.

Ratings

The Notes are rated Ba2 by Moody's Deutschland GmbH (Moody's).

Material changes since the most recent annual financial statements

There has been no material adverse change in the prospects of the Issuer since 31 December 2024 and no significant change in the financial performance and in the financial position of the Hypo Vorarlberg Group since 30 June 2025.

Key financial information

The following table shows key historical financial information of Hypo Vorarlberg as of and for the financial half-year ended 30 June 2025 derived from the unaudited consolidated financial statements of Hypo Vorarlberg as of and for the financial half-year ended 30 June 2025 as well as for the financial years ended 31 December 2024 and 31 December 2023 derived from the audited consolidated financial statements of Hypo Vorarlberg as of and for the financial year ended 31 December 2024 (including comparative financial information as of and for the prior financial year ended 31 December 2023) or from Hypo Vorarlberg's reporting system. The audited consolidated financial statements of Hypo Vorarlberg as of and for the financial year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and the additional requirements under § 245a of the Austrian Company Code (*Unternehmensgesetzbuch, UGB*) and § 59a BWG.

	30 June 2025	31 December 2024	31 December 2023	Requirement
Senior debt (in issue) (unaudited) in EUR million (rounded)[3]	7,416	7,459	7,304	n/a

[3] Sum of mortgage bonds (*Pfandbriefe*), municipal bonds (*Kommunalbriefe*), bonds (*Anleihen*), housing construction bonds (*Wohnbaubankanleihen*) and medium-term fixed-rate notes (*Kassenobligationen*) contained in the measurement categories 'financial liabilities at

Subordinated debt (in issue) (unaudited) in EUR million (rounded)[4]	350	346	314	n/a
Leverage ratio (unaudited)	9.38%	9.39%	9.06%	3%
Liquidity coverage ratio (LCR) (unaudited)	249%	214%	229%	n/a
Net stable funding ratio (NSFR) (unaudited)	131%	127%	122%	n/a

Source: Internal information of the Issuer. All figures in the table above are rounded.

Regulatory figures

	30 June 2025	31 December 2024	31 December 2023	Requirement
Buffer to MDA	4.14%	6.02%	5.71%	n/a
Buffer to trigger	9.64%	11.09%	10.97%	n/a
Available distributable items (ADI) in EUR million (rounded)	n/a	EUR 1,004	EUR 957	n/a
MREL ratio (LRE)	19.98%	24.86%	26.75%	5.91%
MREL ratio (TREA)	32.51%	43.31%	48.54%	22.40%

Key profitability, efficiency and risk indicators

	2025/30 June 2025	2024/31 December 2024	2023/31 December 2023
Cost income ratio (CIR)	60.80%	53.07%	41.81%
Return on equity (ROE)	7.18%	3.98%	3.75%
Non-Performing Loan (NPL) ratio[1]	4.18%	3.52%	2.90%

[1] The Issuer has designated loans and advances (incl. offbalance, incl. lease receivables, without securities) that meet at least one of the following criteria: (i) exposure class loan in arrears (Article 178 CRR); (ii) stage 03 (i.e. customers in stage 03 receive global valuation allowances), stage E3 (i.e. customers in stage E3 receive specific valuation allowances) or stage E4 (i.e. customers in stage E4 receive specific valuation allowances and the customer was already in default when the transaction was initiated); (iii) rating class 5 (i.e. customers with rating class 5 are currently in default) as non-performing loans. The Non-Performing Loan (NPL) ratio was calculated according to the European Banking Authority (EBA) guidelines.

Source: Internal information of the Issuer. All figures in the table above are rounded.

Alternative Performance Measures

Alternative Performance Measure	Description / Purpose	Calculation
Cost income ratio	Cost income ratio is an efficiency measure comparing operating cost to operating income based on consolidated result before tax for the period.	The cost income ratio is calculated on a consolidated basis as follows: ((Administrative expenses + depreciation and amortization) / (Net interest income + dividend income + net fee and commission income + result from trading + other income - other expenses)). For the period ended 30 June2025: $\frac{74{,}430 + 4{,}144}{102{,}885 + 132 + 18{,}606 + 5{,}858 + 10{,}187 + (-8{,}430)} * 100 = 60.80\%$
Return on equity	Return on equity is a profitability measure which compares the consolidated profit for the period to shareholders' equity at the beginning of the period.	The return on equity is calculated as follows: ((Earnings before taxes / (Shareholders' equity at the beginning of the period – dividends))*2 factor for interim results). For the period ended 30 June 2025:

fair value (option)' ('*Finanzielle Verbindlichkeiten at Fair Value (Option)*') and 'financial liabilities at amortised cost' ('*Finanzielle Verbindlichkeiten at Amortized Cost*'), each as shown in the consolidated financial statements of Hypo Vorarlberg as of and for the financial half-year ended 30 June 2025 as well as for the financial year ended 31 December 2024 (including comparative financial information as of and for the prior financial year ended 31 December 2023).

[4] Sum of supplementary capital (T2) (*Ergänzungskapital (T2)*) and additional core capital (AT1) (*Zusätzliches Kernkapital (AT1)*) contained in the measurement categories 'financial liabilities at fair value (option)' ('*Finanzielle Verbindlichkeiten at Fair Value (Option)*') and 'financial liabilities at amortised cost' ('*Finanzielle Verbindlichkeiten at Amortized Cost*'), each as shown in the consolidated financial statements of Hypo Vorarlberg as of and for the financial half-year ended 30 June 2025 as well as for the financial year ended 31 December 2024 (including comparative financial information as of and for the prior financial year ended 31 December 2023).

		$\frac{53,356}{(1,496,857-10,136)} * 2 * 100 = 7.18\%$
Non-Performing Loan (NPL) ratio	NPL ratio is a risk ratio which assesses the quality of a portfolio by showing the percentage of non-performing loans over the total loan volume.	The NPL ratio is calculated as follows: (Gross carrying amount of non-performing loans and advances / Gross carrying amount of total loans) As of 30 June 2025: $\frac{582,490}{13,938,563} * 100 = 4.18\%$

Sources: Information and calculation of the Issuer on the basis of internal information of the Issuer.

All figures in the table above are rounded and shown in EUR thousand.

TAXATION

The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of persons. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

Swiss Federal Withholding Tax

Payment of interest on the Notes and repayment of principal of the Notes are not subject to Swiss withholding tax, provided that the Issuer (i) does not have its registered head office in Switzerland, is not recorded in a commercial register in Switzerland and is at all times resident and managed outside Switzerland for Swiss tax purposes and (ii) meets certain conditions.

Swiss Federal Securities Turnover Tax

The issue and the sale of a Note on the issuance day (primary market transaction) are not subject to Swiss federal securities turnover tax (*Umsatzabgabe*). Secondary market dealings in Notes are in principle subject to the Swiss federal securities turnover tax at a rate of up to 0.30% of the purchase price of the Notes, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Stamp Duty Act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

Income Taxation on Principal or Interest

a) Notes Held by Non-Swiss Holders

Payments of interest and repayment of principal by the Issuer to, and gain realized on the sale or tender of Notes by, a holder of Notes who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Note is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Note.

b) Notes Held as Private Assets by a Swiss Resident Holder

Individuals who are resident in Switzerland and who hold Notes as private assets are required to include all payments of interest on such Notes in their personal income tax return for the relevant tax period and will be taxable on any taxable income for such tax period.

In principle a capital gain, including a gain relating to interest accrued realized on the sale or tender of Notes by such a Swiss resident holder, is a tax-free private capital gain, and, conversely, a respective loss on the Note is a non-tax-deductible private capital loss. Some exceptions are described below.

Holders of Notes without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) who are individuals and receive payments of interest on Notes (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) are required to include such amounts in their personal income tax return and will be taxable on any taxable income (including the payments of interest on the Notes) for the relevant tax period. The Holder who receives the one-time-interest-payment on redemption date is taxed on the whole one-time-interest-payment irrespective of when he or she purchased the note.

c) Notes Held as Swiss Business Assets and by Private Persons Classified as Professional Securities Dealers

Individuals who hold Notes as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Notes as part of a permanent establishment in Switzerland, are required to recognize the payments of interest and any gain realized on the sale or tender of such Notes (including a gain relating to interest accrued) and any loss on such Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters ("AEI") is a global initiative led by the Organization of Economic Co-Operation and Development ("OECD"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Notes.

RESPONSIBILITY STATEMENT

Hypo Vorarlberg Bank AG, Hypo-Passage 1, 6900 Bregenz, Austria, accepts responsibility for the content of this Prospectus and declares that the information contained herein is, to the best of its knowledge, correct and no material facts or circumstances have been omitted herefrom.

Bregenz, 12 November 2025

TERMS AND CONDITIONS OF THE NOTES

§ 1
CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency*, *Denomination*. This series of subordinated notes (the "**Notes**") is being issued by Hypo Vorarlberg Bank AG (the "**Issuer**") in Swiss franc ("**CHF**" or the "**Specified Currency**") in the aggregate principal amount of CHF 50,000,000 (in words: Swiss francs fifty million) in the denomination of CHF 5,000 (the "**Original Principal Amount**").

(2) *Form*. The Notes are being issued in bearer form.

(3) *Global Note*. The Notes are represented by a global note without coupons (the "**Global Note**") pursuant to the Austrian Securities Depositary Act (*Depotgesetz*), as amended which shall be deposited by the Principal Paying Agent (as defined below) with the Clearing System (as defined below). The Global Note shall be signed by authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Once the Global Note is deposited by the Principal Paying Agent with the Clearing System and entered into the accounts of one or more participants of the Clearing System, the Notes will constitute intermediated securities (Intermediated Securities) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Neither the Issuer nor any holder of the Notes will at any time have the right to effect or demand the conversion of the Global Note into, or the delivery of, individual definitive notes (*Wertpapiere*) or uncertificated notes (*Wertrechte*).

(4) *Clearing System*. The Global Note will be deposited with or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means SIX SIS Ltd and any successor in such capacity.

(5) *Holder of Notes*. "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

(6) *Certain Definitions*.

"**Applicable Supervisory Regulations**" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer and/or the Regulatory Group from time to time, including but not limited to the provisions of the Austrian Banking Act, the BaSAG, the BRRD, the SRM Regulation, the CRD, the CRR, the CDR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer and the Regulatory Group at the relevant time.

"**AT 1 Instruments**" means any capital instruments of the Issuer that qualify as Additional Tier 1 instruments pursuant to Article 52 CRR.

"**Austrian Banking Act**" means the Austrian Banking Act (*Bankwesengesetz – BWG*), as amended or replaced from time to time, and any references to relevant provisions of the Austrian Banking Act in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – BaSAG*), as amended or replaced from time to time, and any references to relevant provisions of the BaSAG in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**BRRD**" means Directive 2014/59/EU (*Bank Recovery and Resolution Directive*), as implemented in the Republic of Austria and as amended or replaced from time to time, and any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which (i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Zurich and (iii) the real-time gross settlement system operated by the Eurosystem or any successor system is operating.

"**CDR**" means Commission Delegated Regulation (EU) No 241/2014 (*Capital Delegated Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CDR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CET 1 Instruments**" means any capital instruments of the Issuer that qualify as Common Equity Tier 1 instruments pursuant to Article 28 CRR, including any capital (or other) instruments that qualify as Common Equity Tier 1 items pursuant to transitional provisions under the CRR.

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or the Regulatory Group on a consolidated basis.

"**CRD**" means Directive 2013/36/EU (*Capital Requirements Directive*), as amended or replaced from time to time, and any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Current Principal Amount**" means initially the Original Principal Amount, which from time to time, on one or more occasions, may be reduced by a Write-down (as defined in § 5 (9)) and, subsequent to any such reduction, may be increased by a Write-up (as defined in § 5 (10)), if any (up to the Original Principal Amount).

"**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

"**Regulatory Group**" means, from time to time, the Issuer and each entity which is part of the banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

"**Resolution Authority**" means the authority pursuant to § 2 No 18 in connection with § 3(1) BaSAG which is responsible for a resolution of the Issuer and which reference shall include the Single Resolution Board.

"**SRM Regulation**" means Regulation (EU) No 806/2014 (*Single Resolution Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**SSM Regulation**" means Council Regulation (EU) No 1024/2013 (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Subsidiary**" means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

"**Terms and Conditions**" means these terms and conditions of the Notes.

"**Tier 1 Instruments**" means (i) AT 1 Instruments; (ii) CET 1 Instruments; and (iii) any other instruments or obligations of the Issuer ranking *pari passu* with respect to payment of interest, dividends or distributions with CET 1 Instruments.

"**Tier 2 Instruments**" means any capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR.

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2
STATUS

(1) *Ranking.* The Notes shall qualify as AT 1 Instruments (as defined in § 1 (6)) and constitute direct, unsecured and subordinated obligations of the Issuer. In the event of insolvency proceedings (*Konkursverfahren*) or the liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

(a) junior to all present or future:

(i) unsubordinated instruments or obligations of the Issuer; and

(ii) Tier 2 Instruments (as defined in § 1 (6)) and instruments or obligations of the Issuer, if any, which rank senior to Tier 2 Instruments; and

(iii) instruments or obligations of the Issuer that do not result from own funds items of the Issuer; and

(iv) other instruments or obligations of the Issuer, if any, ranking or expressed to rank subordinated to any unsubordinated instruments or obligations of the Issuer (other than instruments or obligations

of the Issuer which rank *pari passu* with or subordinated to the Notes as referred to in § 2 (1) (b) and (c) below); and

(b) *pari passu*:

(i) among themselves; and

(ii) with all other present or future AT 1 Instruments; and

(c) senior to all present or future:

(i) ordinary shares of the Issuer and any other CET 1 Instruments (as defined in § 1 (6)); and

(ii) other subordinated instruments or obligations of the Issuer ranking or expressed to rank *pari passu* with the ordinary shares of the Issuer and any other CET 1 Instruments.

For the avoidance of doubt, Holders will neither participate in any reserves of the Issuer nor in the liquidation profits in the event of its liquidation.

The rights of the Holders to payment of principal on the Notes are at any time limited to a claim for the prevailing Current Principal Amount (as defined in § 1 (6)).

(2) *No Negative Equity and Waiver of Petition.* The Holders will be entitled to payments, if any, under the Notes only once any negative equity (*negatives Eigenkapital* within the meaning of § 225(1) of the Austrian Enterprise Code (*Unternehmensgesetzbuch – UGB*)) has been removed (*beseitigt*) or if, in the event of the liquidation of the Issuer, all other creditors (other than creditors the claims of which rank or are expressed to rank *pari passu* with or junior to the Notes) of the Issuer have been satisfied first.

No insolvency proceedings against the Issuer are required to be opened in relation to the obligations of the Issuer under the Notes. The Notes do not contribute to a determination that the liabilities of the Issuer exceed its assets; therefore, the obligations of the Issuer under the Notes, if any, will not contribute to the determination of over-indebtedness (*Überschuldung*) in accordance with § 67(3) of the Austrian Insolvency Code (*Insolvenzordnung – IO*).

(3) *No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority.* Claims of the Issuer are not permitted to be set-off or netted against repayment obligations of the Issuer under these Notes. No contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Notes.

The Notes are neither secured, nor subject to any guarantee that enhances the seniority of the claims under the Notes. The Notes are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Notes in insolvency or liquidation.

(4) *Note on the possibility of statutory resolution measures*. Prior to any insolvency proceedings (*Konkursverfahren*) or liquidation of the Issuer, under the Applicable Supervisory Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

§ 3
DISTRIBUTIONS

(1) *Distribution Rates and Distribution Payment Dates*. The Notes shall bear distributions on their Current Principal Amount (as defined in § 1 (6)) from and including 14 November 2025 (the "**Distribution Commencement Date**") to but excluding 14 February 2031 (the "**First Reset Date**") at the rate of 4.375 *per cent*. *per annum* (the "**First Rate of Distributions**") and thereafter from and including each Reset Date to but excluding the next following Reset Date at the relevant Reset Rate (as determined according to § 3 (4)).

With the exception of the first payment of distributions, distributions on the Notes shall be scheduled to be paid annually in arrears on 14 February in each year (each such date, a "**Distribution Payment Date**"), commencing on 14 February 2026 (short first coupon of 90 days).

Distributions will fall due subject to the provisions set out in § 3 (6), § 4 (4) and § 5 (9) (a)(v).

(2) *Calculation of Distribution Amount*. If the amount of distributions scheduled to be paid on the Notes is required to be calculated for any period of time, such amount of distributions shall be calculated by the Calculation Agent by applying the applicable rate of distributions to the Current Principal Amount, multiplying such amount by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

If a Write-down (as defined in § 5 (9)) occurs during any Distribution Period, unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date (as defined in § 5 (9)) are cancelled in accordance with § 3 (6) (c), the Notes shall bear distributions on the adjusted Current Principal Amount from and including the Write-down Effective Date.

If, pursuant to § 5 (10), the Current Principal Amount of the Notes is subject to a Write-up, during a Distribution Period, the amount of distributions shall be calculated by the Calculation Agent on the basis of the adjusted Current Principal Amount from time to time so that the relevant amount of distributions is determined by reference to such Current Principal Amount as adjusted from time to time and as if such Distribution Period were comprised of two or more (as applicable) consecutive distribution periods, with distribution calculations based on the number of days for which each Current Principal Amount was applicable.

"**Distribution Period**" means the period from and including the Distribution Commencement Date to but excluding the first Distribution Payment Date and each successive period from and including a Distribution Payment Date to but excluding the next succeeding Distribution Payment Date.

(3) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of distributions on any Note for any period of time (the "**Calculation Period**"):

the number of days in the Calculation Period divided by 360, calculated in accordance with the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**DCF**" means Day Count Fraction;

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless that number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless that number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

(4) *Determination of the Reset Rate*.

(a) *Reset Rate.* The rate of distributions for each Reset Period (each a "**Reset Rate**") will be the Reference Rate (as defined below) plus the Margin (as defined below), subject to a minimum for the Reset Rate of 0.00 *per cent*. *per annum*.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3 (4) for each Reset Date on the relevant Reset Determination Date.

The "**Reference Rate**" for each Reset Date will be,

(i) as long as no Effective Date (as defined in § 3 (4) (c)(i)) of a Benchmark Event (as defined in § 3 (4) (c)(iv)) has occurred, the Original Benchmark Rate on the relevant Reset Determination Date, as determined by the Calculation Agent; or

(ii) if an Effective Date of a Benchmark Event has occurred, determined in accordance with § 3 (4) (c) for each Reset Period commencing on or after the Effective Date; or

(iii) if, in the determination of the Issuer, the determination of the Reference Rate would be likely to prejudice the qualification of the Notes as AT 1 Instruments and/or as eligible liabilities or loss absorbing capacity instruments for the purposes of the Applicable Supervisory Regulations, the Reference Rate applicable to the next and each subsequent Reset Period shall be the Reference Rate determined on the last preceding Reset Determination Date, provided that if this clause (iii) is to be applied on the Reset Determination Date prior to the commencement of the first Reset Period, the Reference Rate applicable to the first and each subsequent Reset Period shall be *(i) 4.375 per cent. minus (ii) 4.246 per cent*. *per annum*.

If the applicable Reference Rate is based upon a Reference Rate determined on the basis of a benchmark rate that is not expressed as an annual rate, the sum of such Reference Rate and the Margin will be converted by the Calculation Agent or the Issuer, as the case may be, to an annual rate in a commercially reasonable manner.

"**Original Benchmark Rate**" in respect of any day means:

(i) in case of the First Reset Date the 5.25 years CHF mid-market swap rate based on the arithmetic interpolation of the five and six-years CHF mid-market swap rates, in each case with a floating leg based on SARON (Swiss Average Rate Overnight), (the "**Mid-Swap Rate 1**") (expressed as a percentage *per annum* as at 11.00 a.m. (Zurich time), as displayed on the Screen Page (as defined below) as at or around

11:00 a.m. (Zurich time) (or a later time at which the Mid-Swap Rate 1 becomes available on the Screen Page) on such day,

(ii) in case of any further Reset Dates the five-year CHF mid-market swap rate (subsequent benchmark rate) with a floating leg based on SARON (Swiss Average Rate Overnight) (the "**Mid-Swap Rate 2**") (expressed as a percentage *per annum* as at 11.00 a.m. (Zurich time), as displayed on the Screen Page (as defined below) as at or around 11:00 a.m. (Zurich time) (or a later time at which the Mid-Swap Rate 2 becomes available on the Screen Page) on such day,

all as determined by the Calculation Agent.

If the Screen Page for the Original Benchmark Rate is not available or the Original Benchmark Rate is not displayed on the Screen Page as at such time on the relevant Reset Determination Date, but no Effective Date of a Benchmark Event has occurred, the Reference Rate on the Reset Determination Date shall be equal to the following:

(i) the percentage determined on the basis of the arithmetic mean of the "bid" and "ask" yield rates for a period equal to the Mid-Swap Period, published on ICAP page "SFSNT5 ICPL Curncy Fallback" (or any successor page); or

(ii) if (i) is not available:

(a) in case of the First Reset Date, the interpolated yield of the two bonds issued by the Swiss Confederation bearing ISIN CH0224397171 and ISIN CH0127181029, respectively plus the Government Spread 1,

(b) in case of any further Reset Date, the interpolated yield of (x) a Swiss Confederation bond that is maturing closest prior to the relevant Reset Date and (y) a Swiss Confederation bond that is maturing closest after the relevant Reset Date plus the Government Spread 2,

in each case as determined by the Issuer acting in good faith and in a commercial reasonable manner. For this purpose, the Reset Determination Date shall be the Reset Date; or

(iii) if the Reference Rate cannot be determined in accordance with (i) and (ii) above, the Reference Rate will be 4.375 per cent. *per annum*.

"**Government Spread 1**" means the spotted spread between (i) a straight line interpolation between the Swiss Confederation bonds maturing on 27 May 2030 and 22 June 2031 and (ii) the First Rate of Distributions.

"**Government Spread 2**" means the spotted spread between (i) a straight line interpolation between (x) a Swiss Confederation bond that is maturing closest prior to the relevant Reset Date and (y) a Swiss Confederation bond that is maturing closest after the relevant Reset Date, and (ii) the First Rate of Distributions.

"**Margin**" means (i) 4.246 *per cent. per annum*; or (ii) in case Government Spread 1 or Government Spread 2 are applicable 4.387 *per cent. per annum*.

Where:

"**Mid-Swap Period**" means (i) in case of the First Reset Date 5.25 years and (ii) in case of any further Reset Date five years.

"**Reset Date**" means the First Reset Date and each fifth anniversary thereof for as long as the Notes remain outstanding.

"**Reset Determination Date**" means the second Reset Determination Business Day prior to the relevant Reset Date. Where "**Reset Determination Business Day**" means a calendar day (other than a Saturday or a Sunday) on which all relevant parts of the real-time gross settlement system operated by the Eurosystem or any successor system are operating and commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Zurich.

"**Reset Period**" means the period from and including the First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

"**Screen Page**" means GOTTEX Page "CHF LCH-CHF Main Page" or the successor screen page, heading or caption displaying the Reference Rate (the "**Original Screen Page**"). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another screen page selected by the Calculation Agent in its reasonable discretion (the "**Replacement Screen Page**"), the "Screen Page" shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Calculation Agent.

(b) *Notification of Reset Rate*. The Calculation Agent will cause the Reset Rate to be notified to the Issuer, any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer (if required by the rules of such stock exchange) and to the Holders in accordance with § 10 as soon as possible after its determination.

(c) New Benchmark Rate.

(i) *Benchmark Event*. In the event of a Benchmark Event (as defined below),

(A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Reset Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with § 3 (4) (c)(ii) below) and the Benchmark Amendments (in accordance with § 3 (4) (c)(iii) below) (if required); or

(B) if, prior to the 10th Business Day prior to the Effective Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Reset Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Reset Determination Date falling on or, if it is not a Reset Determination Date, the Reset Determination Date immediately following the date on which the Benchmark Event becomes effective (the "**Effective Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (4) (c), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

(ii) *Adjustment Spread*. The Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.

(iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Reset Determination Date, the Day Count Fraction, the Business Days, the Business Day Convention in § 4 (4), the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").

(iv) Definitions.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (4)(c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

(A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion; or

(B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or

(C) if the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion to be appropriate.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above).

A "**Benchmark Event**" occurs if:

(A) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or

(B) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or

(C) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the regulatory supervisor of the Original Benchmark Rate administrator; or

(D) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or

(E) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the regulatory supervisor or the administrator; or

(F) a material change is made to the Original Benchmark Rate methodology.

"**Generally Accepted Market Practice**" means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

"**Independent Advisor**" means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"**Industry Solution**" means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Market Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Bundesverband für strukturierte Wertpapiere (BSW), the Zertifikate Forum Austria, the SIX Group Ltd (or any successor) or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"**New Benchmark Rate**" means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion as follows:

(A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.

(B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall be the New Benchmark Rate.

"**Official Substitution Concept**" means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain

procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"**Substitute Benchmark Rate**" means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the distributions scheduled to be paid under the Notes determined by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion.

(v) If, prior to the 10th Business Day prior to the relevant Reset Determination Date,

(A) the Issuer has not appointed an Independent Advisor; or

(B) the Independent Advisor appointed by it (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4)(c)(i)(B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (4) (c),

the Reference Rate applicable to the next Reset Period shall be equal to the Reference Rate determined on the last preceding Reset Determination Date. If this § 3 (4) (c)(v) is to be applied on the Reset Determination Date prior to the commencement of the first Reset Period, the Reference Rate applicable to the first Reset Period shall be *(i) 4.375 per cent. minus (ii) 4.246 per cent*. *per annum*.

For the avoidance of doubt, the operation of this clause (v) shall apply to the Effective Date and the corresponding Reset Period only. Any subsequent Reset Determination Date and Reset Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3 (4) (c).

(vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) and the relevant Effective Date to the Calculation Agent as soon as possible but in no event later than on the 10th Business Day prior to the Effective Date.

(vii) As soon as practicable following the notice in accordance with clause § 3 (4) (c)(vi), the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) and the relevant Effective Date to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer, to such stock exchange. Such notice shall be irrevocable.

(viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 (4) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any further New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.

(ix) Any reference in this § 3 (4) (c) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(d) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) *Cessation of Distribution Accrual*. The Notes shall cease to bear distributions from the end of the calendar day preceding the date scheduled for redemption (if any). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Current Principal Amount of the Notes from and including the date scheduled for redemption to but excluding the date of actual redemption of the Notes at the respective rate of distributions determined as specified in § 3 (1)-(4) above, which will fall due subject to the provisions set out in § 3 (6) and § 5 (9) (a)(v). This does not affect any additional rights that might be available to the Holders.

(6) *Cancellation of Distributions*.

(a) *Discretionary Cancellation of Distributions*. The Issuer, at its full discretion, may, at all times elect to cancel, in whole or in part, any payment of distributions on the Notes scheduled to be paid on any Distribution Payment Date for an unlimited period and on a non-cumulative basis.

If the Issuer makes such election, the Issuer shall endeavour to give notice to the Holders in accordance with § 10 on or before the Distribution Payment Date. Any failure or delay to give notice to the Holders shall not affect the validity of such cancellation, shall in no event result in an obligation of the Issuer to make a cancelled distribution payment at a later date and shall not constitute a default for any purpose. A notice which has not been given until the relevant Distribution Payment Date shall be given without undue delay thereafter.

(b) *Mandatory Cancellation of Distributions*. Without prejudice to such full discretion of the Issuer pursuant to § 3 (6) (a), any payment of distributions scheduled to be paid on the Notes on any Distribution Payment Date and any Additional Amounts thereon shall be excluded and cancelled mandatorily and automatically

(i) to the extent that such payment of distributions and any Additional Amounts thereon together with any additional Relevant Distributions (as defined in § 3 (6) (e)) would exceed the available Distributable Items (as defined in § 3 (6) (e)), provided that, for such purpose, the available Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for payments of interest, dividends or distributions on Tier 1 Instruments (including payments of distributions on the Notes and any Additional Amounts thereon) in the calculation of the profit (*Gewinn*) on which the available Distributable Items are based; or

(ii) if and to the extent that the Competent Authority orders that all or part of the relevant distribution payment scheduled to be paid on the Notes be cancelled; or

(iii) if and to the extent that another prohibition or restriction of distributions on the Notes, or to make such distribution on the Notes when aggregated with any other Relevant Distributions, is imposed by law or the Competent Authority (or any other relevant supervisory authority) or any other restriction to make distributions exists under the Applicable Supervisory Regulations.

(iv) Prohibitions and restrictions of distributions pursuant to § 3 (6) (b)(iii) may include, but are not limited to,

(A) any restrictions of distributions as a result of non-compliance with the combined buffer requirement (howsoever defined in the Applicable Supervisory Regulations) applicable at the time;

(B) any prohibition of distributions in connection with the calculation of the Maximum Distributable Amount;

(C) any limit resulting from any Maximum Distributable Amount; and

(D) any other restriction operating as maximum distributable amount in accordance with the then Applicable Supervisory Regulations requiring a maximum distributable amount to be calculated or to be complied with if the Issuer and/or the Regulatory Group is failing to meet any applicable capital adequacy or buffer requirement, such as the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) and the maximum distributable amount related to the leverage ratio (L-MDA), in each case if applicable to the Issuer and/or the Regulatory Group at that point in time.

If any payment of distributions on the Notes scheduled to be paid on any Distribution Payment Date is so mandatorily and automatically excluded and cancelled, the Issuer shall endeavour to give notice to the Holders in accordance with § 10 on or before the Distribution Payment Date. Any failure or delay to give notice to the Holders shall not affect the validity of such cancellation, shall in no event result in an obligation of the Issuer to make a cancelled distribution payment at a later date and shall not constitute a default for any purpose. A notice which has not been given until the relevant Distribution Payment Date shall be given without undue delay thereafter.

(c) If a Write-down (as defined in § 5 (9)) occurs during any Distribution Period, unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date (as defined in § 5 (9)) will be cancelled mandatorily and automatically in full without any notice having to be given to that effect.

(d) Any distribution payment cancelled in accordance with § 3 (6) (a) to (c) will be non-cumulative and will be cancelled permanently and no payments will be made nor will any Holder be entitled to receive any payment or indemnity in respect thereof. Any such cancellation of distributions will not constitute a default of the Issuer and will not impose any restrictions on the Issuer.

The Issuer may use such cancelled payments without restrictions to meet its obligations as they fall due.

(e) *Definitions*. In these Terms and Conditions:

"**Distributable Items**" means in respect of any payment of distributions on the Notes the distributable items as defined in Article 4(1)(128) CRR, as amended from time to time, in respect of each financial year of the Issuer, as at the end of the latest financial year of the Issuer ended prior to the relevant Distribution Payment Date for which Relevant Financial Statements are available, all as determined in accordance with the accounting principles applied by the Issuer and as derived from the most recent Relevant Financial Statements.

The determination of the Distributable Items shall be based on the Applicable Supervisory Regulations at the time of the determination and, accordingly, only those amounts shall be added or deducted that may be added

or have to be deducted (as the case may be) for purposes of determining the amounts distributable on AT 1 Instruments under the Applicable Supervisory Regulations.

"**Maximum Distributable Amount**" means any maximum distributable amount (*maximal ausschüttungsfähiger Betrag*) relating to the Issuer and/or the Regulatory Group, as the case may be, that may be required to be calculated in accordance with (i) § 24(2) of the Austrian Banking Act (implementing Article 141(2) CRD in Austria), as amended or replaced from time to time, or (ii) any successor provision thereto.

"**Relevant Distributions**" means the sum of:

(i) any other payments of distributions on the Notes that were made or are scheduled to be made by the Issuer in the then current financial year of the Issuer;

(ii) the amount of any Write-up (as defined below) of the Notes that was made in the then current financial year or is made simultaneously with the relevant distribution payment on the relevant Distribution Payment Date, if any; and

(iii) any payments of interest, dividends or distributions (including any write-ups) that were made, are simultaneously made or are scheduled to be made by the Issuer on other Tier 1 Instruments in the then current financial year of the Issuer;

(iv) any amount, payment or distribution as may be relevant under any restriction operating as a maximum distributable amount in accordance with the then Applicable Supervisory Regulations.

"**Relevant Financial Statements**" means: (i) the audited (*geprüft*) and adopted (*festgestellt*) unconsolidated annual financial statements of the Issuer, prepared in accordance with accounting provisions applied by the Issuer and accounting regulations then in effect, for the latest financial year of the Issuer ended prior to the relevant Distribution Payment Date; or (ii) if such audited and adopted unconsolidated annual financial statements of the Issuer are not available at the relevant Distribution Payment Date, unaudited unconsolidated *pro forma* financial statements of the Issuer, prepared in accordance with accounting provisions applied by the Issuer in relation to its unconsolidated annual financial statements and accounting regulations then in effect in relation to the Issuer's unconsolidated annual financial statements.

§ 4
PAYMENTS

(1)(a) *Payment of Principal*. Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

(b) *Payment of Distributions*. Payment of distributions and any Additional Amounts on the Notes shall be made, subject to § 3 (6) above and § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day Convention*. If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Distribution Period shall not be adjusted accordingly).

(5) *References to Principal and Distributions*. References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Current Principal Amount (as defined in § 1 (6)); and the Redemption Amount of the Notes (as defined in § 5 (8)). References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).

§ 5
REDEMPTION AND WRITE-DOWN

(1) *No Maturity Date.* The Notes are perpetual and have no maturity date and shall not fall due for redemption except in the cases provided for in § 5 (3), § 5 (4), or § 5 (5) or § 5 (6) (in each case in connection with § 5(7)) or (subject always to the ranking of the Issuer's obligations under the Notes set forth in § 2) in the event of insolvency proceedings (*Konkursverfahren*) or the liquidation of the Issuer.

(2) *No right of termination or acceleration by the Holders*. The Holders shall have no right to terminate or otherwise accelerate the redemption of the Notes.

For the avoidance of doubt and without limiting the generality of the foregoing, the Holders shall have no right to terminate or otherwise accelerate the redemption of the Notes if the Resolution Authority writes down the obligations of the Issuer under the Notes, converts them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or applies any other resolution measure as described in § 2(4) above.

(3) *Redemption at the Option of the Issuer*. The Issuer may, upon giving not less than five calendar days' and not more than 30 calendar days' prior notice in accordance with § 5 (8), redeem, on any of the Optional Redemption Dates (as defined below), all but not some only of the Notes at the Redemption Amount together with distributions, if any, accrued on the Current Principal Amount to but excluding the Optional Redemption Date specified in the notice, subject to cancellation of distributions pursuant to § 3 (6).

Any such redemption pursuant to this § 5 (3) shall only be possible if the conditions to redemption and repurchase set out in § 5 (7) are met.

"**Optional Redemption Date**" means:

(i) the First Reset Date; and

(ii) each Distribution Payment Date following the First Reset Date.

The Issuer may exercise its redemption right pursuant to this § 5 (3) and redeem the Notes on an Optional Redemption Date only if the Current Principal Amount of each Note is equal to its Original Principal Amount.

(4) *Redemption for Reasons of Taxation*. If a Tax Event occurs, the Issuer may at any time, upon giving not less than five calendar days' and not more than 30 calendar days' prior notice in accordance with § 5 (8), redeem, on the date of redemption specified in the notice, all but not some only of the Notes at the Redemption Amount together with distributions, if any, accrued on the Current Principal Amount to but excluding the date of redemption specified in the notice (which must be a Business Day), subject to cancellation of distributions pursuant to § 3 (6).

Any such redemption pursuant to this § 5 (4) shall only be possible if the conditions to redemption and repurchase set out in § 5 (7) are met.

Where:

A "**Tax Event**" occurs if there is a Tax Law Change as a result of which the applicable tax treatment of the Notes changes and:

(i) the Issuer has paid, or will or would on the next Distribution Payment Date be required to pay, any Additional Amounts pursuant to § 7 (1); or

(ii) the Issuer, in computing its taxation liabilities in the Republic of Austria, would not be entitled to claim a deduction in respect of distributions paid on the Notes, or such deductibility is reduced below the deductible amount at the date of issuance of the Notes,

in each case which cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"**Tax Law Change**" means any change in, or an amendment to, or clarification of, the laws or regulations of the Republic of Austria or of any political subdivision or taxing authority of or in the Republic of Austria, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued.

(5) *Redemption for Regulatory Reasons*. If a Regulatory Event occurs, the Issuer may at any time, upon giving not less than five calendar days' and not more than 30 calendar days' prior notice in accordance with § 5 (8), redeem, on the date of redemption specified in the notice, all but not some only of the Notes at the Redemption Amount together with distributions, if any, accrued on the Current Principal Amount to but excluding the date of redemption specified in the notice (which must be a Business Day), subject to cancellation of distributions pursuant to § 3 (6) and § 5 (9) (a)(v).

Any such redemption pursuant to this § 5 (5) shall only be possible if the conditions to redemption and repurchase set out in § 5 (7) are met.

A "**Regulatory Event**" occurs if there is a change in the regulatory classification of the Notes under the Applicable Supervisory Regulations that would be likely to result in their exclusion in full or in part from own funds (other than as a consequence of a Write-down) or reclassification as a lower quality form of own funds (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Regulatory Group).

(6) *Early Redemption for Minimal Outstanding Aggregate Principal Amount*. The Issuer may at any time, upon giving not less than five calendar days' and not more than 30 calendar days' prior notice in accordance with § 5 (8), redeem, on the date of redemption specified in the notice, all but not some only of the Notes at the Redemption Amount together with distributions, if any, accrued on the Current Principal Amount to but excluding the date of redemption specified in the notice (which must be a Business Day), subject to cancellation of distributions pursuant to § 3 (6), if at any time the number of Notes outstanding (calculated by dividing the aggregate Current Principal Amount of the Notes outstanding and held by persons other than the Issuer and its subsidiaries by the Current Principal Amount) has fallen to 25 *per cent*. or less of the number of Notes originally

issued (calculated by dividing the aggregate principal amount of Notes (including any Notes additionally issued in accordance with § 9 (1)) originally issued by the Original Principal Amount).

Any such early redemption pursuant to this § 5 (6) shall only be possible if the conditions to redemption and repurchase set out in § 5 (7) are met.

(7) *Conditions to Redemption and Repurchase*. Any redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) is subject to:

(a) (i) the Issuer not being insolvent; and (ii) the payment of the relevant amount not resulting in the insolvency of the Issuer; and

(b) the Competent Authority having granted the Issuer the prior permission in accordance with Articles 77, 78 CRR for such redemption or any repurchase pursuant to § 9 (2), whereas such permission may, *inter alia*, require that:

(i) either, before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRD, the CRR and the BRRD by a margin that the Competent Authority considers necessary; and

(c) in the case of any redemption or repurchase of the Notes during the five years following the date of issuance of the Notes:

(i) in the case of any redemption due to a Tax Event pursuant to § 5 (4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or

(ii) in the case of any redemption due to a Regulatory Event pursuant to § 5 (5), the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or

(iii) in the case of any redemption of the Notes in circumstances other than those described in clause (a)(i) or (ii) or any repurchase, the Issuer, earlier than or at the same time as the redemption or the repurchase, replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that redemption or the repurchase based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.

(8) *Redemption Notice; Redemption Amount.* Any notice of redemption in accordance with § 5 (3), § 5 (4), or § 5 (5) or § 5 (6) shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:

(a) the Notes subject to redemption, including the securities codes;

(b) in the case of a notice of redemption in accordance with § 5 (3), the Optional Redemption Date on which the Issuer will redeem the Notes or, in the case of a notice of redemption in accordance with § 5 (4), or § 5 (5) or § 5 (6), the date, fixed for redemption;

(c) the Redemption Amount at which the Notes are to be redeemed; and

(d) in the case of a notice of redemption in accordance with § 5 (4), or § 5 (5) or § 5 (6), the reason for such call and redemption.

"**Redemption Amount**" per Note means the Current Principal Amount per Note.

Any notice of redemption in accordance with § 5 (3), § 5 (4), or § 5 (5) or § 5 (6) and this § 5 (8) will be subject to § 5 (9) (b).

(9) *Write-down*.

(a) If a Trigger Event (as defined below) has occurred:

(i) the Issuer will immediately inform the Competent Authority that the Trigger Event has occurred;

(ii) the Issuer will determine the Write-down Amount (as defined below) as soon as possible, but in any case within a maximum period of one month (or such shorter period as the Competent Authority may require) following the determination that a Trigger Event has occurred;

(iii) the Issuer will without undue delay notify (A) the Competent Authority; (B) the Fiscal Agent and the Calculation Agent; (C) any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer (if required by the rules of such stock exchange); and (D) the Holders by publishing a notice (such notice a "**Write-down Notice**") in accordance with § 10: of the Write-down (as defined below), the Write-down Amount, the new/reduced Current Principal Amount of each Note and the Write-down Effective Date (as defined below);

(iv) unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date will be cancelled in accordance with § 3 (6) (c); and

(v) the Issuer will (without the need for the consent of Holders) write down the Notes *pro rata* with all of the Issuer's other Loss Absorbing AT 1 Instruments (as defined below) and reduce the Current Principal Amount of each Note by the relevant Write-down Amount (such reduction being referred to as a "**Write-down**" and "**Written-down**" being construed accordingly) with effect as from the Write-down Effective Date.

Whether a Trigger Event has occurred shall be determined by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority, and such determination will be binding on the Holders.

For the purposes of determining whether a Trigger Event has occurred, the Group CET 1 Capital Ratio (as defined below) and/or the Issuer CET 1 Capital Ratio (as defined below) may be calculated at any time based on information (whether or not published) available to the Issuer or the Regulatory Group (as applicable), including information internally reported within the Issuer pursuant to its procedures for monitoring the Group CET 1 Capital Ratio and/or the Issuer CET 1 Capital Ratio.

For the avoidance of doubt: A Trigger Event may be determined at any time and may occur on more than one occasion, each Note may be subject to a Write-down on more than one occasion, provided however, that the Current Principal Amount of a Note may never be reduced to below CHF 0.01.

For the avoidance of doubt: The occurrence of a Trigger Event shall not entitle the Holders to call the Notes for redemption and shall not constitute a default of the Issuer.

Any failure or delay to give the notice pursuant to § 5 (9) (a)(i) and/or the Write-down Notice will not affect the effectiveness of, or otherwise invalidate, any Write-down. Any such notice which has not been given shall be given without undue delay.

(b) The Issuer shall not give a notice of redemption after a Trigger Event has occurred until the Write-down has been effected in respect of the relevant Trigger Event.

In addition, if a Trigger Event occurs after a notice of redemption but before the date on which such redemption becomes effective, the notice of redemption shall automatically be deemed revoked and shall be null and void and the relevant redemption shall not be made, and the rights and obligations in respect of the Notes shall remain unchanged.

(c) *Definitions.* In these Terms and Conditions:

"**Group CET 1 Capital Ratio**" means the Common Equity Tier 1 capital ratio pursuant to Article 92(2)(a) CRR of the Regulatory Group on a consolidated basis, as calculated in accordance with the Applicable Supervisory Regulations.

"**Issuer CET 1 Capital Ratio**" means the Common Equity Tier 1 capital ratio pursuant to Article 92(2)(a) CRR of the Issuer on an individual basis, as calculated in accordance with the Applicable Supervisory Regulations.

"**Loss Absorbing AT 1 Instrument**" means, at any time, any AT 1 Instrument (other than the Notes) that may have all or some of its current principal amount written down (whether on a permanent or temporary basis) or converted into Common Equity Tier 1 instruments (in each case, in accordance with its terms or otherwise) on the occurrence or as a result of the Group CET 1 Capital Ratio and/or the Issuer CET 1 Capital Ratio falling below a certain trigger level.

"**Minimum Trigger Level**" means in respect of: (i) the Group CET 1 Capital Ratio 5.125 *per cent.*; and/or (ii) the Issuer CET 1 Capital Ratio 5.125 *per cent.*

"**Required Loss Absorption Amount**" means the amount by which, upon the occurrence of a Trigger Event, a Write-down of the Current Principal Amount of a Note (in conjunction with the concurrent Write-down of the other Notes) shall be effected *pro rata* with the aggregate (current) principal amount of any other Loss Absorbing AT 1

Instruments the trigger events for a write-down or conversion (loss absorption) of which pursuant to their terms have occurred and whose minimum trigger levels have not been restored, irrespective of the opening of any insolvency proceedings. For such purpose, the total amount of the write-downs to be allocated *pro rata* shall be equal to the amount required to fully restore or maintain the Issuer CET 1 Capital Ratio and/or the Group CET 1 Capital Ratio to at least the Minimum Trigger Level, as applicable, but shall not exceed the sum of the current principal amounts of Loss Absorbing AT 1 Instruments the trigger events for a write-down or conversion of which pursuant to their terms have occurred, the minimum trigger levels of which have not been restored and which are outstanding at the time of occurrence of the Trigger Event.

To the extent the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other Loss Absorbing AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant trigger event has occurred will not be, effective for any reason:

(i) the ineffectiveness of any such write-down (or write-off) or conversion into Common Equity Tier 1 instruments shall not prejudice the requirement to effect a Write-down of the Notes (loss absorption); and

(ii) the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other Loss Absorbing AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred which is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Trigger Event has occurred will not be, effective shall not be taken into account in determining such Write-down of the Notes.

Any other Loss Absorbing AT 1 Instrument that may be written down or converted in full but not in part will, for the purposes of determining the relevant Write-down Amounts, be treated as if its terms permit a partial write-down or conversion.

A "**Trigger Event**" occurs if, at any time, (i) the Group CET 1 Capital Ratio; and/or (ii) the Issuer CET 1 Capital Ratio is lower than the applicable Minimum Trigger Level. The Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority shall determine whether a Trigger Event has occurred at any time.

"**Write-down Amount**" per Note means the amount by which the Current Principal Amount per Note is to be Written-down on a Write-down Effective Date, being the lower of (i) the *pro rata* share of the Note in the Required Loss Absorption Amount; and (ii) the amount necessary to reduce the Current Principal Amount to CHF 0.01. Any amounts in any currency other than Euro will, for purposes of establishing the Write-down Amount be converted into Euro at the foreign exchange rate prevailing on the third Business Day prior to the Write-down Effective Date; such foreign exchange rate shall be determined by the Issuer in its reasonable discretion.

"**Write-down Effective Date**" means the date on which the Write-down will take effect, being no later than one month (or such shorter period as the Competent Authority may require) following the occurrence of the relevant Trigger Event.

(d) Any Write-down of a Note pursuant to this § 5 (9) shall not constitute a default by the Issuer for any purpose, and the Holders shall have no right to claim for amounts Written-down, whether in the insolvency or liquidation of the Issuer or otherwise, save to the extent (if any) such amounts are subject to a Write-up in accordance with § 5 (10).

(10) *Write-up*.

(a) The Issuer may, at its sole discretion, effect a reversal of a Write-down by writing up, in any financial years of the Issuer subsequent to the occurrence of such Write-down, the Current Principal Amount in whole or in part up to a maximum of the Original Principal Amount (a "**Write-up**"), provided that a positive Profit has been recorded for each of the Issuer and the Regulatory Group, and subject to the below limitations. There will be no obligation for the Issuer to operate or accelerate a Write-up under any specific circumstances.

If the Issuer so decides in its sole discretion, the Write-up will occur with effect as of the Write-up Effective Date (as defined below) (including).

(b) At its discretion (without being obliged to) the Issuer may effect such Write-up provided that:

(i) at the time of the Write-up, there must not exist any Trigger Event that is continuing; any Write-up is also excluded if such Write-up would give rise to the occurrence of a Trigger Event;

(ii) such Write-up is applied on a pro rata basis to all Notes and *pari passu* with write-ups of other Loss Absorbing Written-down Instruments; and

(iii) the sum of: (x) the aggregate amount attributed to the relevant Write-up of the Notes and the aggregate increase in the current principal amounts of Loss Absorbing Written-down Instruments resulting from any previous Write-up since the end of the then previous financial year; and (y) the aggregate amount of any distribution and any Additional Amounts thereon paid on the aggregate Current Principal Amount of the Notes and the aggregate amount of any distribution and any additional amounts thereon paid on Loss

Absorbing Written-down Instruments as calculated at the moment the Write-up is operated will not exceed the Maximum Write-up Amount at any time after the end of the then previous financial year.

(c) The amount of any Write-up shall be subject to the restrictions relating to any applicable Maximum Distributable Amount and to any other restriction operating as maximum distributable amount as described in § 3 (6) (b)(iv)(D), as at the time of the Write-up.

For the avoidance of doubt, a Write-up of the Notes may occur on one or more occasions until the Current Principal Amount equals the Original Principal Amount. Write-ups do not have priority over dividend payments and other distributions on shares and other CET 1 Instruments, i.e. such payments and distributions are permitted even if no full Write-up of the Notes has been effected.

(d) If the Issuer elects to effect a Write-up, it will publish a notice about the Write-up (including the amount of the Write-up as a percentage of the Original Principal Amount and the Distribution Payment Date (falling after the end of the financial year of the Issuer for which the relevant Profit was determined) on which the Write-up becomes effective (in each case a "**Write-up Effective Date**")) no later than 10 calendar days prior to the relevant Write-up Effective Date to the Fiscal Agent and, in accordance with § 10, to the Holders. The Write-up shall be deemed to be effected, and the Current Principal Amount shall be deemed to be increased by the amount specified in the notice to the Holders is given in accordance with § 10, with effect as of the Write-up Effective Date.

(e) In this § 5 (10):

"**Maximum Write-up Amount**" means the lower of:

(i) the consolidated Profit multiplied by the sum of the aggregate Original Principal Amount of the Notes and the aggregate initial principal amount of all Loss Absorbing Written-down Instruments of the Regulatory Group (for the avoidance of doubt, before any write-down), and divided by the total Tier 1 capital pursuant to Article 25 CRR of the Regulatory Group as at the date the relevant Write-up is operated; and

(ii) the Profit on an unconsolidated basis multiplied by the sum of the aggregate Original Principal Amount of the Notes and the aggregate initial principal amount of all Loss Absorbing Written-down Instruments of the Issuer (for the avoidance of doubt, before any write-down), and divided by the total Tier 1 capital pursuant to Article 25 CRR of the Issuer as at the date the relevant Write-up is operated;

or any higher or lower amount permitted to be used under the Applicable Supervisory Regulations in effect on the date of the relevant Write-up. Any amounts in a currency other than Euro will, for purposes of establishing the Maximum Write-up Amount be converted into Euro at the foreign exchange rate prevailing on the third Business Day prior to the Write-up Effective Date.

"**Loss Absorbing Written-down Instrument**" means any Loss Absorbing AT 1 Instrument (as defined in § 5 (9)) that has had all or some of its principal amount written-down on a temporary basis, and that has terms permitting a principal write-up to occur on a basis similar to that provided herein in the circumstances existing on the date of the Write-up of the Notes.

"**Profit**" means: (i) the net income for the year (*Jahresüberschuss*) of the Issuer on an unconsolidated basis recorded in the Relevant Financial Statements; or (ii) the consolidated net income for the year (*Jahresüberschuss*) on a consolidated basis recorded in the consolidated financial statements of the Regulatory Group, in each case after such Relevant Financial Statements or consolidated financial statements have formally been determined (*festgestellt*) by either the supervisory board (*Aufsichtsrat*) or, if so requested, the shareholders' meeting (*Hauptversammlung*) of the Issuer.

§ 6
FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Offices*. The initial Fiscal Agent, the initial Principal Paying Agent and the initial Calculation Agent and their respective initial specified offices are:

"**Fiscal Agent**" and "**Principal Paying Agent**":

UBS AG
Bahnhofstrasse 45
8001 Zurich
Switzerland

"**Calculation Agent**":

UBS AG
Bahnhofstrasse 45

8001 Zurich
Switzerland

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same country.

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent or the Calculation Agent and to appoint another Fiscal Agent, additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent, (ii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory authorities, and (iii) a Calculation Agent. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer*. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents, the Calculation Agent or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) *Independent Advisor.* If the Issuer appoints an Independent Advisor in accordance with § 3(4), § 6(3) and (4) shall apply *mutatis mutandis* to the Independent Advisor.

§ 7
TAXATION

(1) *General Taxation.* All payments of principal and distributions by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Republic of Austria or by any authority therein or thereof having power to levy Taxes, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of distributions in respect of the Notes, the Issuer shall pay such additional amounts in respect of distributions (but not in respect of principal) (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, provided however that any such Additional Amounts are only payable to the Holder and to the extent they: (i) would not exceed the Distributable Items; and (ii) only relate to withholding tax applicable to distributions to be withheld or deducted by or on behalf of the Issuer. No such Additional Amounts shall be payable with respect to any Note:

(a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Note; or

(b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty, agreement or understanding; or

(c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental

agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

§ 8
PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within thirty years (in the case of principal) and three years (in the case of distributions) upon the relevant due date.

§ 9
FURTHER ISSUES OF NOTES, REPURCHASES AND CANCELLATION

(1) *Further Issues of Notes*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the date of issuance, the issue price, the distribution commencement date and/or the first distribution payment date) so as to be consolidated and form a single series with the Notes.

(2) *Repurchases*. Provided that all applicable regulatory and other statutory restrictions are observed, and provided further that the conditions to redemption and repurchase set out in § 5 (7) are met, the Issuer and any of its Subsidiaries may repurchase Notes in the open market or otherwise. Notes repurchased by the Issuer or any Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation.

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10
NOTICES

(1) *Publication*. All notices of facts concerning the Notes shall be published on the website of the Issuer ("www.hypovbg.at"), and so long as the Notes are listed on the SIX Swiss Exchange Ltd and so long as the rules of the SIX Swiss Exchange Ltd so require, all notices in respect of the Notes shall be validly given through the Principal Paying Agent by means of electronic publication on the website of the SIX Swiss Exchange Ltd (where notices at the time of the issuance of the Notes are published under "https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/") or otherwise in accordance with the regulations of the SIX Swiss Exchange Ltd. Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).

(2) *Notification to Clearing System*. If the publication of notices pursuant to § 10 (1) is no longer required by law or the rules of any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer, the Issuer may, in lieu of publication in the media set forth in § 10 (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given to the Holders on the seventh calendar day after the calendar day on which said notice was delivered to the Clearing System.

§ 11
HOLDERS' MEETING, MODIFICATIONS AND WAIVER

(1) *Amendment to the Terms and Conditions*. In accordance with the subsequent provisions and subject to compliance with the Applicable Supervisory Regulations for the Notes to qualify as AT 1 Instruments (including, for the avoidance of doubt, where relevant, the conditions to redemption and repurchase set out in § 5 (7)), the Holders may agree with the Issuer on amendments to these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions shall be binding on all Holders. A majority resolution which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by majority resolution, to the following measures, among others:

(a) reduction or exclusion of distribution payments;

(b) reduction of the principal amount;

(c) conversion or exchange of the Notes into shares, other securities or other promises of performance;

(d) changes in the currency of the Notes; and

(e) substitution of the Issuer.

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds.

(3) *Convening a Holders' Meeting*. The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 *per cent.* of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication*. The convening notice shall state the name and the registered office of the Issuer and the time of the Holders' meeting, the agenda and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend. The convening notice shall be published pursuant to § 10.

(5) *Convening Period, Evidence*. The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a special confirmation issued by the Clearing System or the Custodian (as defined in § 1 (6)) in text form shall be presented.

(6) *Agenda*. The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 *per cent.* of the outstanding Notes may request that added items be published for resolution. Such added items must be published no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders on its website ("www .hypovbg.at"), any countermotions announced by a Holder before the meeting.

(7) *Quorum*. The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Holders' meeting shall have a quorum if the persons present represent at least fifty *per cent.* of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 *per cent*. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements*. Resolutions relating to material amendments to these Terms and Conditions, in particular consents to the measures set out in § 11 (2) above shall be passed by a majority of not less than 75 *per cent*. (*qualified majority*) of the votes cast. Resolutions relating to amendments to these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting*. All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if it has requested such vote. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in text form. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of § 11 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 11 (13) shall apply *mutatis mutandis*. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right*. Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote*. The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as appointed pursuant to § 11 (15)) has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes*. The provisions of the Austrian Stock Corporation Act (*Aktiengesetz – AktG*) regarding the voting of shareholders in the general meeting shall apply *mutatis mutandis* to the casting and counting of votes. In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions*. The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10. In addition, for a period of at least one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available to the public on its website ("www .hypovbg.at") the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(14) *Implementation of Resolutions*. Resolutions passed by the Holders' meeting which amend or supplement the contents of these Terms and Conditions shall be implemented in such a way that the relevant Global Note is supplemented or amended. If the Global Note has been deposited with a central securities depository, the Chairperson of the meeting or the scrutineer shall forward for this purpose the contents of the resolution recorded in the minutes to the central securities depository, requesting it to add the documents submitted in appropriate form. It shall affirm to the central securities depository that the resolution may be implemented.

(15) *Joint Representative.*

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.

§ 12
APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law*. The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Austrian law except for its conflict of law rules as far as such rules would lead to the application of foreign law.

(2) *Place of Jurisdiction*. The competent court in Vienna, Austria shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with the Notes).

(3) *Enforcement*. Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information specified in clauses (a) and (b). Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.


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