

RESULTS ANNOUNCEMENT FOR THE QUARTER
ENDED 31 MARCH 2025



CURRENT RATINGS

Standard & Poor's: A/A-1 (stable) issuer rating

Moody's: Aa1 mortgage and public-sector covered bond rating

ISS ESG: C Prime status sustainability rating

GROUP FINANCIAL HIGHLIGHTS

EUR '000

Consolidated statement of comprehensive income	Q1 2025	Q1 2024
Net interest income	39,967	46,120
Administrative expenses	-30,189	-27,263
Impairment losses on financial assets – IFRS 9 ECL	-15,078	-8,892
Profit before tax	8,193	19,009
Income tax expense	-1,675	-4,484
Profit for the period	6,518	14,524
Return on equity before tax	3.74%	9.03%
Cost/income ratio	52.49%	48.17%
Consolidated statement of financial position	31 Mar. 2025	31 Dec. 2024
Total assets	16,946,156	16,357,561
Financial assets – AC	14,855,658	14,708,988
Financial liabilities – AC	15,374,542	14,762,832
Equity (incl. non-controlling interests)	886,593	889,892
Non-performing loan ratio	3.12%	2.94%
Operational resources	31 Mar. 2025	31 Dec. 2024
Employees at end of reporting period	629	617
Branches	26	26

The interim indicators are reported on an annualised daily basis.

COMPANY PROFILE

This results announcement for the HYPO NOE Group was prepared by the Group's parent, HYPO NOE Landesbank für Niederösterreich und Wien AG (HYPO NOE Landesbank).

HYPO NOE Landesbank is the largest and oldest-established of Austria's state mortgage banks¹, and has been a reliable commercial bank, a stable state bank and a specialist mortgage lender for over 130 years. Using its strong position in Lower Austria and Vienna as a springboard, the Bank operates primarily in Austria and Germany, as well as in selected markets elsewhere in the European Union.

The HYPO NOE Group serves as a one-stop shop, providing a comprehensive range of financial services for public sector, real estate and corporate customers, in line with its business model as a mortgage bank. The product portfolio is centred on funding for hard and social infrastructure, non-profit and commercial housing construction, and other large property development projects. Retail customers benefit from the expert personal service delivered by the branch network in the Group's home market of Lower Austria and Vienna, with its focus on housing finance.

The Group concentrates on four business segments that play to its core competences: Public Sector, Real Estate, Retail and Corporate Customers, and Treasury & ALM. Wholly owned subsidiary HYPO NOE Leasing, which specialises in real estate leasing to public sector clients and has extensive experience of budget-efficient financing solutions for social infrastructure, enables the Group to concentrate on serving large federal government, state government and local authority clients.

HYPO NOE Landesbank is one of Austria's leading covered bond issuers and is a regular participant on the capital markets through the flotation of secured and unsecured benchmark bonds. Thanks to the solid foundations provided by customer deposits, and its increasingly close cooperation with development banks, HYPO NOE Landesbank can also look to diversify its sources of refinancing. Standard & Poor's currently gives the Bank a solid single A rating with a stable outlook, while Moody's ratings on the public sector and mortgage cover pools are also unchanged at Aa1.

HYPO NOE Landesbank is backed by a stable and reliable sole owner in the shape of Austria's largest state, Lower Austria. The Bank's owner takes a long-term view, ensuring that the Bank can maintain its strategy of organic growth in its core business, best-in-class digital solutions in its mortgage lending operations, and further improvements in profitability, while preserving a conservative risk and capital profile.

The Bank's sustainable approach to its core operations is underpinned and promoted by clear ethics guidelines and business principles. Its portfolio is geared strongly towards sustainability due to the large proportion of lending that creates social value added. ISS ESG Prime status underlines the Bank's commitment to environmental and social responsibility. HYPO NOE Landesbank has also received an ESG rating from Sustainalytics, and has been awarded the DZ Bank sustainability seal of approval.

¹In terms of total assets (2024 consolidated financial statements) and date of establishment.

FINANCIAL REVIEW

In the first quarter of 2025, HYPO NOE Landesbank continued to systematically consolidate its strategic position as the bank for the state of Lower Austria and a strong partner for the public sector, the domestic economy, the real estate sector and retail customers. The impacts of geopolitical events have made for a challenging operating environment so far in the current financial year.

Earnings performance

The HYPO NOE Group's "Profit before tax" stood at EUR 8.2m in the first quarter of 2025 (Q1 2024: EUR 19.0m), with a return on equity (ROE) before tax of 3.74% (Q1 2024: 9.03%).

"Net interest income" at the end of the quarter was EUR 40.0m (Q1 2024: EUR 46.1m). The Group reported an improvement in "Net fee and commission income", which went up by 14% year on year, to EUR 6.1m (Q1 2024: EUR 5.3m).

"Administrative expenses" rose to EUR 30.2m (Q1 2024: EUR 27.3m). This was mainly driven by the increase in the current financial stability contribution as well as the one-off payment towards the financial stability contribution, which were both adopted by the lower house of the Austrian Parliament at the beginning of March.

Adjusted for exceptional and non-recurring earnings components, the cost/income ratio based on operating profit was 52.49% (Q1 2024: 48.17%).

Balance sheet movements

The most notable feature of the HYPO NOE Group's balance sheet as at the end of the first quarter was the high quality of assets. "Cash and balances at central banks" were EUR 531.1m higher than at year-end 2024, at EUR 1.3bn (31 Dec. 2024: EUR 753.5m). "Financial assets – AC" also increased, reaching EUR 14.9bn at the end of the reporting period (31 Dec. 2024: EUR 14.7bn).

Since the beginning of this year, HYPO NOE Landesbank's new lending has totalled around EUR 408.7m (Q1 2024: EUR 318.6m), mainly in the form of loans for infrastructure projects and housing construction, as well as corporate financing.

The HYPO NOE Group's NPL ratio was influenced by the continued challenging macroeconomic developments during the first three months of 2025. At 3.12%, the ratio as at 31 March 2025 has slightly increased compared with year-end 2024 (31 Dec. 2024: 2.94%). The Intensive Care Management Department deals with non-performing loans in a systematic and structured manner, with the goal of reducing the increased level of NPLs in future reporting periods.

Total risk provisions (Stages 1-3 and purchased or originated credit impaired [POCI]) rose to EUR 125.2m (31 Dec. 2024: EUR 117.3m), primarily as a result of allocations due to changes in credit risk; as a consequence, risk provisions for Stages 1 and 2 fell to EUR 28.6m (31 Dec. 2024: EUR 30.1m).

"Financial Liabilities – AC" increased to EUR 15.4bn (31 Dec. 2024: EUR 14.8bn), partly due to the issuance of a further Green Senior Preferred Bond. In February, HYPO NOE Landesbank once again demonstrated its long-standing reputation on the capital markets with the new EUR 500m 6-year benchmark bond. The fact that the order books were several times oversubscribed and the broad investor base, including many with a focus on green and sustainable investments, underlines the success of the issue.

First-time application of CRR III

CRR III came into effect on 1 January 2025. Owing to the high degree of complexity of the new regulations and the short timeline for implementation, the EBA significantly extended the deadline for submission of the supervisory COREP reporting templates as at the current reporting date. Consequently, the final regulatory figures will be available by 30 June 2025 at the latest. As expected, implementation of the CRR III regulations will have effects on the HYPO NOE Group's capital ratios. These effects will mainly be attributable to the Real Estate segment. Additional optimization measures, which were also implemented based on interim clarifications and publications from the EBA, are already demonstrating positive effects and are contributing to a significant reduction of the originally anticipated impact of the initial application of CRR III on capital ratios (approximately -300 basis points) at the end of the year.

STATEMENT OF PROFIT OR LOSS

Gains/losses

EUR '000	Q1 2025	Q1 2024
Interest and similar income measured using the effective interest method	128,171	144,946
Interest and similar income not measured using the effective interest method	19,317	30,361
Interest and similar expense	-107,521	-129,187
Net interest income	39,967	46,120
Fee and commission income	6,585	5,850
Fee and commission expense	-493	-524
Net fee and commission income	6,092	5,326
Net measurement gains	4,579	17,334
Net gains on derecognition of financial assets	273	60
Net gains on financial assets and liabilities	4,852	17,394
Other operating income	2,234	2,524
Other operating expense	-595	-15,712
Administrative expenses	-30,189	-27,263
Impairment losses on financial assets – IFRS 9 ECL	-15,078	-8,892
Net losses on investments accounted for using the equity method	911	-488
Profit before tax	8,193	19,009
Income tax expense	-1,675	-4,484
Profit for the period	6,518	14,524
Non-controlling interests	-107	-115
Profit attributable to owners of the parent	6,411	14,409

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

EUR '000	31 Mar. 2025	31 Dec. 2024
Cash and balances at central banks	1,284,639	753,541
Financial assets – HFT	145,395	157,922
Financial assets – mandatorily FVTPL	67,662	68,141
Financial assets – FVOCI	172,752	207,911
Financial assets – AC	14,855,658	14,708,988
Positive fair value of hedges (hedge accounting)	259,155	280,356
Investments accounted for using the equity method	35,324	35,401
Investment property	23,588	23,188
Intangible assets	888	847
Property, plant and equipment	61,058	61,058
Current tax assets	11,236	29,239
Deferred tax assets	428	384
Other assets	28,372	30,587
Total assets	16,946,156	16,357,561

EUR '000	31 Mar. 2025	31 Dec. 2024
Financial liabilities – HFT	128,667	142,001
Financial liabilities – FVO	5,907	5,839
Financial liabilities – AC	15,374,542	14,762,832
Negative fair value of hedges (hedge accounting)	338,130	366,872
Provisions	30,464	31,030
Current tax liabilities	70	70
Deferred tax liabilities	30,594	26,650
Other liabilities	151,189	132,375
Equity	886,593	889,892
Equity attributable to owners of the parent	879,183	882,589
Non-controlling interests	7,410	7,302
Total equity and liabilities	16,946,156	16,357,561

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	1 Jan. 2025	Profit for the period	Dividends paid	Changes in scope of consolidation	Other comprehensive income	31 Mar. 2025
Share capital	51,981	-	-	-	-	51,981
Capital reserves	191,824	-	-	-	-	191,824
Retained earnings	639,707	6,411	-10,000	-	-	636,118
Other reserves composed of:	-922	-	-	-	182	-739
Actuarial losses	-1,306	-	-	-	-	-1,306
Debt instruments – FVOCI	-152	-	-	-	203	51
Equity instruments – FVOCI	668	-	-	-	-1	667
Hedges (hedge accounting)	-132	-	-	-	-19	-152
Equity attributable to owners of the parent	882,589	6,411	-10,000	-	182	879,183
Non-controlling interests	7,302	107	-	-	-	7,410
Equity	889,892	6,518	-10,000	-	182	886,593

EUR '000	1 Jan. 2024	Profit for the period	Dividends paid	Changes in scope of consolidation	Other comprehensive income	31 Mar. 2024
Share capital	51,981	-	-	-	-	51,981
Capital reserves	191,824	-	-	-	-	191,824
Retained earnings	594,701	14,409	-20,000	-10	-	589,099
Other reserves composed of:	2,691	-	-	-	-757	1,934
Actuarial gains	150	-	-	-	-	150
Debt instruments – FVOCI	2,101	-	-	-	-449	1,651
Equity instruments – FVOCI	441	-	-	-	-	441
Hedges (hedge accounting)	-	-	-	-	-308	-308
Equity attributable to owners of the parent	841,196	14,409	-20,000	-10	-757	834,837
Non-controlling interests	8,781	115	-	10	-	8,906
Equity	849,977	14,524	-20,000	-	-757	843,744

ACCOUNTING POLICIES

In all material respects, this HYPO NOE Group quarterly results announcement was drawn up in accordance with the same accounting policies as those applied to the IFRS consolidated annual financial statements for the year ended 31 December 2024.

The HYPO NOE Group prepared this quarterly results announcement voluntarily, and is not obliged to publish such information. It does not meet all the requirements of International Financial Reporting Standards (IFRS) and was not drawn up in accordance with the IFRS as adopted in the EU.

The regulations of IAS 34 were not fully applied for this quarterly results announcement. This includes among other things, paragraphs 8(d) (condensed consolidated statement of cash flows) and 8(e) (selected explanatory notes) of IAS 34.

This announcement should be read in conjunction with the 2024 Annual Report. This results announcement was neither subjected to a full audit nor reviewed by independent auditors.

PUBLICATION DETAILS

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Important information

The greatest possible care has been taken in preparing this quarterly results announcement. However, transmission, typesetting and printing errors cannot be ruled out. Minor rounding differences may occur in connection with totals of rounded amounts and percentages.

The forecasts and forward-looking statements contained in this announcement are based on current estimates and information available at the time of writing. They should not be taken as a guarantee that results expressed in forecasts and forward-looking statements will actually occur; actual results are subject to risks and other factors, and could therefore differ materially from results contained in forecasts or forward-looking statements. The Group is not obliged to update its forecasts and forward-looking statements.

The German version of this announcement is the definitive version. The English version is a translation of the German announcement.