

HYPO NOE Group with further increases in core earnings in 2024

Highlights 2024

- Profit before tax at EUR 82.2m after significant one-off effect in the previous year (2023: EUR 88.1m)
- Further expansion of core earnings - net interest income of EUR 183.9m up +4.1% and net fee and commission income of EUR 20.1m up +22.6% year-on-year (2023: EUR 176.7m and EUR 16.4m, respectively)
- Administrative expenses of EUR 111.1m were below the prior year level despite inflation (2023: EUR 112.8m), improvement in CIR based on operating result to 51.72% (2023: 52.21%)
- The increase in the NPL ratio to a moderate 2.94% as at 31 Dec. 2024 is primarily due to macroeconomic developments (31 Dec. 2023: 2.45%), while the NPL coverage ratio remained at a solid level of 89.1% (31 Dec. 2023: 102.9%)
- Strong CET1 ratio of 20.32% as at 31 Dec. 2024 (31 Dec. 2023: 20.88%)

Core earnings further expanded

On 20 March 2025, HYPO NOE Group reported its results for 2024. After EUR 88.1m in 2023 and taking into account a significant positive one-off effect from settlement agreements in connection with the legal risk of negative interest rates from corporate loan agreements in the previous year, **profit before tax** remained at an almost unchanged high level of EUR 82.2m in the reporting period. The basis for this positive development was the continuous expansion of **core earnings**, which at EUR 204.0m were 5.6% above the previous year's result of EUR 193.1m.

„On the one hand, our business success is built on a solid, diversified foundation of serving individuals, businesses, the property sector and the public sector. On the other hand, we have been actively seeking new business opportunities for many years, constantly looking at the issues of the future and how best to integrate them into our business strategy. We are seizing the opportunities presented by the challenging market environment to further expand our products and services, and to position ourselves as a strong financial partner. This is also reflected in last year's results, in which we succeeded in growing our core earnings once again.“

Wolfgang Viehauser

Management Board Member Markets and Speaker of the Board

Compared to the same period of the previous year, **net interest income** increased by 4.1% to EUR 183.9m, while **net fee and commission income** rose by 22.6% to EUR 20.1m (2023: EUR 176.7m and EUR 16.4m, respectively). **Administrative expenses** of EUR 111.1m were 1.5% lower than in the same period of the previous year (2023: EUR 112.8m), despite inflation-related cost increases.

At 51.72%, the **cost/income ratio**¹ (CIR) improved further compared to the previous year (2023: 52.21%), while the **net result** for the reporting period of EUR 64.2m was only slightly below the previous year's result of EUR 65.9m. All segments contributed to this pleasing operating result, which, in view of the prevailing macroeconomic developments, once again confirms the profitability of HYPO NOE Group's comprehensive customer strategy with a regional focus on the core markets of Austria and Germany.

Continuation of prudent provisioning policy

In the period under review, **net losses on risk provisions** (ECL) were EUR -23.6m (2023: EUR -27.2m), with the IFRS 9 credit risk model as part of the risk provisioning taking a conservative view of the continuingly difficult conditions in commercial property development, particularly for expected future losses on exposures. At the end of 2024, ECL provisions in the performing loan portfolio (Stage 1 and 2) amounted to EUR 29.9m, which in relation to risk-weighted assets (RWA) still represents a solid level of 70 bps (31 Dec. 2023: EUR 34.9m or 89 bps, respectively). The NPL coverage ratio declined slightly and remained at a solid level of 89.1% at the end of the reporting period (31 Dec. 2023 102.9%), with the EU average² most recently standing at 41.6%.

„The very good operating result, combined with a slight decline of 1.5% in administrative expenses, led to a further reduction in the cost-income ratio to 51.72% at the end of 2024. The Common Equity Tier 1 capital ratio also remained at an excellent level of 20.32%. These outstanding achievements will enable us to continue to pursue our strategy in 2025, so that we, as a Landesbank, can continue to offer our customers security and reliability in financial matters.“

Udo Birkner

Management Board Member Finance, Risk & Operations

Resilient capital and risk profile

At the end of the reporting period, HYPO NOE Group once again reported a well above-average **Common Equity Tier 1 (CET1) ratio** of 20.32% (2023: 20.88%). The capitalisation of HYPO NOE Group thus remained comfortably above target, and at 31 December 2024 just over 7 percentage points above the regulatory minimum requirement including SREP.

The Group's **non-performing loan (NPL) ratio** rose to 2.94% in 2023 (31 Dec. 2023: 2.45%), primarily due to macroeconomic developments, and is at a moderate long-term level in view of the prudent provisioning policy, consistent restructuring management and the overall low-risk business model with a focus on infrastructure and residential housing.

¹ Operating expenses/operating income

² Source: European Banking Authority (EBA), EBA Risk Dashboard | Most recently available statistics : as of Sep. 2023 on 11 Mar. 2025

Refinancing programme for 2024 successfully completed

The liabilities side of the balance sheet as at 31 Dec. 2024 was characterised by a 6.2% increase in **financial liabilities - AC** to EUR 14.8bn (vs. 31 Dec. 2023: EUR 13.9bn). The 11.1% increase in **customer deposits** to EUR 5.7bn as at 31 Dec. 2024 also contributed to this, with their share of the overall funding mix increasing further to 38.3% at year-end (31 Dec 2023: 37.1%). With the three benchmark bonds issued last year - a Swiss franc green senior preferred and a Euro public sector and mortgage covered bond - the refinancing programme of HYPO NOE Landesbank for 2024 was implemented as planned due to continued strong investor demand.

Outlook

The economic environment in the 2024 financial year was characterised by a variety of challenges. In addition to ongoing geopolitical tensions, particularly in Ukraine and the Middle East, the financial industry was adversely affected by subdued economic growth forecasts and rising insolvency figures. The HYPO NOE Group proved to be particularly resilient in this challenging environment and achieved an excellent result. The current economic environment, characterised by rising construction cost indices, higher interest rates and generally stricter lending criteria for private housing loans, is presenting commercial property developers and real estate project finance with increasing challenges. In addition to a solid capital base, this development is taken into account through conservative, model-compliant risk provisioning.

The HYPO NOE Group's strategy is based on organic growth in the core business, the systematic expansion of digital solutions - especially in the mortgage segment - and a further increase in profitability. Rising administrative expenses due to high inflation will be countered by further efficiency gains and process optimisation as well as by sharpening the business model while maintaining the risk-conscious, sustainable growth path. The State of Lower Austria as the Group's 100% owner with a long-term orientation supports the consistent implementation of this strategy.

The complete Annual Report 2024 is available to download at ir.hyponoe.at/en.

HYPO NOE Landesbank für Niederösterreich und Wien AG

HYPO NOE Landesbank is the largest and oldest-established of Austria's state mortgage banks¹, and has served as a dependable commercial bank, stable state bank and specialist mortgage bank for more than 130 years. Based on the foundations of its strong position in the capital region of Lower Austria and Vienna, the Bank operates primarily in Austria and Germany, as well as in selected markets in the European Union.

For further information, please contact the Investor Relations team:

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¹ By total assets (according to half-year financial report 2024 or consolidated financial statements 2023) and date of establishment