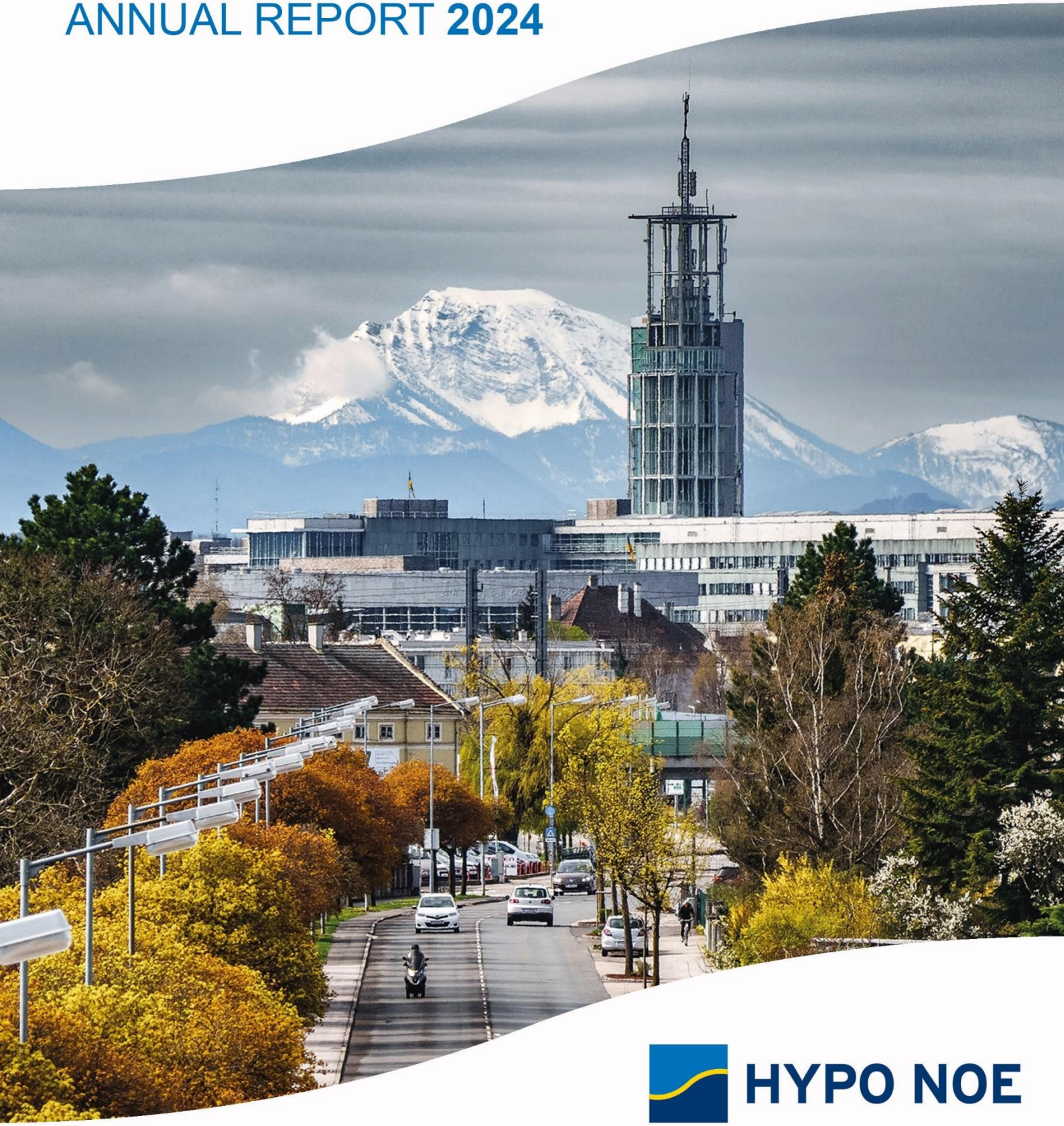
ANNUAL REPORT **2024**



HYPO NOE

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	2024	2023
Net interest income	183,869	176,699
Administrative expenses	-111,086	-112,830
Impairment losses on financial assets – IFRS 9 ECL	-23,560	-27,236
Profit before tax	**82,242**	**88,113**
Income tax expense	-17,772	-22,130
Profit for the year	**64,470**	**65,983**
Return on equity before tax	9.45%	10.74%
Cost/income ratio	51.72%	52.21%
Consolidated statement of financial position	**31 Dec. 2024**	**31 Dec. 2023**
Total assets	16,357,561	15,579,450
Financial assets – AC	14,708,988	14,229,790
Financial liabilities – AC	14,762,832	13,898,367
Equity (incl. non-controlling interests)	889,892	849,977
Non-performing loan ratio	2.94%	2.45%
Regulatory indicators	**31 Dec. 2024**	**31 Dec. 2023**
Eligible Tier 1 capital	867,308	817,211
Total eligible capital	867,308	817,211
Minimum capital requirement (Pillar I)	341,446	313,121
Excess equity	525,862	504,089
Total risk exposure amount in accordance with Art. 92(3) CRR	4,268,077	3,914,015
Tier 1 capital ratio in accordance with Art. 92(2)(b) CRR	20.32%	20.88%
Total capital ratio in accordance with Art. 92(2)(c) CRR	20.32%	20.88%
Leverage ratio in accordance with Art. 92(2)(d) CRR	5.30%	5.27%
Liquidity coverage ratio	229.23%	235.99%
Net stable funding ratio	118.55%	115.63%
Operational resources	**31 Dec. 2024**	**31 Dec. 2023**
Employees	617	619
Branches	26	26

For details of the calculation see section 3.2 Earnings performance.

FOREWORD BY THE SUPERVISORY BOARD

2024 was a ‘super year’ for elections. In the USA, former President Donald Trump was re-elected. In Austria, besides regional elections, a new lower house of Parliament was elected, with the Freedom Party (FPÖ) emerging as the strongest party for the first time. The negotiations on the formation of a new government have proven to be extremely tough. The main task facing the next government will be balancing the budget. On the international front, the situation remained uneasy due to Russia’s continuing war with Ukraine, as well as tensions and conflicts in the Middle East.

At home, Lower Austria was hit by disaster in the middle of September: flooding in the wake heavy rain caused damage totalling around EUR 1.3bn, according to estimates from the Austrian Institute of Economic Research (WIFO). The State of Lower Austria reported that the majority of its territory – including 425 local authorities and 20,000 properties in all – was affected. There were 2,700 evacuations and more than 90,000 emergency responders were deployed across the state.

As the bank for the state of Lower Austria, HYPO NOE responded immediately, showing that it remains a strong partner for the region and the people living there, and can more than live up to its responsibilities towards the state. In the immediate aftermath of the flooding, the Bank donated EUR 100,000 in emergency aid for people affected by the disaster. HYPO NOE’s Wiederaufbau-Kredit reconstruction loan was introduced as a means of giving customers swift, bureaucracy-free access to financing, enabling them to quickly rectify flood damage.

During the year, HYPO NOE continued to systematically implement its tried-and-tested business model, positioning itself once again as a strong financial partner for the public sector, the domestic economy, the real estate sector and retail customers. The Bank consistently pursued its strategy in these businesses, with an emphasis on outstanding personal consultation coupled with individual, made-to-measure financing solutions and first-class digital services. HYPO NOE’s customer-centred, risk-aware strategy also proved extremely successful in the year under review, as reflected in its excellent results and the dividend paid to the owners.

Successful refinancing operations on the capital market in 2024, together with strong interest once again from institutional investors, are testimony to the Group’s high recognition levels and solid business policies. Both the EUR 500m benchmark bond issued from the mortgage cover pool in January and the EUR 500m, eight-year benchmark bond from the public sector cover pool, which was placed in April, were heavily oversubscribed.

I am particularly pleased that this enabled HYPO NOE to play a part in the state’s development as a business location in these challenging economic times. What’s more, the Group underlined its commitment to society, and the topics of environmental protection and sustainability are now integral components of its overarching strategy. HYPO NOE was the first bank in Austria to receive certification under the Umweltzeichen ecolabel for its green loans: the Green Home Loan and Green Life Loan, as well as the Green Investment Loan for corporates. Together with the green current and savings accounts, this closes the loop for the sustainable flow of funds at HYPO NOE.

In 2024 the Supervisory Board was involved in all fundamental decisions, supervised the Management Board in accordance with legal requirements and provided it with guidance relating to the management of the Group. Through its plenary and committee meetings, and reports from the Management Board, the Supervisory Board was able to obtain a timely and comprehensive picture of the relevant economic and financial developments affecting the HYPO NOE Group.

Our Bank’s strong performance in 2024 has had a positive influence on the development of Lower Austria and its standing as a business location, while the long-term focus and wide-ranging support of our owner, the State of Lower Austria, has been instrumental in the Group’s successful expansion and the continuous growth in its value.

Alongside a solid strategy, the foundations of the Bank's success are – above all – the outstanding work and tireless efforts of the Management Board and all of our employees. Their dedication, expertise and vision – hand-in-hand with customer-focused service – are the backbone of the Group's success, as well as the key to long-lasting customer relations based on a sense of partnership. The Supervisory Board would like to express its gratitude to the Management Board and all of the Group's managers and employees, and above all for the trust and loyalty of our customers and investors.

Günther Ofner

Chairman of the Supervisory Board

FOREWORD BY THE MANAGEMENT BOARD

The HYPO NOE Group kicked off 2024 with a successful return to the capital market, in the shape of its first covered bond issue of the year. Demand for the EUR 500m, six-year benchmark bond from the mortgage cover pool was strong – within around 90 minutes, the order book already stood at EUR 900m! There was also keen interest in the second euro-denominated covered bond issue in April, with orders for the eight-year, EUR 500m benchmark bond from the public sector cover pool passing the EUR 1bn mark after only half an hour. This once again underlined HYPO NOE's excellent reputation on the international financial markets, as well as the level of investor confidence in our solid, risk-aware business model.

Alongside these outstanding successes on the capital market, we were also delighted to be one of only 13 Austrian banks to be named as a Forbes World's Best Bank. This title is awarded every year by respected business magazine Forbes and market research company Statista, based on an independent survey of more than 49,000 bank customers in 33 different countries.

2024 was not only an eventful year for the HYPO NOE Group. Elections – including for the US Presidency, the lower house of the Austrian Parliament, and the European Parliament – had a defining impact, and will continue to set the tone for the economy, geopolitics and the lives of ordinary citizens in the respective countries and beyond for years to come. From an economic standpoint, it was a challenging year: Austria's GDP fell slightly by 0.9% in 2024, although there was also a significant slowdown in inflation – to a predicted 2.9% – and the labour market and unemployment rate remained relatively stable despite the difficult economic conditions. On top of this, Lower Austria and its population were hit by severe flooding in mid-September 2024.

Against this backdrop, however, HYPO NOE put in an excellent performance during the reporting period. We capitalised on the opportunities that presented themselves in the challenging market, further expanding our range of products and services and positioning the Group as a strong financial partner yet again. This is reflected in last year's results, which included another increase in core earnings: net interest income rose by 4.1% to EUR 183.9m, while net fee and commission income went up by around 23% to EUR 20.1m. We also recorded a slight decrease in administrative expenses, of 1.55%, to EUR 111m. Excellent operating profit led to a further decline in the cost/income ratio, which fell from 52.21% at the end of 2023 to 51.72% as at 31 December 2024.

This performance is built on solid and diversified foundations, thanks to our focus on services for retail customers, corporates, the real estate industry and the public sector. For several years now, we have also been on the lookout for new business opportunities. We are constantly examining topics that will shape the future and exploring ways to integrate them as effectively as possible in our strategy.

Another key topic that will play an important role in the future – especially in view of the prevailing shortage of skilled workers, and labour in general – is the creation of a positive employer brand. Day in and day out, our 600 or so employees make a decisive contribution to the HYPO NOE Group's success, and are a vital component of the effective consulting and services we provide for our customers. Without their dedication, expertise and hard work, this sharp focus on servicing our customers and the implementation of our numerous programmes and projects would not be possible. For this reason, it is not only customer satisfaction that is our number one priority – employee satisfaction is paramount, too. As part of our employee experience project, we are constantly taking action aimed at regularly adapting the working environment to the needs of our people. And HYPO NOE's podium finish at the highly regarded Employee Experience Champion Award in 2024 shows exactly how far we have come over the past few years. What's more, we were delighted to be the only company to have also secured a top-three place in 2023.

One aspect of this positive work setting is a healthy work-life balance. Particularly in connection with the berufundfamilie audit, this is why we are always looking to adopt measures that enable employees to strike a better balance between work and outside commitments – so renewal of our berufundfamilie certification last year was another highly pleasing development. This shows that the steps taken, and our upcoming projects in connection with the audit, make a significant contribution to an improved work-life balance. A good example came in summer 2024, when the Ferienzeit@HYPONOE project took place for the first time. Designed to give our staff a helping hand during the school holidays, the project provided childcare for employees' children aged between six and twelve. It was especially satisfying that this service was so well received by so many employees, and all of the available places on the pilot project were taken up. In view of the strong interest, the project will be continued and is due to be offered again in summer 2025.

As a regional business fully owned by the State of Lower Austria, we believe that we have an obligation not only to our customers and employees, but also to our home region and the people who live there. The significance of our operations for Lower Austria, and indeed Austria as a whole, was evaluated by economic research institute Economica. According to the institute's analysis, between 2021 and 2023 the Group supplied liquidity totalling more than EUR 4bn to regional businesses, local authorities and retail customers. This lending paved the way for the expansion of domestic infrastructure, while at the same time helping private individuals to make the dream of owning their own home come true. In addition, the EUR 4bn in loans induced a further EUR 3bn in added value throughout Austria, as well as securing some 42,000 jobs in these three years.

We also live up to our responsibilities to the region outside of our business model. Following the record flooding in September, we decided to donate EUR 100,000 to the Österreich hilft Österreich and Hilfe im eigenen Land campaigns, which provided direct support to people affected by the disaster. Customers hit by the flooding were also able to access funding for swift emergency measures in the form of our Wiederaufbau-Kredit loan.

In spite of the various challenges we faced in 2024, we again recorded some outstanding successes – both as an employer and as a business. These pleasing results will allow us to continue offering security and reliability for our customers' financial affairs in the future, in our role as a state bank. Our goal is to carry on serving as a reliable, expert partner on financial matters for people and companies. The Group's achievements in 2024, as well as the various awards we received, show that we are heading in the right direction. Which is why we will continue to systematically pursue our strategy in 2025, fine-tuning our customer services and maintaining our strong emphasis on tailored personal advice. And we will also remain at our employees' side as a secure regional employer in the year ahead.

Wolfgang Viehauser and Udo Birkner

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024
IN ACCORDANCE WITH IFRS
HYPO NOE GROUP

HYPO NOE GROUP ANNUAL REPORT 8

GROUP OPERATIONAL AND FINANCIAL REVIEW 9

1 ECONOMIC CLIMATE 10
2 COMPANY PROFILE 15
3 FINANCIAL REVIEW 16
4 RISK REPORT 22
5 RESEARCH AND DEVELOPMENT 22
6 EQUITY INVESTMENTS AND BRANCH OFFICES 22
7 INTERNAL CONTROL SYSTEM (ICS) AND RISK MANAGEMENT 23
8 NON-FINANCIAL STATEMENT 26
9 GROUP OUTLOOK 166

CONSOLIDATED FINANCIAL STATEMENTS 169

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 170
2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION 172
3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 173
4 CONSOLIDATED STATEMENT OF CASH FLOWS 174

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 175

1 GENERAL INFORMATION 176
2 SEGMENT INFORMATION 179
3 EQUITY AND CONSOLIDATED OWN FUNDS 184
4 FINANCIAL INSTRUMENTS AND CREDIT RISK 191
5 ADDITIONAL NOTES TO THE STATEMENT OF PROFIT OR LOSS 250
6 ADDITIONAL NOTES TO THE STATEMENT OF FINANCIAL POSITION 255
7 TAXES 265
8 RISK MANAGEMENT 269
9 NOTES TO THE STATEMENT OF CASH FLOWS 290
10 GROUP STRUCTURE AND RELATED-PARTY RELATIONSHIPS 291
11 EVENTS AFTER THE REPORTING PERIOD 302
12 GOVERNING BODIES OF HYPO NOE LANDESBANK 303

ADDITIONAL INFORMATION 304

1 DECLARATION BY THE COMPANY'S LEGAL REPRESENTATIVES 305
2 AUDITORS' REPORT 306
3 REPORT OF THE SUPERVISORY BOARD 312

HYPO NOE

HYPO NOE Group
Annual Report

GROUP OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2024
IN ACCORDANCE WITH IFRS
HYPO NOE GROUP

Part I: HYPO NOE GROUP ANNUAL REPORT 8

GROUP OPERATIONAL AND FINANCIAL REVIEW 9

1 ECONOMIC CLIMATE 10
2 COMPANY PROFILE 15
3 FINANCIAL REVIEW 16
4 RISK REPORT 22
5 RESEARCH AND DEVELOPMENT 22
6 EQUITY INVESTMENTS AND BRANCH OFFICES 22
7 INTERNAL CONTROL SYSTEM (ICS) AND RISK MANAGEMENT 23
8 NON-FINANCIAL STATEMENT 26
9 GROUP OUTLOOK 166

CONSOLIDATED FINANCIAL STATEMENTS 169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 175

ADDITIONAL INFORMATION 304

1 ECONOMIC CLIMATE

1.1 Global economic and financial market trends

The 2024 reporting year was marked by political developments. With respect to the major central banks' monetary policies, there was widespread speculation about when and how quickly they would begin cutting interest rates. As central banks were reluctant to commit themselves ahead of time in their communications strategies, preferring instead to make their decisions based on short-term economic and inflation data, the lack of visibility throughout the course of the year led market participants to constantly reassess interest rate developments.

In terms of geopolitics, the war in Ukraine, as well as the conflict in the Middle East between Israel and Iran and its allies in the Gaza Strip, Lebanon and Yemen continued to dominate. The sudden collapse of the Assad regime in Syria added to this at the end of the year. Overall, the situation in the Middle East was still fragile, dangerous and unclear as the year drew to a close.

2024 was a 'super year' for elections. Never before had so many people in so many different countries been called to the ballot boxes. The EU elections in June – which saw the ground shift in favour of right-wing nationalist parties while still giving moderate centrist parties a majority – are worthy of particular mention. French President Emanuel Macron felt compelled to call snap elections in response to his movement's poor showing. However, this tactical manoeuvre backfired and led to a stalemate between the parties of the left, centre and right. Left with little political room to manoeuvre ever since, France also had to contend with a strained financial situation.

In Germany, the unpopular 'traffic light coalition' came to a premature end at the beginning of November. A vote of no confidence against Federal Chancellor Olaf Scholz sealed the official fall of the coalition shortly before the end of the year, while at the turn of the year Federal President Frank-Walter Steinmeier made the decision to hold early elections in February 2025. In Austria, the elections for parliament's lower house in September also brought significant changes to the political landscape. Although it won the most votes, the right-wing nationalist FPÖ party was not initially mandated to form a government, a task that passed to the second-placed ÖVP instead. Engaged in difficult negotiations ever since, potential coalition partners the ÖVP, SPÖ and Neos were unable to come to an agreement and talks broke down at the start of 2025. This was followed by negotiations on the formation of a government between the FPÖ and the ÖVP, which also failed after a few weeks. However, the search for a viable government appears more urgent than ever due to the current challenges surrounding economic policy, such as the impending EU deficit proceedings against Austria, which have been fended off for the time being.

From a wider political perspective, though, the US election on 5 November was the outstanding event. After incumbent President Joe Biden withdrew his candidacy in June in response to poor approval ratings, the Democrats' decision to certify Vice President Kamala Harris as their official nominee soon made the election race exciting once again. Ultimately, however, former President Donald Trump prevailed.

1.1.1 Economy and inflation

As in the previous year, global economic growth was subdued. While the US economy surprised observers once again, this time with growth of 2.8%, developments in Europe were disappointing.

Still evident at the beginning of 2024, the prevailing sense of optimism surrounding the prospects of a moderate upturn in growth in the eurozone – underpinned by an increase in leading economic indicators – subsided as the year progressed, with a sober realisation that the situation had in fact deteriorated in various respects. Private consumption failed to gain momentum despite a temporary rise in real wages. The lingering effects of past crises, a prolonged economic downturn and major uncertainties driven by the political environment all weighed on consumer spending. Even so, as weak sentiment is not fully reflected in economic growth, economic output grew by 0.7% in 2024.

In addition to restrained consumer spending, the ongoing recession in the industrial sector had a part to play in the subdued economic performance of the past year. The European industrial sector has been in recession since spring 2023, with no clear end in sight. Factors such as comparatively high energy and labour costs, low productivity, shortages of skilled

workers, red tape, and uncertainty about the political and geopolitical environment were reflected in a general reluctance to invest, and in the industrial sector in particular. The gradual reduction in interest rates pursued by the European Central Bank (ECB) since June and a more relaxed inflationary environment had a positive impact on the economy. Meanwhile, the problems in the supply chain, which had led to massive supply bottlenecks and sharp price increases during the coronavirus pandemic, no longer played a role in 2024.

Roughly as forecast, the picture was brighter as regards inflation in the eurozone. Price growth in the goods sector came to a virtual standstill by year-end, while inflation in the services sector – driven primarily by substantial wage increases over the past two years – eased only slightly. The inflation rate for the eurozone as a whole reached a cyclical low of 1.7% year-on-year in September, before rising slightly above the 2% mark by year-end. By contrast, the core rate, which is more heavily influenced by service prices, has remained steady at 2.7% in recent months.

As in 2023, US economic growth stood out as the sole positive surprise among the major economies, though the industrial sector has been showing signs of weakness for some time and is going through a mild recession. In spite of a moderate cooling in the labour market, employment held firm at a high level, and the overall situation coupled with encouraging wage growth continued to stimulate private consumption. Positive wealth effects fuelled by a booming stock market and relatively high interest rates buoyed household demand for goods and services. But even in the USA, challenges remain in some areas. The industrial sector has been weakening for some time and is going through a mild recession.

Disinflation continued in the USA over the course of the year, albeit to a lesser degree than elsewhere, such as in the eurozone. This significantly higher economic growth likely contributed to a relatively higher inflation rate in the US. As in Europe, the goods and services sectors saw contrasting price developments: there has been minimal growth in the price of goods, yet inflation in the service sector continues to run at a high level. In December, overall inflation stood at 2.9%, while the core rate was 3.2%.

The bursting of the real estate bubble in China led to a structural problem that still continues to burden the economy, despite concerted efforts by the government and the central bank. Swingeing cuts resulting from the country's Covid-19 measures are reflected in subdued consumption. Persistently very high over a multi-year period, youth unemployment is also dampening consumer behaviour in China. Economic policies and significant subsidies have led to overcapacity in some industries, which is putting additional financial pressure on many companies in these sectors. Faced with weak domestic demand, China is seeking to address overcapacity through exports. There are signs of slightly deflationary inflation trends.

1.1.2 Monetary policy

After two years of significant interest rate hikes, most central banks initiated a new cycle of rate cuts in 2024, underpinned by declining inflation rates. The Bank of Japan, which raised its key interest rate by a total of 35 basis points in two small increments, was one of only a few exceptions.

The ECB instituted its first rate cut in June, when it reduced key rates by 25 basis points. Three additional rate cuts followed by the end of the year. Its deposit rate was lowered by a total of 100 basis points to 3% at year-end. There was an even larger reduction in the main refinancing rate, of 135 basis points, as the ECB narrowed the spread between the deposit rate and the main refinancing rate from 50 basis points to just 15 basis points in September. While monetary policy became less restrictive as a result of these cuts, the ECB pressed ahead with its balance sheet reduction process. Excess liquidity in the European financial system fell from EUR 4.7 trillion at year-end 2022 to less than EUR 3 trillion in December 2024 as a result of these measures.

Much later – and to a lesser degree than originally anticipated by markets at the end of 2023 – the US Federal Reserve also began reducing its key federal fund rates. An initial cut of 50 basis points in September was followed by two subsequent 25-basis-point reductions. The Fed also maintained the pace of its balance sheet reduction, with its total assets decreasing to USD 6.88 trillion by the end of 2024, down from just under USD 9 trillion in spring 2022 and approximately EUR 8 trillion at the end of 2023.

1.1.3 Geopolitical situation

In 2024, too, the geopolitical situation was shaped by significant tensions and conflicts. The war in Ukraine continued unabated. Isolated territorial gains by the Ukrainian troops along the southern and eastern front lines notwithstanding, there was no decisive breakthrough on Ukrainian soil. Continued high losses and growing exhaustion on both sides defined the face of a gruelling war of attrition, which saw Russia increasingly capitalise on its greater resources for military gain. At the same time, Russia and its allies stepped up their efforts to limit the economic and diplomatic consequences of the conflict, while in a number of Western nations, political and economic pressures saw support for Ukraine start to wane in some quarters.

Tensions in the Middle East escalated once again over the course of the year. In addition to the ongoing conflict between Israel and Iran and its allies in Gaza, Lebanon and Yemen, a number of surprising geopolitical upheavals played out in 2024. Most notably, the sudden fall of the Assad regime in Syria late in the year sparked intense power struggles between rival factions, with the likes of Turkey, Russia, and Iran also vying for influence and resources. Meanwhile, the situation in Yemen deteriorated, with Iranian-backed Houthi rebels stepping up their attacks, which also posed a threat to international shipping routes. Overall, the situation in the Middle East remained fragile, dangerous and unclear. Although a broader regional conflict was averted, the risk of further escalation is still high.

In the Indo-Pacific region, China continued to ratchet up the pressure on Taiwan. In response, the USA and its allies bolstered their presence in the region to maintain stability. South Korea enhanced its own defence capabilities and deepened its cooperation with the US and Japan. As a result of these developments, the geopolitical situation in the Western Pacific remains complex and tense.

1.1.4 Capital market developments

At the end of 2023, capital market interest rates reached unusually low levels for reasons that are not entirely clear. This led to a correction of the speculative and overblown expectations of rate cuts in the first half of 2024, with bond yields peaking around late May. In the second half of the year, yields fell back, largely due to a combination of anaemic eurozone economic data and the ECB's decision to initiate its rate-cutting cycle. December brought a reversal, when rates began to climb modestly. Previously inverted, the yield curve in the eurozone flattened for residual maturities of over two years and in some cases even rose slightly as the year progressed.

Developments in sovereign bonds were particularly notable. The significant overpricing of German Bunds due to the ECB's ultra-loose monetary policy can be seen in the interest rate spread. The Bund-swap spread, which had widened to -100 basis points in October 2022, gradually narrowed before reaching parity in early November 2024.

As a result of the political turmoil in France and the country's fiscal policy, which has long been too expansionary and manifested itself in a high budget deficit and a high debt ratio of 112% in mid-2024, the risk premiums for French government bonds widened sharply in relation to the interest rate spread to German Bunds, reaching 88 bp at the start of November – the highest level since the euro financial crisis. By contrast, risk premiums for the countries hardest hit by the debt crisis, such as Italy and Greece, hit new cyclical lows. This divergence highlights market participants' renewed focus on the specific debt situation and political stability of a given country. One term from the 1980s is being increasingly used in this respect. The "*bond vigilantes"* — i.e. investors enforcing fiscal discipline — are back.

Despite the tense geopolitical situation, most stock markets had another good to very good year, though there was considerable divergence across regions and indexes. In Europe, the weakest performers were the French share indexes – all of which posted a negative performance. By contrast, Germany's leading index, the DAX, was among the top performers, putting on almost 19% since the start of the year, while the index for medium-sized companies, the MDAX, posted negative returns. US equity markets continued to lead the global field, although they were heavily distorted by the gains of a handful of heavyweight tech stocks.

The performance of gold and cryptocurrencies was also remarkable. In defiance of traditional patterns, which see gold shed value against a surging dollar and/or relatively high yields, the commodity gained almost 26% in US dollar terms and almost 33% in euro terms over the course of the year. This rally was likely driven by significant purchases by foreign central banks looking to diversify away from the US dollar.

However, it was the cryptocurrency market that achieved the most impressive performance in 2024. Bitcoin started the year at USD 43,600 and closed around USD 93,500, having surged to an annual peak of USD 107,000 along the way. Coming late in the year, this rally was largely fuelled by the re-election of Donald Trump as the 47th President of the United States of America.

1.2 Economic trends in the HYPO NOE Group's core markets

1.2.1 Austria and Germany

Economic trends in both of the HYPO NOE Group's core markets were shaped by recession in 2024: Austria's gross domestic product contracted by 0.9%, and Germany's by 0.3%. This downturn was driven by several factors, including heightened geopolitical tensions, a drop in global demand and the need to make structural adjustments during a period of increasingly cut-throat competition — particularly in the automotive sector — as well as rising financing and labour costs. Their combined effects led to significant uncertainties among market participants in both core markets, lower export demand (Austria: down 3.9% year-on-year; Germany: down 2.8% year-on-year by October 2024) and a loss of competitive advantage.

In both countries, inflation declined significantly in 2024, from its height in 2022 and 2023 to 2.9% in Austria and 2.7% in Germany. Though energy prices in Austria fell by 29.9% (electricity price index) and 17.9% (gas price index) year-on-year, they have risen again since autumn for a number of reasons, including efforts to diversify gas supplies following the cessation of imports from Russia.

The labour market remained relatively stable despite the difficult underlying conditions, with unemployment running at 8.3% in Austria in December 2024, a rate that was 0.5 percentage points above the level reported in the same month a year earlier. Meanwhile, the most recent forecast for Germany put the rate for 2024 at 6%.

The sharp rise in construction and financing costs, in tandem with a decline in housing finance, once again weighed heavily on construction sector growth in 2024 (Austria: down 8%; German private housing investment in 2024: down 4.9%). The effects of the countries' anticyclical housing investment package targeting both eco-friendly renovations and increasing access to cheaper housing loans and additional affordable housing will take some time to make themselves felt. After years of rising property prices, both core markets went through a temporary correction phase between Q3 2022 and Q1 2024. While residential property price indexes returned to growth between Q2 2024 and the end of the year, they were not able to fully make up the ground lost due to the earlier correction.

Although private consumption benefited to some extent from the significant rise in net real income, it failed to deliver the expected growth stimulus (private consumption in Austria: down 0.3%; Germany: up 0.1%). By contrast, in Austria the savings rate rose from 8.7% in 2023 to 11.4% in 2024, and from 10.4% to 11.5% in Germany.

Tax revenues in both countries grew between January and December 2024. However, government expenditure also rose significantly. The 10.5% increase in Austria was driven by pension adjustments in 2024, investments to accelerate renewable energy expansion, and incentives for thermal and energy-efficient renovations. Austria's net fiscal deficit amounted to EUR 19.1bn during this period (up EUR 8.2bn on a year earlier). For 2024, the Oesterreichische Nationalbank (OeNB) is forecasting a deficit of 3.7% of GDP (up from 2.6% in 2023) and an increase in the national debt ratio from 78.6% to 81.8%.

1.2.2 Federal states

The economic downturn in 2024 was especially evident in export- and industry-dominated states, particularly in Vorarlberg and Styria. The metal-producing industry, along with plant engineering and vehicle manufacturing, has been significantly impacted by the ongoing recession. Construction activity, particularly building construction, continued along its downward trajectory, decreasing between 2% in Lower Austria and 10.3% in Burgenland by mid-2024. After a strong recovery in 2023, growth in the tourism sector slowed considerably in 2024, with only a modest 1.3% increase reported between January and November. The highest gains were recorded in Vienna, Burgenland and Upper Austria.

Rising interest expenses, coupled with inflation-driven increases in material and staff costs, put state budgets under strain in both 2023 and 2024. At the same time, revenue shares distributed to the states increased only slightly year-on-year and, at 2.1%, remained high. According to the currently available state budgets, the aggregate net financing deficit is projected to rise sharply to EUR 4.9 billion, which represents an increase of 69% compared to 2023. This is expected to drive a 6.9% increase in financial debt to EUR 34 billion.

Negotiations on fiscal equalisation between the federal government, federal states and municipalities were concluded with a unanimous agreement at the end of 2023 and adopted for 2024-2028. Annual funding totalling EUR 1.1bn was allocated to the federal states and municipalities through the Future Fund. Additionally, a support package that includes a further municipal investment programme to bring about a reduction in the municipalities' co-financing share from 50% to 20% is designed to bolster liquidity and stimulate the economy. Funding for the federal states and municipalities was increased by EUR 240 million to ensure sustainable budgetary management.

1.3 Banking sector trends in the eurozone

In 2024, the EU banking sector was affected by the various major challenges facing the global economy. These included military conflicts, ailing economies in several countries and the shift in monetary policy initiated by the major central banks in 2022.

Against this backdrop, the OeNB confirmed that the domestic banking sector continues to have a robust business model, as reiterated in its Financial Stability Report of November 2024. The average Common Equity Tier 1 (CET1) ratio of 17.7% as at 30 June 2024 represented a further improvement for Austrian banks (16.6% as at 30 June 2023), as well as providing solid foundations in light of potential adverse developments moving forward. The non-performing loan (NPL) ratio increased year-on-year from 2% to 2.7% as at 30 June 2024.

The ECB's change of direction on interest rates in the first half of 2024 contributed to significantly improved net interest income for Austrian banks during the course of the year, while net fee and commission income fell slightly. Overall, Austria's banks have continued to benefit from the restructuring efforts of the past few years and posted further year-on-year improvements in their operating results. In the course of an extended consolidation process, the number of banks in Austria (main institutions) has fallen by around a quarter since 2012.

Although the current challenges identified by the OeNB for the domestic banking sector apply equally to the rest of Europe, by and large the continent's banks are well positioned. The equity ratios of financial institutions in the European Union have recently stabilised at high levels. Increasing digitalisation of customer offerings was one of the key trends of 2024. Multi-channel approaches – which in the case of universal banks still feature branches, albeit augmented by digital offerings – have become established as the fundamental strategy for many retail banks in Europe.

In some European countries and regions – Spain, Italy and Scandinavia chief among them – a continuing trend towards consolidation has been observed in their national banking sectors in recent years. In Austria, by contrast, there has been a noticeable break in the process of consolidation, regular mergers of local Raiffeisen banks notwithstanding. Meanwhile, though, cross-border takeovers of major European banks appear to be on the table again.

2 COMPANY PROFILE

This report on 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 banks[1], 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. The wholly owned HYPO NOE Leasing subsidiary, 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 issuer and 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.

[1]In terms of total assets (2024 interim financial statements and 2023 consolidated financial statements) and date of establishment.

3 FINANCIAL REVIEW

3.1 Highlights

- "Profit before tax" of EUR 82.2m (2023: EUR 88.1m) – result in the comparative period due to a non-recurring effect
- "Net interest income" of EUR 183.9m (2023: EUR 176.7m)
- "Administrative expenses" 1.55% lower year on year, at EUR 111.1m (2023: EUR 112.8m)
- Further improvement in the cost/income ratio (CIR) based on operating profit, to 51.72% (2023: 52.21%)
- Non-performing loan (NPL) ratio of 2.94% as at 31 December 2024 (31 Dec. 2023: 2.45%)
- Two EUR 500m benchmark covered bonds and one CHF 100m green bond issued in 2024
- CET1 ratio of 20.32% (31 Dec. 2023: 20.88%)

3.2 Earnings performance

The HYPO NOE Group generated "Profit before tax" of EUR 82.2m (2023: EUR 88.1m) and a return on equity (ROE) before tax of 9.45% (2023: 10.74%) in the year under review.

After a significant increase in the comparative period (2023: up +24.32%), "Net interest income" improved once again in 2024 – by 4.06% – to EUR 183.9m (2023: EUR 176.7m). "Net fee and commission income" rose to EUR 20.1m (2023: EUR 16.4m), an improvement of 22.57% (2023: increase of 8.88%).

During the reporting period, this performance made a valuable contribution to the implementation of the Group's strategy, which is aimed at organic growth in its core business and further improvements in profitability, while also preserving a conservative risk and capital profile.

With inflation trending downwards though still high, the decrease in "Administrative expenses" to EUR 111.1m (2023: EUR 112.8m) was due mainly to the cessation of contributions to the resolution fund and the deposit insurance fund.

The positive development of the HYPO NOE Group's consolidated profit is reflected in the CIR adjusted for exceptional, non-recurring items: in 2024, the ratio improved once again compared with the previous year, to 51.72% (2023: 52.21%).

		31 Dec. 2024	31 Dec. 2023
Return on equity before tax	Profit before tax/avg. consolidated equity	9.45%	10.74%
Return on equity after tax	Profit for the year/avg. consolidated equity	7.41%	8.04%
Return on assets	Profit for the year/total assets	0.39%	0.42%
Cost/income ratio	Operating expenses/operating income	51.72%	52.21%
NPL ratio	Carrying amounts of non-performing financial assets – AC (excl. banks)/financial assets – AC (excl. banks)	2.94%	2.45%

3.3 Cost/income ratio

The cost/income ratio is a key indicator of the HYPO NOE Group's long-term efficiency. It shows the ratio of operating expenses to operating income and is made up as follows.

Operating income is composed of "Net interest income", "Net fee and commission income", "Net gains or losses on financial assets and liabilities", "Net other operating income" and "Net gains or losses on investments accounted for using the equity method". In 2024, as in the previous year, it excluded the following exceptional, non-recurring components: (1) valuation of the HETA contingent additional purchase price (see also Note 4.7 Fair value disclosures); and (2) the change in the provision for negative interest rates on corporate loans (see Note 6.2 Provisions).

Operating expenses are based on the "Administrative expenses" item, which was adjusted for the following exceptional, non-recurring earnings components in the previous year: (1) the contribution to the resolution fund; (2) the contribution to

the deposit insurance fund; and (3) the one-off payment of the financial stability contribution spread across the 2017-2020 period.

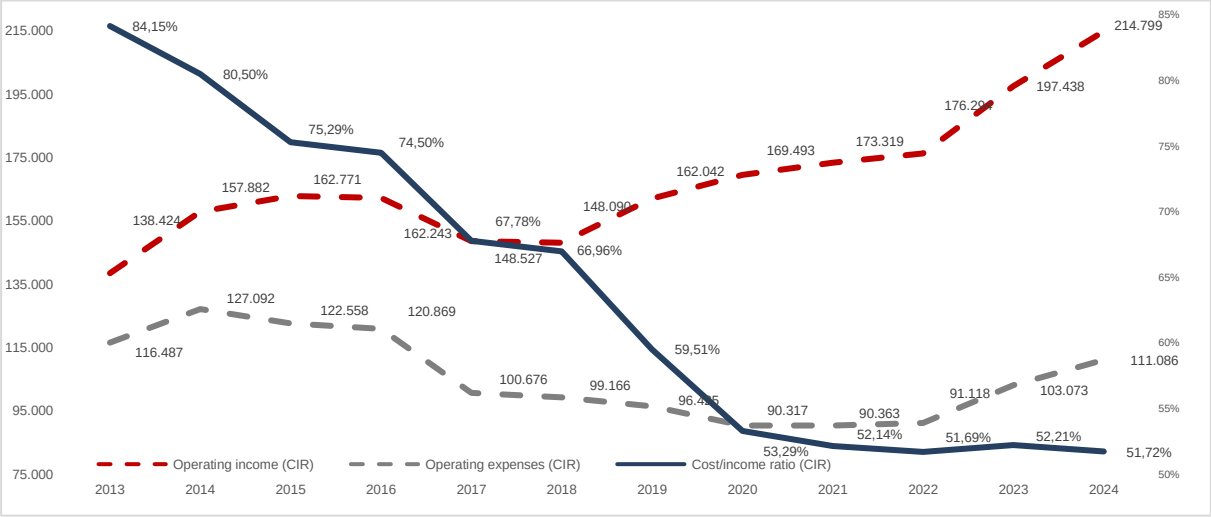
EUR '000	2024	2023
Net interest income	183,869	176,699
Net fee and commission income	20,095	16,395
Net gains or losses on financial assets and liabilities	3,443	-11,169
Net other operating income	4,023	50,683
Net gains or losses on investments accounted for using the equity method	5,458	-4,430
Extraordinary effects	-2,089	-30,740
Operating income	**214,799**	**197,438**
Administrative expenses	-111,086	-112,830
Extraordinary effects	-	9,756
Operating expenses	**-111,086**	**-103,073**
CIR	**51.72%**	**52.21%**

Operating income in 2023 included a non-recurring effect of EUR 28.7m from the reversal of a provision, which was adjusted for in operating income. Operating expense for the period under review did not include any extraordinary effects, meaning that adjustment of the operating expense used to calculate the CIR was not necessary.

The chart below, which shows movements in the CIR since 2013, reveals a significant improvement as a result of effective cost reduction measures and steps aimed at increasing earnings.

CIR since 2013*

EUR '000



*Retrospectively adjusted, as described above

3.4 Balance sheet movements

HYPO NOE Landesbank has 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 rise in "Financial assets – AC" compared with year-end 2023, to EUR 14.7bn (31 Dec. 2023: EUR 14.2bn), mainly reflected the continuing high level of new business in the various customer segments. During the reporting period the HYPO NOE Group extended new loans amounting to around EUR 1,615m (2023: EUR 1,638m), providing important funding primarily for infrastructure projects, housing construction and corporate finance. In view of the difficult operating environment, this represented a strong signal from the Group's customer-facing units.

The evolution of the Group's risk provisions and non-performing loan ratio reflects the challenging macroeconomic climate (see section 3.5 Non-performing loan [NPL] ratio). Total risk provisions (Stages 1-3 and purchased or originated credit impaired [POCI]) increased to EUR 117.3m (31 Dec. 2023: EUR 114.8m), primarily as a result of allocations due to changes in credit risk (for Stage 3 in particular). Risk provisions for Stages 1 and 2 amounted to EUR 30.1m, which was lower than in the previous reporting period (31 Dec. 2023: EUR 35.0m).

The rise in "Financial liabilities – AC" to EUR 14.8bn as at year-end 2024 (31 Dec. 2023: EUR 13.9bn) was due to several bond issues, as well as satisfactory growth in customer deposits. This also reflects the Group's targeted and effectively managed refinancing strategy.

3.5 Non-performing loan (NPL) ratio

The NPL ratio is calculated on the basis of the gross carrying amounts under the "Financial assets – AC" item, adjusted to exclude banks.

The following table shows the NPL ratio as at the stated reporting dates:

EUR '000	31 Dec. 2024	31 Dec. 2023
Financial assets – AC (excl. banks)	13,690,323	13,217,087
Non-performing loans	401,867	323,341
NPL ratio	**2.94%**	**2.45%**

The Group's NPL ratio was influenced by the prevailing macroeconomic developments during the period under review. Thanks to the systematic approach of the Intensive Care Management Department, non-performing loans are dealt with in a structured manner, leading to a reduction in the temporarily increased level of NPLs in future reporting periods.

3.6 Segment performance

The HYPO NOE Group reported a highly satisfactory "Profit before tax" of EUR 82.2m in 2024. Even after adjustment for a non-recurring effect related to the reversal of provisions in the previous reporting period, this represented another increase in pre-tax profit and underlined the Group's solid long-term performance, driven by the consistent implementation of its strategy in the face of challenging economic conditions. The operating segments all contributed to this result, as explained below.

3.6.1 Public Sector segment

The Public Sector segment recorded a substantial increase in profit before tax, which reached EUR 35.2m (2023: EUR 30.1m) – this underlined the HYPO NOE Group's success as well as its expertise when it comes to developing bespoke financing solutions for state governments, municipalities, local and regional authorities, and public agencies.

Net interest income rose by over 7% year on year, due mainly to the leasing and bespoke financing operations at the Group's subsidiaries.

Net fee and commission income was also significantly higher than in the comparative period – this shows that the HYPO NOE Group is also a valued partner for services offered in addition to the conventional lending and deposit-taking business.

The level of inflation in recent years has had an impact on segment administrative expenses. The effect of inflation was more than offset by the cessation of contributions to the resolution fund in 2024, which resulted in a EUR 2.1m reduction in the cost base.

Reflecting the risk-averse nature of the segment's business, the impairment gains/losses on financial assets – IFRS 9, ECL item remained low.

3.6.2 Real Estate segment

The Real Estate segment reported profit before tax of EUR 15.4m (2023: loss of EUR 17.8m).

One of the segment's key focuses is on financing solutions for non-profit housing developers, which are usually more defensively positioned and have solid capitalisation, as well as related financing for tranches of subsidised home loans for non-profit housing construction from the State of Lower Austria. This line of business accounted for a large proportion of the year-on-year increase in segment assets.

Net interest income reflected the positive effect of additional lending, as well as an increase in payments of default and overdraft interest by customers – principally in the real estate development sector – due to the difficult operating environment. However, the collateral situation in the segment is satisfactory.

Shaped by rising construction cost indexes, higher interest rates and generally stricter criteria for housing loans to retail customers, the current economic environment is increasingly posing problems for commercial property developers and large-scale project developers. These factors have led to an increase in non-performing loans in this sub-portfolio. Besides sound capitalisation, this development is also reflected in conservative risk provisioning in line with the Group's business model.

The impairment gains/losses on financial assets – IFRS 9, ECL item remained high in the period under review, but was down year on year. Although conditions on the real estate market remain challenging, the evolution of results under the risk provisioning model point towards a slight improvement.

The net gains on investments accounted for using the equity method underline the significant improvement in performance compared with 2023. The valuation of EWU Wohnbau Unternehmensbeteiligungs-GmbH at EUR 2.2m in 2024 was particularly noteworthy. The reassessment of the recoverable amount was mainly the result of an adjustment in the company's structure, which involved the disposal of non-profit investments and the liquidation of EWU as planned. The valuation of NOE Immobilien Development GmbH also indicates that operating conditions are improving. An impairment in the comparative period resulted in recognition of a measurement loss of EUR 7.3m; by contrast, the valuation of the company rose by EUR 0.6m in the period under review.

As in the other segments, the increase in administrative expenses due to inflation was largely offset by the cessation of resolution fund contributions.

3.6.3 Retail and Corporate Customers segment

Retail and Corporate Customers recorded a profit before tax of EUR 1.6m in the reporting period (2023: EUR 10.1m). This substantial decrease was due to considerably higher expenses reported under the impairment gains/losses on financial assets – IFRS 9, ECL item, as well as direct write-offs recognised in net gains or losses on financial assets and liabilities, particularly as a result of the default of individual corporate customers.

Segment net interest income rose sharply year on year, which primarily reflected the significant increase in deposits with the HYPO NOE Group, especially from retail customers. Diversifying the refinancing base is an important consideration for the Group in order to safeguard resilience in terms of liquidity.

The Retail and Corporate Customers segment made the largest contribution to Group "Net fee and commission income", at EUR 15.3m (2023: EUR 14.0m). This year-on-year improvement in spite of difficult operating conditions is testimony to the effective work of the retail customer sales unit in generating additional earnings irrespective of the level of interest rates.

In accordance with the principle of causation-based cost allocation, a significant proportion of the contribution to the resolution fund was not attributed to this segment in 2023. As a result, the end of contributions to the fund barely had an offsetting effect on segment administrative expenses.

3.6.4 Treasury & ALM segment

Thanks to forward-looking liquidity management, interest rate risk positioning within strict limits, and its ability to capitalise on current market opportunities, Treasury & ALM reported outstanding pre-tax profits of EUR 33.0m, although this was significantly lower than the EUR 43.7m reported a year earlier.

Net interest income was EUR 17.2m lower than in the comparative period. As expected, net gains from interest maturity transformation were significantly down on the record level reported in 2023. The reversal in interest rate policy during the period under review has had an increasing effect on conditions offered to customers – especially retail customers – in the deposits business. This item also reflects higher refinancing costs on account of the current volatile economic environment.

In accordance with paragraph B5.4.6 IFRS 9, the effect of the change in the expected repayment date for TLTRO financing had a positive influence on net interest income in 2024, which amounted to EUR 0.5m (2023: EUR 0.9m). This effect will be recognised for the final time in the current financial year.

Net gains or losses on financial assets and liabilities includes gains on currency valuations for derivatives totalling EUR 10.4m (2023: losses of EUR 9.4m), which are offset by currency valuations reported in net other operating income. The net gains or losses on hedges item was less volatile than in 2023 (2024: losses of EUR 1.5m; 2023: losses of EUR 4.6m).

In January 2024, HYPO NOE Landesbank completed its first placement on the Swiss capital market with a CHF 100m green preferred senior benchmark bond issue. This once again demonstrated the Bank's expertise when it comes to developing sustainable financial products – for new markets, among others – and also impressively underlined its strong reputation as an issuer among the international investor community. In addition, during the first half of 2024, two EUR 500m covered bond issues – one benchmark bond from the mortgage cover pool and one from the public sector cover pool – were placed with domestic and international investors in January and April, respectively.

3.7 Equity

Under Regulation (EU) No. 575/2013 (Capital Requirements Regulation [CRR]) as amended, including latterly by Regulation (EU) No. 2024/1623, and related EBA delegated regulations, as well as Directive 2013/36/EU on access to the activity of credit institutions (Capital Requirements Directive [CRD]) as last amended by Regulation (EU) No. 2024/1623, which is currently being transposed into Austrian law and various national orders, since 2014 it has been required to determine banks' consolidated own funds and their consolidated regulatory own funds requirements in accordance with IFRS and the regulatory scope of consolidation.

Consolidated eligible capital in accordance with the CRR/CRD as amended was EUR 867.3m as at 31 December 2024 (31 Dec. 2023: EUR 817.2m).

Excess equity excluding buffers stood at EUR 525.9m at the end of the reporting period (31 Dec. 2023: EUR 504.1m), compared with a capital requirement of EUR 341.4m (31 Dec. 2023: EUR 313.1m). The Tier 1 capital ratio in accordance with Article 92(2)(b) CRR and the total capital ratio in accordance with Article 92(2)(c) CRR were 20.32% as at 31 December 2024 (31 Dec. 2023: both ratios 20.88%).

Also known as CRR III, Regulation (EU) No. 2024/1623 (mentioned above) comes into effect on 1 January 2025. Article 2(3) of the Regulation includes a full list of provisions that were applicable from 9 July 2024, and which are consequently relevant for the 2024 reporting period.

3.8 Leverage ratio

The leverage ratio is a non-risk-based regulatory indicator intended to limit gearing. It supplements the risk-based Tier 1 and total capital ratios and, as a result, restricts banks' debt-financed and – from a regulatory perspective – risk-aware growth. A key control metric, the leverage ratio is reported on a quarterly basis, disclosed every half-year, and is fully integrated into the Group's planning processes.

	31 Dec. 2024	31 Dec. 2023
Tier 1 capital	867,308	817,211
Total leverage ratio exposure	16,353,780	15,497,335
Leverage ratio in accordance with Art. 92(2)(d) CRR	**5.30%**	**5.27%**
Leverage ratio requirement (Pillar 1)	3.00%	3.00%

3.9 Liquidity coverage ratio

The regulatory liquidity coverage ratio (LCR) is an important control metric for operational liquidity. Reported on a monthly basis, the LCR is integral to the Group's operational liquidity management and the planning processes.

EUR '000	31 Dec. 2024	31 Dec. 2023
Liquidity buffer	2,029	1,434
Net liquidity outflow	885	608
LCR	**229.23%**	**235.99%**

3.10 Net stable funding ratio (NSFR)

The NSFR helps to reduce dependence on short-term refinancing by safeguarding medium-to-long-term stable funding. The ratio is reported on a quarterly basis and is integrated into the Group's planning processes.

EUR '000	31 Dec. 2024	31 Dec. 2023
Stable funding requirement	11,067,152	10,645,121
Available stable funding	13,120,411	12,308,993
NSFR	**118.55%**	**115.63%**

4 RISK REPORT

Descriptions of risk management objectives and methods, and explanations of material risks are contained in Note 8 RISK MANAGEMENT of the notes to the consolidated financial statements.

5 RESEARCH AND DEVELOPMENT

As a financial services provider, research and development in the industrial sense only plays a minor role at the HYPO NOE Group. The Group constantly invests in innovation and fine-tuning, in line with its guiding principle of offering customers continuous improvements in all lines of business and in product quality.

6 EQUITY INVESTMENTS AND BRANCH OFFICES

The HYPO NOE Group holds investments that underpin its strategy. The Group only enters into such investments if they are compatible with its primary business objectives. In line with its role as a shareholder representative, the Group promotes, guides and supports investees' strategic business development. Details of changes in the scope of consolidation can be found under Note 10.1 Scope of consolidation.

HYPO NOE Landesbank has operated a branch office at Wipplingerstrasse 4, 1010 Vienna since 2008.

HYPO NOE Landesbank had 26 branches in Lower Austria and Vienna as at 31 December 2024 (31 Dec. 2023: 26).

7 INTERNAL CONTROL SYSTEM (ICS) AND RISK MANAGEMENT

The main features of the Group's internal control and risk management systems, and their significance for the accounting process, are outlined below.

7.1 Control environment

The HYPO NOE Group Management Board is responsible for the design, implementation and refinement of an internal control system focused on Group accounting processes. The Board ensures that Company-wide monitoring of the ICS takes place by creating the necessary organisational structures (assignment of responsibilities, creation of appropriate information systems, etc.).

The Group Accounting Department at HYPO NOE Landesbank is responsible for all accounting matters and for issuing instructions in order to ensure compliance with Group-wide standards. Directives have been drawn up to assist it in performing its duties.

The HYPO NOE Group's internal control system comprises a comprehensive range of coordinated methods and measures that ensure

- compliance with laws and guidelines (compliance objectives)
- the efficiency and effectiveness of the Group's business activities
- the reliability of operational information, and
- optimal protection of the assets, finances and earnings of the HYPO NOE Group, as well as the accuracy of financial reporting.

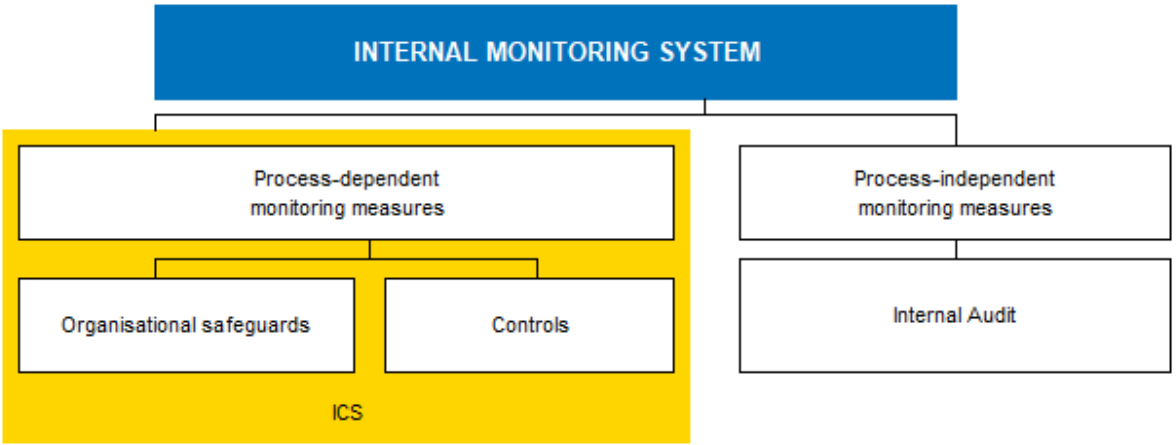
7.2 Risk assessment

The accounting process can give rise to the following key risks:

- Unintentional errors or fraud
- The accounts do not present a true and fair picture of assets, finances and earnings that reflects actual circumstances. This is the case when the financial statements contain figures or disclosures that deviate materially from the correct information.
- Material errors when making estimates and exercising judgement

7.3 Control measures

The HYPO NOE Group's internal monitoring system comprises process-dependent and process-independent monitoring measures.



Organisational safeguards are all measures implemented at organisational level as well as one-off measures – either within a department or across several departments – that are designed to prevent errors, fraud and damage to the HYPO NOE Group, chief among them:

- Signature regulations, decision-making authorities
- Role and permission systems in IT applications
- Business continuity management
- Daily, weekly and monthly reports
- Preparation and periodic updating of documentation (manuals, guidelines, work instructions)

With regard to the ICS, **controls** are periodic or ongoing checks that are directly or indirectly integrated into the processes being monitored. They are designed to safeguard the quality of the process outcomes by ensuring early identification and prevention of deviations.

While value for money is a concern when implementing controls, fulfilment of legal requirements, including those with no demonstrable benefit, must always be assured.

The following primary control measures are carried out:

- Four-eye principle within individual departments, or across departments
- Use of checklists
- Automated checking of values and analysis of reports/lists
- Checking information
- Performing key controls

The ICS ensures that business information is correctly recorded in the financial statements, analysed and assessed, and incorporated into the Bank's accounting.

The ICS encompasses accounting-related instructions and processes aimed at correct and appropriate recording of events with regard to the following:

- Employment of the Group's assets
- Recording all information required to draw up the annual financial statements, in order to prevent unauthorised purchases and sales
- Risk-based decision-making authorities and monitoring instruments which could have a material impact on the annual financial statements
- Tailoring the chart of accounts to the Group's specific requirements
- Storage of vouchers according to systematic and chronological criteria, providing an adequate audit trail
- Documentation of processes involved in the preparation of the separate parent entity and consolidated financial statements, and the parent entity and Group operational and financial reviews, as well as the related risks and controls
- Sufficient numbers of suitably qualified staff in departments involved in the accounting process; standardised training and development programmes to ensure that employees have the necessary skills for their roles; senior

executives serving as role models in terms of integrity and ethical standards is the foundation of the control system
- Clear demarcation of the main functions involved in the accounting process and their management as separate departments
- Unambiguous assignment of departmental responsibilities
- Protection of computer systems against unauthorised access by means of appropriate control mechanisms
- Auditing of accounting data for their completeness and correctness on a sample basis
- Checks of all data-entry processes related to accounting in accordance with the four-eye principle; checks are carried out by Group Accounting, or by trained staff in the various operational departments, in accordance with internal regulations.
- Daily or monthly plausibility checks and preparation of trial balances for posting lists, revenue reports, valuation lists and lists of Banking Act/Capital Requirements Directive IV requirements, etc. provided by the central Accenture TiGital GmbH IT system, which subjects them to automated checks
- IT security checks as one of the cornerstones of the internal control system; firewalling of sensitive activities by taking a restrictive approach to IT authorisations

7.4 Information and communication

The following financial reports are published in fulfilment of the monitoring and control functions, and to ensure that accounting and reporting are in line with the relevant standards:

- Annual report and ESEF annual report, interim consolidated financial statements in accordance with IAS 34, and quarterly results announcements
- Monthly and quarterly reports to the Management Board and the Supervisory Board (segment information, budget/actual comparisons)
- Periodic reporting to the OeNB in accordance with the statutory reporting requirements for banks; forwarding of reports from the central Accenture TiGital GmbH IT system, and checking and correction of any errors by the finance units

7.5 Monitoring

Monitoring of the ICS takes place at different levels. Internal organisational arrangements support the monitoring of the ICS at the process level. Supervisors ensure that controls are actually performed, for example by carrying out spot checks.

As part of the process-independent measures, internal auditing is clearly distinct from the ICS. All internal audit activities are subject to Group-wide standards based primarily on the Austrian Banking Act, the current FMA Minimum Standards for Internal Auditing as amended and international best practice. The independent Internal Audit Department regularly reviews compliance with the internal and external regulations by the various departments and other organisational units. In 2024, the audits carried out in Accounting and Group Accounting, and in connection with reporting related to the financial statements and regulatory risk reporting focused on processes and the ICS, ledger accounts in branch operations (as an integral component of branch auditing), as well as integrated financial and risk architecture.

The Supervisory Board Audit Committee exercises its oversight function by holding regular discussions on the current status and effectiveness of the ICS.

This ensures the proper recording, processing and documentation of all transactions. It also ensures that assets and liabilities in the annual financial statements are recognised, reported and measured in accordance with the applicable legal and regulatory requirements.

The ICS is regularly adapted in line with changed circumstances and requirements. Like any control system, however well it is designed, operated and monitored, the internal accounting control system can only provide adequate and not absolute assurance that the reported figures are accurate. Identification of any changes required in the light of new risks, and ongoing monitoring of the system and assessment of its effectiveness are seen as key tasks. The main priorities in this respect will be enhancing the effectiveness and efficiency of operational processes, minimising operational risk by making improvements to those processes, and refining the ICS.

8 GROUP NON-FINANCIAL STATEMENT

Pursuant to section 267a Austrian Business Code, the HYPO NOE Group is obliged to prepare a consolidated non-financial statement. Under section 243b Austrian Business Code, the parent company HYPO NOE Landesbank für Niederösterreich und Wien AG is also required to prepare such a statement. The non-financial statement was prepared in accordance with the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Sustainability and Diversity Improvement Act; see also section 267a of the Austrian Business Code).

8.1 General information

8.1.1 Basis for preparation

8.1.1.1 BP-1 – General basis for preparation of sustainability statements

The HYPO NOE Group's non-financial statement was prepared on a consolidated basis. The scope of consolidation for the non-financial statement largely corresponds to the scope applied to the consolidated financial statements. None of the HYPO NOE Group's subsidiary undertakings are exempted from consolidated non-financial reporting. The HYPO NOE Group has not made use of the option to omit specific information on intellectual property, know-how or the results of innovation in accordance with ESRS 1 section 7.7.

Direct and indirect business relationships in the upstream and downstream value chain were considered in the materiality assessment (see "Value chain" in section 8.1.3.1 SBM-1 – Strategy, business model and value chain, as well as section 8.1.4.1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities).

8.1.1.2 BP-2 – Disclosures in relation to specific circumstances

The time horizons covered in this non-financial statement meet – and do not deviate from – the requirements of the ESRS.

No upstream and/or downstream value chain data were estimated using indirect sources, such as sector-average data or other proxies. No estimates of quantitative metrics were used that could lead to material outcome uncertainty.

The HYPO NOE Group did not apply any sustainability reporting standards or frameworks other than the ESRS in the preparation of this non-financial statement. Reference to the Global Reporting Index (GRI) was discontinued due to the significant overlaps with the European Sustainability Reporting Standards.

Information was incorporated into this non-financial statement by reference.

Disclosure obligation and/or datapoint incorporated by reference	Document	Page
Risk management processes and systems in relation to sustainability reporting	HYPO NOE Group Annual Report (notes to the consolidated financial statements)	287
Breakdown of total revenue by significant ESRS sectors	HYPO NOE Group Annual Report (notes to the consolidated financial statements)	179
Description of the business model	HYPO NOE Group Annual Report (Group operational and financial review)	15

As the Group is preparing and presenting sustainability information in accordance with the ESRS for the first time, comparisons with the previous period are only possible to a limited extent. In case of differences in definitions under the ESRS requirements as compared to previous indicators, either an explanation has been added or the ESRS method has been extended to cover the comparative period (year ended 31 Dec. 2023). No use was made of phase-in provisions for ESRS S1 and S4. In the case of E1-4 and E1-6, the phase-in provision with regard to Scope 3 emissions was applied, while the phase-in option was also used in relation to ESRS E1-9.

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Omission
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	Omission of disclosures related to Scope 3 GHG emissions in the first year, as the average number of 750 employees during the financial year was not exceeded
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Omission of Scope 3 GHG emissions in the first year, as the average number of 750 employees during the financial year was not exceeded. Consequently, total emissions for Scopes 1-3 are not presented
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Omission of the entire disclosure requirement in the first year, in accordance with ESRS Appendix C List of phased-in Disclosure Requirements

8.1.2 Governance

8.1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies

As of 31 December 2024, the HYPO NOE Group had a two-person Management Board. The Supervisory Board consists of eight elected members (shareholder representatives) as well as four employee representatives delegated by the Works Council.

In accordance with the Austrian Aktiengesetz (Companies Act), the members of the Management Board are appointed by the Supervisory Board, taking into consideration the requirement for public advertisement of positions, as well as the quality criteria under section 5(1)(6ff) Austrian Bankwesengesetz (Banking Act). The HYPO NOE Group's Fit & Proper Policy – which is based on guidelines including the Financial Market Authority (FMA) Fit & Proper Circular – is also complied with.

When selecting Management Board members, there is a particular emphasis on ensuring that candidates have the expertise, skills and experience required for the division of responsibilities (front office and back office). The Nomination Committee carries out annual evaluations of the Management Board members. Both individually and collectively, the Management Board members have the necessary expertise, skills and experience for the management of a bank.

The members of the Supervisory Board are elected by the Annual General Meeting, in accordance with section 87 Austrian Companies Act, taking into account the qualification requirements under section 28a(3), (5), (5a) and (5b) Austrian Banking Act. The election of the Supervisory Board members is also in accordance with the HYPO NOE Group's Fit & Proper Policy, which is based on various fit and proper guidelines. During the selection process, particular attention is paid to ensuring that the Board members have expertise in the various control units (front office) and the back office and risk management functions, in line with the Group's overriding strategy, and that the members complement one another. The Nomination Committee carries out annual evaluations of the Supervisory Board. The Supervisory Board members have the necessary expertise, skills and experience for the oversight of a bank, both individually and collectively.

Breakdown of the administrative, management and supervisory bodies by gender and age

(GOV-1.21d)	31 Dec. 2024	31 Dec. 2023
Gender		
Male	64.29%	64.29%
Female	35.71%	35.71%
Diversity	55.56%	55.56%
Age	-	-
Under 30 years old	-	-
30-50 years old	-	-
Over 50 years old	100.00%	100.00%

62.5% of the Supervisory Board members are independent shareholder representatives (see section 28a[5b] Austrian Banking Act for the definition of "non-independent").

Name	Function
Udo Birkner	Management Board Member Finance, Risk & Operations
Wolfgang Viehauser	Management Board Member Markets and Speaker of the Board
Günther Ofner	Chairperson of the Supervisory Board (shareholder representative), member of the Loan Committee, member of the Nomination Committee, member of the Audit Committee, member of the Remuneration Committee
Michael Lentsch	Deputy Chairperson of the Supervisory Board (shareholder representative), member of the Loan Committee, member of the Nomination Committee, member of the Remuneration Committee
Birgit Kuras	Member of the Supervisory Board (shareholder representative), member of the Audit Committee, member of the Risk Committee
Hubert Schultes	Member of the Supervisory Board (shareholder representative)
Karl Schlögl	Member of the Supervisory Board (shareholder representative)
Johann Penz	Member of the Supervisory Board (shareholder representative), member of the Risk Committee
Ulrike Prommer	Member of the Supervisory Board (shareholder representative), member of the Nomination Committee, member of the Remuneration Committee
Sabina Fitz-Becha	Member of the Supervisory Board (shareholder representative)
Franz Gyöngyösi	Member of the Supervisory Board (employee representative), member of the Nomination Committee, member of the Audit Committee, member of the Remuneration Committee
Claudia Mikes	Member of the Supervisory Board (employee representative), member of the Nomination Committee, member of the Risk Committee, member of the Remuneration Committee
Rainer Gutleder	Member of the Supervisory Board (employee representative), member of the Loan Committee,
Gabriele Monk	Member of the Supervisory Board (employee representative)

In accordance with the statutory provisions, the Group has established an audit committee (section 63a[4] Austrian Banking Act), remuneration committee (section 39c Austrian Banking Act), nomination committee (section 29 Austrian

Banking Act) and risk committee (section 39d Austrian Banking Act). In addition, the Supervisory Board has set up a loan committee.

The responsibilities of, as well as the requirements regarding the adoption of resolutions and reporting by the Management Board, Supervisory Board and their committees are in accordance with the relevant statutory regulations, as well as the articles of association, the rules of procedure of the Management and Supervisory Boards, and internal regulations.

The Management Board manages and represents the Company, in accordance with sections 70 and 71 respectively of the Austrian Companies Act. The Management Board receives information on the evolution of risks at regular meetings (Management Board meetings) and in the bodies responsible for risk-related matters.

Pursuant to section 95 Austrian Companies Act, the Supervisory Board oversees the activities of the Management Board. Under section 92(4) Austrian Companies Act, the Supervisory Board has the power to appoint committees, as well as the chairperson of the Supervisory Board and their deputy. In line with this provision, the Audit Committee (section 63a[4] Austrian Banking Act), the Remuneration Committee (section 39c Austrian Banking Act), the Nomination Committee (section 29 Austrian Banking Act) and the Risk Committee (section 39d Austrian Banking Act) were established in accordance with the relevant statutory provisions. In addition, the Supervisory Board has set up the Loan Committee. The requirements for reporting and resolutions that apply to the Supervisory Board and its committees can be found in the relevant laws and governance policies. Meetings of the Supervisory Board and its committees take place regularly.

The Head of the Risk Division (CRO) is responsible for risk management. The CRO is represented on all bodies that deal with risk-related matters. The Risk Division prepares regular written reports for the Management Board, the Supervisory Board, the Audit Committee and the Risk Committee.

Where required by law or under the rules of procedure of the Management Board and Supervisory Board, objectives are set in the body concerned and, where applicable, progress reports are provided at regular meetings. The adoption of Management Board resolutions and submission of reports to the Management Board can take place either at regular Management Board meetings or by circulation. Supervisory Board meetings are held at least once a quarter, while the composition of the Board ensures that the requisite expertise and experience are available. Committee meetings also take place at regular intervals – likewise, the committees' composition ensures that they have access to the necessary expertise and experience. As requested and required, resolutions may be adopted and reports provided between meetings.

The Management Board's expertise, skills and experience as regards risk management, including ESG risks, as well as skills related to identifying and pursuing opportunities with a view to implementing sustainable business practices are appropriately considered when evaluating suitability in accordance with the Fit & Proper Policy. The Supervisory Board's expertise, skills and experience as regards risk management, including ESG risks, as well as skills related to identifying and pursuing opportunities with a view to implementing sustainable business practices are appropriately considered when evaluating suitability in accordance with the fit and proper guidelines.

The Management Board manages and is responsible for representing the Company, in accordance with sections 70 and 71 of the Austrian Companies Act, respectively. Pursuant to section 95 Austrian Companies Act, the Supervisory Board oversees the activities of the Management Board and is not bound by any instructions when performing this function. The Management Board reports to the Supervisory Board "at least once a year on fundamental matters related to the company's future business conduct policies", in accordance with section 81 Austrian Companies Act. The regular suitability checks in accordance with the Fit & Proper Policy, and regular reporting are designed to ensure that both the Management and Supervisory Boards have the necessary expertise regarding current and future business conduct policies.

8.1.2.2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The materiality assessment (impacts, risks and opportunities, or IROs) was submitted to the Management Board for approval. The Internal Audit Department provides regular reports to the Management Board, Supervisory Board and Audit Committee regarding compliance with guidelines, as well as on lawfulness, compliance and appropriateness, in accordance with section 42 Austrian Banking Act. The Supervisory Board and its committees receive reports on current risk-related matters, as well as their implementation and impacts, at regular meetings. Under sections 84 and 99 Austrian Companies Act as well as the articles of association, the members of the Management Board and the Supervisory Board must "exercise the due care and diligence of a manager in their management of the company". As a result, management of the Group is based on overarching considerations, which are continuously informed by impacts, risks and opportunities.

The matters addressed by the Management Board, and the Supervisory Board and its committees include:

- Sustainability risks
- Sustainability-related developments
- Developments in sustainability reporting
- Climate and environmental risks, and the related transformation of the economy
- Increasing regulatory requirements related to ESG
- Sustainability ratings
- Internal audit planning and audits in relation to sustainability
- Advances in digitalisation regarding implementation of regulatory requirements, and advances in ESG risk measurement, valuation and management
- EU Taxonomy Regulation
- EBA Guidelines on the management of ESG risks

8.1.2.3 GOV-3 – Integration of sustainability-related performance in incentive schemes

The incentive scheme comprises three categories: qualitative and quantitative corporate targets, and individual targets with different weightings that show the degree of target attainment. The target value is 100%. There are currently no specific sustainability-related targets at the corporate level.

The corporate culture is taken into account in the qualitative corporate targets. This primarily involves reference to the detailed analysis of the results of the regular employee surveys. This target is a component of the incentive scheme each year, meaning that sustainability matters in the topical standards in the social category are considered. No climate-related considerations are factored into the remuneration of the Management Board members.

Besides the sustainability matters in the qualitative corporate targets outlined above, no other sustainability-related targets are considered in the incentive system. The regulations for target definition (practical guidelines) explicitly state that targets must not be short-term in nature or increase risk exposure. The corporate targets for each year are defined by the Remuneration Committee.

8.1.2.4 GOV-4 – Statement on due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	GOV-2, page 33 GOV-3, page 34 SBM-3, page 49
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, page 33 SBM-2, page 44 IRO-1, page 69 E1-2, page 138 S1-1, page 150 S1-2, page 147 S4-1, page 159 S4-2, page 164 S4-3, page 165 S4-4, page 158
c) Identifying and assessing adverse impacts	SBM-3, page 49 IRO-1, page 69
d) Taking actions to address those adverse impacts	E1-1, page 138 E1-3, page 138 S1-4, page 147 S4-4, page 158
e) Tracking the effectiveness of these efforts and communicating	S1-6, page 149 S1-9, page 154 S1-13, page 152 S1-15, page 150 S1-16, page 156 S1-17, page 156 S4-1, page 159

8.1.2.5 GOV-5 – Risk management and internal controls over sustainability reporting

The Risk Management Department is responsible for integrating climate and environmental risks into the risk management process. This includes ensuring implementation of a credit risk strategy in connection with sustainability risks, performing stress tests and procuring tools to record and manage these risks. Within the HYPO NOE Group, the Risk Division is responsible for managing sustainability risks (see Note 8.8 Sustainability risks in the notes to the consolidated financial statements). Additionally, the HYPO NOE Group also ensures that all potential risks related to the preparation of the non-financial statement – e.g. incomplete or incorrect data – are systematically monitored and effectively mitigated. In this regard, consistent application of the four-eye principle and clearly defined responsibilities are key.

In line with the FMA guidelines on addressing sustainability risks, the Group's risk management systems do not treat sustainability risks as a separate type of risk, but instead integrates transition and physical risks into the current main categories as risk subtypes. The Group applies various processes and methods in order to identify and quantify sustainability risks. These include the sector benchmarking tool, which determines the greenhouse gas (GHG) intensity – i.e. CO_2 emissions relative to net non-current assets – of different sectors. In lending operations, sustainability risks are

also taken into account using an ESG and reputational risk questionnaire, and by considering ESG indicators when assessing country ratings (corruption index and rule of law).

ESG-related topics are integrated into the HYPO NOE Group's operations as routine activities in the various departments. The Sustainability Committee has overall responsibility for managing these topics.

Climate-related risks are integrated into all of the relevant stages of the operational strategy and decision-making processes (see section 8.1.4.1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities).

Risk assessment

Sustainability risks are not treated as a separate risk type, but instead are included in the existing main risk categories as risk subtypes, with transition and physical risks outlined for each type. Adherence to this process is shown in the risk inventory and regularly evaluated.

When assessing and prioritising the materiality of sustainability risks, all of the core business segments (Public Sector, Real Estate, Treasury, Corporate and Retail) are taken into account, while the ultimate assessment in the risk inventory questionnaire takes place at the Bank level. The prioritisation of sustainability risks is also classified in the risk inventory and reviewed on an annual basis.

In terms of new lending, sustainability risks are evaluated by means of exclusion and inclusion criteria, as well as by defining environmentally and socially sensitive sectors (increased due diligence); as a result, no capital charges are included in the risk-bearing capacity calculation (see "Elements of strategy that relate to sustainability matters" in section 8.1.3.1 SBM-1 – Strategy, business model and value chain).

The Group uses inclusion criteria to promote activities that it believes generate the greatest possible benefit for society, while exclusion criteria help to identify sectors where the Bank chooses not to operate, in the interest of social responsibility.

At the HYPO NOE Group, sustainability risks potentially have the largest impact on credit risk. These impacts are outlined below.

- Physical risks: proportion of financing/loans exposed to physical risks, e.g. deterioration in contractual parties' creditworthiness due to the emerging impacts of physical risks, such as crop failures. Natural disasters can reduce the value of real estate collateral or debt capacity. Rising temperatures can decrease productivity and income.
- Transition risks: proportion of financing/loans exposed to transition risks, e.g. deterioration in contractual parties' creditworthiness due to the emerging impacts of transition risks, such as crop failures or a changing economic or legal environment, high depreciation, amortisation and impairment of carbon-intensive assets (higher probability of default [PD]), lower revenue for debtors due to carbon taxes (higher PD), and greater investment in new, higher-risk technologies (higher PD).

Bank-wide stress testing to observe climate and environmental risks

The HYPO NOE Group's risk management activities include performing annual stress tests in order to simulate potential impacts on capital and profit or loss, as well as their effects on regulatory capital ratios and internal risk-bearing capacity. The scenarios used in the stress tests are drawn up by an expert committee. The impacts of climate and environmental risks as material risk drivers feed into the stress tests, with a view to assessing solvency and internal risk-bearing capacity in a given scenario. Extreme weather events and increasing environmental risks are among the factors included in the scenarios. The impacts of climate and environmental risks mainly take the form of flooding, hail, storms, landslides and heat waves, which cause severe damage to critical public infrastructure, tourism regions, leading Austrian companies and agriculture businesses. These assumptions enable simulations of capital adequacy, defaults, liquidity and earnings over a three-year horizon.

Key risks and mitigation strategies

Physical and transition risks have been identified as key credit risk drivers for the HYPO NOE Group.

As far as credit risk is concerned, both transition and physical risks can influence the risk parameters listed below:

- Transition risks
  - High depreciation, amortisation and impairment of carbon-intensive assets (higher loss given default [LGD])

  - Lower revenue for debtors due to carbon taxes (higher PD)
  - Greater investment in new, higher-risk technologies (higher PD)
- Physical risks
  - Natural disasters reduce the value of collateral (higher LGD)
  - Natural disasters reduce debt capacity (higher PD)
  - Rising temperatures reduce productivity/income (higher PD)

Sustainability risks are limited and managed when approving new lending, as well as by means of regular reviews using inclusion and exclusion criteria, and by defining environmentally and socially sensitive sectors where increased due diligence is required. In addition, an ESG and reputational risk questionnaire is used when processing applications for real estate and corporate financing.

Sustainability risks that depend on the type and location of the property concerned are taken into account when valuing real estate.

The following actions aimed at managing, monitoring and reducing sustainability risks have been implemented and refined in order to mitigate climate and environmental risks:

- Sector benchmarking tool
- Implementation of an ESG tool (Climcycle from ESG Software GmbH)
- Participation in the Österreichische Kontrollbank (OeKB) platform (ESG data hub – cooperation with Climcycle)

The results of the risk assessment and internal controls with regard to sustainability reporting processes are integrated into internal functions and processes by performing annual reviews and defining internal regulations.

Regular reporting to the HYPO NOE Group Management Board and Supervisory Board takes place by means of the:

- Risk inventory
- Risk map
- ESG and reputation risk questionnaire
- Report on Bank-wide stress tests
- Sector benchmarking questionnaire (ESG section)
- Group risk strategy
- Business strategy
- Group credit risk strategy
- Sustainability Committee
- Risk Committee

Alongside the identification of climate-related physical and transition risks, the HYPO NOE Group aims to improve the real estate segment data available for the analysis of financed emissions.

8.1.3 Strategy

8.1.3.1 SBM-1 – Strategy, business model and value chain

Description of products and services

The HYPO NOE Group offers a wide range of financial products and services for retail and corporate customers and the public sector.

In the retail segment, the Bank offers various current account models, each including a debit card. For savers, HYPO NOE Landesbank's range includes flexible products such as the Powerkonto account with instant access to deposits, as well as fixed-term accounts with attractive interest rates. In terms of financing, HYPO NOE Landesbank supports its customers by extending homebuilding and consumer loans. In the securities segment, the Bank cooperates with Schellhammer Capital Bank to provide personal consultation as well as a modern securities banking platform. HYPO NOE Landesbank also acts as an intermediary for various insurance products. The Bank's Grüne Linie green product portfolio extends from green current and savings accounts to green loans. These products are certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (see "Concept: green products" in section 8.2.2.1 Climate change adaptation).

Customers in the non-retail segment have access to a comprehensive range of payment services, which are complemented by a portfolio of contemporary business banking solutions. When it comes to corporate finance, the Bank offers bespoke solutions for companies, including working capital loans, investment finance and export credits. With regard to investment finance, the Green Investment Loan – which is also Austrian Ecolabel-certified – is particularly worthy of mention. Real estate finance focuses primarily on loans for real estate projects, non-profit housing construction, and commercial and residential properties. Finally, the Bank provides comprehensive, tailored infrastructure financing models for states, municipalities and local authorities. HYPO NOE Leasing designs financing models including real estate leasing for public sector customers, equipment leasing with an emphasis on medical technology projects, as well as public-private partnership models.

In the retail segment, two products – the Wohn(T)raum 40 and Wiederaufbaukredit loans – were launched in 2024 and removed from the product portfolio at the end of the year. Wohn(T)raum 40 was designed to enable families with young children, as well as couples and single people under the age of 40 to build, buy, or buy and renovate their own home. This loan was intended specifically to provide support for the Austrian government's 2024 housing construction stimulus package. It was discontinued on 31 December 2024. The aim of the Wiederaufbaukredit loan was to provide support for customers who had been affected by the record flooding in Lower Austria and Vienna in 2024, and required funding in order to rectify flood damage. This product was also withdrawn on 31 December 2024.

Description of markets and customer groups

Operating primarily in Austria and Germany as well as selected EU markets, 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. At its branches in Lower Austria and Vienna, the focus is on housing finance for retail customers. This geographic and customer focus is aligned with the HYPO NOE Group's long-term strategy – for this reason there were no changes in the markets and customer groups during the reporting period.

Headcount of employees by geographical areas

As at 31 December 2024, the Group had 617 employees in Austria. A precise breakdown of the HYPO NOE Group's employees can be found in section 8.3.1.3 Characteristics of the undertaking's employees (S1-6).

Products and services that are banned in certain markets

None of the HYPO NOE Group's products and services are banned.

Breakdown of total revenue by significant ESRS sectors

At present, the definition of the ESRS sectors by EFRAG is yet to be finalised. A breakdown of operating income by segment can be found in Note 2 SEGMENT INFORMATION.

Activities in the fossil fuel sector

The Company has no activities in the fossil fuel (coal, oil and gas) sector. The exclusion criteria state that financing will not be extended in connection with controversial hydrocarbon production practices (crude oil and natural gas), such as Arctic drilling, oil/tar sand mining, deep-sea drilling, oil drilling in protected or environmentally sensitive areas, and fracking. The Group also does not provide finance for coal-fired power stations and coal mining businesses, or for energy suppliers which predominantly use coal to generate electricity.

Activities related to chemical production

The Company does not perform any activities related to chemical production.

Activities related to controversial weapons

The Company does not perform any activities related to controversial weapons. Finance for arms trading is part of the exclusion criteria.

Activities related to the cultivation and production of tobacco

The Company is not involved in the cultivation and production of tobacco. Financing for tobacco cultivation and processing is covered by the exclusion criteria.

Sustainability-related goals

All of the HYPO NOE Group's targets covered by the topical standards are shown in the table below:

Standard	Target	Related to
E1 Climate change mitigation and energy	Increase in the share of renewable energy as a proportion of total energy consumption to 65% by 2030	Nature, suppliers Lower Austria, Vienna
S4 Data protection	Participation in training courses	All customer groups, employees
S4 Responsible marketing practices	Participation in specialist presentations on greenwashing	All customer groups, employees Green products
S4 Responsible marketing practices	Recertification for the pro-Ethik quality seal in 2025	All customer groups

The development of green products is part of the ESG strategy. Information on the green products already developed can be found under "Concept: green products" in section 8.2.2.1 Climate change adaptation. The assessments of products, services, markets and customer groups can be found in the relevant topical standards.

Elements of strategy that relate to sustainability matters

ESG strategy

The HYPO NOE Group launched its sustainability programme in 2013, which included developing an ESG strategy for the Bank. The strategy is based on three pillars: sustainability in the Group's core business, acting as a responsible employer, and reducing the Group's environmental footprint.

As part of the ESG strategy (pillar 1), the HYPO NOE Group set itself the target of developing green products. To date, the Green Home Loan, Green Life Loan, Sanierungskredit renovation loan and the Sanierungsrechner renovation project calculator have been developed. In addition, the HYPO NOE Group cooperates with public subsidising authorities. The Green Investment Loan is aimed at corporate customers. The requirements for this loan meet the criteria of the Group's Sustainability Bond Framework. Since 2020, HYPO NOE Landesbank has been a regular issuer of green bonds that comply with the International Capital Market Association (ICMA) standards and are assessed by the largest ESG rating agencies. Information on the green products already developed can be found under "Concept: green products" in section 8.2.2.1 Climate change adaptation.

In its role as an employer (pillar 2), the HYPO NOE Group adopts a participative approach. Employees surveys are carried out regularly, while training courses are also offered, including on the topic of ESG. The focus is on safeguarding employees' health and well-being, and work is aligned with the life phase of the individual concerned. In terms of its environmental footprint (pillar 3), the HYPO NOE Group has defined environmental targets under its ISO 14001 environmental management system, as well as in accordance with its status as a klimaaktiv Pakt partner.

Ethics guidelines and business principles

The HYPO NOE Group has implemented clear ethics guidelines and business principles for its operations. By doing so, the Group ensures that it only enters into business relationships that are compatible with its philosophy and its focus on sustainability. The guidelines guarantee that financing is not extended to projects which breach the exclusion criteria, and that in case of doubt due to the potentially controversial nature of lending – either from a social or environmental perspective – the Group will not provide funding.

The ethics guidelines and business principles comprise inclusion and exclusion criteria, which are the basis for initiating new business throughout the Group. Detailed knowledge of the objectives of financing is vital to identifying the risk exposures of both the Group and its customers, and to developing optimum services.

The Group uses inclusion criteria to promote activities that it believes generate the greatest possible benefit for society, while exclusion criteria help to identify sectors where the Bank chooses not to operate, in the interest of social responsibility. These guidelines also form part of the Group's internal lending policies.

Inclusion criteria

The HYPO NOE Group supports moves to achieve national and international climate goals, and the objectives of Austria's current '#mission 2030' climate and energy strategy feed into the Group's environmental and climate strategy. These goals and objectives form the basis for inclusion criteria for initiating new business, and are also part of the Group's strategic guidelines.

This includes financing for social infrastructure and housing – support is provided specifically for socially and environmentally responsible housing construction initiatives. The Group is also focused on promoting environmental protection and the use of renewable energy, as well as educational and cultural projects. Additionally, the HYPO NOE Group takes steps to identify transactions that intensify the effects of climate change or increase CO_2 emissions, and raises these issues with its business partners, with a view to generating solutions aimed at reducing carbon emissions across its portfolio.

Exclusion criteria

The Group does not provide financing for the following activities:

- Finance for nuclear power plants (including suppliers of key components and related infrastructure, as well as uranium mining and processing)
- Finance for transactions that endanger the environment
- Finance for arms trading
- Finance for transactions related to pornography and prostitution
- Finance for countries engaged in armed conflicts, as identified in the OeKB country list
- Finance for transactions that constitute a violation of human rights, as defined by the UN's Universal Declaration of Human Rights
- Finance for transactions that violate the core conventions of the ILO Declaration on Fundamental Principles and Rights at Work (e.g. freedom of association and the right to organise, forced labour, child labour and discrimination)
- Finance for transactions that contravene the Group's own business ethics and compliance guidelines, and transactions where there is suspicion of corruption
- Finance for coal-fired power stations and coal mining businesses, and finance for energy suppliers which predominantly use coal to generate electricity
- Finance for transactions that breach the EU's animal welfare and animal experiment legislation
- Finance for the production of genetically modified organisms (GMOs)
- Finance for tobacco farming and processing
- Finance for mining companies in connection with the development of new coal mines or expansion of existing coal mines of any kind (unless this relates to technical upgrades which will improve environmental and/or social conditions on site, or the renaturation of mining sites), or with particularly destructive mining practices (e.g. mountaintop removal [MTR] mining)
- Finance for controversial hydrocarbon production practices (crude oil and natural gas), such as Arctic drilling, oil/tar sand mining, deep-sea drilling, oil drilling in protected or environmentally sensitive areas, and fracking
- Finance for gambling-related activities

Reputational risks can arise in connection with lending in industries that are not compatible with the image and values of the HYPO NOE Group or its owner, the State of Lower Austria. Here, too, the Group exercises particular care, and in case of doubt refrains from doing business with those concerned.

Environmentally and socially sensitive sectors

The HYPO NOE Group exercises particular care when providing finance for the environmentally and socially sensitive sectors of energy production, mining, forestry and agriculture. The Group believes that avoiding environmental and social risks in these areas is vital to the responsible and sustainable development of its target markets.

This includes preventing large-scale intervention in social and environmental structures, and promoting water conservation. Finance for projects that exacerbate the impacts of climate change and CO_2 emissions has also been identified as a key issue.

Main challenges ahead

The Bank increasingly needs to focus on climate change-related risks, while at the same time new products must be developed in order to meet the constantly changing demands of both customers and society. In this respect, the Bank faces the task of avoiding greenwashing, with a view to safeguarding its long-term credibility. Increasing quantities of sustainability-related data will require the implementation of new technologies and innovations, in order to enable efficient measurement and reporting of ESG data.

Planned material solutions or projects

Current and future challenges call for a constant stream of new measures as well as the development of concepts that promote the creation of solutions for all stakeholders. The “Concept: Compliance Manual” section outlines how the Group ensures compliance with regulatory requirements. Solutions focused on financing for the green transformation (such as green products), and the management of sustainability risks are described in section 8.2.2 ESRS E1: Climate change. Avoidance of greenwashing is stipulated in the Code of Conduct; further information is provided under “Concept: Code of Conduct” in section 8.3.2.3 Social inclusion of consumers and/or end-users. An overview of all concepts, actions, targets and metrics can be found in section 8.1.3.3 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

Business model

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. The branch network in the Group’s home Lower Austria and Vienna market provides services to retail customers, with a focus on housing finance.

The Group’s sustainable approach to its core operations is underpinned and promoted by clear ethics guidelines and business principles. HYPO NOE Landesbank’s portfolio is geared strongly towards sustainability due to the large proportion of lending that creates social value added. 72% of total lending makes a major contribution to realising the UN Sustainable Development Goals. Prime status awarded by Institutional Shareholder Services ESG (ISS ESG) underlines the Bank’s commitment to environmental and social responsibility.

A precise description of the business model can be found in section 2 COMPANY PROFILE in the Group operational and financial review.

Inputs, and gathering, developing and securing those inputs

The HYPO NOE Group requires a wide variety of inputs, including financial, human, technological, natural, social, regulatory and market-specific resources. The approach to gathering, developing and securing these inputs involves internal processes and external cooperation, as well as consideration of sustainability matters and social responsibility throughout the Company.

Capital

The Bank requires capital in order to carry out its operations, such as extending loans and making investments. Thanks to its solid foundations based on deposits from retail and institutional customers, the Group is in a position to take steps to diversify its refinancing sources. Furthermore, HYPO NOE Landesbank issues bonds in order to raise capital on the capital markets.

Employees

Qualified and motivated employees are one of the most important inputs for the Bank. For this reason, the HYPO NOE Group aims to enhance its standing as a highly attractive employer, in order to attract talented new employees and ensure the satisfaction of existing staff members. Well trained employees play an especially important role when it comes to dealing with customers, as this ensures high-quality consulting services. Details of the numerous training and skills development measures implemented to ensure that employees are suitably qualified can be found in section 8.3.1 ESRS S1: Own workforce.

IT infrastructure and data

Technological inputs include hardware, software and digital platforms which are necessary in order to manage banking business, ensure data security, and provide online and mobile banking services. Accenture TiGital GmbH – the developer and operator of the core banking system used by various institutions – plays a central role. Customer and financial data and other information must be securely collected, processed and protected. The HYPO NOE Group does this in accordance with the statutory regulations on data protection, which are described in more detail in section 8.3.2.2 Information-related impacts for consumers and/or end-users.

Energy and raw materials

The energy consumed by the HYPO NOE Group includes purchased electricity and electricity generated by the Group itself, as well as district heating and gas for heating buildings. All of the purchased electricity is from renewable sources and certified in accordance with the Austrian UZ 46 ecolabel. Electricity generated by the Group itself is supplied by the photovoltaic system on the roof of the St. Pölten headquarters. Section 8.2.2.3 Climate change mitigation and energy provides further information on this topic.

Legal requirements

The Bank is obliged to comply with all statutory regulations in order to do business responsibly and in accordance with the applicable laws. With this in mind, the Compliance Department ensures that new regulations are adopted by the operational departments concerned (see “Concept: Compliance Manual” in section 8.4.1.3 Corruption and bribery).

Outputs and their benefits for stakeholders

The relevant outputs and outcomes that reflect current and future benefits generated by the HYPO NOE Group for its stakeholders include both financial and non-financial aspects, and illustrate how the Bank carries out its operations sustainably and responsibly.

Social benefits

Promoting the economic development of the state of Lower Austria is an integral part of HYPO NOE Landesbank’s articles of association. The Bank plays an important role in enhancing social well-being, not only by contributing to economic stability, but also through responsible investments and social initiatives that have a positive impact on society. The Bank’s investments in sustainable projects, including renewable energy and social infrastructure, help to mitigate climate change and support the achievement of other UN Sustainable Development Goals. In this way, HYPO NOE Landesbank plays a key part in creating a more sustainable, fairer and more socially responsible society.

Access to products and services

The broad range of financing solutions – from conventional current accounts and savings products through to bespoke loans and sustainable investment opportunities – enables customers to achieve their financial goals. Customers can manage their accounts or open new ones at any time using the Group’s digital solutions. Customers who are interested in sustainable financial products have access to a broad selection of green products which are UZ 49-certified and make a positive contribution to environmental and climate protection. They also benefit from expert advice, which delivers customised recommendations that are tailored to their needs. Ensuring a high level of transparency and reliable consultation also helps customers to take informed decisions – when taking out loans, planning for retirement or for wealth creation. Access to the HYPO NOE Group’s products and services provides customers with support when it comes to meeting their current financial needs, as well as realising their long-term goals and building a stable financial future. For further information on this topic, see “Access to products and services” in section 8.3.2.3 Social inclusion of consumers and/or end-users.

Promoting home ownership

The HYPO NOE Group promotes home ownership in its markets by means of its financing for non-profit and commercial housing projects. Funding is primarily provided for the construction and renovation of large-scale housing developments, owner-occupier housing associations, and apartment buildings/multi-family dwellings or terraced/semi-detached houses. Financial products such as mortgages also enable private individuals to buy or build properties. By extending long-term loans – often at favourable interest rates – the Bank also helps to reduce barriers to entry in the real estate market. Consulting services enable customers to identify the financing solution best suited to their needs.

Long-term growth

The HYPO NOE Group pursues a strategy of long-term growth, which is based on organic growth in its core business and core markets. This is backed up by a conservative capital and risk profile. The continuous expansion of its digital offering and promoting green financial products is aimed at meeting stakeholders' needs in the long run. For customers, this means access to tailor-made, forward-looking financial solutions that enable them to achieve their financial targets. As far as investors are concerned, the HYPO NOE Group's growth strategy provides stable foundations for long-term returns, as investments are made in profitable growth, as well as sustainable business models and robust risk management architecture. At the same time, this strategic focus allows the Bank to position itself as an attractive employer.

Value chain

Upstream value chain

The Bank's upstream value chain includes various service providers and suppliers, who play a decisive part in the Bank's efficient functioning, as well as in the deposits and refinancing businesses. The Treasury Department handles the intake of deposits, and bond issues in order to refinance extended loans (see "Concept: green products" in section 8.2.2.1 Climate change adaptation). Accenture TiGital GmbH – the developer and operator of the core banking system used by the Bank – plays a central role by administering data and ensuring the smooth functioning of banking transactions. The purchase of electricity, district heating and gas in order to ensure continuing supplies of electricity and heating to the Bank's buildings, including the branches, is also integral to maintaining operations. All of these external partnerships are essential in order to keep the Bank's operations up and running, and enable it to deliver customer-focused services efficiently.

Value creation by the HYPO NOE Group

The HYPO NOE Group occupies a central position in the financial sector value chain by serving as an intermediary between capital providers and borrowers. Through the services it offers, such as lending, the Bank makes a significant contribution to value creation, as well as influencing the development and growth of the region.

In the Group's role as a financial services provider, customer relations are hugely important. As a result, the Bank's value chain begins with the acquisition and retention of customers. Product development is driven by the addition of new and green financial products (see "Concept: green products" in section 8.2.2.1 Climate change adaptation), with a view to satisfying constantly changing customer requirements. Marketing is an important factor in acquiring new customers – this creates transparency and implements measures aimed at countering greenwashing, meaning that the Bank can communicate its commitment to sustainability in a credible fashion (see "Concept: Code of Conduct" in section 8.3.2.3 Social inclusion of consumers and/or end-users). Thanks to the Group's training programmes (see "Action 1: training as an EFPA ESG Advisor®" in section 8.3.1.5 Equal treatment and opportunities for all), customer relationship managers have comprehensive expertise, which means that the Bank's customers benefit from specialist advice. There is also a strong emphasis on stakeholder relations in sales – for this reason, customer surveys are carried out regularly in order to make processes more efficient (further information can be found in section 8.1.3.2 SBM-2 – Interests and views of stakeholders and 8.3.2.4 Processes for engaging with consumers and end-users about impacts [S4-2]). In terms of the HYPO NOE Group's business segments, its most important business partners are the public sector, real estate customers, and retail and corporate customers. The Group's role as a service provider for its owner, the State of Lower Austria, has major implications for the Group's business strategy, particularly in the Public Sector segment. Another important element of the value chain is risk management, which has both strategic and operational dimensions. Strategic risk management focuses on the management of interest rate and liquidity risk, and ensuring capital adequacy (see "Management of ESG risks" in section 8.2.2.4 Climate change mitigation and adaptation). Sustainability risks that can occur through environmental, social and governance-related factors are also taken into account. At the operational level, credit risk is managed by applying exclusion criteria, which ensures that loans are only provided if lending complies with the HYPO NOE Group's ethics guidelines (see "Elements of strategy that relate to sustainability matters" in section 8.1.3.1 SBM-1 – Strategy, business model and value chain). The back office units then take care of documentation and administration for extended loans (credit services), as well as administration of treasury and payment transactions (back office payments and product service), in order to ensure efficient and transparent handling. All of these activities are essential for ensuring that the Bank is able to provide loans, while also addressing customers' current and future needs as well as market requirements.

The support processes are necessary for the smooth management of the Bank's entire organisational set-up. This includes units such as the Organisation & IT Department, which enables efficient operations, and Facility Management, which is responsible for the Bank's physical infrastructure. The Finance, Human Resources, Legal and Compliance,

Internal Audit and ESG departments play a key role, too, by ensuring orderly management, compliance with and implementation of statutory regulations, and the enhancement of sustainability-related principles.

Downstream value chain

Finally, the downstream value chain relates to real estate financing and leasing, as well as corporate and retail customers and the public sector. The Bank also acts as an intermediary for other services (including insurance) and sells securities. However, the financing and leasing business accounts for the majority of the downstream value chain.

8.1.3.2 SBM-2 – Interests and views of stakeholders

Engagement with stakeholders along the Group's entire value chain takes a variety of different forms. These include personal discussions with customers and investors, internal and external surveys, participation in workshops, conferences and networking meetings, as well as external validations, certifications and second party opinions. The key insights generated by engagement with stakeholders are presented to the Management Board in the form of reports and proposals, and in regular and case-by-case discussions, meaning that they feed into the strategy process. The key insights generated by engagement with stakeholders are presented to the Management Board in the form of reports and proposals, and in regular and case-by-case discussions, meaning that they feed into the strategy process. Regular dialogue between the Management Board and the Supervisory Board takes place in regular Supervisory Board and committee meetings, and by means of the continuous sharing of information (see section 8.1.2 Governance).

SBM-2.45a i	SBM-2.45a ii	SBM-2.45a iii	SBM-2.45a iv
Nature	Affected	*klimaaktiv Pakt partnership (see "Concept: klimaaktiv Pakt" in Section 8.2.2.3 Climate change mitigation and energy) *Austrian Society for Environment and Technology (ÖGUT) working group *Certification in accordance with the ISO 14001 environmental management standard (Quality Austria) *Certification of green products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49) and issue of green bonds (see "Concept: green products" in section	Making a contribution to climate and environmental protection
Federal and state government/ public authorities	Interested	*klimaaktiv Pakt (see "Concept: klimaaktiv Pakt" in Section 8.2.2.3 Climate change mitigation and energy) * Green Focal Group *Austrian Ecolabel for Sustainable Financial Products (UZ 49; see "Concept: green products" in section 8.2.2.1 Climate change adaptation) *Regular dialogue in the course of business operations and with the Group's owner	Dialogue and networking with public bodies and experts regarding the latest developments related to sustainability
Consumer protection/Chamber of Labour (AK)	Interested	*klimaaktiv Pakt (see "Concept: klimaaktiv Pakt" in Section 8.2.2.3 Climate change mitigation and energy) *birds of trust platform *Customer surveys *Ombudsman/whistleblower service (see section 8.3.2.5 Channels for consumers and end-users to raise concerns [S4-3])	Customer satisfaction and retention, transparency and credibility
Supervisory Board	Interested/ affected	*Supervisory Board meetings and committees (see section 8.1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies) *Fit and proper training	Ensuring that the Supervisory Board is informed of ESG-related matters at the HYPO NOE Group and that the necessary expertise is available (see section 8.1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies)

SBM-2.45a i	SBM-2.45a ii	SBM-2.45a iii	SBM-2.45a iv
Customers	Interested/ affected	*Personal contact *Customer surveys *Ombudsman/whistleblower service (see section 8.3.2.5 Channels for consumers and end-users to raise concerns [S4-3]) *Newsletter and information provided on social media channels	Continuous dialogue with customers is instrumental for the HYPO NOE Group's success.
Business partners/ suppliers	Interested/ affected	*Personal contact *Newsletter and information provided on social media channels *Specialist conferences	The purpose of engagement with business partners and suppliers is to enable continuous dialogue on the latest topics and developments in relation to sustainability
Subsidiaries (HYPO NOE Leasing)	Affected	HYPO NOE Leasing is part of the Public Sector control unit and is therefore involved in all strategic and personnel-related decisions	Ensuring that subsidiaries are taken into consideration in the assessment of material topics
Owner	Interested/ affected	Dialogue with the owner, the State of Lower Austria, takes place by means of personal discussions and in the Supervisory Board meetings	Dialogue regarding the latest topics and developments
Employees	Interested/ affected	See section 8.1.4 Impact, risk and opportunity management	See section 8.3.1.1 Impact, risk and opportunity management
Austrian Financial Market Authority/ OeNB	Interested	Discussions between the HYPO NOE Group Management Board and the regulatory authorities take place at regular meetings and on a case-by-case basis. Data are shared via a platform or using templates and questionnaires provided by the regulator. The HYPO NOE Group also makes use of training courses offered by the regulatory authorities on a variety of topics	Dialogue on the business model, strategy and implementation of regulatory requirements
Investors	Interested	Engagement is the responsibility of Investor Relations, which is part of the Treasury Department. Dialogue takes the form of personal discussions, newsletters, presentations, roadshows and participation in investor conferences	Ensuring that (potential) investors receive regular information on the HYPO NOE Group's business model, strategy and performance. Dialogue enables the views, requirements and strategies of investors to be identified, and the fine-tuning of the Group's views, requirements and strategies in response
Rating agencies	Interested	The Rating/ESG team coordinates engagement with rating agencies (single point of contact). Dialogue takes place in various ways, including personal discussions, sharing of documents, online methods, management discussions, preparation of second party opinions (SPOs) and reviews of the green bond asset pool (allocation and impact report)	Ensuring that rating agencies have access to full qualitative and quantitative information for their ratings, as well as dialogue regarding the methodologies used by the agencies in their assessments, so that the HYPO NOE Group can take this information into account in its strategic decision-making

SBM-2.45a i	SBM-2.45a v	SBM-2.45b	SBM-2.45c i-iii
Nature	See concepts and actions in section 8.2.2 ESRS E1: Climate change	Climate change mitigation in the Group's own operations, and financing for climate change mitigation and adaptation were identified as material topics in the materiality assessment. These material topics were taken into account in the concepts and actions	No change in the strategy or business model
Federal and state government/ public authorities	The findings from stakeholder dialogue feed into the development of actions and targets for the ESG strategy	The findings from workshops, networking events and certification by external bodies are taken into account in HYPO NOE Landesbank's concepts and actions	No change in the strategy or business model
Consumer protection/Chamber of Labour (AK)	*Certification in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49) *birds of trust platform	The insights gained through stakeholder dialogue and in the course of external certifications are reflected in HYPO NOE Landesbank's concepts and actions	No change in the strategy or business model
Supervisory Board	See section 8.1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies	See section 8.1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies	No change in the strategy or business model
Customers	See section 8.3.2.4 Processes for engaging with consumers and end-users about impacts (S4-2)	The results of the customer surveys are analysed and corresponding actions initiated	No change in the strategy or business model
Business partners/ suppliers	Dialogue with business partners and suppliers along the value chain supports the assessment of (potential) material topics	Material topics connected with climate change mitigation and adaptation are identified in the upstream and downstream value chain, and in the Company itself, which then feed into concepts and actions (see section 8.2.2 ESRS E1: Climate change)	No change in the strategy or business model
Subsidiaries (HYPO NOE Leasing)	The viewpoints of HYPO NOE Leasing feed into strategic decision-making, both in terms of the business strategy and the Company's own workforce	The outcomes of engagement with HYPO NOE Leasing are considered in the assessment of material topics, and actions related to the business strategy and own workforce are derived from this	No change in the strategy or business model
Owner	Ownership of the Group has major implications for its business strategy.	The need for investments in climate change mitigation and adaptation (in particular financing for the public sector) was defined as material in the materiality assessment and corresponding actions have been adopted in the business strategy	No change in the strategy or business model
Employees	See section 8.3.1.1 Impact, risk and opportunity management	See "Work-life balance" and "Training and skills development" in section 8.3.1 ESRS S1: Own workforce	No change in the strategy or business model
Austrian Financial Market Authority/ OeNB	The results of dialogue with the regulator feed into the business model, strategy and risk management policies	Regulatory requirements are taken into account in the strategy, business model and risk management policies	The strategy, business model and risk management policies are continuously adapted in line with regulatory requirements

SBM-2.45a i	SBM-2.45a v	SBM-2.45b	SBM-2.45c i-iii
Investors	The outcomes of dialogue with (potential) investors feed into investor relations presentations, the Sustainability Bond Framework and the green bond impact and allocation reports, as well as reflecting the focuses of roadshows and personal discussions	In order to ensure transparency and credibility in the Group's dealings with investors, the Sustainability Bond Framework was drawn up in accordance with the ICMA standards, and compliance was confirmed by ISS ESG (SPO). The green bond impact and allocation reports on HYPO NOE Landesbank's green asset pool are subject to external verification on an annual basis. All documents are made available to investors on the Group's website	No change in the strategy or business model
Rating agencies	The outcomes of dialogue with rating agencies feeds into strategic decision-making	The Rating/ESG team analyses the agencies' methodologies, so that the assessments can be considered as clearly and appropriately as possible when determining strategies	No change in the strategy or business model

klimaaktiv Pakt partnership

HYPO NOE Landesbank became a klimaaktiv Pakt partner in 2021. Initiated by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, the klimaaktiv Pakt is a national climate change mitigation programme, under which signatories are obliged to meet binding climate protection goals. Under the initiative, stakeholder dialogue takes place through conferences and workshops, and by means of the annual evaluation of goal achievement by klimaaktiv experts (see “Concept: klimaaktiv Pakt” in section 8.2.2.3 Climate change mitigation and energy).

ÖGUT working group

The HYPO NOE Group’s ESG experts regularly take part in the ÖGUT business ecological and social benchmarking working group, which focuses on options for sustainable development in the financial services sector. The working group serves as a platform for sharing experience of sustainability management, and for optimisation of sustainability reporting. ÖGUT is an independent non-profit organisation which is committed to promoting a focus on sustainability in the economy and society. As a platform for this development focus, ÖGUT brings together more than 130 organisations and institutions from the business sector (waste management companies, financial services providers, energy services providers and many other types of business, as well as interest groups including the Austrian Federal Economic Chamber [WKO] and the Federation of Austrian Industries [IV]), public administration (Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Federal Ministry of Labour and Economy, the State of Lower Austria and the City of Vienna), as well as environmental organisations (the largest environmental NGOs, the Ökobüro alliance and the Umweltdachverband umbrella organisation).

ISO 14001 (Quality Austria)

HYPO NOE Landesbank is certified in accordance with the ISO 14001 environmental management standard. The aims of ISO 14001 include protection of the environment by preventing or mitigating detrimental environmental impacts and improving environmental performance. Dialogue takes place in the course of the annual external audit.

Austrian Ecolabel for Sustainable Financial Products (UZ 49)

HYPO NOE Landesbank’s green products and green bonds are certified in accordance with the Austrian Ecolabel. Ecolabel-certified products must have an environmental and/or social impact, and serve to channel financing towards improvements in sustainability (see “Concept: green products” in section 8.2.2.1 Climate change adaptation).

Focal Group Green Finance

The Focal Group Green Finance – a platform for dialogue operated jointly by the Federal Ministry of Finance and the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology – was set up in 2019. The group’s regular meetings provide a platform for engagement with numerous stakeholders from the financial sector. Representatives of the banking and insurance industries, businesses and public institutions, and the science sector discuss the latest developments and implementation of measures aimed at creating a sustainable financial sector in Austria. In 2024, the focus was on sustainability reporting, biodiversity, the circular economy, and support for SMEs in the transition to a sustainable economy.

birds of trust platform

HYPO NOE Landesbank’s green products can be found on the birds of trust platform, which lists sustainable current account and savings products that can be accessed online on the Austrian market. UZ 49 certification is a prerequisite for the inclusion of green products on the platform. birds of trust also evaluates searchability and the scope of information provided.

8.1.3.3 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS E1

In accordance with the list of sustainability matters in section AR 16 of ESRS 1, the HYPO NOE Group identified the following matters as material in its assessment of impacts, risks and opportunities:

- E1 Climate change adaptation
- E1 Climate change mitigation
- E1 Energy

Due to the interdependence of various IROs, in this overview and subsequent sections of this non-financial statement, climate change mitigation and energy are covered jointly in the section entitled “Climate change mitigation and energy”. However, both of these areas are dealt with in the level of detail specified in the topical standards for the Disclosure Requirements. When identifying material sustainability matters, in addition to the topical standards listed in section AR 16 of ESRS 1, the HYPO NOE Group also took into account entity- and sector-specific circumstances, as well as the degree to which they are covered in the Standard. EFRAG IG 1 Materiality Assessment states that sector-specific sustainability matters must be reported as entity-specific matters until the final sector standards are published. In this regard, the HYPO NOE Group treats impacts, risks and opportunities that are related to the financing and lending business as sector-specific, and will subsequently treat them as entity-specific.

ESRS S1

In accordance with the list of sustainability matters in section AR 16 of ESRS 1, the HYPO NOE Group identified the following matters as material in its assessment of impacts, risks and opportunities:

- S1 Working conditions – work-life balance
- S1 Equal treatment and opportunities for all – diversity
- S1 Equal treatment and opportunities for all – training and skills development
- S1 Equal treatment and opportunities for all – gender equality and equal pay for work of equal value

When identifying material sustainability matters, in addition to the topical standards listed in section AR 16 of ESRS 1, the HYPO NOE Group also took into account entity- and sector-specific circumstances, as well as the degree to which they are covered in the Standard. EFRAG IG 1 Materiality Assessment states that sector-specific sustainability matters must be reported as entity-specific matters until the final sector standards are published. In this regard, there are no impacts, risks and opportunities that the HYPO NOE Group treats as sector-specific, and which will subsequently be treated as entity-specific.

ESRS S4

In accordance with the list of sustainability matters in section AR 16 of ESRS 1, the HYPO NOE Group identified the following matters as material in its assessment of impacts, risks and opportunities:

- S4 Information-related impacts on consumers and/or end-users – data protection
- S4 Information-related impacts on consumers and/or end-users – access to (quality) information
- S4 Social inclusion of consumers and/or end-users – non-discrimination (accessibility)
- S4 Social inclusion of consumers and/or end-users – access to products and services (accessibility)
- S4 Social inclusion of consumers and/or end-users – responsible marketing practices

Due to the interdependence of various IROs, in this overview and subsequent sections of this non-financial statement, access to products and services (accessibility) and non-discrimination (accessibility) are dealt with together in a single section. However, both of these areas are dealt with in the level of detail specified in the topical standards for the Disclosure Requirements. When identifying material sustainability matters, in addition to the topical standards listed in section AR 16 of ESRS 1, the HYPO NOE Group also took into account entity- and sector-specific circumstances, as well as the degree to which they are covered in the Standard. EFRAG IG 1 Materiality Assessment states that sector-specific sustainability matters must be reported as entity-specific matters until the final sector standards are published. In this respect, the HYPO NOE Group treats impacts, risks and opportunities that are related to increased data protection requirements or banks’ financial products as sector-specific, and will subsequently treat them as entity-specific.

ESRS G1

In accordance with the list of sustainability matters in section AR 16 of ESRS 1, the HYPO NOE Group identified the following matters as material in its assessment of impacts, risks and opportunities:

- G1 Corporate culture
- G1 Protection of whistleblowers
- G1 Corruption and bribery – incidents
- G1 Corruption and bribery – prevention and detection including training

When identifying material sustainability matters, in addition to the topical standards listed in section AR 16 of ESRS 1, the HYPO NOE Group also took into account entity- and sector-specific circumstances, as well as the degree to which they are covered in the Standard. EFRAG IG 1 Materiality Assessment states that sector-specific sustainability matters must be reported as entity-specific matters until the final sector standards are published. In this regard, there are no impacts, risks and opportunities that the HYPO NOE Group treats as sector-specific, and which will subsequently be treated as entity-specific.

Climate change

Sub-topic		SBM-3.48a
Climate change adaptation	Impact and market/transition risk Downstream Positive Short, medium and long term Actual and potential	**Financing for public infrastructure, real estate, corporate and retail customers** Wide-ranging investments in climate change adaptation are necessary in order to mitigate the negative impacts of climate change. This includes investment in public infrastructure (such as public transport, flood protection, slope stabilisation and renaturation), real estate (heat protection, energy efficiency) and the transformation of business models. As a consequence, HYPO NOE Landesbank has identified financing for such investments in climate change adaptation as a material topic in each of its business segments. Responding to the trend towards sustainable products was also specified as a material topic in the materiality assessment. A change in consumer behaviour in favour of sustainable options could be a potential source of reputational or market risk in the medium term.
Climate change adaptation	Impact Downstream Positive Medium term Actual	**Optimisation of data quality – availability and recording** An effective database for evaluation of the energy efficiency of financed real estate and assessment of physical credit risks forms the basis for developing strategies, actions and targets. With this in mind, the HYPO NOE Group identified data quality, availability and recording as material topics in the context of climate change adaptation and mitigation. A package of measures ranging from mandatory collection of energy performance certificates in the real estate financing process, through to application of the Climcycle PCAF module are intended to support the creation of this database and calculation of the carbon footprint (Scope 3.15) of the loan portfolio.
Climate change adaptation	Physical climate risk (credit risk) Downstream Long term Potential	**Extreme weather and natural disasters** Extreme weather and natural disasters represent potential material physical credit risks and are therefore addressed as part of ESG risk management.
Climate change mitigation and energy	Impact Downstream and own operations Negative (systemic) Long term Actual	**Climate change mitigation in the Group's own operations** In previous materiality assessments in accordance with the GRI standards, the HYPO NOE Group identified emissions (Scope 1 and 2) from its operations as having a negative impact in terms of climate change mitigation. As a result, the current ESG strategy provides for a steady reduction in the Group's environmental footprint. As a signatory of the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology's klimaaktiv Pakt, the Group has been obliged to gradually reduce its Scope 1 and 2 emissions since 2021.
Climate change mitigation and energy	Impact and transitional climate risk (credit risk) Downstream Negative (systemic and case-related) Long term Actual and potential	**Management of climate risks** Financing for carbon-intensive industries can be associated with high transitional climate risk. Energy-intensive or energy-inefficient production processes or facilities can lead to depreciation, amortisation and impairment or rising investment costs, and may also be exposed to a higher probability of default. Transition risks are addressed as part of ESG risk management.

Sub-topic		SBM-3.48b
Climate change adaptation	Impact and market/transition risk Downstream Positive Short, medium and long term Actual and potential	Thanks to its portfolio of green products, the Group has opened up the possibility of financing investments in climate change adaptation, and refinancing them by means of green bonds. The green product range was also developed in response to the trend towards sustainable products. All of the Group's green products are certified in accordance with the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology UZ 49 ecolabel.
Climate change adaptation	Impact Downstream Positive Medium term Actual	The availability of data related to real estate finance – a significant proportion of the loan portfolio – allows the HYPO NOE Group to calculate the carbon footprint of the loan portfolio, which in turn can serve as the basis for estimates regarding decarbonisation. The insights gained can be used to define action areas, set objectives and evaluate risks and opportunities.
Climate change adaptation	Physical climate risk (credit risk) Downstream Long term Potential	When identifying, assessing and managing ESG risks, the HYPO NOE Group takes physical climate risks into account in the risk inventory and Bank-wide stress tests, and in credit risk assessment (see section 8.1.2.5 GOV-5 – Risk management and internal controls over sustainability reporting).
Climate change mitigation and energy	Impact Downstream and own operations Negative (systemic) Long term Actual	The Group's ESG strategy is based on three pillars: financing for projects that generate added value for society (contribution to achieving the SDGs), acting as a responsible employer (ESRS S1) and reducing the Group's environmental footprint. In order to implement the third pillar, the Group decided to become a partner of the klimaaktiv Pakt. Annual reviews and the optimisation of operational measures related to energy saving and energy efficiency, use of transportation, renewable energy sources, as well as awareness-raising measures, are designed to ensure target attainment and transparency. As a klimaaktiv Pakt signatory, the Group is committed to reducing its carbon footprint by 80% (benchmark year: 2015).
Climate change mitigation and energy	Impact and transitional climate risk (credit risk) Downstream Negative (systemic and case-related) Long term Actual and potential	ESG-specific factors are taken into account in the sector benchmarking tool, which is also used to assess ESG risks. One of the ESG-specific factors that plays a part in the assessment is GHG intensity. The planned review of the sector limit system that includes ESG assessments is scheduled for completion by mid-2025.

Sub-topic		SBM-3.48c
Climate change adaptation	Impact and market/transition risk Downstream Positive Short, medium and long term Actual and potential	i) In order to mitigate the negative impacts of climate change, iii) extensive investment in infrastructure (e.g. flood protection) will be necessary in the medium-to-long term. ii) In accordance with its business model, which focuses on financing for the public sector, real estate and corporates, the HYPO NOE Group makes a positive contribution by financing climate change adaptation projects. iv) The green product range, renovation project calculator, and cooperation with subsidising authorities are designed to support the transition towards climate neutrality and climate change adaptation. In addition, certifications and annual reporting on the allocation of funds serve to enhance transparency and credibility. HYPO NOE Landesbank's Sustainability Bond Framework covers financing for climate change adaptation, which in turn enables the Bank to refinance these loans by means of green bonds.
Climate change adaptation	Impact Downstream Positive Medium term Actual	i) According to the Environment Agency Austria climate dashboard, real estate accounts for around 10% of Austria's carbon footprint (in CO_2-e). ii) As a mortgage bank, the HYPO NOE Group extends loans primarily for (residential) real estate and public-sector buildings. iii) Starting in 2025, the Group will publish details of its carbon footprint in accordance with Scope 3.15 and carry out further analysis on this basis. iv) In order to calculate the carbon footprint of the real estate loan portfolio and prepare further analyses, numerous measures have been implemented to collect and process energy-efficiency data for the financed properties.
Climate change adaptation	Physical climate risk (credit risk) Downstream Long term Potential	Physical risks can lead to a reduction in the value of collateral (higher LGD), debt capacity (higher PD and NPLs) and productivity/income (higher PD and NPLs) (see section 8.1.2.5 GOV-5 – Risk management and internal controls over sustainability reporting).
Climate change mitigation and energy	Impact Downstream and own operations Negative (systemic) Long term Actual	i) and iv) The Group's climate change mitigation programme is geared towards reducing negative impacts on the climate and environment. The 2023 employee survey showed that it is important for HYPO NOE Group employees that they work for a company which operates sustainably. ii) Under the klimaaktiv Pakt, the HYPO NOE Group has drawn up a climate change mitigation plan based on Austria's national targets, in consultation with klimaaktiv experts. iii) As a result, the Group has made a commitment to reduce emissions from its operations, improve energy efficiency and increase its use of renewable energy. iv) The HYPO NOE Group is consequently committed to reducing its GHG emissions by 80% (benchmark year: 2015) by 2030.
Climate change mitigation and energy	Impact and transitional climate risk (credit risk) Downstream Negative (systemic and case-related) Long term Actual and potential	Transition risks can lead to substantial depreciation, amortisation and impairment of carbon-intensive facilities, lower income for debtors, or greater investment in new technologies. In turn, this can have an effect on the probability of default (see section 8.1.2 Governance).

Sub-topic		SBM-3.48d	Concepts
Climate change adaptation	Impact and market/transition risk Downstream Positive Short, medium and long term	No financial impacts	Green products
Climate change adaptation	Impact Downstream Positive Medium term Actual	No financial impacts	No concept
Climate change adaptation	Physical climate risk (credit risk) Downstream Long term Potential	No financial impacts	Management of ESG risks
Climate change mitigation and energy	Impact Downstream and own operations Negative (systemic) Long term Actual	No financial impacts	klimaaktiv Pakt
Climate change mitigation and energy	Impact and transitional climate risk (credit risk) Downstream Negative (systemic and case-related) Long term Actual and potential	No financial impacts	Management of ESG risks

Own workforce

Sub-topic	Sub-sub-topic		SBM-3.48a
Working conditions	Work-life balance	Impact and opportunity Operations Positive Short-to-medium term Actual and potential	Due to demographic shifts, a positive reputation and an image as an attractive employer are vital for the HYPO NOE Group as a service provider. In the course of the materiality assessment and employee surveys, there was a focus on the actions taken to enhance the compatibility of work and family commitments and the work-life balance, as well as on the alignment of work with life phases. The results highlighted the positive impact made by the implemented actions. The materiality assessment identified employee satisfaction as a material opportunity in terms of increased motivation, reduced sick leave and a greater capacity for innovation. Employee satisfaction is also assessed in the course of the survey carried out every two years.
Equal treatment and opportunities for all	Diversity	Impact, opportunity and risk Operations Positive Short-to-medium term Actual and potential	A lived commitment to equal treatment, equal opportunities and diversity has a positive influence on the corporate culture and opens up opportunities to ensure that the Company is perceived as a modern business (employer branding). This applies to the HYPO NOE Group's current as well as potential employees. At the same time, diversity and equal treatment were identified as potential material reputational risks, for example in the event of incidents of discrimination. An evaluation of equal opportunities and diversity forms part of the surveys carried out every two years.
Equal treatment and opportunities for all	Training and skills development	Impact and opportunity Operations Positive Medium term Actual and potential	The transition to a sustainable economy as well as increased regulatory requirements call for suitably qualified employees, who should be in a position to utilise opportunities that arise from the transition, and have the expertise required to implement such regulatory requirements. The materiality assessment also identified "impact jobs" – work that is aimed at making a meaningful difference – as a material opportunity.
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact Operations Negative Long term Potential	The gender pay gap in Austria is wider than the EU average. For this reason, equal opportunities and the gender pay gap were categorised as having a potential negative impact in the materiality assessment.

Sub-topic	Sub-sub-topic		SBM-3.48b
Working conditions	Work-life balance	Impact and opportunity Operations Positive Short-to-medium term Actual and potential	The HYPO NOE Group has developed concepts related to the work-life balance that are aimed at boosting employee satisfaction and loyalty, as well as the Group's attractiveness as an employer. Flexible working hours and work-from-home options give employees the flexibility to decide when and where they work. Childcare and active parental leave management actions have also been implemented. The employee surveys held every two years include an evaluation of the actions taken.
Equal treatment and opportunities for all	Diversity	Impact, opportunity and risk Operations Positive Short-to-medium term Actual and potential	The Group's commitment to diversity is set out in its Code of Conduct. In order to further underline this commitment for external stakeholders, HYPO NOE Landesbank signed the Austrian Federal Economic Chamber's Diversity Charter. The work of the in-house frauen@HYPONOE women's network is centred on supporting female employees' career development. The network has also introduced a mentoring programme, and organises networking and information events. Equal opportunities and diversity are covered in the employee survey carried out every two years.
Equal treatment and opportunities for all	Training and skills development	Impact and opportunity Operations Positive Medium term Actual and potential	Training programmes are assessed at least once a year as part of the performance and development appraisals held by managers with their employees. Offerings include both personal development and specialist training. In order to ensure availability of the expertise required to implement regulatory requirements, the range of ESG training courses was expanded in 2024.
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact Operations Negative Long term potential	HYPO NOE Group employees are covered by the collective agreement for employees of Austria's state mortgage banks, which ensures equal minimum standards for pay and working conditions for all workers. Although the collective agreement includes the principle of equal pay for work of equal value, gender equality is primarily seen in the context of promoting the career development of female managers and experts. The actions taken to support female employees' career advancement are described in the sub-sub-topic of diversity.

Sub-topic	Sub-sub-topic		SBM-3.48c
Working conditions	Work-life balance	Impact and opportunity Operations Positive Short-to-medium term Actual and potential	i) and iv) A good work-life balance has a positive impact on employee loyalty and satisfaction, and enhances the employer's attractiveness, both among employees and when it comes to recruitment. ii) The actions implemented in connection with the work-life balance are based on survey findings, and are also part of the Level 30 organisational development process. iii) Actions are expected to have a positive impact in the short-to-medium term, and employee surveys are carried out every two years. Employee journeys on specific topics are carried out at shorter intervals.
Equal treatment and opportunities for all	Diversity	Impact, opportunity and risk Operations Positive Short-to-medium term Actual and potential	i) A lived commitment to diversity and equal opportunities promotes employee satisfaction as well as a sense of acceptance among employees, and also has a positive effect on the Company's reputation. ii) The HYPO NOE Group's commitment to diversity and equal opportunities is part of its Code of Conduct. iii)-iv) Actions are expected to have a positive impact in the short-to-medium term, and will be evaluated in the course of the employee survey.
Equal treatment and opportunities for all	Training and skills development	Impact and opportunity Operations Positive Medium term Actual and potential	i) Training and development measures – ii) which are part of the HR policy – help to enhance the Company's attractiveness as an employer, and have a positive effect on employee acquisition, development and loyalty. iii)-iv) Training and development courses for employees are analysed at least once a year by the People & Culture Department, in line with feedback obtained in the development appraisals, and adaptations are made where necessary.
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact Operations Negative Long term Potential	i) Numerous actions are required in order to close the gender pay gap, including with regard to career advancement support for women, the work-life balance, and measures focused on pay transparency. ii) These actions are part of the HR policy. iii)-iv) Actions centred on support and the work-life balance are offered each year in a range of different formats (see diversity sub-sub-topic). The HYPO NOE Group contributes to increased pay transparency by publishing compensation metrics.

Sub-topic	Sub-sub-topic		SBM-3.48d	Concepts
Working conditions	Work-life balance	Impact and opportunity Operations Positive Short-to-medium term Actual and potential	No current anticipated financial effects	1) Setting up a workspace outside the Company 2) Company agreement on flexible working hours
Equal treatment and opportunities for all	Diversity	Impact, opportunity and risk Operations Positive Short-to-medium term Actual and potential	No current anticipated financial effects	ESG training concept
Equal treatment and opportunities for all	Training and skills development	Impact and opportunity Operations Positive Medium term Actual and potential	No current anticipated financial effects	Code of Conduct
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Impact Operations Negative Long term potential	No current anticipated financial effects	No concept

Consumers and end-users

Sub-topic	Sub-sub-topic		SBM-3 48a
Information-related impacts on consumers and/or end-users	Data protection	Impact Positive/negative Operations (workforce) Downstream (customers) Short term Actual	As service providers, banks process large volumes of personal data; accordingly, data protection has been classified as material. Careful handling of data builds trust among customers (and employees). Data protection incidents can undermine customers' (and employees') trust. This is why raising employees' awareness is also treated as a material topic. Threats and risks in operational processes must be addressed and managed using comprehensive security measures
Information-related impacts on consumers and/or end-users	Access to (quality) information	Positive impact Operations (workforce) Downstream (customers) Short term Actual	Easy-to-understand, secure and sustainable financial products, and the explanation of products in order to enhance financial literary were identified as material topics in the materiality assessment. Comprehensive ESG training for employees helps to create positive impacts and improves the quality of customer advice by giving customers access to quality information.
Social inclusion of consumers and/or end-users	Access to products and services (accessibility) and non-discrimination (accessibility)	Impact Positive Downstream (customers) Long term Actual	Access to products and services with a view to enhancing accessibility was classified as a material topic for the HYPO NOE Group. Inclusion by ensuring accessibility at the branches and on the website has a positive influence on customers' trust and proactively prevents discrimination.
Social inclusion of consumers and/or end-users	Responsible marketing practices	Impact/risk Positive/negative Downstream (customers) Short, medium and long term Actual	In the materiality assessment, consulting expertise and ensuring responsible marketing/sales practices – including by means of ESG training courses – was identified as a material topic. This has a positive impact on customer satisfaction. However, accusations of greenwashing would damage trust in the long term and result in reputational damage or sanctions.

Sub-topic	Sub-sub-topic		SBM-3.48b incl. S4 SBM-3.9a and S4 SBM-3.10c
Information-related impacts on consumers and/or end-users	Data protection	Impact Positive/negative Operations (workforce) Downstream (customers) Short term Actual	The HYPO NOE Group has adopted data protection guidelines and an information security policy in order to safeguard and prevent breaches of the basic right of the Group's customers (and employees) to personal security at all times, in line with the principle of respect for human rights, as well as to comply with Austrian data protection regulations and ensure security in connection with personal information. The data protection manual and information security policy set out the relevant principles, processes and responsibilities. All employees must participate in data protection and information security training annually.
Information-related impacts on consumers and/or end-users	Access to (quality) information	Positive impact Operations (workforce) Downstream (customers) Short term Actual	The Group has drawn up an ESG training concept in order to provide targeted employee training and development. Employees can only give customers precise and clear advice and explanations if they are well trained.
Social inclusion of consumers and/or end-users	Access to products and services (accessibility) and non-discrimination (accessibility)	Positive impact Downstream (customers) Long term Actual	In order to ensure that people with special needs have access to products and services, 25 of the Group's 26 branches are wheelchair-accessible, and the Group's website is also fully accessible. Accessibility is enshrined in various laws, meaning that inclusion of people with disabilities is clearly regulated and essential.
Social inclusion of consumers and/or end-users	Responsible marketing practices	Impact/risk Positive/negative Downstream (customers) Short, medium and long term Actual	The ESG training concept states that HYPO NOE Group employees must complete compulsory training courses. This is designed to ensure that employees have the necessary advisory skills. The Group's green products are certified in accordance with the UZ 49 ecolabel, in order to counter the potential negative impact of greenwashing accusations. The HYPO NOE Group is also certified in accordance with the pro-Ethik quality seal, and is therefore obliged to ensure ethical and fair conduct in relation to its customer advertising.

Sub-topic	Sub-sub-topic		SBM-3.48c incl. S4 SBM-3.10c
Information-related impacts on consumers and/or end-users	Data protection	Impact Positive/negative Operations (workforce) Downstream (customers) Short term Actual	i) Data protection breaches can result in wide-ranging negative impacts that have serious consequences. These include financial losses, reputational damage, legal risks, official fines and a profound loss of trust among consumers and end users. Consequently, careful handling of customer data makes a positive contribution to consumers' personal security. Reviewing and compliance with security guidelines and processes is a matter of course at the HYPO NOE Group, in order to ensure that sensitive data are protected. ii) As a service provider, the HYPO NOE Group processes its customers' (and employees') personal data, and has significant responsibilities for information security in its systems and processes. iii) The impact on data protection and information security may occur at any time. iv) Compulsory annual training for all employees ensures that sufficient expertise and awareness is in place to identify and prevent data protection breaches, as well as awareness in connection with information security. In addition, the Group has appointed a Data Protection Officer to oversee data protection matters, and has implemented internal data protection guidelines as well as technical and organisational measures to ensure the protection of personal data. A Chief Information Security Officer, who is responsible for information security, has also been appointed, and the Group has adopted an information security policy and guidelines. The Chief Information Security Officer is responsible for ensuring compliance with the policy and guidelines.
Information-related impacts on consumers and/or end-users	Access to (quality) information	Positive impact Operations (workforce) Downstream (customers) Short term Actual	i) Effective employee training strengthens customers' trust in the Company and its financial products. High-quality training can also increase employee satisfaction and their loyalty to the Company. ii) Continuous training and development are part of the HYPO NOE Group's HR policy and ESG strategy. iii) The impacts are expected to be felt in the short term. iv) Through its employee training, the Group has a material impact on customers' access to quality information.
Social inclusion of consumers and/or end-users	Access to products and services (accessibility) and non-discrimination (accessibility)	Impact Positive Downstream (customers) Long term Actual	i) The HYPO NOE Group ensures equal access to banking services by means of accessibility measures, which has a positive effect on customer relationships and customer satisfaction. ii) In its role as a financial services provider, inclusion and, as a consequence, non-discrimination of all customers is a key topic for the Group. Discrimination is forbidden under the Code of Conduct. iii) The impacts of wheelchair accessibility are expected to be felt in the long term. iv) 25 of the Group's 26 branches are wheelchair-accessible, while the self-service terminals in the branch foyers feature audio output sockets as well as keyboards with Braille markings. In order to meet all of the applicable legislative requirements for digital accessibility, the HYPO NOE Group cooperates with a digital services agency and certified web accessibility experts. The Group takes the subject of financial inclusion and non-discrimination very seriously, as reflected in its publication of an accessibility declaration.

Sub-topic	Sub-sub-topic		SBM-3.48c incl. S4 SBM-3.10c
Social inclusion of consumers and/or end-users	Responsible marketing practices	Impact/ risk Positive/negative Downstream (customers) Short, medium and long term Actual	i) In the HYPO NOE Group's view, credibility and transparency in financial products and sales practices have a material impact on customer satisfaction. ii) Continuous training and development are part of the HYPO NOE Group's HR policy and ESG strategy. The Group's Code of Conduct includes a commitment to employing responsible marketing practices – a condition of certification in accordance with the Austrian Advertising Council's pro-Ethik quality seal. iii) The impacts are expected to be felt in the long term. iv) In order to avoid accusations of greenwashing, all of the Group's green products are certified in accordance with the Federal Ministry for Climate Action's UZ 49 ecolabel. In addition, certifications and annual reporting on the allocation of funds serve to enhance the transparency and credibility of the green products.

Sub-topic	Sub-sub-topic		SBM-3.48d	Concepts
Information-related impacts on consumers and/or end-users	Data protection	Impact Positive/negative Operations (workforce) Downstream (customers) Short term Actual	No current financial effects	1) Data protection manual 2) Information security
Information-related impacts on consumers and/or end-users	Access to (quality) information	Impact Positive Operations (workforce) Downstream (customers) Short term Actual	No current financial effects	See “Concept 1: ESG training concept” in section 8.3.1.5 Equal treatment and opportunities for all
Social inclusion of consumers and/or end-users	Access to products and services (accessibility) and non-discrimination (accessibility)	Impact Positive Downstream (customers) Long term Actual	No current financial effects	No concept
Social inclusion of consumers and/or end-users	Responsible marketing practices	Impact/ risk Positive/negative Downstream (customers) Short, medium and long term Actual	No current financial effects	1) See “Concept 1: ESG training concept” in section 8.3.1.5 Equal treatment and opportunities for all 2) Code of Conduct

Management

Sub-topic	Sub-sub-topic		SBM-3.48a
Corporate culture		Impact Positive Operations Medium term Actual	During the impact workshop, the positive impact of promoting a fair and open corporate culture was identified as a material topic. As far as the HYPO NOE Group is concerned, a fair and open corporate culture is reflected in equal opportunities, creating opportunities for employee participation, career advancement and development, as well as ensuring a healthy work-life balance (employee survey on Company values).
Protection of whistleblowers		Impact Positive Entire value chain Short, medium and long term Actual	Besides an effective internal control system, external and internal information is essential in order to identify any errors or other shortcomings at an early stage and, in turn, to ensure the Company's security and positive development (HYPO NOE Group website).
Corruption and bribery	Prevention and detection including training	Impact Positive Operations Medium term Actual	A strong compliance culture boosts awareness of corruption and other compliance-related matters among all employees. An effective compliance system also protects the Bank from legal and financial risks and reduces the risk of market manipulation and insider trading. Likewise, compliance with the Manual for Prevention of Money Laundering is intended to safeguard the integrity of the financial system and prevent the provision of financing for illegal activities. With regard to the business model, the impacts are focused particularly on the Legal, Internal Audit, Risk Management, Compliance and front office departments. Actions related to control and monitoring systems as well as training are implemented internally.
Corruption and bribery	Incidents	Impact Positive Operations Medium term Actual	The material positive impacts of resilient anti-corruption actions include preventing and detecting corruption, compliance with regulatory standards and maintaining a good reputation. Under the HYPO NOE Group's business model, the impacts are concentrated on operations that are strictly regulated and involve direct customer contact, such as lending, risk management and the Compliance Department.

Sub-topic	Sub-sub-topic		SBM-3.48b
Corporate culture		Impact Positive Operations Medium term Actual	Regulations on respect for others and the commitment to equal opportunities and diversity are set out in the Code of Conduct. For the HYPO NOE Group, an open and fair corporate culture ensures stronger employee loyalty, increased employee satisfaction and greater attractiveness as an employer. This is why employees are consulted on a range of topics related to the corporate culture by means of annual employee journeys and surveys, as well as other participative approaches, and involved in the development of actions. Demographic change is leading to higher expectations being placed on employers. In the Group's view, being perceived as an attractive employer represents a competitive
Protection of whistleblowers		Impact Positive Entire value chain Short, medium and long term Actual	At present, Austrian banks are obliged to comply with the HinweisgeberInnenschutzgesetz (Austrian Whistleblower Protection Act), and consequently to implement whistleblowing systems in order to detect grievances at an early stage. Whistleblower protection applies to the Bank's entire value chain – from employees through to customers. Whistleblowing management is an integral part of strategic management, which allows for proactive responses to risks. In future, the HYPO NOE Group (and all other banks) will continue to be obliged to extend the protection they provide to whistleblowers. The business strategy has been refined with the integration of whistleblower protection measures, including the introduction of internal and external reporting channels for whistleblowers.
Corruption and bribery	Prevention and detection including training	Impact Positive Operations Medium term Actual	Under the current regulatory requirements, general and securities-related compliance, as well as legal provisions on corruption and money laundering have a significant influence on the HYPO NOE Group's business model, value chain and strategy. A compliance system (regulatory tool) has been put in place for management and monitoring purposes, in order to implement legislators' constantly changing requirements. As it can be assumed that the scope of regulations will widen, internal training courses on all subject areas (corruption and bribery, compliance and money laundering) must be kept up to date, and investments in IT system improvements increased. Additionally, all employees are obliged to declare any securities accounts they have and the transactions they execute via a dedicated platform. Steps are taken to counteract potential incidents of money laundering by means of customer transaction monitoring based on a dedicated IT tool. Compliance risks are taken into account in decision-making processes, with a view to preventing potential breaches.
Corruption and bribery	Incidents	Impact Positive Operations Medium term Actual	Regulatory requirements are becoming the focus of attention, meaning that they influence the HYPO NOE Group's business model, value chain and decision-making. The Bank limits the risk of unethical conduct by introducing training courses and stricter guidelines. It is expected that the influence of anti-corruption measures will grow, which, in turn, will have an impact on the strategy as well as customer behaviour.

Sub-topic	Sub-sub-topic		SBM-3.48c
Corporate culture		Impact Positive Operations Medium term Actual	i) An open and fair corporate culture promotes employee satisfaction and can therefore contribute to ii) the Company's capacity for innovation, agility, adaptability and, as a result, greater resilience. In the HYPO NOE Group's view, values must be expressed through leading by example, and their impacts unfold over the medium-to-long term in the form of a positive reputation and corporate identity. Onboarding programmes for new employees ensure that they are familiar with the Group's values and expectations from day one.
Protection of whistleblowers		Impact Positive Entire value chain Short, medium and long term Actual	i) Whistleblower protection enables employees and third parties to report grievances securely and anonymously. The whistleblowing channel is open to employees and third parties alike. Justified whistleblower reports help businesspeople to work more effectively, reveal internal grievances and reduce risks. Establishment of a whistleblowing office is closely connected with the values that form part of the Company's corporate culture, as ethical business practices and regulatory compliance play a central role in the HYPO NOE Group's Code of Values. iii) The impacts are expected to be felt in the short, medium and long term. iv) The HYPO NOE Group believes that it has a responsibility to comply with ethics standards when it comes to whistleblowing, and that doing so opens up the opportunity to ensure the Company's positive development.
Corruption and bribery	Prevention and detection, including training	Impact Positive Operations Medium term Actual	i) An effective compliance system contributes to the transparency and fairness of the financial market, strengthening trust among customers and the general public. This can reduce the risk of financial crises and harm to society, which could arise as a result of unregulated conduct. ii) The impacts are closely linked to the Group's strategy and business model, because compliance with statutory regulations and ethical standards is a key requirement for banks. Compliance guidelines are an integral component of both the Company's strategy and its risk and customer management structures. iii) The impacts are expected to be felt in the medium term. iv) Through its operations and relationships along the entire value chain, the HYPO NOE Group has a material influence on realisation of the positive effects generated by solid compliance systems. Monitoring of and adherence to compliance

Corruption and bribery	Incidents	Impact Positive Operations Medium term Actual	i) Strong anti-corruption management systems strengthen the integrity of the HYPO NOE Group and protect it against reputational risks. ii) The Group takes a zero-tolerance approach to corruption, in view of its obligation to comply with regulatory requirements and maintain the trust of its customers. Anti-corruption regulations and internal controls are integrated into the business model, with a view to minimising risks and ensuring ethical business practices. iii) Anti-corruption and anti-bribery measures will have impacts in the medium term. iv) The HYPO NOE Group has a material influence on efforts to combat corruption and bribery through its operations and relationships along the entire value chain. Internal processes including employee training serve to minimise risks. In parallel, the Bank has a responsibility to its customers to implement anti-corruption measures, and to play an active role in preventing corruption in the value chain.

Sub-topic	Sub-sub-topic		SBM-3.48d	Concepts
Corporate culture		Impact Positive Operations Medium term Actual	No current anticipated financial effects	Code of Conduct
Protection of whistleblowers		Impact Positive Entire value chain Short, medium and long term Long term Actual	No current anticipated financial effects	No concept
Corruption and bribery	Prevention and detection including training	Impact Positive Operations Medium term Actual	No current anticipated financial effects	1) Anti-corruption regulations 2) Compliance Manual 3) Manual for Prevention of Money Laundering
Corruption and bribery	Incidents	Impact Positive Operations Medium term Actual	No current anticipated financial effects	Anti-corruption regulations

In the course of the resilience analysis, the HYPO NOE Group examined both the risk inventory and the Bank-wide stress test. Both of these elements support the Group's assessment of climate-related risks and opportunities. The Group does not treat climate and environmental risks as a separate type of risk, but instead integrates transition and physical risks into the current main categories as risk subtypes. The Bank-wide stress test in particular provides an opportunity to identify and simulate physical and transition risks, and take appropriate action. In this context, the HYPO NOE Group has categorised physical credit risk and transition risks (financing for carbon-intensive sectors) as material.

With the help of the resilience analysis, when drawing up the risk inventory the HYPO NOE Group determines whether financing that is exposed to physical risks can lead to a deterioration in contractual parties' creditworthiness, for example due to crop failures or a changed economic or legal environment. Furthermore, natural disasters can reduce the value of collateral (higher LGD), while debt capacity (higher PD and NPLs) and rising temperatures can result in lower productivity/income (higher PD and NPLs). The results of the risk inventory show that in terms of their materiality, the impacts of physical and transition risks present in credit risk have been classified as medium.

As part of the Bank-wide stress test, each year a committee of experts draws up three scenarios. The material risk drivers in one of the scenarios in the stress test include climate and environmental risks, which allows for the assessment of solvency and internal risk-bearing capacity. The impacts of extreme weather events and increasing environmental risks in Austria feed into the scenario that is focused on climate and environmental risks. These impacts mainly take the form of flooding, hail, storms, landslides and heat waves that cause damage to critical public infrastructure, as well as significant losses for tourism regions, leading Austrian companies and agriculture businesses. These assumptions enable simulations of capital adequacy, defaults, liquidity and earnings over a three-year horizon. The scenario is expanded by experts to include assumptions for a wide variety of metrics (macroeconomic indicators, the evolution of credit spreads, deteriorations in credit ratings and LGD, as well as increased liquidity risk and costs). The assumptions for the scenario are aimed at highlighting the impact of significant levels of stress on the HYPO NOE Group over a three-year time horizon. In this scenario, the areas most severely affected by the impacts include credit risk.

The resilience analysis showed that the HYPO NOE Group is particularly exposed to physical and transition risks (carbon-intensive sectors). Based on the scenario analysis, it was found that in the second year of stress, even the Bank's liquidity would come under threat. In order to counteract these negative impacts, the Group has robust measures at its disposal to enable it to overcome various kinds of stress situations. Depending on the category of measures, the selected course of action can improve the Bank's capital and liquidity situation. In the scenario analysis, the Group took steps to strengthen its liquidity base, which it can achieve with capacity to spare. The measures selected in the scenario analysis can safeguard the HYPO NOE Group's stability and its business model.

The empirical and statistical ESG component of the industry score evaluates the sectors' greenhouse gas intensity. CO_2 emissions in accordance with the Eurostat Statistical Classification of Economic Activities in the European Community (NACE) are applied and taken as the basis for the assessment. These values are then related to the net non-current assets for the respective sector. As a result, the greenhouse gas intensity attributed to older assets is higher than that for newer, more modern assets. This regular analysis shows that carbon-intensive industries account for only a marginal proportion of the lending portfolio. Consequently, only a small proportion of assets and operations are exposed to stress as a result of CO_2 emissions. The Group plans to introduce climate and environmental stress testing in future.

8.1.4 Impact, risk and opportunity management

8.1.4.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

In order to identify impacts, risks and opportunities related to environmental, social and governance-related aspects of the HYPO NOE Group's operations and evaluate their materiality, a double materiality assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) was carried out for the first time in 2024, with external support.

Understanding the organisational context

In order to gain insights into the organisational context, the direct and indirect business relationships in the upstream and downstream value chain, the business model, segments, geographical focus and strategy were analysed. The examination of the downstream value chain was supplemented by a portfolio evaluation. Stakeholder dialogue had already been taken into consideration in previous materiality assessments (in accordance with the GRI standards). These stakeholders and existing initiatives were re-evaluated and expanded in view of the ESRS disclosure requirements. Internal and external documents, as well as related analyses and strategies were used in the assessment.

Identification of actual and potential sustainability impacts, risks and opportunities

Under the top-down approach employed in the materiality assessment process, to begin with the topics specified by the ESRS were filtered out and supplemented with Company-specific topics. Non-relevant topics were excluded, and all other topics were discussed and evaluated at impact and risk/opportunity workshops.

Determination and assessment of material sustainability impacts, risks and opportunities

During the impact workshop, possible impacts along the entire value chain were evaluated, with the participants making distinctions between negative and positive as well as actual and potential impacts. The severity of the impacts was assessed using a Mentimeter survey, and the Company evaluated the probability, magnitude and irremediable character of the negative impacts. In the risk/opportunity workshop, relevant risks and opportunities were identified, and reference

was made to past and future events. The financial effects were evaluated in relation to the most important risks and opportunities, with the United Nations Environment Programme Finance Initiative (UNEP FI) Sectors Mapping tool used to assess the impacts (inside-out).

Deriving material topics

In the process of identifying, evaluating and prioritising the potential and actual IROs, a distinction was made between internal IROs and those arising from the HYPO NOE Group's operations (value chain). Internal activities include the operation of the headquarters and branches, which has an environmental impact as a result of heating, use of transportation and IT procurement. The IROs in the downstream value chain were assessed on the basis of the loan portfolio, NACE codes and geographical focus. The risk assessment was carried out by in-house experts at workshops, which took into account the risk inventory and stress tests in sustainability risk management. The HYPO NOE Group has identified both direct and indirect impacts on GHG emissions arising from its business operations. As a financial institution, the Bank influences climate change primarily as a result of energy consumption at its places of business, including offices and the IT infrastructure installed there, as well as the use of transportation by its employees for work purposes. In addition, the projects financed by the Group play a material role: investments in sectors that damage the environment can lead to an increase in CO_2 emissions, while sustainable finance and investment in green projects are aimed at cutting emissions and reducing the negative impacts of climate change. The HYPO NOE Group's assets and operations are exposed to various climate-related risks and opportunities. The risks include transition risks such as regulatory changes, exposures in sectors with high GHG emissions, rising carbon taxes, price increases, higher risk premiums as a result of insecure technologies, as well as reputational and default risks. These transition risks can damage the profitability of debtors. Opportunities arise from the transition to a climate-neutral economy and new lines of business, including climate-friendly buildings and sustainable transportation, which hold the promise of long-term financial advantages. The assessment shows that the Group's strategy and investment decisions must be aligned with future developments, in order to ensure resilience against climate risks and break into new markets, for instance by means of increased emissions reporting and demand for climate-friendly solutions. The Group is not aware of any assets or operations that are not compatible with the transition to a climate-neutral economy, or require significant efforts in order to become compatible with the transition. Short-, medium- and long-term transition events were identified in order to assess their potential impacts on the HYPO NOE Group's assets and operations. Short-term events (occurring within one year) include new carbon taxes and stricter emissions reporting obligations, which can result in operational risks and costs. In the medium term (one to five years), structural changes such as new regulations in the construction sector or impairments of assets due to political or market-related changes may occur, which could have an effect on investment strategies and lending portfolios. For instance, in connection with the construction industry, Austria's circular economy strategy refers to the topics of "circular building materials" and "reuse of excavation and demolition materials", which are generated by activities including tunnel construction. As starting points for action plans connected with the transition, the strategy recommends promoting "resource conserving and circular construction methods", "sustainable procurement in high-rise and underground construction", "extension of the duration of use of buildings and construction products", and increasing "reuse, recycling and recovery". Over the long term (more than five years), impacts will result from measures such as the planned ban on combustion engines by 2035 and changes in consumer behaviour, which are closely connected with climate-related political targets, including net zero emissions by 2050.

In the course of the materiality assessment, the direct and indirect business relationships in the upstream and downstream value chain were analysed. The downstream value chain predominantly relates to the Group's core business, namely lending. The assessment of the IROs took into consideration the geographical location, the operations of the business segments, and customer relationships. With regard to the IROs for operations, the evaluation focused on products, raw materials, components and services used in the course of operations. As previously reported, this mainly includes Scope 1 and 2.

Regarding pollution of air, water and soil (not including greenhouse gas emissions and waste), microplastics and substances of concern, the impacts for the HYPO NOE Group were found to range from minor to moderate. A list of sites where pollution is a material problem for the Group's operations as well as its upstream and downstream value chain is not available, as the Group does not have any production facilities of its own. The HYPO NOE Group's primary line of business is providing finance for real estate and construction projects, which gives rise to risks and opportunities, as well as both positive and negative impacts. This topic was classified as non-material.

The topic of water and marine resources, including consumption of surface water and groundwater, as well as water withdrawals and discharges, were discussed, with a focus on water in relation to the construction sector. The default risk in connection with water as a result of new guidelines – particularly in the construction sector – was classified as medium-

term. The financial effect associated with this risk is moderate. With regard to the Group's own operations, the new regulations were also categorised as medium-term, with a low financial burden. Overall, the financial effect of this topic was not classified as significant, so the topic was assessed as non-material.

In terms of the impacts of the Group's operations on ecosystem services that are important for affected communities, the HYPO NOE Group has neither positive nor negative impacts. The topic was discussed with regard to soil sealing and destruction of ecosystems, and the financial effects were found to be not significant. In the impact workshop, all topics in the E4 standard were given a score of 2 (moderate impact). The HYPO NOE Group does not have any sites in or close to biodiversity-sensitive areas and, as a result, this topic was assessed as non-material. The Group also does not have any material sites, material production operations or material raw material procurement which have negative impacts on biodiversity and ecosystems. Dependence on biodiversity or ecosystems was not identified either. In this respect, transition and physical risks and opportunities, and systemic risks are not relevant for the Group's business model. Consequently, the Group need not identify any negative or potential negative impacts on affected communities.

The identified impacts are often associated with risks and opportunities. For example, climate change adaptation and climate change mitigation can negatively affect the value of collateral, but at the same time it opens up financing opportunities for banks. Employee or customer dissatisfaction can have a negative influence on recruitment and customer acquisition, while a good reputation can have positive financial effects. This interplay was considered in the workshops. During the risk workshops, negative impacts were broken down into physical, transition and other risks. In addition, timeframes, likelihood and financial magnitude were evaluated by internal experts, with the business model as well as the geographical focus from an inside-out and outside-in perspective taken into account.

The identified stakeholders and existing stakeholder engagement initiatives were re-evaluated and added to in view of the ESRS disclosure requirements. The aim was to gain an understanding of which stakeholders are affected by the HYPO NOE Group's business activities and value chain, or could be affected in the future. The stakeholders were split into two groups: affected stakeholders and users, and stakeholders who are interested in the Group's sustainability reporting. A detailed breakdown of the stakeholders, actions for engagement with them, and relevant topics can be found in section 8.1.3.2 SBM-2 – Interests and views of stakeholders. Information on the consultations with the affected stakeholders, the ways in which they will possibly be affected, and the considerations of external experts is also provided in section 8.1.3.2.

This evaluation and the discussions in the workshops served as inputs for the detailed assessment of the magnitude, extent, irremediable character and likelihood of the impacts. In addition to the inputs from the workshop, information from the business context formed the basis for the impact assessment. Participants in the impact workshop evaluated the severity of the topics, taking into account the most relevant impacts. The magnitude, extent, irremediable character and likelihood of the impacts was also evaluated. The assessment scales for magnitude, extent and irremediable character range from 1 (no verifiable impacts on the environment/quality of life) to 6 (extremely severe impacts on the environment/quality of life that either cause irreversible damage or have a positive effect in the long run). The assessment scale for likelihood ranges from 3% (very small likelihood of the [financial] impact occurring) to 99% (absolute likelihood of the [financial] impact, which is certain to occur).

The impact value is calculated as follows: impact value = severity x likelihood

Severity is calculated as follows: severity = magnitude x extent x irremediable character

The likelihood of potential human rights abuses and security risks that have impacts on stakeholders' personal safety is not weighted. Thresholds have been defined for the evaluation of the lending portfolio by UNEP FI. The lending portfolio was broken down by NACE codes and entered in the UNEP FI tool, and a materiality threshold of <10% of lending per NACE code was defined. The results generated by the tool were subdivided into positive and negative impacts on Level 1 and 2 and reconciled with the ESRS principles using the UNEP FI Topics Mapping table. The impact calculated by UNEP FI (scale of 1 to 4) was allocated to the context module. All ESRS topics with an impact value greater than 2 were subjected to expert analysis in order to evaluate the plausibility of the UNEP FI statistics in the context of the HYPO NOE Group's lending portfolio. In order to evaluate opportunities and risks, two scales were applied to assess financial magnitude and likelihood. The scale for financial magnitude ranges from 1 (negligible/no financial effect) to 6 (significant financial effect). The scale for likelihood ranges from 3% (very small likelihood of the [financial] impact occurring) to 99% (absolute certainty that the [financial] impact will occur).

The financial evaluation is calculated as follows: risk value = financial magnitude x likelihood

The following thresholds were applied:

Materiality	Threshold	Explanation
Non-material	Impact/risk value ≤1.98	Up to high likelihood, but only small (financial) impacts Up to significant (financial) impact, but occurrence only possible
Potentially material	Impact/risk value ≤2.97	Up to very high likelihood, but only moderate (financial) impacts Up to significant (financial) impact, but occurrence only probable
Material	Impact/risk value ≥3.96	Very probable occurrence and at least large (financial) impact

Sustainability risks are integrated into the existing risk types and are evaluated as part of risk management activities.

The results of the workshops and the impact assessment for the lending portfolio using UNEP FI were consolidated and assessed by experts from brainbows and the HYPO NOE Group, in order to identify material topics. Topics that were categorised as having a large (financial) impact (between 4 and 6 on the scale) were classified as material. The financial magnitude of the topics was evaluated in terms of the relevant risks and opportunities, with the UNEP FI Sectors Mapping tool used to estimate the impacts. Topics that were not classified as material in the workshops and also did not have significant impacts according to the UNEP FI tool were categorised as non-material. The preparation of process documentation ensured that the procedure for assessing materiality was based on transparent, clear, science-based and consistent methods. The process and the results were both presented to the Management Board. In the event of changes in the business or material external developments, the analysis will be carried out once again.

Sustainability risks form part of the risk assessment, and are taken into account in stress testing, the risk inventory and the loan application process. They are integrated into operations as tasks spanning various routine activities in the different departments and are overseen by Risk Management. An ESG committee is responsible for managing ESG-related topics. The ESG strategy is based on three pillars: sustainability in the Group's core business, acting as a responsible employer, and reducing the Group's environmental footprint. New lending is managed by applying inclusion and exclusion criteria related to sustainability. Monitoring actions are defined in order to keep track of sustainability risks. In addition, the lending and securities portfolios are reviewed in line with EU Delegated Regulation 2020/852, and use of a tool for the continuous measurement and management of ESG risks is planned.

The input parameters used include:

- UNEP FI Portfolio Impact Analysis Tool for Banks
  https://www.unepfi.org/impact/unep-fi-impact-analysis-tools/portfolio-tool/
- Austrian Strategy for Adaptation to Climate Change
  https://www.bmk.gv.at/en/topics/climate-environment/climate-protection/austrian-strategy-adaptaion.html
- EU Energy Performance of Buildings Directive
  https://www.klimaaktiv.at/bauen-sanieren/gebaeudedeklaration/eu-gebaeuderichtlinie-epbd.html
- Lower Austrian Wohnbaufördergesetz (Housing Subsidies Act): obligations in relation to property subsidies
  https://www.noe.gv.at/noe/Bauen-Neubau/NOe_Wohnungsfoerderungsrichtlinien_2019.pdf
- Austrian Action Plan for Sustainable Public Procurement (naBe) for public buildings
  https://www.nabe.gv.at/wp-content/uploads/2021/06/15_Hochbau_naBe-Kriterien.pdf

Other input parameters are also included:

- Network for Greening the Financial System (NGFS) high emissions and transition climate scenarios (Net Zero 2050 and Current Policies scenarios)
- Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology climate dashboard
- Previous GRI reporting
- Portfolio analysis
- Risk inventory

A new materiality assessment is planned in the event of material changes in the Group's strategy, business model or significant external developments related to double materiality.

Climate risk analysis

The NGFS Net Zero 2050 and NGFS Current Policies climate scenarios were selected in order to identify climate-related hazards, while state-of-the-art science and available analyses were also applied. The NGFS Net Zero 2050 scenario is

based on the goal of limiting global warming to a maximum of 1.5 degrees Celsius. This scenario assumes that no net CO_2 emissions are generated until 2050, which would be achieved by means of strict regulatory measures and technological innovations. In contrast, the NGFS Current Policies scenario is based on an extrapolation of current regulatory frameworks into the future. These frameworks would result in a temperature increase of around 3 degrees Celsius, which could lead to significant physical risks, including potentially disastrous impacts on ecosystems, society and the economy.

Climate change adaptation was allocated a value of 4.7 in terms of financial effects on operations – in other words, it was classified as having a large to very large financial effect. In particular, the focus was on physical risk as a form of credit risk. This is a result of rising temperatures and related natural disasters, which can reduce the value of collateral, limit debt capacity, and decrease productivity and income. With regard to climate change mitigation, the impacts were given a value of 5, meaning that they represent very large financial effects. In this respect, transitional credit risk is a core risk, which is mainly caused by increased depreciation, amortisation and impairment and a higher probability of default due to carbon-intensive and energy-inefficient facilities. By comparison, energy was categorised as a low to moderate financial risk, with a value of 2.3. A comprehensive presentation of the results can be found in the climate-related scenario analysis.

The HYPO NOE Group's assets and operations are exposed to various physical risks and opportunities of differing magnitudes as a result of climate change. The risks, transition risks and opportunities were categorised as short-term, medium-term or long-term. Assets and operations were assessed in terms of the climate risks they face and their degree of exposure.

In order to support the identification and evaluation of short-, medium- and long-term physical and transition risks and opportunities, the HYPO NOE Group carries out climate-related scenario analysis using a range of different climate scenarios.

The climate scenarios analysed were selected because they offer more detailed insights into the potential impacts of climate change on biodiversity and the functioning of ecosystems. The NGFS Net Zero 2050 scenario allows for analysis of positive effects on ecosystems, for instance as a result of stabilisation of habitat modification and reduction of the risk of extinction of threatened species. In contrast, the NGFS Current Policies scenario projects significant risks for biodiversity due to a temperature increase of 3 degrees Celsius. This underlines the ways in which inadequate climate policies could lead to increased habitat loss, a shift in species distribution, ecosystem degradation and accelerated species extinction. Both scenarios provide detailed insights into the impacts of physical climate risks, such as extreme weather events, drought and flooding, on species diversity.

The scenarios considered are regularly reviewed and updated in line with changing conditions and new trends, in order to ensure that they are aligned with the latest scientific findings and political, technological and environmental developments. This allows for dynamic adjustment to take account of amended climate policies, advances in nature conservation, and new risks for biodiversity and ecosystems.

The NGFS climate scenarios are based on the targets set out in the Paris Agreement, and can therefore be compared with environmental goals including those of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Integration of national targets as well as accepted scientific findings play a central role in the NGFS approach. They contribute to science-based evaluation of the potential impacts of climate change on biodiversity and ecosystems.

8.1.4.2 IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Standard	Disclosure Requirement and description	Page in non-financial statement
ESRS 2	BP-1 – General basis for preparation of sustainability statements	30
ESRS 2	BP-2 – Disclosures in relation to specific circumstances	30
ESRS 2, G1	GOV-1 – The role of the administrative, management and supervisory bodies	31
ESRS 2	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	33
ESRS 2, E1	GOV-3 – Integration of sustainability-related performance in incentive schemes	34
ESRS 2	GOV-4 – Statement on due diligence	35
ESRS 2	GOV-5 – Risk management and internal controls over sustainability reporting	35
ESRS 2	SBM-1 – Strategy, business model and value chain	37
ESRS 2, S1, S4	SBM-2 – Interests and views of stakeholders	44
ESRS 2, E1, S1, S4	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	49
ESRS 2, E1, E2, E3, E4, E5, G1	IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	69
ESRS 2	IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	75
E1	E1-1 – Transition plan for climate change mitigation	138
E1	E1-2 – Policies related to climate change mitigation and adaptation	138ff.
E1	E1-3 – Actions and resources in relation to climate change policies	138ff.
E1	E1-4 – Targets related to climate change mitigation and adaptation	138ff.
E1	E1-5 – Energy consumption and mix	145
E1	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	146
S1	S1-1 – Policies related to own workforce	150ff.
S1	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	147
S1	S1-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	147

Standard	Disclosure Requirement and description	Page in non-financial statement
S1	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	147
S1	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	149
S1	S1-6 – Characteristics of the undertaking's employees	149
S1	S1-9 – Diversity metrics	154
S1	S1-13 – Training and skills development metrics	152
S1	S1-15 – Work-life balance metrics	150
S1	S1-16 – Compensation metrics (pay gap and total compensation)	156
S1	S1-17 – Incidents, complaints and severe human rights impacts	156
S4	S4-1 – Policies related to consumers and end-users	159ff.
S4	S4-2 – Processes for engaging with consumers and end-users about impacts	164
S4	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	165
S4	S4-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	158
S4	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	159ff.
G1	G1-1 – Corporate culture and business conduct policies and corporate culture	167
G1	G1-3 – Prevention and detection of corruption and bribery	171
G1	G1-4 – Confirmed incidents of corruption or bribery	176

The thresholds applied in the evaluation of material impacts, risks and opportunities, and the way in which the criteria in section 3.2. of ESRS 1 were implemented are described in section 8.1.4.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Comments	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)	Indicator number 13 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure		32
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure		32
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Mandatory disclosure		35
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure		37ff.
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40(d)ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure		37ff.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure	Exclusion criteria	37ff.
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Mandatory disclosure	Exclusion criteria	37ff.
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Non-material	No transition plan (E1-1.17)	138
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1(d) to (g), and Article 12.2		Non-material		n/a
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Non-material	No transition plan (E1-1.17)	n/a
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Non-material	Not in high climate impact sectors	n/a
Energy E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Table E1	145
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Non-material	Not in high climate impact sectors	n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Comments	Page
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Table E1: use made of Scope 1 and 2 phase-in for Scope 3	146
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Non-material	Use made of phase-in	n/a
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Non-material		n/a
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Non-material	Use made of phase-in	n/a
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Non-material	Use made of phase-in	n/a
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Non-material	Use made of phase-in	n/a
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Non-material	Use made of phase-in	n/a
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Non-material		n/a
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Non-material		n/a
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				Non-material		n/a
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Non-material		n/a
ESRS E3-4 Total water recycled and reused paragraph 28(c)	Indicator number 6.2 Table #2 of Annex 1				Non-material		n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Comments	Page
ESRS 3-4 Total water consumption in m^3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				Non-material		n/a
ESRS 2 IRO 1 - E4 paragraph 16(a)i	Indicator number 7 Table #1 of Annex 1				Non-material		n/a
ESRS 2 IRO 1 - E4 paragraph 16(b)	Indicator number 10 Table #2 of Annex 1				Non-material		n/a
ESRS 2 IRO 1 - E4 paragraph 16(c)	Indicator number 14 Table #2 of Annex 1				Non-material		n/a
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24(b)	Indicator number 11 Table #2 of Annex 1				Non-material		n/a
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24(c)	Indicator number 12 Table #2 of Annex 1				Non-material		n/a
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Indicator number 15 Table #2 of Annex 1				Non-material		n/a
ESRS E5-5 Non-recycled waste paragraph 37(d)	Indicator number 13 Table #2 of Annex 1				Non-material		n/a
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Non-material		n/a
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14(f)	Indicator number 13 Table #3 of Annex I				Non-material		n/a
ESRS 2 SBM-3 – S1 Risk of incidents of child labour paragraph 14(g)	Indicator number 12 Table #3 of Annex I				Non-material		n/a
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Non-material		n/a
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material		147
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Non-material		n/a
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Non-material		n/a
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32(c)	Indicator number 5 Table #3 of Annex I				Material		n/a
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Non-material		n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Comments	Page
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	Indicator number 3 Table #3 of Annex I				Non-material		n/a
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator number 12 Table #1 of Annex I				Material		156
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	Indicator number 8 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material		156
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator number 7 Table #3 of Annex I				Material		157
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 104(a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Non-material		n/a
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	Indicators number 12 and n. 13 Table #3 of Annex I				Non-material		n/a
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Non-material		n/a
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Non-material		n/a
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Non-material		n/a
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Non-material		n/a
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material		n/a
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Non-material		n/a
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Non-material		n/a
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material		n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Comments	Page
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material		159ff.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		Material		157
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material		158
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	Indicator number 15 Table #3 of Annex 1				Non-material		n/a
ESRS G1-1 Protection of whistleblowers paragraph 10(d)	Indicator number 6 Table #3 of Annex 1				Material		167
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material		176
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	Indicator number 16 of Table #3 of Annex 1				Material		176

8.2 Environmental information

8.2.1 Disclosure requirements under the EU Taxonomy Regulation (Article 8 of Regulation [EU] 2020/852)

The Taxonomy Regulation is the first uniform, EU-wide classification system to establish a list of environmentally sustainable economic activities that is binding for all companies with non-financial reporting obligations under Directive 2014/95/EU. It sets out the criteria which can be used to establish whether an economic activity reaches a level of environmental performance that qualifies as environmentally sustainable.

The HYPO NOE Group assessed its entire loan and securities portfolio on the assets side to determine which financing can be allocated to the supercategories in accordance with Commission Delegated Regulation (EU) 2021/2178 (hereafter: CDR [EU] 2021/2178) supplementing Regulation (EU) 2020/852 (hereafter: Taxonomy Regulation). Lending activity and, in turn, the allocation of funds was a central element of this assessment. When assessing Taxonomy eligibility, it must be determined whether a financing activity is in principle covered by the economic activities defined in the CDR and, accordingly, has the potential to qualify as an economically sustainable activity. Next, the conformity (alignment) of financing activities with the Taxonomy was determined, and green asset ratios (GARs) calculated on the basis of the environmentally sustainable activities identified.

Statutory disclosures

In accordance with Article 4 in conjunction with Articles 7 and 8 of CDR (EU) 2021/2178 regarding Article 8 of the Taxonomy Regulation, financial market participants must disclose information for 2024 regarding the first six environmental objectives of the Taxonomy Regulation, provided that the allocation was made by the companies concerned and the information is publicly available. These are the following key performance indicators:

- Aggregate ratio for Taxonomy eligibility and GAR for recognised on-balance-sheet assets
  - Differentiation according to CapEx and sales
  - As a proportion of total GAR assets
- Breakdown of ratio for Taxonomy eligibility and GAR by type of counterparty:
  - Total GAR for financing activities directed at financial undertakings, for all the environmental objectives.
  - Total GAR for financing activities directed at non-financial undertakings, for all the environmental objectives.
  - GAR for residential real estate exposures, including house renovation loans, for the objectives of climate change mitigation, climate change adaptation, and circular economy.
  - GAR for retail car loans, for the objective of climate change adaptation.
  - GAR for loans to local governments for financing housing construction and other special financing
  - GAR for commercial and residential repossessed real estate collateral held for sale for the objective of climate change adaptation
- Exposures to companies not subject to the Non-Financial Reporting Directive (NFRD), and derivatives, short-term interbank loans and the trading portfolio as a proportion of total assets
- Exposures to central governments, central banks and supranational issuers, and the trading portfolio as a proportion of total assets

The ratios for Taxonomy eligibility and the GAR for the portfolio and – in accordance with the Draft Commission Notice of 21 December 2023 – are also disclosed for inflows.

Banks subject to the NFRD published their Taxonomy-eligibility alignment information with allocation to environmental objectives for the first time in 2023. As a result, lending to banks can be considered when determining taxonomy eligibility and alignment for the first time in 2024.

<u>Data preparation</u>

Various mapping and allocation steps were carried out to complete the Covered Assets sheet in the reporting workbook in accordance with Annex VI of CDR (EU) 2021/2178.

The borrowers that are obliged to make NFRD disclosures were identified in order to determine which loans to non-financial and financial undertakings were to be included in the determination of Taxonomy eligibility and the GAR. The

criteria are that they are companies that meet the definition of public-interest entities and employ an average of more than 500 employees as at the end of a given reporting period.

To determine the financed counterparty, the ÖNACE sector allocation used in the HYPO NOE Group was reconciled with the corresponding EU NACE designations (financial undertakings, households, etc.). A reconciliation to the Taxonomy product designation (debt securities, loans and advances, etc.) was subsequently carried out for the respective financing on the basis of the account group in connection with the account type. In addition, loans to public bodies for public housing construction and other specialised financing (for the purpose of public water supply and sewerage) were identified by searching the sustainability category allocated internally by the Bank. The same procedure is also used to determine the risk exposures to central governments, central banks, supranational issuers, derivatives, short-term interbank loans and companies not subject to the NFRD.

In the second part of the Covered Assets template, new business identified for 2024 – with amounts stated at the time of inflow – is allocated to the respective risk exposures according to the same reconciliation and allocation principles outlined above.

Determination of Taxonomy eligibility/Taxonomy alignment

In determining the Taxonomy-eligible values for the respective exposures within the scope of statutory disclosure, exposures to entities with disclosure obligations under the NFRD were considered in the Covered Assets template, weighted by the CapEx and revenue indicators published by the counterparties. A separate template is completed for each of these two key indicators – this applies to each sheet in the reporting workbook where it is required – and the Taxonomy-eligible volumes are taken into account for the respective entities for each indicator. In the case of the exposures that are not subject to NFRD disclosure obligations, residential real estate financing to retail customers as well as financing to public bodies and local authorities for public housing, water supply and sewerage were identified as Taxonomy-eligible, taking into account the criteria pursuant to Annex V to CDR (EU) 2021/2178, and also included in the Covered Assets template.

When determining the Taxonomy-aligned value, exposures relating to entities subject to NFRD disclosure obligations and for which no clear financing purpose can be identified – e.g. working capital loans, cash advances – were weighted by the CapEx and revenue figures published by the counterparties and taken into account in the published environmental targets. For all other financing identified as Taxonomy-eligible, possible alignment with the Taxonomy was determined by analysing the fulfilment of the requirements as defined by the Taxonomy Regulation for the respective financing purpose or, if available, on the basis of external expert opinions. The HYPO NOE Group aims to analyse the Taxonomy alignment of its financing more closely from 2025 onwards with a view to gradually increasing the scope of verified environmentally sustainable (green) business activities.

In the second part of the Covered Assets template, the Taxonomy-eligible and Taxonomy-aligned volume of new business identified for 2024 is determined using the methodology described above.

In the first step, the GAR – Sector Information template in the reporting workbook in accordance with Annex VI of CDR (EU) 2021/2178 shows the identified Taxonomy-eligible volume by NACE sector (4th level). In a second step, identified Taxonomy-aligned items are allocated to the respective NACE sectors.

Results

In accordance with Annex VI of CDR (EU) 2021/2178, the total GAR is shown in the GAR KPI Stock template in the reporting workbook as the share of environmentally sustainable (aligned) exposures in total on-balance-sheet assets excluding the risk exposures mentioned in Article 7(1), as well as the total Taxonomy-eligible exposures as a share of the above-mentioned numerator. Secondly, the GARs and the Taxonomy eligibility ratios are broken down by environmental targets and type of counterparty as a proportion of the total exposure for the respective counterparty or the respective Taxonomy product position.

The GARs and Taxonomy eligibility ratios of the new business identified for 2024 are determined in the GAR KPIs flow template.

The Summary of KPIs template in the reporting workbook (Annex VI of CDR [EU] 2021/2178) provides an overview of the KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation. The main KPI is the total GAR of the portfolio, which is reported on the basis of the counterparty's CapEx KPI and the revenue KPI. In addition, the total environmentally sustainable (Taxonomy-aligned) assets, assets eligible for the calculation of the GAR as a share

of total assets and the two indicators for assets excluded from the numerator for GAR calculation as a proportion of total assets (in accordance with Article 7[2] and [3] CDR [EU] 2021/2178 and Chapter 1.1.2 of Annex V) and assets excluded from the denominator for GAR calculation as a share of total assets (in accordance with Article 7[1] and Chapter 1.2.4 of Annex V) are presented.

The HYPO NOE Group is submitting a blank FinGar, AuM KPIs template for 2024.

The analysis of the Taxonomy alignment of the overall portfolio leads to the following results (environmental objective: climate protection) as a proportion of the total GAR assets:

- CapEx: Taxonomy-eligible 16.19% (31 Dec. 2023: 15.3%), non-Taxonomy-eligible 83.81% (31 Dec. 2023: 84.7%
- Revenue: Taxonomy-eligible 16.16% (31 Dec. 2023: 15.23%), non-Taxonomy-eligible 83.84% (31 Dec. 2023: 84.77%

Calculation of total GAR for the entire portfolio reflects the following results (environmental objective: climate protection) as a proportion of the total GAR assets:

- CapEx: Taxonomy-aligned 0.08% (31 Dec. 2023: 0.01%), non-Taxonomy-aligned 99.92% (31 Dec. 2023: 99.99%
- Revenue: Taxonomy-aligned 0.07% (31 Dec. 2023: 0.004%), non-Taxonomy-aligned 99.93% (31 Dec. 2023: 99.996%

The full results of all disclosed KPIs can be found in the reporting form tables in accordance with Annex VI of the Delegated Regulation (EU).

Voluntary disclosures

In line with the HYPO NOE Group's business model, approximately two-thirds of the loan portfolio consists of real estate financing that can be assigned to the Taxonomy criteria. Since most of these borrowers are not large customers subject to obligations under the NFRD, these exposures are not covered by the statutory disclosure requirements. Therefore, the HYPO NOE Group has decided to voluntarily disclose the Taxonomy eligibility of the financing concerned. This measure is intended to show the actual potential of the loan portfolio in terms of financing environmentally sustainable economic activities.

To determine the actual financing activity for the various exposures, the HYPO NOE Group can draw on information that was collected as part of the review of loans in terms of eligibility for financing from green bond proceeds. During this process, the purpose of financing extended for the exposures assessed was recorded at account level in the core banking system in the form of sustainability categories, which show the actual use of funds. The following step-by-step procedure was used for these evaluations:

- Portfolio or sub-portfolio analysis according to account groups and types
- Case-by-case analysis of financing descriptions assessable within the system
- Manual case-by-case assessment based on financing information from the loan application

The categorisation of financing purposes is checked regularly and adapted to reflect current information. Eligibility under the Taxonomy is then assessed by mapping the financing purpose onto the supercategories specified in CDR (EU) 2021/2178.

The process of analysis produced the following cumulative results from statutory and voluntary disclosures, based on the Group's total assets:

- CapEx: Taxonomy-eligible 57.14% (31 Dec. 2023: 57.83%), non-Taxonomy-eligible 42.86% (31 Dec. 2023: 42.17%
- Revenue: Taxonomy-eligible 57.17% (31 Dec. 2023: 57.77%), non-Taxonomy-eligible 42.83% (31 Dec. 2023: 42.23%

The HYPO NOE Group is committed to providing the necessary human resources, specialist know-how and sustainability information to enable it to meet future regulatory and internal requirements for the identification and assessment of environmentally sustainable economic activities.

As the values in the following reporting forms are shown in accounting format, zero values are displayed as a dash.

Dark blue fields do not need to be filled in.

The KPI "Fees and Commission Income" (Sheet 6) and "Trading Book Portfolio" (Sheet 7) will only apply from 2026 onwards. SMEs will only be included in these KPIs after a positive outcome of a corresponding impact assessment.

Disclosure reference date T = 31 Dec. 2024

Disclosure reference date T-1 = 31 Dec. 2023

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

		Total environmentally sustainable assets (Million EUR)	**KPI******	**KPI*******	**% coverage (over total assets)*****	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Main KPI	**Green asset ratio (GAR) stock**	**22,10**	**0,07%**	**0,08%**	**17,37%**	76,01%	7,32%

		Total environmentally sustainable activities (Million EUR)	KPI	KPI	% coverage (over total assets)	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	*GAR (flow)*	1,75	0,08%	0,02%			
	*Trading book**	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	-	-	-			
	*Fees and commissions income***	-	-	-			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall disclose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

1. Assets for the calculation of GAR - Turnover

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

		a	b	c	d	e	f
	Million EUR	Disclosure reference date T					
		Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**2.841,14**	**2.468,62**	**10,45**	**1,28**	**2,11**	**0,64**
2	**Financial undertakings**	**458,92**	**128,01**	**8,38**	**1,28**	**0,30**	**0,38**
3	Credit institutions	458,92	128,01	8,38	1,28	0,30	0,38
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	458,92	128,01	8,38	1,28	0,30	0,38
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**45,90**	**4,29**	**2,08**	**-**	**1,81**	**0,26**
21	Loans and advances	16,00	1,43	1,41	-	1,41	-
22	Debt securities, including UoP	29,90	2,86	0,67	-	0,40	0,26
23	Equity instruments	-	-	-		-	-
24	**Households**	**1.859,34**	**1.859,34**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1.826,68	1.826,68	-	-	-	-
26	of which building renovation loans	32,65	32,65	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**476,99**	**476,99**	**-**	**-**	**-**	**-**
29	Housing financing	176,43	176,43	-	-	-	-
30	Other local government financing	300,56	300,56	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12.433,58**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**11.802,49**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**11.447,76**					
35	Loans and advances	10.753,92					
36	of which loans collateralised by commercial immovable property	659,15					
37	of which building renovation loans	0,30					
38	Debt securities	656,10					
39	Equity instruments	37,75					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**354,73**					
41	Loans and advances	1,83					
42	Debt securities	352,90					
43	Equity instruments	-					
44	**Derivatives**	**438,31**					
45	**On demand interbank loans**	**4,96**					
46	**Cash and cash-related assets**	**13,92**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**173,90**					
48	**Total GAR assets**	**15.274,73**	**2.468,62**	**10,45**	**1,28**	**2,11**	**0,64**
49	**Assets not covered for GAR calculation**	**1.197,62**					
50	**Central governments and Supranational issuers**	**457,93**					
51	**Central banks exposure**	**739,69**					
52	**Trading book**	**-**					
53	**Total assets**	**16.472,35**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-

Total assets	**16.472,35**
Minus impairment	-114,79
Consolidated balance sheet total	**16.357,56**

	Million EUR	g	h	i	j	k	l	m	n
		Disclosure reference date T							
		Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**0,03**	**0,01**	**-**	**-**	**-**	**-**	**-**	**-**
2	**Financial undertakings**	**0,03**	**0,01**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	0,03	0,01	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0,03	0,01	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	**0,03**	**0,01**	**-**	**-**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	o	p	q	r	s	t	u	v
		Disclosure reference date T							
		Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T								
		Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**-**	**-**	**-**	**-**	**2.468,65**	**10,46**	**1,28**	**2,11**	**0,64**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**128,04**	**8,38**	**1,28**	**0,30**	**0,38**
3	Credit institutions	-	-	-	-	128,04	8,38	1,28	0,30	0,38
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	128,04	8,38	1,28	0,30	0,38
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**4,29**	**2,08**	**-**	**1,81**	**0,26**
21	Loans and advances	-	-	-	-	1,43	1,41	-	1,41	-
22	Debt securities, including UoP	-	-	-	-	2,86	0,67	-	0,40	0,26
23	Equity instruments	-	-		-	-	-		-	-
24	**Households**					**1.859,34**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property					1.826,68	-	-	-	-
26	of which building renovation loans					32,65	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**476,99**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	176,43	-	-	-	-
30	Other local government financing	-	-	-	-	300,56	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**-**	**-**	**-**	**-**	**2.468,69**	**10,47**	**1,28**	**2,11**	**0,64**
49	**Assets not covered for GAR calculation**									
50	**Central governments and Supranational issuers**									
51	**Central banks exposure**									
52	**Trading book**									
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-

	Million EUR	ag	ah	ai	aj	ak	al
		Disclosure reference date T-1					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3.081,01**	**2.249,05**	**0,64**	**-**	**0,47**	**0,16**
2	**Financial undertakings**	767,70	-	**-**	**-**	**-**	**-**
3	Credit institutions	767,70	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	767,70	-	-	-	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**66,40**	**2,13**	**0,64**	**-**	**0,47**	**0,16**
21	Loans and advances	24,00	0,35	-	-	-	-
22	Debt securities, including UoP	42,40	1,78	0,64	-	0,47	0,16
23	Equity instruments	-	-	-		-	-
24	**Households**	**1.787,79**	**1.787,79**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1.752,82	1.752,82	-	-	-	-
26	of which building renovation loans	34,97	34,97	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**459,12**	**459,12**	**-**	**-**	**-**	**-**
29	Housing financing	174,12	174,12	-	-	-	-
30	Other local government financing	285,00	285,00	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**11.683,33**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**11.039,94**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**10.725,69**					
35	Loans and advances	10.481,65					
36	of which loans collateralised by commercial immovable property	676,60					
37	of which building renovation loans	0,21					
38	Debt securities	214,16					
39	Equity instruments	29,88					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**314,24**					
41	Loans and advances	2,14					
42	Debt securities	312,10					
43	Equity instruments	-					
44	**Derivatives**	**466,31**					
45	**On demand interbank loans**	**5,37**					
46	**Cash and cash-related assets**	**20,23**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**151,49**					
48	**Total GAR assets**	**14.764,35**	**2.249,05**	**0,64**	**-**	**0,47**	**0,16**
49	**Assets not covered for GAR calculation**	**927,18**					
50	**Central governments and Supranational issuers**	**550,25**					
51	**Central banks exposure**	**376,93**					
52	**Trading book**	**-**					
53	**Total assets**	**15.691,52**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-

Total assets	**15.691,52**
Minus impairment	-112,07
Consolidated balance sheet total	**15.579,45**

	Million EUR	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1							
		Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	au	av	aw	ax	ay	az	ba	bb
		Disclosure reference date T-1							
		Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1								
		Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	**2.249,05**	**0,64**	-	**0,47**	**0,16**
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	-	-	-	-	**2,13**	**0,64**	-	**0,47**	**0,16**
21	Loans and advances	-	-	-	-	0,35	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	1,78	0,64	-	0,47	0,16
23	Equity instruments	-	-		-	-	-		-	-
24	**Households**					**1.787,79**	-	-	-	-
25	of which loans collateralised by residential immovable property					1.752,82	-	-	-	-
26	of which building renovation loans					34,97	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	-	-	-	-	**459,12**	-	-	-	-
29	Housing financing	-	-	-	-	174,12	-	-	-	-
30	Other local government financing	-	-	-	-	285,00	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	-	-	-	-	**2.249,05**	**0,64**	-	**0,47**	**0,16**
49	**Assets not covered for GAR calculation**									
50	**Central governments and Supranational issuers**									
51	**Central banks exposure**									
52	**Trading book**									
53	**Total assets**	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-

1.Assets for the calculation of GAR - CapEx

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

		a	b	c	d	e	f
	Million EUR	Disclosure reference date T					
		Total [gross] carrying amount	Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**2.841,14**	**2.473,49**	**11,62**	**1,16**	**0,98**	**1,57**
2	**Financial undertakings**	**458,92**	**127,35**	**9,80**	**1,16**	**0,30**	**0,45**
3	Credit institutions	458,92	127,35	9,80	1,16	0,30	0,45
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	458,92	127,35	9,80	1,16	0,30	0,45
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**45,90**	**9,82**	**1,82**	**-**	**0,69**	**1,12**
21	Loans and advances	16,00	3,32	0,35	-	0,30	0,04
22	Debt securities, including UoP	29,90	6,50	1,47	-	0,39	1,08
23	Equity instruments	-	-	-		-	-
24	**Households**	**1.859,34**	**1.859,34**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1.826,68	1.826,68	-	-	-	-
26	of which building renovation loans	32,65	32,65	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	**476,99**	**476,99**	**-**	**-**	**-**	**-**
29	Housing financing	176,43	176,43	-	-	-	-
30	Other local government financing	300,56	300,56	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**12.433,58**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**11.802,49**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**11.447,76**					
35	Loans and advances	10.753,92					
36	of which loans collateralised by commercial immovable property	659,15					
37	of which building renovation loans	0,30					
38	Debt securities	656,10					
39	Equity instruments	37,75					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**354,73**					
41	Loans and advances	1,83					
42	Debt securities	352,90					
43	Equity instruments	-					
44	**Derivatives**	**438,31**					
45	**On demand interbank loans**	**4,96**					
46	**Cash and cash-related assets**	**13,92**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**173,90**					
48	**Total GAR assets**	**15.274,73**	**2.473,49**	**11,62**	**1,16**	**0,98**	**1,57**
49	**Assets not covered for GAR calculation**	**1.197,62**					
50	**Central governments and Supranational issuers**	**457,93**					
51	**Central banks exposure**	**739,69**					
52	**Trading book**	**-**					
53	**Total assets**	**16.472,35**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-

Total assets	**16.472,35**
Minus impairment	-114,79
Consolidated balance sheet total	**16.357,56**

	Million EUR	g	h	i	j	k	l	m	n
		Disclosure reference date T							
		Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**0,02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	**Financial undertakings**	**0,02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	0,02	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0,02	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	**0,02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	o	p	q	r	s	t	u	v
		Disclosure reference date T							
		Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T								
		Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**-**	**-**	**-**	**-**	**2.473,52**	**11,63**	**1,16**	**0,98**	**1,57**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**127,38**	**9,81**	**1,16**	**0,30**	**0,45**
3	Credit institutions	-	-	-	-	127,38	9,81	1,16	0,30	0,45
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	127,38	9,81	1,16	0,30	0,45
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**9,82**	**1,82**	**-**	**0,69**	**1,12**
21	Loans and advances	-	-	-	-	3,32	0,35	-	0,30	0,04
22	Debt securities, including UoP	-	-	-	-	6,50	1,47	-	0,39	1,08
23	Equity instruments	-	-		-	-	-		-	-
24	**Households**					**1.859,34**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property					1.826,68	-	-	-	-
26	of which building renovation loans					32,65	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**476,99**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	176,43	-	-	-	-
30	Other local government financing	-	-	-	-	300,56	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**-**	**-**	**-**	**-**	**2.473,52**	**11,63**	**1,16**	**0,98**	**1,57**
49	**Assets not covered for GAR calculation**									
50	**Central governments and Supranational issuers**									
51	**Central banks exposure**									
52	**Trading book**									
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-

	Million EUR	ag	ah	ai	aj	ak	al
		Disclosure reference date T-1					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3.081,01**	**2.259,17**	**1,08**	**0,47**	**0,42**	**0,18**
2	**Financial undertakings**	767,70	-	**-**	**-**	**-**	**-**
3	Credit institutions	767,70	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	767,70	-	-	-	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**66,40**	**12,26**	**1,08**	**0,47**	**0,42**	**0,18**
21	Loans and advances	24,00	6,79	-	-	-	-
22	Debt securities, including UoP	42,40	5,47	1,08	0,47	0,42	0,18
23	Equity instruments	-	-	-		-	-
24	**Households**	1.787,79	**1.787,79**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1.752,82	1.752,82	-	-	-	-
26	of which building renovation loans	34,97	34,97	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local governments financing**	459,12	**459,12**	**-**	**-**	**-**	**-**
29	Housing financing	174,12	174,12	-	-	-	-
30	Other local government financing	285,00	285,00	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**11.683,33**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**	**11.039,94**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**10.725,69**					
35	Loans and advances	10.481,65					
36	of which loans collateralised by commercial immovable property	676,60					
37	of which building renovation loans	0,21					
38	Debt securities	214,16					
39	Equity instruments	29,88					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**314,24**					
41	Loans and advances	2,14					
42	Debt securities	312,10					
43	Equity instruments	-					
44	**Derivatives**	**466,31**					
45	**On demand interbank loans**	**5,37**					
46	**Cash and cash-related assets**	**20,23**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**151,49**					
48	**Total GAR assets**	**14.764,35**	**2.259,17**	**1,08**	**0,47**	**0,42**	**0,18**
49	**Assets not covered for GAR calculation**	**927,18**					
50	**Central governments and Supranational issuers**	**550,25**					
51	**Central banks exposure**	**376,93**					
52	**Trading book**	**-**					
53	**Total assets**	**15.691,52**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-

Total assets	**15.691,52**
Minus impairment	-112,07
Consolidated balance sheet total	**15.579,45**

	Million EUR	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1							
		Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	au	av	aw	ax	ay	az	ba	bb
		Disclosure reference date T-1							
		Circular economy (CE)				Pollution (PPC)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-				
26	of which building renovation loans	-	-	-	-				
27	of which motor vehicle loans								
28	**Local governments financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**								
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations								
35	Loans and advances								
36	of which loans collateralised by commercial immovable property								
37	of which building renovation loans								
38	Debt securities								
39	Equity instruments								
40	Non-EU country counterparties not subject to NFRD disclosure obligations								
41	Loans and advances								
42	Debt securities								
43	Equity instruments								
44	**Derivatives**								
45	**On demand interbank loans**								
46	**Cash and cash-related assets**								
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**								
48	**Total GAR assets**	-	-	-	-	-	-	-	-
49	**Assets not covered for GAR calculation**								
50	**Central governments and Supranational issuers**								
51	**Central banks exposure**								
52	**Trading book**								
53	**Total assets**	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations									
54	Financial guarantees	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-

	Million EUR	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1								
		Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**-**	**-**	**-**	**-**	**2.259,17**	**1,08**	**0,47**	**0,42**	**0,18**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**-**	**-**	**-**	**-**	**12,26**	**1,08**	**0,47**	**0,42**	**0,18**
21	Loans and advances	-	-	-	-	6,79	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	5,47	1,08	0,47	0,42	0,18
23	Equity instruments	-	-		-	-	-		-	-
24	**Households**					**1.787,79**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property					1.752,82	-	-	-	-
26	of which building renovation loans					34,97	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**459,12**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	174,12	-	-	-	-
30	Other local government financing	-	-	-	-	285,00	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**-**	**-**	**-**	**-**	**2.259,17**	**1,08**	**0,47**	**0,42**	**0,18**
49	**Assets not covered for GAR calculation**									
50	**Central governments and Supranational issuers**									
51	**Central banks exposure**									
52	**Trading book**									
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-

2. GAR sector information - Turnover

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

		a	b	c	d
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	H52212 Mautstraßen	25,85	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	1,00	-		
3	C251 Stahl- und Leichtmetallbau	2,50	0,67		
4	C309 H.v. Fahrzeugen a.n.g.	1,55	-		
5	C281 H.v. nicht spezifischen Maschinen	10,00	1,41		

		e	f	g	h
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		i	j	k	l
	Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		m	n	o	p
	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		q	r	s	t
	Breakdown by sector - NACE 4 digits level (code and label)	Pollution (PPC)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		u	v	w	x
	Breakdown by sector - NACE 4 digits level (code and label)	Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	H52212 Mautstraßen	25,85	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	1,00	-		
3	C251 Stahl- und Leichtmetallbau	2,50	0,67		
4	C309 H.v. Fahrzeugen a.n.g.	1,55	-		
5	C281 H.v. nicht spezifischen Maschinen	10,00	1,41		

2. GAR sector information - CapEx

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.

2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

		a	b	c	d
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	H52212 Mautstraßen	25,85	0,89		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	1,00	0,01		
3	C251 Stahl- und Leichtmetallbau	2,50	0,58		
4	C309 H.v. Fahrzeugen a.n.g.	1,55	-		
5	C281 H.v. nicht spezifischen Maschinen	10,00	0,34		

		e	f	g	h
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		i	j	k	l
	Breakdown by sector - NACE 4 digits level (code and label)	Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		m	n	o	p
	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		q	r	s	t
	Breakdown by sector - NACE 4 digits level (code and label)	Pollution (PPC)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		u	v	w	x
	Breakdown by sector - NACE 4 digits level (code and label)	Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
1	H52212 Mautstraßen	-	-		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	-	-		
3	C251 Stahl- und Leichtmetallbau	-	-		
4	C309 H.v. Fahrzeugen a.n.g.	-	-		
5	C281 H.v. nicht spezifischen Maschinen	-	-		

		y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	H52212 Mautstraßen	25,85	0,89		
2	C171 H.v. Holz-/Zellstoff, Papier, Karton	1,00	0,01		
3	C251 Stahl- und Leichtmetallbau	2,50	0,58		
4	C309 H.v. Fahrzeugen a.n.g.	1,55	-		
5	C281 H.v. nicht spezifischen Maschinen	10,00	0,34		

3. GAR KPI stock - Turnover

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

		a	b	c	d	e	f	g	h	i
% (compared to total covered assets in the denominator)		Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86,89%	0,37%	0,05%	0,07%	0,02%	0,00%	0,00%	-	-
2	**Financial undertakings**	27,89%	1,83%	0,28%	0,07%	0,08%	0,01%	0,00%	-	-
3	Credit institutions	27,89%	1,83%	0,28%	0,07%	0,08%	0,01%	0,00%	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	27,89%	1,83%	0,28%	0,07%	0,08%	0,01%	0,00%	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	9,34%	4,52%	-	3,95%	0,57%	-	-	-	-
21	Loans and advances	8,94%	8,81%	-	8,81%	-	-	-	-	-
22	Debt securities, including UoP	9,56%	2,22%	-	1,35%	0,87%	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	100,00%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100,00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local government financing**	100,00%	-	-	-	-	-	-	-	-
29	Housing financing	100,00%	-	-	-	-	-	-	-	-
30	Other local government financing	100,00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	16,16%	0,07%	0,01%	0,01%	0,00%	0,00%	0,00%	-	-

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	r	s	t	u	v	w	x	z
		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86,89%	0,37%	0,05%	0,07%	0,02%	17,25%
2	**Financial undertakings**	27,90%	1,83%	0,28%	0,07%	0,08%	2,79%
3	Credit institutions	27,90%	1,83%	0,28%	0,07%	0,08%	2,79%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	27,90%	1,83%	0,28%	0,07%	0,08%	2,79%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	9,34%	4,52%	-	3,95%	0,57%	0,28%
21	Loans and advances	8,94%	8,81%	-	8,81%	-	0,10%
22	Debt securities, including UoP	9,56%	2,22%	-	1,35%	0,87%	0,18%
23	Equity instruments	-	-		-	-	-
24	**Households**	100,00%	-	-	-	-	11,29%
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	11,09%
26	of which building renovation loans	100,00%	-	-	-	-	0,20%
27	of which motor vehicle loans						
28	**Local government financing**	100,00%	-	-	-	-	2,90%
29	Housing financing	100,00%	-	-	-	-	1,07%
30	Other local government financing	100,00%	-	-	-	-	1,82%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	16,16%	0,07%	0,01%	0,01%	0,00%	92,73%

	% (compared to total covered assets in the denominator)	ag	ah	ai	aj	ak	al	am	an	ao
		Disclosure reference date T-1								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73,00%	0,02%	0,00%	0,02%	0,01%	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	3,21%	0,96%	0,00%	0,71%	0,24%	-	-	-	-
21	Loans and advances	1,46%	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	4,21%	1,50%	0,01%	1,11%	0,38%	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	100,00%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100,00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans									
28	**Local government financing**	100,00%	-	-	-	-	-	-	-	-
29	Housing financing	100,00%	-	-	-	-	-	-	-	-
30	Other local government financing	100,00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	15,23%	0,00%	0,00%	0,00%	0,00%	-	-	-	-

	% (compared to total covered assets in the denominator)	ap	aq	ar	as	at	au	av	aw
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	ax	ay	az	ba	bb	bc	bd	be
		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73,00%	0,02%	0,00%	0,02%	0,01%	19,63%
2	**Financial undertakings**	-	-	-	-	-	4,89%
3	Credit institutions	-	-	-	-	-	4,89%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	4,89%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	3,21%	0,96%	0,00%	0,71%	0,24%	0,42%
21	Loans and advances	1,46%	-	-	-	-	0,15%
22	Debt securities, including UoP	4,21%	1,50%	0,01%	1,11%	0,38%	0,27%
23	Equity instruments	-	-		-	-	-
24	**Households**	100,00%	-	-	-	-	11,39%
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	11,17%
26	of which building renovation loans	100,00%	-	-	-	-	0,22%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local government financing**	100,00%	-	-	-	-	2,93%
29	Housing financing	100,00%	-	-	-	-	1,11%
30	Other local government financing	100,00%	-	-	-	-	1,82%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	15,23%	0,00%	0,00%	0,00%	0,00%	94,09%

3. GAR KPI stock - CapEx

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.

3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.

4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

		a	b	c	d	e	f	g	h	i
	% (compared to total covered assets in the denominator)	Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	87,06%	0,41%	0,04%	0,03%	0,06%	0,00%	0,00%	-	-
2	**Financial undertakings**	27,75%	2,14%	0,25%	0,06%	0,10%	0,01%	0,00%	-	-
3	Credit institutions	27,75%	2,14%	0,25%	0,06%	0,10%	0,01%	0,00%	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	27,75%	2,14%	0,25%	0,06%	0,10%	0,01%	0,00%	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	21,39%	3,97%	-	1,50%	2,44%	-	-	-	-
21	Loans and advances	20,76%	2,18%	-	1,88%	0,25%	-	-	-	-
22	Debt securities, including UoP	21,72%	4,93%	-	1,30%	3,60%	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	100,00%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100,00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local government financing**	100,00%	-	-	-	-	-	-	-	-
29	Housing financing	100,00%	-	-	-	-	-	-	-	-
30	Other local government financing	100,00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	16,19%	0,08%	0,01%	0,01%	0,01%	0,00%	0,00%	-	-

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	r	s	t	u	v	w	x	z
		Disclosure reference date T							
		Pollution (PPC)				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	87,06%	0,41%	0,04%	0,03%	0,06%	17,25%
2	**Financial undertakings**	27,76%	2,14%	0,25%	0,06%	0,10%	2,79%
3	Credit institutions	27,76%	2,14%	0,25%	0,06%	0,10%	2,79%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	27,76%	2,14%	0,25%	0,06%	0,10%	2,79%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	21,39%	3,97%	-	1,50%	2,44%	0,28%
21	Loans and advances	20,76%	2,18%	-	1,88%	0,25%	0,10%
22	Debt securities, including UoP	21,72%	4,93%	-	1,30%	3,60%	0,18%
23	Equity instruments	-	-		-	-	-
24	**Households**	100,00%	-	-	-	-	11,29%
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	11,09%
26	of which building renovation loans	100,00%	-	-	-	-	0,20%
27	of which motor vehicle loans						
28	**Local government financing**	100,00%	-	-	-	-	2,90%
29	Housing financing	100,00%	-	-	-	-	1,07%
30	Other local government financing	100,00%	-	-	-	-	1,82%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	16,19%	0,08%	0,01%	0,01%	0,01%	92,73%

	% (compared to total covered assets in the denominator)	ag	ah	ai	aj	ak	al	am	an	ao
		Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73,33%	0,03%	0,02%	0,01%	0,01%	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-
20	**Non-financial undertakings**	18,46%	1,62%	0,71%	0,63%	0,28%	-	-	-	-
21	Loans and advances	28,27%	0,01%	0,01%	-	0,00%	-	-	-	-
22	Debt securities, including UoP	12,91%	2,54%	1,11%	0,99%	0,43%	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	**Households**	100,00%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	-	-	-	-
26	of which building renovation loans	100,00%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans									
28	**Local government financing**	100,00%	-	-	-	-	-	-	-	-
29	Housing financing	100,00%	-	-	-	-	-	-	-	-
30	Other local government financing	100,00%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	15,30%	0,01%	0,00%	0,00%	0,00%	-	-	-	-

	% (compared to total covered assets in the denominator)	ap	aq	ar	as	at	au	av	aw
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	ax	ay	az	ba	bb	bc	bd	be
		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73,33%	0,03%	0,02%	0,01%	0,01%	21,04%
2	**Financial undertakings**	-	-	-	-	-	7,27%
3	Credit institutions	-	-	-	-	-	7,27%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	7,27%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	18,46%	1,62%	0,71%	0,63%	0,28%	1,13%
21	Loans and advances	28,27%	0,01%	0,01%	-	0,00%	0,84%
22	Debt securities, including UoP	12,91%	2,54%	1,11%	0,99%	0,43%	0,30%
23	Equity instruments	-	-		-	-	-
24	**Households**	100,00%	-	-	-	-	8,22%
25	of which loans collateralised by residential immovable property	100,00%	-	-	-	-	8,01%
26	of which building renovation loans	100,00%	-	-	-	-	0,21%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local government financing**	100,00%	-	-	-	-	4,42%
29	Housing financing	100,00%	-	-	-	-	2,98%
30	Other local government financing	100,00%	-	-	-	-	1,44%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	15,30%	0,01%	0,00%	0,00%	0,00%	98,10%

4. GAR KPI flow - Turnover

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

		a	b	c	d	e	f	g	h	i
	% (compared to flow of total eligible assets)	Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	84,17%	0,25%	-	-	0,25%	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-		-
20	**Non-financial undertakings**	0,25%	0,25%	-	-	0,25%	-	-	-	-
21	Loans and advances	0,25%	0,25%	-	-	0,25%	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-		-
24	**Households**	44,32%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	42,87%	-	-	-	-	-	-	-	-
26	of which building renovation loans	1,45%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local government financing**	39,60%	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	39,60%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	28,24%	0,08%	-	-	0,08%	-	-	-	-

	% (compared to flow of total eligible assets)	j	k	l	m	n	o	p	q
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	r	s	t	u	v	w	x	z
		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	84,17%	0,25%	-	-	0,25%	19,63%
2	**Financial undertakings**	-	-	-	-	-	4,89%
3	Credit institutions	-	-	-	-	-	4,89%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	4,89%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	0,25%	0,25%	-	-	0,25%	0,42%
21	Loans and advances	0,25%	0,25%	-	-	0,25%	0,15%
22	Debt securities, including UoP	-	-	-	-	-	0,27%
23	Equity instruments	-	-		-	-	-
24	**Households**	44,32%	-	-	-	-	11,39%
25	of which loans collateralised by residential immovable property	42,87%	-	-	-	-	11,17%
26	of which building renovation loans	1,45%	-	-	-	-	0,22%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local government financing**	39,60%	-	-	-	-	2,93%
29	Housing financing	-	-	-	-	-	1,11%
30	Other local government financing	39,60%	-	-	-	-	1,82%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	28,24%	0,08%	-	-	0,08%	1,36%

4. GAR KPI flow - CapEx

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

		a	b	c	d	e	f	g	h	i
	% (compared to flow of total eligible assets)	Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83,40%	0,06%	-	0,05%	0,01%	0,00%	0,00%	-	-
2	**Financial undertakings**	-	-	-	-	-	0,00%	0,00%	-	-
3	Credit institutions	-	-	-	-	-	0,00%	0,00%	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	0,00%	0,00%	-	-
6	Equity instruments	-	-	-	-	-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-		-
20	**Non-financial undertakings**	0,19%	0,06%	-	0,05%	0,01%	-	-	-	-
21	Loans and advances	0,19%	0,06%	-	0,05%	0,01%	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-		-
24	**Households**	46,27%	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	44,75%	-	-	-	-	-	-	-	-
26	of which building renovation loans	1,52%	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-				
28	**Local government financing**	36,94%	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	36,94%	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	27,19%	0,02%	-	0,02%	0,00%	0,00%	0,00%	-	-

	% (compared to flow of total eligible assets)	j	k	l	m	n	o	p	q
		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-		-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**					-	-	-	-
25	of which loans collateralised by residential immovable property					-	-	-	-
26	of which building renovation loans					-	-	-	-
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	r	s	t	u	v	w	x	z
		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-
24	**Households**								
25	of which loans collateralised by residential immovable property								
26	of which building renovation loans								
27	of which motor vehicle loans								
28	**Local government financing**	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-
32	**Total GAR assets**	-	-	-	-	-	-	-	-

	% (compared to flow of total eligible assets)	aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83,40%	0,06%	-	0,05%	0,01%	31,42%
2	**Financial undertakings**	-	-	-	-	-	3,98%
3	Credit institutions	-	-	-	-	-	3,98%
4	Loans and advances	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	3,98%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	**Non-financial undertakings**	0,19%	0,06%	-	0,05%	0,01%	1,29%
21	Loans and advances	0,19%	0,06%	-	0,05%	0,01%	0,57%
22	Debt securities, including UoP	-	-	-	-	-	0,72%
23	Equity instruments	-	-		-	-	-
24	**Households**	46,27%	-	-	-	-	14,54%
25	of which loans collateralised by residential immovable property	44,75%	-	-	-	-	14,06%
26	of which building renovation loans	1,52%	-	-	-	-	0,48%
27	of which motor vehicle loans	-	-	-	-	-	-
28	**Local government financing**	36,94%	-	-	-	-	11,61%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	36,94%	-	-	-	-	11,61%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-
32	**Total GAR assets**	27,19%	0,02%	-	0,02%	0,00%	8,07%

5. KPI off-balance sheet exposures

1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

		a	b	c	d	e	f	g	h	i
% (compared to total eligible off-balance sheet assets)		Disclosure reference date T								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-

		j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)		Disclosure reference date T							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant				Proportion of total covered assets funding taxonomy relevant			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		r	s	t	u	v	w	x	z
% (compared to total eligible off-balance sheet assets)		Disclosure reference date T							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant				Proportion of total covered assets funding taxonomy relevant			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-

		aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-

Delegated Regulation (EU) 2021/2178: Nuclear and fossil gas - Annex XII

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI).

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

6. KPI on fees and commissions inclome from services other than lending and asset management

1. Institutions shall disclose in this template information on the percentage (%) of fees and commission income related to taxonomy relevant sectors and environmentally sustainable activities (with breakdown for transitional and enabling activities) compared to total fees and commission income from NFRD corporates for services other than lending and asset management

		a	b	c	d	e	f	g	h
		F&C KPI - Disclosure reference date T							
		Total (Million EUR)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)		
			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		
				Of which environmentally sustainable (%) (Taxonomy-aligned)				Of which environmentally sustainable (%) (Taxonomy-aligned)	
					Of which transitional	Of which enabling			Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-	-

		i	j	k	l	m	n	o	p	q
		F&C KPI - Disclosure reference date T								
		Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)		
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		
			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)	
				Of which enabling			Of which enabling			Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-	-	-

		r	s	t	u	v	w	x
		F&C KPI - Disclosure reference date T						
		Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			
			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)		
				Of which enabling			Of which transitional	Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-

		z	aa	ab	ac	ad	ae	af	ag
		F&C KPI - Disclosure reference date T-1							
		Total (Million EUR)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)		
			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		
				Of which environmentally sustainable (%) (Taxonomy-aligned)				Of which environmentally sustainable (%) (Taxonomy-aligned)	
					Of which transitional	Of which enabling			Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-	-

		ah	ai	aj	ak	al	am	an	ao	ap
		F&C KPI - Disclosure reference date T-1								
		Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)		
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		
			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)	
				Of which enabling			Of which enabling			Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-	-	-

		aq	ar	as	at	au	av	aw
		F&C KPI - Disclosure reference date T-1						
		Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			
			Of which environmentally sustainable (%) (Taxonomy-aligned)			Of which environmentally sustainable (%) (Taxonomy-aligned)		
				Of which enabling			Of which transitional	Of which enabling
1	Fees and commission income from NFRD corporates - Services other than lending	-	-	-	-	-	-	-
2	**Services towards financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Other financial undertakings	-	-	-	-	-	-	-
5	of which investment firms	-	-	-	-	-	-	-
6	of which management companies	-	-	-	-	-	-	-
7	of which insurance undertakings	-	-	-	-	-	-	-
8	Non-financial undertakings	-	-	-	-	-	-	-
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	-	-	-	-	-	-	-

7. KPI Trading book portfolio

		a	b	c	d	e	f	g	h
			Climate Change Mitigation (CCM)						
		Fair value	Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
				Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-	-

		i	j	k	l	m	n	o
		Climate Change Adaptation (CCA)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

		p	q	r	s	t	u	v
		Water and marine resources (WTR)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

		w	x	z	aa	ab	ac	ad
		Circular economy (CE)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-		-	-	-	
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

		ae	ae	af	ag	ah	ai	aj
		Pollution (PPC)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

		ak	al	am	an	ao	ap	aq
		Biodiversity and Ecosystems (BIO)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

		ar	as	at	au	av	aw	ax
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		Trading KPI
			Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	
1	Financial assets held for trading (debt securities and equity instruments) - NFRD corporates	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-
4	Debt securities	-	-	-	-	-	-	-
5	Equity instruments	-	-	-	-	-	-	-
6	Other financial undertakings	-	-	-	-	-	-	-
7	of which investment firms	-	-	-	-	-	-	-
8	Debt securities	-	-	-	-	-	-	-
9	Equity instruments	-	-	-	-	-	-	-
10	of which asset managers	-	-	-	-	-	-	-
11	Debt securities	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	of which insurance companies	-	-	-	-	-	-	-
14	Debt securities	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-
16	**Non-financial undertakings**	-	-	-	-	-	-	-
17	Debt securities	-	-	-	-	-	-	-
18	Equity instruments	-	-	-	-	-	-	-
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**	-	-	-	-	-	-	-
20	Debt securities	-	-	-	-	-	-	-
21	Equity instruments	-	-	-	-	-	-	-

8.2.2 ESRS E1: Climate change

Material sustainability matter	Concepts	Actions	Objectives	Metrics
Climate change adaptation	Green products	Issuing of green bonds	No objectives	Green bonds issued
		Certification of green products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)	No objectives	Green products, certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)
	No concept	Collection of energy certificates	No objectives	No metrics
Climate change adaptation and energy	klimaaktiv Pakt	Expansion of photovoltaic system	Increasing share of renewable energy	Share of renewable energy as a proportion of total energy consumption
		Switch to e-mobility	No objectives	Percentage of e-vehicles in the company fleet
Climate change mitigation and adaptation	Management of ESG risks	Adaptation of the limit system by 2025	No objectives	No metrics

The HYPO NOE Group does not have a transition plan.

8.2.2.1 Climate change adaptation

Concept: green products

Extensive investments in climate change adaptation and climate protection are necessary to mitigate the negative impacts of climate change. This includes investments in public infrastructure (for example public transport, flood protection, slope stabilisation, renaturation), real estate (for example heat protection, energy efficiency), and the transformation of business models. As a consequence, HYPO NOE Landesbank has identified financing for such investments in climate change adaptation and mitigation as a material topic in each of its business segments. In the materiality assessment, responding to the trend towards sustainable products was also specified as a material topic under the ESRS S4 standard. Potential greenwashing allegations were assigned a material negative impact.

In response, the HYPO NOE Group has developed green products in its business segments to finance projects that contribute to the European Union's six environmental objectives. Lending for green loans can be refinanced with green bonds in accordance with HYPO NOE Landesbank's Sustainability Bond Framework. The Rating/ESG team reviews whether such lending complies with HYPO NOE Landesbank's Sustainability Bond Framework. The green deposits are used to finance projects that meet the ecological and social requirements of the Austrian Ecolabel for Sustainable Financial Products (UZ 49). To highlight the transparency and credibility of its green product line, all green products and green bonds have been certified with the UZ 49 ecolabel (see "Action 2: certification of green products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)" in section 8.2.2.1 Climate change adaptation).

Private customers

The HYPO NOE Group offers the Green Home Loan and Green Life Loan products for retail customers. The home loan is available to retail customers who are looking to buy, build or renovate property, provided that their project meets specific energy efficiency targets. The new Green Life Loan is designed to finance property-related investments, including support for thermal renovation projects, installation of solar thermal and PV systems, and conversion of fossil-

fuel-powered heating systems. As a key financing activity, lending is allocated to the downstream value chain across the entire HYPO NOE Group.

Public sector, real estate and corporate customers

The HYPO NOE Group developed the Green Investment Loan in response to the trend towards sustainable financial products and to address the positive impacts of investments in public infrastructure, real estate, or the transformation of business models identified in the materiality assessment. The Green Investment Loan can be used to finance projects that support the European Union's environmental objectives. Customers who take out the Green Investment Loan from the HYPO NOE Group must be able to demonstrate their projects' positive impacts, which must be quantifiable and meet the requirements of HYPO NOE Landesbank's Sustainability Bond Framework. The Rating/ESG team reviews whether the project to be financed complies with HYPO NOE Landesbank's Sustainability Bond Framework and the necessary documentation is available. The Green Investment Loan can be used to finance public sector, real estate, and corporate projects.

The Products & Services organisational unit is responsible for product development, and the Rating/ESG organisational unit is responsible for the HYPO NOE Landesbank Sustainability Bond Framework. The sales units were involved as key contributors in the development of HYPO NOE Landesbank's green products and Sustainability Bond Framework as they can provide insights from the customer and investor perspectives. HYPO NOE Landesbank's Sustainability Bond Framework is published on the HYPO NOE Group's website. The second party opinion (SPO), which confirms that the frameworks comply with ICMA standards, was prepared by ISS ESG. Allocation and impact reporting is subject to an annual external review, which was carried out by ISS ESG in 2024. ISS ESG's reviews are published on the HYPO NOE Group's website. In accordance with the ecological and social requirements of the Austrian Ecolabel for Sustainable Financial Products (UZ 49), the allocation of funds from green deposits and loans is published annually on the website.

Action 1: issuing of green bonds

The HYPO NOE Group's ESG strategy envisages a regular presence on the capital market as a green bond issuer. The scope and frequency of these issues are derived from the funding plan and the availability of green loans that comply with HYPO NOE Landesbank's Sustainability Bond Framework. In January 2024, HYPO NOE Landesbank placed a CHF 100m green preferred senior benchmark bond on the Swiss capital market. The green bonds currently in circulation have a nominal value of EUR 1.1 billion.

In 2023, HYPO NOE Landesbank adapted its Sustainability Bond Framework to reflect the latest ICMA Principles and expanded it to include social categories. The SPO for the HYPO NOE Landesbank Sustainability Bond Framework was prepared by ISS ESG. The SPO confirms compliance with the Green (last updated 2021), Social (last updated 2023), and Sustainability (last updated 2021) Bond Guidelines. ISS ESG also confirms the positive contribution of HYPO NOE Landesbank's green bonds to the 17 United Nations Sustainable Development Goals. Opportunities for green bond issues are continuously evaluated in light of the availability of suitable assets and capital market developments. HYPO NOE Landesbank's annual green bond allocation and impact report was published in December 2024. The action is not dependent on the availability and allocation of resources.

Metric 1: green bonds issued

As part of the funding plan, it is determined whether and to what extent green bonds will be issued. Projects that support the six environmental objectives of the European Union can be refinanced through bonds under the green categories of HYPO NOE Landesbank's Sustainability Bond Framework. For real estate, minimum energy efficiency standards for green properties are specified in the Sustainability Bond Framework. HYPO NOE Landesbank uses the proceeds of the green bond issues to refinance green properties, all of which are among the top 15% of Austria's building stock in terms of carbon efficiency, in line with the Sustainability Bond Framework. The annual allocation and impact report on HYPO NOE Landesbank's asset pool provides, among other things, information on how much more energy-efficient the refinanced property projects are than the national benchmark in terms of tonnes of CO_2. The national benchmarks and emission factors for the Austrian energy mix are updated annually as part of the impact calculations. The external review of the reporting, which is mandatory under ICMA standards, was conducted by ISS ESG.

Since green bond issues depend on the availability of corresponding assets, no measurable, outcome-oriented objective has been set. The overarching goal is a regular presence on the capital market as a green bond issuer.

The green bonds currently in circulation have a nominal value of EUR 1.1 billion.

A detailed breakdown can be found in the green bond allocation and impact reporting on the HYPO NOE Landesbank website.

Action 2: certification of green products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)

The Austrian Ecolabel for Sustainable Financial Products (UZ 49) is designed to provide customers and investors with guidance and transparency when it comes to the environmental and social compatibility of financial products. UZ 49-certified products must be audited by an independent, accredited certification body. Certification confirms compliance with the criteria of the environmental label guideline. The criteria include a quality-assured process for the collection and selection of loans, as well as transparency and reporting obligations. The exclusion criteria set out under UZ 49 reflect the ecolabel's fundamental values, and cover sectors such as nuclear energy, fossil fuels, armaments, genetic engineering, and tobacco.

UZ 49 certification underscores HYPO NOE Landesbank's credibility and transparency in the field of sustainable financing. In 2024, HYPO NOE Landesbank had its green loans certified in accordance with UZ 49 for the first time and also had its existing green products recertified with the environmental label. The ecolabel is valid until 2028. Recertification is planned. The action is not dependent on the availability and allocation of resources.

Metric 2: green products, certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)

The UZ 49 ecolabel is a way for companies to increase the credibility and transparency of their financial products. The following criteria apply for UZ 49 certification:

- Exclusion criteria for certain core business areas (e.g. fossil fuels, nuclear energy, armaments, genetic engineering, and tobacco),
- The selection criteria must be suitable for identifying projects that deliver positive environmental and social benefits.
- Ensuring quality requirements for the assessment and selection process, and
- Transparency and reporting on the use of funds.

The green product range consists of green current accounts and green savings accounts, as well as the Green Home Loan and Green Life Loan products. All of HYPO NOE Landesbank's green products are certified in accordance with UZ 49 and listed on the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) ecolabel website. The green products for retail customers are also listed on the birds of trust platform for sustainable financial products certified in accordance with UZ 49. The reporting on the allocation of funds for green products is published annually on the HYPO NOE Landesbank website in accordance with the reporting requirements of the ecolabel.

To increase transparency and credibility towards its customers and investors, HYPO NOE Landesbank decided to have its green products certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49). In 2024, HYPO NOE Landesbank had its green products recertified and its green loans certified for the first time. The (re)certification of the green products is conducted by an officially accredited certification body of the BMK.

8.2.2.2 Optimisation of data quality, availability and recording

An effective database for evaluation of the energy efficiency of financed real estate and assessment of physical credit risks forms the basis for developing concepts, actions and targets. With this in mind, the HYPO NOE Group identified data quality, availability and recording as material topics in the context of climate change adaptation and mitigation. A package of measures ranging from mandatory collection of energy performance certificates in the real estate financing process for new business, through to application of the climcycle Partnership for Carbon Accounting Financials (PCAF) module are intended to support the creation of this database and calculation of the carbon footprint (Scope 3.15) of the loan portfolio. The creation of a concept is planned based on this data.

Action: collection of energy certificates

As a mortgage bank, HYPO NOE Landesbank strives to ensure the highest possible data quality and availability for its real estate portfolio. The aim of the action is to achieve a high availability of energy performance certificates throughout the entire real estate portfolio. These certificates are intended to serve as the basis for calculating the carbon footprint of the downstream value chain. As part of the review process for loans for existing real estate, customers are asked to provide an energy performance certificate, which is then entered into the core banking system upon submission. For new

real estate loans, the submission of an energy performance certificate is already contractually stipulated in accordance with the requirements of the 2012 Energieausweisgesetz (Energy Performance Certificate Act). The action is not dependent on the availability and allocation of resources.

Since providing energy performance certificates is not mandatory for all real estate loans for existing properties, no measurable, outcome-oriented target has been set. The overarching goal is to ensure the highest possible availability of energy performance certificates throughout the entire real estate portfolio, in line with the identified IRO of data optimisation relating to real estate loans. There are plans to transfer the data into the climcycle software tool, which will serve as the basis for analyses and calculations. The intention is to carry out mandatory disclosure of the carbon footprint of the loan portfolio using climcycle.

8.2.2.3 Climate change adaptation and energy

Concept: klimaaktiv Pakt

The BMK's klimaaktiv Pakt is a voluntary national climate protection programme for large companies. Austria's 2030 climate goals are used as a reference to help establish the contractually binding targets for participating companies.

The klimaaktiv Pakt requires companies to draw up a climate protection plan and devise a strategy for climate protection, energy efficiency, and the use of renewable energy. Additional company-specific climate protection actions are also agreed upon.

As a klimaaktiv Pakt partner, the HYPO NOE Group voluntarily committed in 2021 – as one of 12 companies in Austria – to achieve the following by 2030 (benchmark year 2015):

- Reduce its greenhouse gas emissions by 80%,
- Increase the share of renewable energy sources to 65%,
- Reduce energy intensity by 30% and
- Implement further climate protection measures related to mobility and awareness-raising.

Implementation of the actions and the extent to which the objectives have been fulfilled is reviewed annually by the klimaaktiv experts at the BMK and the Austrian Energy Agency before being documented in a report. In previous materiality assessments under GRI standards, the Company's own emissions and those caused by the use of transport for operational purposes were identified as material negative impacts. The 2030 targets relating to greenhouse gas emissions and energy intensity were achieved by the end of 2023. The quantitative values correspond to the scope of the requirements under the Austrian Energieeffizienzgesetz (Energy Efficiency Act) and apply to all employees of the HYPO NOE Group. HR Analytics & Services Department and Facility Management are responsible for implementing the concept.

The actions and achievement of objectives are monitored annually by the klimaaktiv Pakt experts and documented in the audit report. Management and monitoring of the klimaaktiv programme is carried out by the Austrian Energy Agency. Strategic oversight of klimaaktiv rests with the BMK. The ability to implement the actions does not depend on the availability of resources.

Action 1: expansion of photovoltaic system

It was agreed under the klimaaktiv Pakt that the share of renewable energy as a proportion of total energy consumption would be increased from 26% in 2015 to 65% by 2030. In addition to various energy efficiency and reduction measures, the decision was taken to expand the photovoltaic system on the roof of the Group headquarters to help achieve this. Expansion of the system has been implemented in three phases since 2021. The third and final phase was completed in 2024. The HYPO NOE Group expects to make a contribution to climate change mitigation and reduce its own greenhouse gas emissions through the expansion of the PV system.

Objective 1: increase the share of renewable energy as a proportion of total energy consumption to 65% by 2030

One target of the klimaaktiv Pakt is to increase the share of renewable energy as a proportion of the HYPO NOE Group's total energy consumption to 65% by 2030 compared with 2015 as the benchmark year. To achieve this objective, three actions were defined with the support of the klimaaktiv experts: switching to electricity certified in accordance with the Austrian Ecolabel for Green Electricity (UZ 46), phased expansion of the PV system on the roof of the Group headquarters in St. Pölten, and the transition to e-mobility. The changeover to UZ 46-certified electricity took place in 2023, and expansion of the PV system was completed in 2024.

Metric 1: share of renewable energy as a proportion of total energy consumption

The metric measures the share of renewable energy as a proportion of the HYPO NOE Group's total energy consumption in kWh. As part of the annual audit process by the klimaaktiv Pakt experts, the metric "share of renewable energy in total electricity consumption" is prepared, validated, and documented in the audit report. The share of renewable energy in total energy consumption has so far increased from 26% in 2015 to 59% in 2023 (31 Dec. 2023).

Action 2: switch to e-mobility

As already identified in previous GRI materiality assessments, the double materiality assessment under ESRS also identified reducing GHG emissions through the transition to e-mobility as a material positive impact on climate protection. The HYPO NOE Group's Car Policy was updated with regard to e-mobility in 2024. The Company fleet is to gradually switch over to electric vehicles. The transition to e-mobility is part of the klimaaktiv Pakt's catalogue of measures. The switch to an electric vehicle takes place at the time when the regular replacement for eligible employees would occur under the Car Policy, and at the point when an employee takes up a role that justifies a company car. The Car Policy is published in the internal organisational manual and is accessible to all employees of the HYPO NOE Group.

Metric 2: CO_2 emissions prevented by switch to e-mobility

The method for calculating the "Percentage of e-vehicles in the company fleet" metric is based on a percentage calculation. The basis for the calculation is the total number of vehicles in the fleet. Measurement of the metric is not validated by an external entity. The share of electric vehicles is 47%.

Action 3: awareness-raising among employees

The HYPO NOE Group developed its own ESG training concept in 2023, which has been gradually rolled out since 2024 (see "Concept 1: ESG training concept" in section 8.3.1.5 Equal treatment and equal opportunities for all).

8.2.2.4 Climate change mitigation and adaptation

Management of ESG risks

Extreme weather events as a result of climate change can have a negative impact on the value of collaterals, debt servicing capacity, productivity and income. Energy-inefficient or CO_2-intensive assets may face higher impairment, and the probability of default may increase. As a result, HYPO NOE Landesbank takes physical and transition risks into consideration within its risk management framework. In 2022, an industry benchmarking tool was introduced, which assesses ESG risks of industries based on economic, ecological, and social factors using an ESG score, which is ultimately converted to a scale of 1-5. The underlying indicators include, for example, the GHG emissions for the sector. The empirical and statistical ESG component of the industry score evaluates the sectors' greenhouse gas intensity. CO_2 emissions by Eurostat NACE are used as the basis for this. These values are then related to the net non-current assets for the respective sector. As a result, the greenhouse gas intensity attributed to older assets is higher than that for newer, more modern assets. In the materiality assessment, physical and transition risks were classified as material risks (see section 8.1.3.3 SBM-3 – Material Impacts, risks, and opportunities and their interaction with strategy and business model). Physical climate risks for financing in the NACE Construction and Housing sector are to be reassessed, as well as transition risks related to CO_2-intensive industries using the industry benchmarking tool. The industry benchmarking tool is applied to all loans in the relevant sector to transfer loans with a poor overall rating into Stage 2. The Risk Management Division is responsible for risk management. No third-party standards or initiatives were utilised in implementing the concept. In consultation with the Management Board and the Head of the Risk Division, it was decided to gradually integrate the results of the industry benchmarking tool into the existing risk management framework. The introduction of an industry benchmarking tool complies with supervisory requirements in the guidelines on managing sustainability risks. The scoring outcomes support operational credit risk management in decision-making during the loan approval process as well as strategic risk management for the calculation of risk provisioning by collectively transferring loans relating to poorly-rated industries into Stage 2. For 2025, a refinement of the industry limit methodology is planned by incorporating the results of the benchmarking as a premium or discount criterion when determining limits for the respective industry. The risk manuals are published on the intranet in the organisational manual, which is freely accessible to all employees of the HYPO NOE Group at all times, and are subject to an annual review.

Action: adaptation of a limit system by 2025

As part of a review of the previous approach to sectoral limits, there are also plans to use the industry benchmarking model results for setting limits. The industry benchmarking tool supports the goal of limiting individual sectors based on a transparent methodology and refining limit management. In addition to planned new business and its risk assessment based on historical data, the results from the sector benchmarking model are to be incorporated as a forecasting tool for future developments. The industry benchmarking methodology takes into account sector-specific and ESG-specific factors which are then used to determine a sector class. Depending on the quality of the sector class, premiums or discounts are applied to the calculated limit amount. Accordingly, ESG-relevant factors play a significant role in managing risk appetite in the form of sector limits. Adaptation of the limit system is planned for the first half of 2025. This action is being carried out in the Risk Division's Strategic Risk Management Department. Adequate resources will be allocated to ensure timely implementation. This implementation is seen as an ongoing process, with input factors and methodology regularly evaluated by the employees responsible and necessary adjustments made in light of ongoing developments.

Metric and objective for risk management for sectors with exposure to ESG risks

No measurable result-orientated targets were set, as this is an adaptation of a limit system. The adaptation of the limit system aims to mitigate ESG risks. Exposures to sectors with particular exposure to ESG risks are to be limited. The introduction of the adapted limit methodology is planned for 2025.

E1-5 – Energy consumption and mix

Total energy consumption	**31 Dec. 2024**	**31 Dec. 2023**
Total energy consumption (MWh) (E1-5.37)	3,372.09	3,512.08
Total energy consumption from fossil sources		
Total energy consumption from fossil sources (MWh) (E1-5.37a)	1,405.43	1,568.96
Share of fossil sources in total energy consumption (%) (E1-5.AR34)	41.68%	44.67%
Total consumption from nuclear sources		
Total consumption from nuclear sources (MWh) (E1-5.37b)	n/a	n/a
Share of consumption from nuclear sources in total energy consumption (%) (E1-5.AR34)	n/a	n/a
Total renewable energy consumption		
Total renewable energy consumption (MWh) (E1-5.37c)	1,966.66	1,943.12
Share of renewable sources in total energy consumption (%) (E1-5 AR34)	58.32%	55.33%
Total renewable energy consumption, broken down by MWh		
Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.); (E1-5.37c i)	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling including from renewable sources (E1-5.37c ii)	1,858.38	1,863.78
Consumption of self-generated non-fuel renewable energy (E1-5.37c iii)	108.28	79.35
Production of renewable and non-renewable energy (MWh)		
Production of renewable energy (E1-5.39)	108.28	79.35
Production of non-renewable energy (E1-5.39)	-	-

E1-6 – Gross Scopes 1 and 2 and total GHG emissions

	31 Dec. 2024	31 Dec. 2023	Change (%)
Scope 1 greenhouse gas emissions			
Scope 1 GHG gross emissions (t CO_2e) (E1-6.48a) (E1-6 AR43)	**169**	**194**	**-13.04%**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) (E1-6.48b) (E1-6.AR44)	-	-	
Scope 2 greenhouse gas emissions			
Gross location-based Scope 2 GHG emissions (t CO_2e)[1] (E1-6.49a) (E1-6.AR45)	518	534	-2.96%
Gross location-based Scope 2 GHG1emissions (t CO_2e)[2] (E1-6.49b) (E1-6.AR45)	90	106	-14.96%
Scope 1 greenhouse gas emissions			
Scope 1 GHG gross emissions (t CO_2e)	**169**	**194**	**-13.04%**
Group (E1-6.50a)	169	194	-13.04%
Investees (operational control) (E1-6.50b)	-	-	
Scope 2 greenhouse gas emissions			
Gross location-based Scope 2 GHG emissions (t CO_2e)[1]	**518**	**534**	**-2.96%**
Group (E1-6.50a)	518	534	-2.96%
Investees (operational control) (E1-6.50b)	-	-	
Gross location-based Scope 2 GHG emissions (t CO_2e)[2]	**90**	**106**	**-14.96%**
Group (E1-6.50a)	90	106	-14.96%
Investees (operational control) (E1-6.50b)			

[1]Under the location-based method, quantification of Scope 2 GHG emissions was based on average energy generation emission factors for Austria.

[2]The market-based method takes into account the emissions of the energy producers from whom the HYPO NOE Group actually purchased the energy. Green electricity certified in accordance with the Austrian Ecolabel for Green Electricity (UZ 46) has been purchased at all locations since 2023, which is why no GHG emissions are reported for the electricity purchased.

8.3 Social information

8.3.1 ESRS S1: Own workforce

Material sustainability matter	Concepts	Actions	Objectives	Metrics
Work-life balance	Works agreement on flexible working hours	Baby breakfast	No objectives	Relationship Index S1-15
	Establishment of an external workplace	Holiday childcare		
Training and skills development	ESG training concept	In-house training to become a Certified ESG & Sustainability Professional	No objectives	Participation in training
		Internal ESG training courses		
		EFPA ESG Advisor®		
Diversity	Code of Conduct	Women's mentoring programme	No objectives	S1-9
		Frauen@HYPONOE women's network		
		Empowerment of women on International Women's Day		
Gender equality and equal pay for work of equal value	No concept	No actions	No objectives	S1-16

8.3.1.1 Impact, risk and opportunity management

The strategies, decisions, and actions of the HYPO NOE Group are informed, both directly and indirectly, by the perspectives of its own workforce through various dialogue formats. Regular dialogues between employees and their managers, such as annual performance reviews (objective-setting and achievement discussions) and development dialogues, ensure continuous exchange. Optionally, an interim orientation dialogue may be held during the year at the request of an employee or manager. Additional dialogue formats between the Management Board and employees – such as News from the Supervisory Board Meeting and the departmental breakfast – are offered several times a year.

There are also regular exchanges, consultations and negotiations between the Management Board, the People & Culture and HR Analytics & Services departments, and the Works Council. A regular meeting is held between the Works Council and the People & Culture and HR Analytics & Services departments. Ahead of Supervisory Board reviews, preparatory meetings are held on an ad-hoc basis or on specific topics between the Works Council and the Management Board. Working groups involving Company experts such as the Data Protection Officer are typically formed for the conclusion of works agreements. An employee survey is conducted every two years, the Employee Experience Index is compiled annually and additional related surveys are carried out during the course of the year. The dialogue formats take all employees into account, including groups that are potentially particularly vulnerable. The surveys provide insights into employee satisfaction, work-life balance, equal opportunities, collaboration quality, corporate culture, and employee loyalty. Since 2023, they have also covered assessments of ESG topics. The option of providing free-form responses also encourages employees to share specific improvement suggestions or criticism anonymously. The potential risks to the employer's reputation identified in the materiality assessment include working conditions, equal opportunities, and training. These topics are addressed in the employee survey. Monitoring the effectiveness of the actions taken and enabling employees to actively propose improvements helps mitigate these identified risks. Employees also have the option to confidentially involve the Works Council. Results are shared with all employees, and actions are further developed with them in a participatory process. Individual actions are evaluated in various ways including ad hoc surveys and workshops. The success of these actions is assessed in the subsequent biennial employee survey, which is conducted anonymously

by an external company with the involvement of the employee representatives. All information gathered from the various dialogue formats feeds into the HYPO NOE Group's decisions and activities.

As part of managing material risks related to its workforce, the HYPO NOE Group has established specific procedures to mitigate negative impacts and provided channels for employees to raise concerns and have them reviewed. Employees are introduced to these channels during the onboarding process, with the involvement of the Works Council. The topic of "integration into the company" is included in the biennial employee survey. Additionally, the Works Council has specially trained contacts for issues such as bullying and harassment (see section 8.4.1.2 Protection of whistleblowers). The procedure for handling complaints related to employee matters depends on whom the complaint is directed to and how it is submitted. The People & Culture and HR Analytics & Services departments keep all employees informed on various topics on the intranet. The Works Council likewise operates an intranet page and is available to employees for confidential discussions and concerns (see "Internal reporting channels" in section 8.4.1.2 Protection of whistleblowers). A whistleblowing system has been established (see section 8.4.1.2 Protection of whistleblowers).

The HYPO NOE Group, as an office-based operation with over 250 employees, is required under occupational health and safety regulations to hold at least one annual Workplace Safety Committee (ASA) meeting – or more frequently if needed – to respond to actual or potential negative impacts. Participants in this meeting include:

- Employer representatives (HR Analytics & Services and People & Culture)
- Employee representatives (Works Council)
- Safety officers
- Prevention officers
- Facility Management

At the HYPO NOE Group, these meetings take place twice a year and are organised by Facility Management. At these meetings, reports from the prevention officers and safety officers as well as current topics, as reported in advance by the participants, are discussed. Minutes are taken at each meeting, and are acknowledged by all participants.

All employees of the HYPO NOE Group have their place of work in Austria, and as such are subject to the collective agreement for employees of state mortgage banks and are entitled to take family-related leave. Compliance with the legal framework relating to the customers of the HYPO NOE Group is a key prerequisite for ensuring that there are no negative impacts in connection with the Group's own business practices. In accordance with section 14a(1) of the collective agreement for employees of state banks, companies that hold a Workplace Safety Committee meeting are also obliged to hold a health committee (GA) meeting. Responsibility for organisation of the GA lies with the HR Analytics & Services Department. The People & Culture Department is allocated approximately one FTE for managing material impacts. The level of resources required depends on the actions taken.

8.3.1.2 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets for managing material impacts, risks, and opportunities related to the workforce include employee satisfaction and retention, ensuring equal opportunities, and securing the necessary expertise to meet diverse requirements. The HYPO NOE Group works closely with its own workforce and employee representatives, including through the employee survey. In addition, regular meetings and ongoing exchange are held to identify findings and improvement opportunities arising from the performance of the HYPO NOE Group. To this end, there is a monthly meeting with the Works Council.

8.3.1.3 Characteristics of the undertaking's employees (S1-6)

All of the HYPO NOE Group's employees are based in Austria. The data is presented as a headcount. These disclosures have not been validated by an external body. The method used for calculating the metrics is based on the ESRS application requirements.

Employee headcount by gender

(S1-6.50a) (S1 AR 55)	31 Dec. 2024	31 Dec. 2023
Male	325	329
Female	292	290
Other	-	-
Not reported	-	-
Total employees	617	619

Information on employees by contract type (headcount)

	31 Dec. 2024				
(S1-6.50b) (S1 AR 55)	Female	Male	Other	Not disclosed	Total
Number of employees	292	325	-	-	617
Number of permanent employees (S1-6.50b i)	291	324	-	-	615
Number of permanent employees (S1-6.50b i)	1	1	-	-	2
Number of non-guaranteed-hours employees	-	-	-	-	-
Number of full-time employees	149	298	-	-	447
Number of part-time employees	143	27	-	-	170

	31 Dec. 2023				
(S1-6.50b) (S1 AR 55)	Female	Male	Other	Not disclosed	Total
Number of employees	290	329	-	-	619
Number of permanent employees (S1-6.50b ii)	290	328	-	-	618
Number of permanent employees (S1-6.50b i)	-	1	-	-	1
Number of non-guaranteed-hours employees	-	-	-	-	-
Number of full-time employees	143	295	-	-	438
Number of part-time employees	147	34	-	-	181

Employee turnover (headcount)

(S1-6.50c)	31 Dec. 2024	31 Dec. 2023
Total number of employees who left the Company during the reporting period	67	68
Employee turnover rate	10.69%	11.03%

The total number of employees that left the Company during the reporting period is compared with the average number of employees (departures divided by the average number of employees). (S1-6.50e) (S1 AR 59)

8.3.1.4 Working conditions

Work-life balance

Concept 1: works agreement on flexible working hours

The HYPO NOE Group allows its employees to decide for themselves when they start and finish work, taking their private and professional interests into account. Flexible working time arrangements are intended to improve work-life balance and to enhance the attractiveness of the HYPO NOE Group as an employer. A works agreement on flexible working hours was concluded for this purpose. The works agreement applies to all employees of the HYPO NOE Group at all sites. Seasonal employees, interns and volunteers are excluded. For young employees and expectant mothers, its application is limited due to the Austrian Jugendlichenbeschäftigungsgesetz (Youth Employment Act) and the

Mutterschutzgesetz (Maternity Protection Act). The HR Analytics & Services Department is responsible for implementing the concept. No third-party standards or initiatives were utilised in implementing the concept. The works agreements were drawn up with the involvement of the Works Council. Work-life balance actions are regularly assessed (anonymously) in the employee survey. In principle, all actions to promote work-life balance are continuously evaluated, with adjustments made as needed, depending on developments. The works agreements are published on the Works Council page of the HYPO NOE Group's intranet, where they can be viewed by all employees.

Action 1: baby breakfast

The HYPO NOE Group organises a baby breakfast for employees on parental leave, with the aim of providing a platform where colleagues who are on leave can stay in touch in a pleasant, informal setting. Since its introduction in autumn 2022, the baby breakfast has taken place twice a year – once in spring and again in autumn.

The meetings are organised with the specific purpose of helping people to stay in touch. The participants consist of both men and women on parental leave, as well as their managers and colleagues from the People & Culture Department. The breakfast provides a setting for exchanging ideas on topics related to children, professional matters, and re-entry questions. Introduction of this action is designed to give employees an opportunity to find out all about the latest developments at the Group, stay in touch, and maintain their connection with the Company.

Action 2: holiday childcare

In 2024, a comprehensive childcare action was introduced during the summer holidays, and the plans for subsequent years further refined. The Ferienzeit@HYPONOE holiday childcare pilot project took place for the first time in summer 2024, with one week of childcare provided for the children of HYPO NOE Group employees. During this time, the children enjoyed a varied programme of creative games, sporting activities and social interaction. This action is expected to bring about an improvement in work-life balance for employees. It also has a significant role to play in the attainment of overarching goals, such as higher employee satisfaction, promoting gender equality, and fostering long-term talent retention. Thanks to the positive feedback it generated, summer childcare will be offered to HYPO NOE Group employees once again in summer 2025.

Concept 2: establishment of an external workplace

The HYPO NOE Group enables its employees – taking into account private and professional interests – to set up an external workplace where they live. Employees can use this option for an individually agreed portion of their working time. The option of working from home is intended to improve work-life balance while enhancing the attractiveness of the HYPO NOE Group as an employer. To this end, a works agreement was concluded on establishing an external workplace. This arrangement allows employees to work from home for up to 50% of the time each quarter through individual remote-working agreements. The works agreement applies to all employees of the HYPO NOE Group who are in permanent employment and are employees within the meaning of the Arbeitsverfassungsgesetz (Austrian Labour Constitution Act). The HR Analytics & Services Department is responsible for implementing the concept. The topic of working from home is addressed in the biennial employee survey. The works agreement is published on the HYPO NOE Group intranet where it can be viewed by all employees.

Metric for the working-from-home and flexitime concepts

58% of employees have a high or very high level of loyalty to the Company. This figure was determined using the Relationship Index and is based on responses across a five-point scale for four surveyed items related to job satisfaction, willingness to change jobs, changes in work situation, and recommendation of the employer. Employees rate statements on these topics on a scale of 1-5 (1=totally agree, 5=do not agree at all). The Relationship Index is calculated based on their agreement, categorised into five types (1=very high attachment, 5=low attachment). The survey is conducted anonymously with the involvement of an external institute for market and social analyses.

No measurable result-oriented targets have been set for the flexible working hours and working-from-home concepts. The utilisation of flexitime and working-from-home arrangements is documented in the employees' time records, but is not evaluated and no targets are derived from it. Employee satisfaction with current working-from-home arrangements is assessed as part of the employee survey. The results provide insight into whether the implemented actions have improved compatibility and employee retention, among other things.

All employees of the HYPO NOE Group have their place of work in Austria, and as such are subject to the collective agreement for employees of state mortgage banks and are entitled to take family-related leave. The "percentage of

eligible employees who took leave for family reasons, broken down by gender" is included in the table on the breakdown of the Company's employees.

Work-life balance

Entitlement to make use of family-related leave	31 Dec. 2024	31 Dec. 2023
Percentage of employees with entitlement to make use of family-related leave (S1-15.93a)	**100.00%**	**100.00%**
Male	12.31%	n/a
Female	20.89%	n/a
Other	-	n/a
Not reported	-	n/a
Total employees	16.37%	n/a

8.3.1.5 Equal treatment and opportunities for all

Training and skills development

Concept 1: ESG training concept

In 2023, the HYPO NOE Group developed an ESG training concept that comprised training for employees and managers. The training courses aim to ensure the technical expertise required to implement regulatory requirements while simultaneously assessing the impacts on strategy and identifying sustainability-related risks and opportunities and allowing actions to be derived from them (see "Responsible marketing practices" in section 8.3.2.3 Social inclusion of consumers and/or end-users and "Action 3: raising employee awareness" in section 8.2.2.3 Climate protection and energy). The training concept offers training programmes that are tailored to different areas of activity. The training courses are held by Group employees, the Controller Institute or by HYPO Bildung. Depending on their specific responsibilities, training is mandatory for certain experts, managers, and employees, or courses can be completed voluntarily. The People & Culture Department is responsible for implementing the concept. In principle, all training actions are continuously evaluated, with adjustments made as needed, depending on developments. The topic of training is regularly addressed and assessed in (anonymous) employee surveys. All employees can register for training actions in consultation with their manager as part of their performance and development dialogue. The works agreement is published on the HYPO NOE Group intranet where it can be viewed by all employees. No third-party standards or initiatives were utilised in implementing the concept.

Action 1: training as an EFPA ESG Advisor®

To ensure the necessary expertise for greater consideration of sustainability factors in securities consulting in line with the Markets in Financial Instruments Directive (MiFID-II), securities advisors and insurance advisors of the HYPO NOE Group are certified as European Financial Planning Association (EFPA) ESG Advisors®. Completing the training is mandatory for all of the HYPO NOE Group's securities and insurance advisors (see "Responsible marketing practices" in section 8.3.2.3 Social inclusion of consumers and/or end-users) The training includes self-study materials and an online seminar to prepare for the exam. Upon successful completion of the online examination, certification as an EFPA ESG Advisor® can be applied for. Recertification is mandatory every six years.

Action 2: training as ESG Professional at the Controller Institute

In cooperation with the Controller Institute, an in-house Certified ESG & Sustainability Professional training programme was developed. The training course aims to ensure the technical expertise required to implement regulatory requirements while simultaneously assessing the impacts on strategy and identifying sustainability-related risks and opportunities and allowing actions to be derived from them. It covers topics including sustainability in the boardroom, risk management and materiality analysis, EU Taxonomy, climate protection and neutrality, sustainable finance, controlling and data, and sustainability reporting. The course consists of ten modules, each lasting a half or full day. A minimum attendance rate, a project assignment, and a presentation on the assignment are required for successful completion. The first course was completed in 2024, with Management Board members, managers, and experts participating successfully. A second course started in autumn 2024 and will conclude in 2025. Participants include experts and managers from various HYPO NOE Group departments.

Action 3: training as ESG Officer

The ESG officers in the departments are trained by the HYPO NOE Group's ESG experts. As part of their training they complete an online HYPO Bildung programme entitled “Sustainability in Finance: Basics" (compulsory) and/or "Sustainability in Finance: Advanced" (voluntary). The aim is to ensure that ESG officers from the various departments are informed about the ESG strategy and relevant regulations, as they serve as points of contact for their colleagues in the departments and for the ESG Committee. Their training covers key international and European regulations with relevance for the HYPO NOE Group, relating to areas including ICMA Standards, sustainability risks, ESG ratings, sustainability reporting, and the three pillars of the ESG strategy. Additional training may also be mandated in case of significant changes to the HYPO NOE Group’s ESG strategy or relevant regulatory updates affecting the ESG officers.

Metric for Action 1: training as an EFPA ESG Advisor®

The compulsory certification of securities and insurance advisors at the HYPO NOE Group ensures the expertise needed to consider sustainability factors in securities consulting in accordance with MiFID-II. No methods or assumptions are applied, as a numerical figure is used. Training participation is documented by People & Culture, and successful completion is confirmed by HYPO Bildung. The metric is defined as “Number of certifications of securities and insurance advisors with the EFPA ESG Advisor®.”

Metric for Action 2: training as ESG Professional at the Controller Institute

The training aims to ensure that managers and experts are informed about key sustainability developments and can derive necessary actions for the HYPO NOE Group. In the first course in 2024, a total of 14 individuals successfully completed the Certified ESG & Sustainability Professional training, including the Management Board, seven department heads, and five managers from back-office departments. Training participation is documented by People & Culture, and successful completion is confirmed by the Controller Institute with a certificate. The metric is defined as “completed training”. No methods or assumptions are applied, as a numerical figure is used to measure how many managers and employees successfully completed the training.

Metric for Action 3: training as ESG Officer

Mandatory training for ESG officers ensures that the employees concerned are informed about the HYPO NOE Group’s ESG strategy and know the key national and international regulations relevant to the Group. Training is conducted by the Rating/ESG team and HYPO Bildung. Participation is documented by People & Culture. No methods or assumptions are applied, as a numerical figure is used, and the metric is not validated by an external entity. The metrics are defined as “Number of online training sessions Sustainability in Finance: Basics”, “Number of online training sessions Sustainability in Finance: Advanced” and “Number of training sessions organised by the ESG experts.”

The ESG training concept aims to ensure expertise for future (regulatory) requirements. No objectives have been set for voluntary training, but participation is documented. As a result, ‘acceptance’ levels can serve as a basis for decisions on further training programs. The topic of training and ESG is addressed in the biennial employee survey. The results provide an insight into whether the implemented training and ESG actions have been positively received.

Training and skills development metrics

31 Dec. 2024	Female	Male	Total
Number of EFPA ESG Advisor® certifications issued for securities and insurance advisors. (MDR-M 1)	13	13	26
Number of online training sessions Sustainability in Finance: Basics (MDR-M 3)	46	83	129
Number of online training sessions Sustainability in Finance: Advanced (MDR-M 3)	30	46	76
Number of training sessions organised by the ESG officers (MDR-M 3)	5	9	14
Number of Certified ESG & Sustainability Professionals (MDR-M 2)	3	11	14

Training and skills development

	31 Dec. 2024	31 Dec. 2023
Percentage of employees that participated in regular performance and career development reviews (S1-13.83a)		
Male	96.00%	n/a
Female	93.49%	n/a
Other	-	n/a
Not reported	-	n/a
Total employees	94.81%	n/a
Average number of training hours per employee (S1-13.83b)		
Male	n/a	n/a
Female	n/a	n/a
Other	n/a	n/a
Not reported	n/a	n/a
Total employees	41	33

An annual performance and development dialogue is planned for each employee. An additional orientation dialogue can also be conducted at the half-year stage to help better assess interim developments.
As the training days are recorded in the system for each course, it is not possible to provide a breakdown by gender. New software that enables a different form of evaluation will be used from 2025.

Diversity

Concept: Code of Conduct

The Code of Conduct sets out the common values and principles that apply to the HYPO NOE Group at the Group level. The Code specifies that the HYPO NOE Group sees differences resulting from individuals' cultural backgrounds and varying expertise and perspectives as an asset. It is also clearly stipulated in the Code of Conduct that the HYPO NOE Group does not tolerate discrimination on the basis of ethnicity, gender, nationality, marital status, social background, age, physical abilities, sexual orientation or religion. The HYPO NOE Group is guided by the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The Code of Conduct also states that all employees are provided with equal employment and advancement opportunities. The topics of diversity and equal opportunities are assessed every two years as part of the employee survey. Based on the results, the HYPO NOE Group has no specific concepts regarding inclusion or actions to promote its own workforce. The Frauen@HYPONOE women's network promotes women's careers within the HYPO NOE Group through its mentoring programme and by organising networking and information events (see "Action 2: Frauen@HYPONOE women's network" in section 8.3.1.5 Equal treatment and opportunities for all). Apart from the Code of Conduct concept, none of the other concepts align with a relevant internationally recognised instrument.

Compliance with the Code is mandatory for all employees. New employees acknowledge the Code of Conduct during the onboarding process. The Management Board, People & Culture, and Compliance are responsible for implementing the concept. Through the Code of Conduct, employees are obliged to comply with the Diversity Charter. The Code of Conduct was drawn up with the employees. Reviewed annually, the Code of Conduct is published in the organisational manual on the intranet and on the website where it is available for all stakeholders to view.

In principle, all actions to promote equal opportunities and diversity are continuously evaluated, and adjustments are made as needed, depending on developments.

Action 1: women's mentoring programme

The HYPO NOE Group launched a women's mentoring programme in 2023. As part of the programme, women receive support in their professional development and are given access to a network of experienced managers who can help them overcome challenges and make the most of opportunities to take the next step in their careers. Another mentoring programme is planned for the coming year. The female colleagues who successfully applied for the mentoring programme work in tandem with managers on a shared development goal. In regular meetings, they address questions, provide tips, and discuss challenges. The areas covered also include joint reflection, planning career steps, comparing notes and networking. The mentoring programme is also designed to enhance equal opportunities, diversity, and awareness of the importance of equality while strengthening employee retention and motivation. In 2024, seven women participated in the mentoring programme.

Action 2: Frauen@HYPONOE women's network

The Frauen@HYPONOE women's network advocates for equal opportunities and the advancement of women within the HYPO NOE Group. It aims to strengthen an inclusive corporate culture where women can fully realise their potential and obtain targeted support for their professional development. The participants are the female managers of the HYPO NOE Group. The female managers meet regularly, either online or in person for breakfast, to discuss current topics. Once a year, the women's network organises an all-female-employee event with a keynote followed by networking. The women's network also collaborates with the Vienna University of Economics and Business WU Executive Academy Female Leaders Network. This allows all women in the HYPO NOE Group to participate in various events such as company visits and "Lunch & Learn" sessions, and gives them the opportunity to expand their network outside the company. In 2024, four working meetings, two women's network breakfasts, and one evening event took place.

Action 3: empowerment of women on International Women's Day

The HYPO NOE Group uses International Women's Day to talk about the advancement of women and to share the experiences of women and strengthen their power skills. "Experiences of women" specifically refers to the unique experiences that women have due to their gender in various areas of life. The term "power skills" extends beyond professional expertise to also encompass social and personal competencies that enable women to position themselves confidently and independently in the workplace. For the second time in 2024, there was a workshop programme exclusively for women, with topics aimed at strengthening self-determination and independence. Both an in-person and an online option were provided to ensure it reached all women in the HYPO NOE Group. The aim is to set another milestone for equal opportunities for women. This initiative takes place annually on International Women's Day.

Objectives for Code of Conduct concept

No measurable outcome-oriented goals have been set for the Code of Conduct concept. There are plans to develop an HR dashboard by the end of 2025. This will enable goals to be defined in the future using diversity key performance indicators. Actions for the advancement of women aim to support women's career development within the HYPO NOE Group. Through the mentoring programme, women are encouraged to apply for vacant leadership positions. In 2024, the number of female managers increased by five. However, setting a specific target is currently not practical due to the varying availability of leadership positions. The effectiveness of the actions for the promotion of women is assessed as part of the employee survey conducted every two years.

Diversity metrics (S1-9)

The methods for calculating diversity metrics are based on the application requirements of the ESRS.

Gender distribution at the top management level

(S1-9.66a)	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023
Male	24	82.76%	23	85.19%
Female	5	17.24%	4	14.81%
Total employees	29	100.00%	27	100.00%

The top management level comprises division heads and department heads. The members of the Management Board are not included here, but shown in GOV-1 instead. (S1 AR 71)

Distribution of employees by age group (headcount)

(S1-9.66b)	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023
Under 30 years old	84	13.61%	86	13.89%
30-50 years	336	54.46%	351	56.70%
Over 50 years	197	31.93%	182	29.40%

Gender equality and equal pay for work of equal value

No concept was developed for the sub-topic of gender equality and equal pay for equal work, and no actions or targets were set, as HYPO NOE Group employees are subject to the collective agreement for employees of state mortgage banks. Collective agreements create the same minimum standards for pay and working conditions for all employees in an industry.

Remuneration metrics (S1-16)

The formula for calculation of remuneration follows the formula listed under S1 AR 98b. The calculation is based on the unadjusted gender pay gap. The metric discloses the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). These disclosures have not been validated by an external body.

Remuneration metrics (pay gap and total remuneration)

	31 Dec. 2024	31 Dec. 2023
Gender pay gap (S1-16.97a)	22.45%	n/a
Total remuneration ratio (S1-16.97b)	8.66%	n/a

The gender pay gap according to ESRS is calculated on the basis of the average hourly salaries of each gender. It does not take into account the fact that different activities are remunerated differently. As a result, the actual gender pay gap differs from the figure shown. The HYPO NOE Group ensures that there is equal pay for work of equal value. To this end, a job architecture was created in 2024 with the support of an external consultant that enables the calculation of a granular evaluation of salary differences for job families. A component of individual salary increases is used to equalise any existing and historic salary differences. (S1-16.97c) (S1 AR 99)

8.3.1.6 Incidents, complaints and severe human rights impacts (S1-17)

S1-17 disclosures are based on the application requirements of the ESRS. These disclosures have not been validated by an external body.

Work-related incidents and/or complaints	31 Dec. 2024	31 Dec. 2023
The total number of incidents of discrimination, including harassment, reported (S1-17.103a)	1	1
Number of complaints (S1-17.103b)	3	-
Identified cases of severe human rights incidents		

The above incidents were reported and the underlying facts examined and discussed in detail. No actions were required under labour law, nor were any fines or sanctions imposed. (S1-17.103d)

8.3.2 ESRS S4: Consumers and end-users

Material sustainability matter	Concepts	Actions	Objectives	Metrics
Data protection	Data protection manual	Training on data protection and information security	Participation in training	Participation in training
	Information security	Information security training		
Access to (quality) information	ESG training concept	See “Concept 1: ESG training concept” in section 8.3.1.5 Equal treatment and opportunities for all		
Access to products and services (accessibility) and non-discrimination (accessibility)	No concept	Barrier-free access to branches and self-service terminals	No objectives	No metrics
		Accessibility declaration		
Responsible marketing practices	ESG training concept	See “Concept 1: ESG training concept” in section 8.3.1.5 Equal treatment and opportunities for all		
	Code of Conduct	Participation in specialist presentations on greenwashing	Participation in specialist presentations	Participation in specialist presentations
		Recertification with pro-Ethik quality seal	Acquiring pro-Ethik quality seal in 2026	Seal
		See "Action 2: certification of green products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)" in section 8.2.2.1 Climate change adaptation		

The obligation to respect the human rights of consumers and end users is an integral part of the HYPO NOE Group's corporate culture and values, and is enshrined in the Code of Conduct. Compliance with the Code of Conduct is mandatory for all employees of the HYPO NOE Group, and new employees acknowledge the Code of Conduct upon joining the Group. The Code of Conduct applies to employees and the consumers and end users of the HYPO NOE Group alike. In the course of its business activities, the HYPO NOE Group has committed itself to strict ethical guidelines and business principles (see “Elements of strategy that relate to sustainability matters” in section 8.1.3.1 SBM-1 – Strategy, business model and value chain) This ensures that there are no violations of human rights The HYPO NOE Group is guided by the

International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The OECD Guidelines for Multinational Enterprises are not relevant to the HYPO NOE Group. Consumers and end users always refers to the customers of the HYPO NOE Group. In the following, both terms are used synonymously. The HYPO NOE Group has identified “data protection”, “access to (high-quality) information”, “access to products and services”, and “responsible marketing practices” as material topics through its materiality assessment. In addition, in terms of human rights, the HYPO NOE Group addresses the “right to privacy” and “right to non-discrimination” in its dealings with customers. The involvement of consumers and end users, as well as actions to provide remedies for identified human rights impacts, are explained in more detail in the sections 8.3.2.4 Processes for engaging with consumers and end-users about impacts (S4-2), 8.3.2.5 Channels for consumers and end-users to raise concerns (S4-3), and 8.1.3.2 SBM-2 – Interests and views of stakeholders. No incidents of non-compliance with human rights were reported.

For the HYPO NOE Group, consumers and end users are defined as the customers of the HYPO NOE Group, and represent one of the most important stakeholder groups. As a result, all customers can be affected by material impacts. Consumers and end users may be affected by the HYPO NOE Group’s business activities in the areas of the right to privacy and protection of their personal data, the right to freedom of expression, and non-discrimination as well as the impacts of marketing and sales strategies. Potentially negative impacts in the form of greenwashing or data protection breaches have been identified in connection with the sale or provision of products or services offered by the HYPO NOE Group. The actions taken to address these impacts are explained in greater detail under the respective concepts and actions. The material risks identified do not result in impacts on any specific individual customer groups.

8.3.2.1 Description of actions, their effectiveness, and procedures (S4-4)

The effectiveness of the actions and initiatives in achieving the desired outcomes for consumers and end users is monitored through regular reviews and assessed by means of comprehensive evaluations. The HYPO NOE Group aims to ensure that the measures taken are effective and practical. To this end, the HYPO NOE Group relies on a combination of internal audits with control plans (e.g. in the areas of data protection and information security) and feedback from affected parties to ensure a holistic assessment. The HYPO NOE Group also uses current data and analyses to adapt and continuously improve its strategies. This ensures that the actions taken not only comply with legal requirements but also meet the actual needs and expectations of consumers and end users.

The HYPO NOE Group has developed procedures to identify necessary actions in the event of negative impacts on consumers and end users. The HYPO NOE Group pursues clearly defined approaches for taking action in relation to specific material negative impacts on customers, including general approaches for potential remedies related to data protection and greenwashing.

The procedures aim to identify risks early, develop countermeasures, and ensure their implementation. These include data protection and information security training actions for risk mitigation purposes, as well as specialist presentations on greenwashing to enhance awareness. As part of the development of actions, the focus is on prevention to avoid negative impacts. If an impact cannot be fully prevented, steps are taken to ensure timely remedial actions.

The HYPO NOE Group has established various channels through which customers can share their experiences and concerns to ensure the effectiveness and availability of procedures for implementing or enabling remedial actions in the event of material negative impacts. This feedback is carefully analysed and incorporated into the continuous improvement of potential remedial actions. In the areas of data protection and greenwashing, the HYPO NOE Group has documented further general approaches for potential remedial actions.

No opportunities were identified in the course of the materiality assessment. No serious issues or incidents related to human rights and the HYPO NOE Group’s customers have been reported.

Compliance with the legal framework relating to the customers of the HYPO NOE Group is a key prerequisite for ensuring that there are no negative impacts in connection with the Group’s own business practices. Furthermore, the HYPO NOE Group has defined standard processes in the areas of data protection and information security to ensure the security of its customers’ data. Recertification with the pro-Ethik quality seal sets the tone for making a positive contribution to reducing advertising measures that are discriminatory, misleading or violate personal dignity.

8.3.2.2 Information-related impacts for consumers and/or end users

Data protection

Concept 1: data protection manual

The HYPO NOE Group has set itself the goal of protecting the personal data of its customers, prospects, service providers, partners, employees, and applicants from loss and unauthorised use. To implement this goal, the HYPO NOE Group has appointed a Data Protection Officer, issued internal data protection guidelines (data protection manual), and implemented technical and organisational actions to protect personal data. The Data Protection Officer regularly participates in training events and ensures that they stay up to date on current data protection case law and best practice in data protection.

On the one hand, the aim of the data protection manual is to provide all employees of the HYPO NOE Group with the data protection knowledge required for their work, including awareness of relevant processes, thereby upholding data protection when it comes to the processing of personal data by the HYPO NOE Group. And on the other, it aims to prevent data protection breaches and ensure compliance with established reporting processes should a data protection breach become known.

The HYPO NOE Group is also committed to complying with legal data protection standards, chief among them the General Data Protection Regulation (GDPR) and the Austrian Datenschutzgesetz (Data Protection Act). The Austrian Federal Constitution and laws guarantee alignment with human rights obligations.

The key components of the HYPO NOE Group's data protection manual include the description of data protection principles, roles in data protection (controller, processor, data subject, Data Protection Officer) including the resulting duties, tasks, and competencies, employee training, the register of processing activities, conducting data protection impact assessments, data subjects' rights, the procedure for data protection breaches, and technical and organisational measures. Compliance with data protection is monitored by the Data Protection Officer according to a risk-based approach in accordance with the internal control plan and regularly reported to the Management Board. The management of the respective Group company (Management Board/management) is responsible for implementing this concept. The data protection manual applies to the entire HYPO NOE Group and is available to all employees in the organisational manual on the intranet

General approach to remedial actions regarding data protection

The potential risks to the rights and freedoms of data subjects are analysed, and where necessary, appropriate actions are taken to remedy or mitigate the consequences. If the legal threshold is met, the incident is reported to the data protection authority, and the data subject is notified. Actions are also evaluated and, if necessary, implemented to prevent the same or similar incidents from occurring in the future.

Action 1: data protection training

All employees complete mandatory annual training on data protection with the aim of ensuring careful handling of customer data, preventing data protection breaches, and acting correctly in the event of data protection breaches. For this purpose, an online learning programme has been developed, which must be completed by all new employees before their first month of employment ends, and subsequently by all employees of the HYPO NOE Group once a year. The primary focus of the training given to HYPO NOE Group's employees is on the General Data Protection Regulation and other applicable data protection regulations, as well as important internal provisions and the consequences of non-compliance with these regulations. The learning programme also includes an online test that must be completed successfully. Rather than as a one-time event, the training action is instead seen as an ongoing process that is regularly evaluated and adapted as needed, in line with developments. The HYPO NOE Group has appointed its own Data Protection Officer to oversee data protection matters. The level of resources required depends on the actions taken.

Objectives for data protection concept

The aim of the data protection concept is to protect the personal data of all stakeholders from loss and unauthorised use. 100% of the HYPO NOE Group's employees are obliged to complete the data protection training by 31 December 2024. Training takes place annually; target achievement is set on a calendar year basis. Neither stakeholders nor customers were involved in setting the objectives. There was also no consultation of customers to track performance against the objectives or the process of gathering insights. For the HYPO NOE Group, tracking performance in achieving

the objectives is defined by the successful completion of the online test as part of the training. No changes were made to the objectives. The percentage of all employees who have completed the training is measured.

Concept 2: information security

The HYPO NOE Group recognises its significant responsibility for the information security of its systems, processes, employees, and data – especially customer data. Accordingly, it has set itself the goal of addressing existing threats and risks in all development and operational processes through comprehensive state-of-the-art security measures, which are consistently implemented and reviewed either by the Bank itself or its service providers. An information security officer (also referred to as the Chief Information Security Officer, or CISO) has been appointed, internal policies and guidelines issued, and technical protective actions implemented. The CISO regularly participates in training events and maintains regular communication with the Management Board. Compliance with information security requirements is monitored by the CISO with regard to the applicable risks in accordance with the internal control plan, with regular reports submitted to the Management Board. Regular internal and external audits and assessments are conducted to ensure compliance with security policies and processes.

The key contents of the HYPO NOE Group's information security policy include the description of the legal and regulatory requirements, as well as the description of the goals and principles of information security. It also describes the information security management system, which is aligned with the ISO 27001 standard and the International Electrotechnical Commission (IEC), its processes, the responsibilities of those in charge, information risk management and information security in outsourcing. The procedure for security incidents or breaches, as well as recovery procedures in the event of a disaster, are set out in the information security policy.

The HYPO NOE Group also commits to complying with legal and regulatory requirements. As an excerpt, the following laws and regulations are considered: Austrian Bankwesengesetz (Banking Act), Digital Operational Resilience Act (DORA), Kreditinstitute-Risikomanagementverordnung (Credit Institution Risk Management Order). Austrian laws guarantee alignment with human rights obligations. The information security policy applies to the entire HYPO NOE Group and is available to all employees in the organisational manual on the intranet.

The CISO is responsible for implementing the concept, ensuring compliance with legal requirements, implementing the associated processes, and defining the security strategy.

Action 2: information security training

All employees complete mandatory annual training on information security with the aim of ensuring careful handling of cybersecurity matters and, consequently, customer data at all times. For this purpose, an online learning programme has been developed, which must be completed by all new employees before their first month of employment ends, and subsequently by all employees of the HYPO NOE Group once a year. HYPO NOE Group employees are trained primarily on topics such as email and phishing, the methods used by attackers, ransomware, and cautious handling of unfamiliar external emails. Another focus is on the importance of passwords and designing a secure workplace for ensuring, among other things, the security of customer data at all times. The learning programme also includes an online test that must be completed successfully. Rather than as a one-time event, the training action is instead seen as an ongoing process that is regularly evaluated and adapted as needed, in line with developments. To address information security topics, the HYPO NOE Group has appointed its own Chief Information Security Officer. The level of resources required depends on the actions taken.

Objectives for information security concept

The information security concept aims to ensure the protection of information, digital resources, and operational resilience of the HYPO NOE Group, as well as to raise employee awareness.

100% of the HYPO NOE Group's employees are obliged to complete the data protection training by 31 December 2024. Training takes place annually; target achievement is set on a calendar year basis. Neither stakeholders nor customers were involved in setting the objectives. There was also no consultation of customers to track performance against the objectives or the process of gathering insights. For the HYPO NOE Group, tracking performance in terms of achieving the objectives is defined by the successful completion of the online test as part of the training, which results in no significant breaches. No changes were made to the objectives. The percentage of all employees who have completed the training is measured.

Metrics for the data protection and information security concept

No methods or assumptions are applied, as a percentage calculation is used to measure the percentage of employees who have completed the training. Measurement of the metric is not validated by an external entity. The metric is defined as “completed training.”

100% of the HYPO NOE Group’s employees completed the data protection training by 31 December 2024.

100% of the HYPO NOE Group’s employees completed the information security training by 31 December 2024.

Access to (quality) information

Targeted training and development of employees are necessary to provide customers with access to quality information. “Concept 1: ESG training concept” is explained in section 8.3.1.5 Equal treatment and opportunities for all.

8.3.2.3 Social inclusion of consumers and/or end-users.

Access to products and services

Accessibility

There is no specific concept regarding the material topic of accessibility, as the legal basis to date has been the EU Accessibility Act (EEA), the Barrierefreiheitsgesetz (Austrian Digital Accessibility Act), the Web-Zugängigkeits-Gesetz (Austrian Web Accessibility Act), the Bundesbehindertengleichstellungsgesetz (Austrian Federal Disability Equality Act), and Guideline 4 of the Austrian Institute for Building Technology (OIB).

Action 1: barrier-free access to branches and self-service terminals

Accessibility significantly contributes to the equality and inclusion of people with impairments, which is why the HYPO NOE Group strives to ensure that its buildings are accessible and usable for all people without particular difficulty or external assistance. 25 out of 26 the HYPO NOE Group’s branches are wheelchair-accessible. The branch that is currently not barrier-free is a temporary location that cannot be made accessible due to its cultural and historical significance. The HYPO NOE Group will initiate reviews in 2025 to determine whether other options could enable flexible accessible entry. All new buildings of the HYPO NOE Group are barrier-free in accordance with OIB Guideline 4. When redesigning branches, structural actions for accessibility are implemented based on technical and cultural/historical feasibility considerations. Additionally, visualisation is supported with a tactile guidance system. The foyers of the HYPO NOE Group are accessible 24/7, and all self-service terminals are equipped with structural and technical features (audio jacks and Braille on the keyboard) to ensure accessibility. In 2024, the HYPO NOE Group took accessibility aspects into account in accordance with OIB Guideline 4 in the course of the Wipplingerstrasse renovation project. Also in 2024, the HYPO NOE Group’s web applications were migrated to the M365 platform, which means that online consultations can now be offered at any time. In line with legal requirements, an accessibility officer and a deputy will be appointed in 2025. The level of resources required depends on the actions taken.

Action 2: accessibility declaration

Accessibility on the website ensures that digital content is accessible to all users, particularly those with visual, hearing, or motor impairments, as well as older people and users of assistive technologies. An accessible website promotes inclusion and enables equal participation in digital life. In 2024, the HYPO NOE Group had its website reviewed for accessibility by an external agency for the first time. The results of the review were published on HYPO NOE Group’s website under Accessibility Statement. The voluntary creation of an accessibility statement aims to raise awareness of the topic of accessibility and access to products and services for all, while also highlighting content that is not yet accessible. In 2025, improvements to the identified inaccessible content are planned, and in line with legal requirements, an accessibility officer and a deputy will be appointed. The level of resources required depends on the actions taken.

Accessibility objectives

No measurable outcome-oriented goals have been set for the actions regarding barrier-free access to branches and self-service terminals or the accessibility statement. Due to the legal requirement that an accessibility officer and a deputy must be appointed in the HYPO NOE Group from 2025, the related goal-setting for these two actions will be evaluated in the following year. The effectiveness of the actions can be tracked by providing feedback options for customers who are affected by them. The reports received will provide, among other things, an insight into whether the actions taken are effective.

Responsible marketing practices

Targeted training and development of employees is necessary for customers to access responsible marketing practices. “Concept 1: ESG training concept” is explained in section 8.3.1.5 Equal treatment and opportunities for all.

Concept: Code of Conduct

The Code of Conduct sets out the common values and principles of the HYPO NOE Group. The Code of Conduct specifies that the HYPO NOE Group is committed to upholding the principles of a market economy and complying with the relevant legislation, regulations, and frameworks, including all applicable antitrust and competition law legislation. Its relationships with customers, business partners, competitors, external service providers and the general public are defined by honesty, professionalism and fairness. Information on competitors must only be obtained by legal and ethical means. Unfair business practices such as misrepresenting, manipulating or withholding information must not be used to create a competitive advantage; here the emphasis is on ethics and fairness. Environmental awareness and the pressure on companies to implement sustainable business practices are increasing significantly. As a result, the term “greenwashing” is becoming a central topic in marketing. Greenwashing refers to practices where companies exaggerate or even falsely present environmentally friendly aspects of their products or services in order to promote and convey a positive, sustainable image. By definition, greenwashing constitutes an attempt by companies to appear more environmentally friendly and sustainable than they actually are in practice. This can lead to significant damage to a business’s reputation and image, as well as significant fines for the companies concerned. In the materiality analysis, potential greenwashing allegations were assigned a material negative impact regarding customer satisfaction and responsible marketing practices. To address these negative impacts as well as damage to reputation and image and to ensure compliance with the ethical requirements of the Code of Conduct in its dealings with customers, the HYPO NOE Group actively implements actions to avoid greenwashing. The actions taken are described below. The concept covers all marketing activities for the HYPO NOE Group’s financial products.

The Head of the Marketing & Communications Department is responsible for implementing the concept and for ensuring compliance with legal requirements to avoid greenwashing in the HYPO NOE Group’s marketing, and implementing the associated process.

The HYPO NOE Group has had its green financial products certified in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49) (see “Concept: green products” in section 8.2.2.1 Adaptation to climate change) and has been awarded the pro-Ethik quality seal. Through the seal, the HYPO NOE Group demonstrates its commitment to supporting the ethical and moral principles of the Code of Ethics of the Advertising Industry in its advertising activities. The Code of Conduct also aligns with the United Nations’ commitment to protecting human rights.

In the employee survey, three-quarters of employees stated that working for a sustainable company was important. Responsible financing and clear, secure and sustainable financial products are seen by over 50% of employees as a way to contribute to change. The Code of Conduct is publicly accessible to all employees and stakeholders. The process for evaluating marketing materials with regard to responsible marketing practices is available in a database to all employees who contribute to the creation of marketing materials.

General approach to remedial actions regarding greenwashing

The creation of promotional marketing materials for the HYPO NOE Group’s financial products is described in a process, adherence to which is mandatory. The process stipulates that all marketing material that is intended for customer product advertising be approved by the Legal and Compliance departments beforehand. In addition to professional assessment, this ensures that a legal assessment regarding greenwashing is performed, preventing any greenwashing allegations from arising. In cases where further clarification is required, the specialist ESG department may be consulted for assessment.

Action 1: participation in specialist presentations on greenwashing

An employee of the Marketing & Communications Department or the Head of the Marketing & Communications Department of the HYPO NOE Group must participate in at least one specialist presentation on greenwashing annually. Rather than as a one-time event, the training action is instead seen as an ongoing process that is regularly evaluated and adapted as needed, in line with developments. The content of the specialist presentations should contribute to raising awareness of greenwashing and, as a result, the avoidance of greenwashing. The specialist presentations can take place online or in person. The Marketing & Communications Department has nominated an ESG officer for ESG-related matters. The level of resources required depends on the actions taken.

Objective of specialist presentations on greenwashing

The greenwashing concept aims to ensure compliance with the Code of Conduct requirements in dealings with customers. In 2024, the Head of the Marketing & Communications Department participated in a specialist presentation on the topic of greenwashing. Participation by an employee of the Marketing & Communications Department is also planned for 2025. Neither stakeholders nor customers were involved in setting the objectives. There was no consultation of customers to track performance against the objectives or the process of gathering insights. For the HYPO NOE Group, tracking performance in achieving the objectives is defined by participation in at least one specialist presentation. No changes were made to the objectives. The number of specialist presentations attended is measured.

Metric for specialist presentations

No methods or assumptions are applied, as a percentage calculation is used to measure the percentage of relevant employees who have attended expert lectures. Measurement of the metric is not validated by an external entity. The metric is defined as “specialist presentations participated in”.

An employee of the Marketing & Communications Department attended a specialist presentation by 31 December 2024.

Action 2: recertification with pro-Ethik quality seal

Through the pro-Ethik quality seal, the HYPO NOE Group demonstrates its commitment to adhering to quality criteria developed jointly by the advertising industry with a specific focus on ethics and morality, which go beyond the statutory requirements for the sector. The pro-Ethik quality seal guidelines aim to prevent greenwashing and make a positive contribution to reducing advertising activities that are discriminatory, misleading or violate personal dignity. These self-regulatory measures were developed by the Austrian Advertising Council in close collaboration with interest groups and the industry. At the end of 2023, the HYPO NOE Group was awarded the pro-Ethik quality seal for the first time, with recertification scheduled for December 2025. The seal is valid for two years. For the HYPO NOE Group, the effectiveness of the action is defined by certification with the pro-Ethik quality seal.

The Marketing & Communications Department has nominated an ESG officer for ESG-related matters. The level of resources required depends on the actions taken.

Objectives for recertification with pro-Ethik quality seal 2025

In the Code of Conduct, the HYPO NOE Group has a clear emphasis on ethics and fairness in its dealings with customers. The initial certification in December 2023 signals a clear external commitment by the HYPO NOE Group to ethics and morality in its advertising activities. The HYPO NOE Group aims to obtain recertification in December 2025. No specific methods were used or significant assumptions made when determining the objective. Based on the Code of Ethics of the Advertising Industry, the HYPO NOE Group has committed itself to adhering to the quality criteria developed jointly by the advertising industry with a specific focus on ethics and morality. Neither stakeholders nor customers were involved in setting the objectives. There was no consultation of customers to track performance against the objectives or the process of gathering insights. For the HYPO NOE Group, tracking performance in achieving the objectives is defined by obtaining and retaining the seal. The seal loses its validity if complaints about advertising activities are upheld by the Austrian Advertising Council during the award period. No changes were made to the objectives. Whether certification has been achieved in 2025 will be measured. Knowledge of the requirements set out in the Code of Ethics of the Advertising Industry is tested via a mandatory online test.

Metric for the pro-Ethik quality seal

The Code of Ethics of the Advertising Industry is drawn up with the involvement of stakeholders and continuously adapted to reflect society’s value system. The Code of Ethics of the Advertising Industry is drawn up with the involvement of stakeholders and continuously adapted to reflect society’s value system. The editorial review by the office of the Austrian Advertising Council takes place following a positive online test. The metric is defined as “obtained certification”.

Action 3: certification of green financial products in accordance with the Austrian Ecolabel for Sustainable Financial Products (UZ 49)

The actions, goals, and metrics are described in section 8.2.2.1 Adaptation to climate change.

8.3.2.4 Processes for engaging with consumers and end-users about impacts (S4-2)

The HYPO NOE Group's customers have been surveyed since 2021 using standardised online questionnaires to incorporate the views of consumers into the HYPO NOE Group's decision-making. The surveys are sent to new customers who have taken out a mortgage with the HYPO NOE Group, as well as to prospective mortgage customers who did not choose the HYPO NOE Group. Customers can provide feedback or get in touch at any time via the HYPO NOE Group's website, banking app, or customer portal.

Customers who have used the HYPO NOE Group's financial advisory services and consented to the use of their data for marketing activities are written to regularly and invited to complete an online questionnaire. The imported customer data is deleted in accordance with the General Data Protection Regulation (GDPR) after no more than 27 days, and responses are stored in anonymised form. MS Excel is used to evaluate the data. Statistical calculations and allocations into various clusters are created for this purpose. Invitations to participate in the surveys are sent quarterly, or more frequently if needed, at the beginning of each month. As a result, survey invitations are issued four to six times each year. When creating the customer surveys, the HYPO NOE Group always ensures that accessibility and readability requirements are met.

Operational responsibility for conducting the customer surveys lies with Sales Strategy, Digitalisation & Retail Banking. Customer feedback provides the HYPO NOE Group with valuable insights for the further development of its services. One key outcome of the regular customer surveys was a desire for an option to add a legally-binding digital signature to documents. The HYPO NOE Group introduced this option in July 2024. This innovation enables more efficient and convenient document processing, while saving time and significantly enhancing collaboration with customers. The surveys also identified a preference for digital process steps in mortgage financing; these are incorporated into the evaluation of new digitalisation projects. By way of example, an online tool was developed that allows prospective customers to enter all of the relevant data about their personal circumstances and desired property from home. This enables our advisers to prepare more effectively for the initial consultation ahead of discussing the customers' specific wishes.

The Net Promoter Score metric shows customer satisfaction, loyalty, and engagement. It is calculated based on the scores that customers give for recommending the HYPO NOE Group in the survey. Accordingly, the metric denotes the ratio of positively inclined customers who would recommend the HYPO NOE Group to negatively inclined customers who are somewhat or entirely critical of the HYPO NOE Group. Effectiveness is measured using the Net Promoter Score metric which is incorporated quarterly into the HYPO NOE Group's balanced scorecard (an overview of the Company's most important strategic objectives) under the section for measuring customer satisfaction.

8.3.2.5 Channels for consumers and end-users to raise concerns (S4-3)

Whistleblowing

HYPO NOE Landesbank für Niederösterreich und Wien AG
Internal Audit Department c/o Whistleblowing Office
Hypogasse 1, 3100 St. Pölten
Tel. +43 (0)590 910-0
Email: *audit@hyponoe.at*
Online: https://hyponoe.at/meldung-gem-hschg

All customers of the HYPO NOE Group can report suspected legal violations, breaches of regulatory requirements, or other irregularities to the contact person in the Internal Audit department via the HYPO NOE Group's whistleblowing office by phone, post, email, or by using the contact form on the website.

The information for the whistleblowing system is described and published in the HYPO NOE Group's organisation manual on the intranet, meaning that it is accessible to all employees. In addition, the topic of whistleblowing is explained in the HYPO NOE Group's Code of Conduct and the process for customers is described on the website.

Each report is processed and analysed by the Internal Audit contact person in accordance with the applicable statutory requirements, in particular the Austrian Whistleblower Protection Act. Incoming reports are documented and, unless the report is made anonymously, confirmed in writing immediately, but no more than seven calendar days later, to the postal address, email or other electronic address provided by the whistleblower or to an established whistleblower system. Reports are handled impartially and without bias. Telephone conversations are not recorded. The subsequent process is described in section 8.4.1.2 Protection of whistleblowers. The Internal Audit Department reports to the Management Board

quarterly on any information received. Channels are reviewed annually with respect to functionality as part of the audit conducted in accordance with the Wertpapieraufsichtsgesetz (Securities Supervision Act).

There is no verification of whether customers are aware of the whistleblowing contact details. There is a process for establishing an internal reporting channel and actions to protect whistleblowers from retaliation, which are described in "Actions for the protection of own workforce against retaliation" in section 8.4.1.2 Protection of whistleblowers. The information described in section 8.4.1.2 Protection of whistleblowers applies equally to customers.

Ombudsman

HYPO NOE Landesbank für Niederösterreich und Wien AG
Hypogasse 1, 3100 St. Pölten
Tel. +43 (0)590 910-0
Email: *ombudsstelle@hyponoe.at*
Online: https://www.hyponoe.at/kontakt/ombudsstelle

All customers of the HYPO NOE Group can raise concerns or needs with the HYPO NOE Group via the HYPO NOE Group Ombudsman by telephone, email, or by using the contact form on the website. All employees of the HYPO NOE Group are required to record any customer notifications that they receive in the feedback and complaints database. The complaints management guidelines are described and published in the HYPO NOE Group's organisation manual on the intranet, meaning that they are accessible to all employees. Furthermore, the topic of complaints management is explained in the HYPO NOE Group's Code of Conduct, and the process for customers is described on the website. Customers are also given information about the process as well as alternative dispute resolution options, such as the joint mediation body of the Austrian banking industry, the Schlichtungsstelle für Verbrauchergeschäfte consumer mediation association, or the relevant supervisory authority. The individual matters are categorised according to different subject areas and types (enquiry, suggestion, praise, or complaint) for better allocation. Depending on which category is selected, automatic notifications are sent to the relevant recipients, and the department heads responsible are informed automatically, or the matter is escalated to the next level. As an initial response, customers receive confirmation of receipt of their feedback within 24 hours, either by email or post, along with a copy of the principles of complaints management. Within a week, customers are provided with an update on the status of their feedback and/or proposed solutions. The entire documentation for each case is precisely logged in the database, allowing the matter to be traced at any time and analyses or any further steps to be determined. Measures for quality improvement are also recorded, and if deficiencies in a process are identified, the necessary action is documented. This means that potential for improvement can be continuously checked and measures for optimisation derived. To comply with legal requirements and ensure potential risks and issues are identified and addressed in a timely manner, the compliance officers are involved in every report. The Management Board also receives an annual report from the Ombudsman's office on activities and the results of analysis, which is also submitted to the Supervisory Board.

There is no verification of whether customers are aware of the whistleblowing contact details. Owing to the fact that the contact options are disclosed in the sustainability report and on the HYPO NOE Group's website, as well as the duty of HYPO NOE Group employees to accept complaints, it is assumed that interested or affected customers are aware of the available channels and will use them if necessary. To date, no concerns regarding a lack of trust in the provided channels have been raised. Actions to protect whistleblowers from retaliation are described in "Measures to protect own workforce from retaliation" in section 8.4.1.2 Protection of whistleblowers. The information described in section 8.4.1.2 Protection of whistleblowers applies equally to customers.

79 notifications were recorded in 2024, with three matters still being processed.

Data protection

HYPO NOE Landesbank für Niederösterreich und Wien AG
Hypogasse 1, 3100 St. Pölten
Tel. +43 (0)590 910-2203
Email: *datenschutz@hyponoe.at*

Data subjects who are customers of the HYPO NOE Group can contact the Data Protection Officer by telephone, post or email with their data protection concerns via the data protection section of the HYPO NOE Group's website.

The data protection guidelines are published in the HYPO NOE Group's organisational manual and accessible to all employees. The topic of data protection is explained in the HYPO NOE Group's Code of Conduct, and the process for customers is described on the website.

Inquiries from data subjects are immediately forwarded to the Data Protection Officer. If an inquiry is made verbally or by telephone, a note to this effect is made and sent to the Data Officer. The Data Protection Officer records the inquiry in the data subject rights database, initiates the steps required for proper processing, and monitors compliance with legally prescribed deadlines and content requirements. If a data subject complains about the processing of their personal data, the matter is thoroughly reviewed, and a solution satisfactory to the data subject is sought. If the complaint is upheld, action is taken to rectify the situation and ensure compliance with data protection regulations. If the data subject makes use of their right to complain to the data protection authority, the HYPO NOE Group cooperates with the authority in the proceedings.

There is no verification of whether customers are aware of the Data Protection Officer's contact details. Owing to the fact that the contact options are disclosed in the sustainability report, the privacy policy and on the HYPO NOE Group's website, it is assumed that interested customers or data subjects are aware of the available channels and will use them if necessary. To date, no concerns regarding a lack of trust in the provided channels have been raised. The HYPO NOE Group informs data subjects of their rights in the privacy policy and provides the Data Protection Officer's contact details. Data subjects are also informed of their right to lodge a complaint with the data protection authority in the privacy policy and in response to information requests. The HYPO NOE Group acts in accordance with the principle of processing data in a lawful, fair and transparent manner. For customers, this means that their personal data are processed according to the principles of transparency. Data subjects must be able to trust that their data will not be used for other purposes or to a different extent. Actions to protect whistleblowers from retaliation are described in "Measures to protect own workforce from retaliation" in section 8.4.1.2 Protection of whistleblowers. The information described in section 8.4.1.2 Protection of whistleblowers applies equally to customers.

There were no significant data protection-related sanctions imposed by the authorities, or notable complaints or breaches regarding the handling of customer data. Likewise, there were no relevant information security breaches.

8.4 Governance information

8.4.1 ESRS G1: Management

Material sustainability matter	Concepts	Actions	Objectives	Metrics
Corporate culture	Code of Conduct	No actions	No objectives	No metrics
Protection of whistleblowers	No concept	No actions	No objectives	No metrics
Corruption and bribery	Anti-corruption regulations	Anti-corruption and anti-bribery training	No objectives	Percentage of at-risk functions covered by training programmes
	Compliance Manual	Obligation to report employee transactions	No objectives	Percentage of employee transactions reviewed
	Manual for Prevention of Money Laundering	Customer transaction monitoring	No objectives	Percentage of incidents processed by specialist department

8.4.1.1 Corporate culture

The HYPO NOE Group's corporate culture is defined by reliability, customer orientation, flexibility, and enjoyment of working together. It shapes day-to-day interactions and decision-making processes at all levels of the Bank. A strong and positive corporate culture builds trust among employees and customers, contributing not only to individual growth but also to the long-term success of the Company. Promoting the corporate culture is facilitated through the following concepts.

Concepts on aspects of corporate culture

The Code of Conduct sets out the common values and principles that apply to the HYPO NOE Group at the Group level, meaning that it applies to all employees. With reference to corporate culture, the Code covers the Bank's vision, mission, values, and leadership principles. It also addresses behaviour towards customers and conduct in the market. Its overarching objective is to create clear guidance for the Bank that promotes both its long-term strategic direction and a trusting, sustainable relationship with customers and market partners. The Code of Conduct is reviewed for relevance annually and adjustments made if necessary. All further details on "Concept: Code of Conduct" can be found in section 8.3.1.5 Equal treatment and equal opportunities for all.

The Code of Conduct also ensures equal treatment and equal opportunities by setting clear standards for respectful and inclusive behaviour, as well as by counteracting discrimination of any kind. Work-life balance is promoted through concepts including a Company agreement on flexible working hours (see "Concept 1: company agreement on flexible working hours" in section 8.3.1.4 Working conditions) and the establishment of working-from-home options (see "Concept 2: establishment of an external workplace" in section 8.3.1.4 Working conditions). This flexibility allows employees to align their working hours and locations to their personal needs. The ESG training concept (see "Concept 1: ESG training concept" in section 8.3.1.5 Equal treatment and equal opportunities for all) contributes to continuous education and skills development by giving employees the knowledge they need to integrate principles of sustainability and social responsibility into their daily work.

Establishment, development, promotion and evaluation of the corporate culture

The foundation of the HYPO NOE Group's corporate culture is the definition of the core values enshrined in the Code of Conduct and the Diversity Charter. These values include reliability, customer orientation, flexibility, and enjoyment of

working together. Leadership commitment is demonstrated in various ways, including active promotion of these values by managers, who act as role models and embody the corporate culture within their teams. Onboarding programmes for new employees ensure that new hires are familiar with the Group's values and expectations from the outset.

The HYPO NOE Group launched its "Fokus 25" corporate development process in 2018. Managers and employees have jointly advanced the development of the Bank. The objective was to establish a strong, shared corporate culture within the HYPO NOE Group following the 2017 merger between HYPO NOE Gruppe Bank AG and HYPO NOE Landesbank AG. The HYPO NOE Group used various communication formats, such as information events, workshops, retreats, surveys and polls to maximise participation and foster broad acceptance among employees. At the end of the process, an anonymous employee survey was conducted to determine sentiment regarding the new vision, mission, corporate values, and leadership principles.

Corporate culture is promoted on three levels:

- Continuation of the corporate development process as an integral component of organisational development
- Strategic integration of participatory methods into the HR strategy
- Living shared leadership commitment – managers are a key factor in a positive and successful corporate culture

Participatory methods include regular anonymous employee surveys. Based on the outcomes, solutions are developed in consultation with employees in focus groups (employee experience management). The "Scharf_Sinn" project, which is part of the Bank's employer branding activities, is currently helping to fine-tune the HYPO NOE Group's profile as an attractive employer and communicate the corporate culture externally.

The corporate culture is evaluated regularly. Feedback mechanisms such as employee surveys, 360-degree leadership feedback, and the performance and development dialogues provide valuable insights into employee satisfaction and engagement. The insights gained during these evaluation sessions feed into the continuous improvement of the corporate culture and help implement targeted objectives for its continued promotion and development).

Mechanisms for identifying, reporting, and investigating concerning behaviours

The HYPO NOE Group has established policies and procedures for compliance with and reporting of relevant incidents under Austrian anti-corruption criminal law, as well as under the United Nations Convention against Corruption. Further details on policies and procedures can be found in the "Concept: anti-corruption regulations" in section 8.4.1.3 Corruption and bribery. Since the HYPO NOE Group's employees are themselves classified as public officials, these policies and procedures apply equally to all employees. Reports are submitted via the Compliance Portal. Incoming reports are reviewed, assessed, and approved or rejected by the Compliance Department in accordance with the policies established for this purpose. Wherever necessary, additional conditions or further actions are applied.

Concept for internal training on corporate governance

The target group for training measures for existing employees, management, and supervisory bodies is determined for a given financial year by the Compliance Officer based on current observations and priorities across the entire HYPO NOE Group. All new employees receive information about mandatory training from the People & Culture Department during onboarding. Newly hired employees are required to complete one-time training on anti-corruption regulations, compliance, and money laundering within one month of starting their employment. Designated employees must also complete annual refresher training. The People & Culture Department monitors for compliance with all training requirements. Training takes place either online (self-learning programme or test), or in person. Topics include corruption prevention, money laundering, and compliance. The Compliance Officer or Anti-Money Laundering Officer may also conduct specific focus training for certain target groups, as required. The overarching objectives of the training include raising awareness of the risks and consequences of corruption and money laundering as well as compliance issues. Education on legal matters and ethical standards is also covered. Employees are expected to make decisions that ensure transparency and legal compliance across all areas of the Group. The highest level in the organisation – the Compliance Officer or Anti-Money Laundering Officer – is responsible for implementation of the training. Measures related to training on corruption and bribery are detailed under "Action: training on corruption and bribery" in section 8.4.1.3 Corruption and bribery.

8.4.1.2 Protection of whistleblowers

A universally-accessible whistleblowing system has been established and is available to all HYPO NOE Group employees in the form of an entry in the organisational handbook on the intranet.

Since the HYPO NOE Group is also subject to US regulations under the Foreign Account Tax Compliance Act (FATCA) and Qualified Intermediary (QI) rules, targeted communication of compliance-related issues concerning these US tax regulations is also required, which is why both FATCA and QI are explicitly covered by the HYPO NOE Group's whistleblowing system. Section 40 of the Finanzmarkt-Geldwäschegesetz (Austrian Financial Markets Anti-Money Laundering Act) mandates the establishment of appropriate procedures that allow employees to report violations of the Act, related regulations or decisions, and EU anti-money laundering directives to a suitable body, while keeping their identity confidential.

The HYPO NOE Group – based on the European Banking Authority's Guidelines on Internal Governance (EBA/GL/2017/11) – also enables its employees to confidentially report other suspected violations (of the Internal Governance Guidelines) using the same infrastructure.

Beyond meeting legal requirements and protecting the Bank in the process (error prevention, avoidance, etc.), whistleblowing systems serve to protect employees by allowing "knowing employees" to share information anonymously (without risk/safely), avoiding the risk of aiding and abetting.

The HYPO NOE Group has established a corresponding reporting office within its Internal Audit Department (the contact person is the Department Head), where related records are maintained (i.e. incoming reports documented).

Internal reporting channels

Reports can be made via email, telephone, or in person (in which cases they are not anonymous, initially). Confidential handling is assured in all cases. The advantage of the latter variant stems from the opportunity to keep lines of communication with the whistleblower open during the investigation (confirmation of receipt of the information after seven calendar days at the latest, follow-up questions, information on any measures taken, completion status).

However, anonymous reporting is also an option. If this is desired, reports should be sent by post to the Audit Department (addressed to the Department Head) or dropped into one of the Audit Department's mailboxes, and the reports will be followed up accordingly. The whistleblowing system is described and the details published in an entry in the organisational handbook on the intranet, meaning that it is accessible to all HYPO NOE Group employees.

Actions for the protection of own workforce against retaliation

HYPO NOE Landesbank assures the whistleblower of the points listed below:

- Information about the report and the reported individuals will be treated confidentially in accordance with the GDPR (formerly Directive 95/46/EC), unless disclosure is required under national law as part of further investigations or subsequent legal proceedings. Additionally, the section 8 Data Protection of the Austrian Whistleblower Protection Act apply: the processing of personal data contained in reports is permissible for the purposes of this Act (section 1 and para 2[1]). The relevant provisions of the GDPR and the Austrian Data Protection Act must be adhered to.
- Where necessary, and to the extent that the provided information is appropriate, it will be made available to the management body (Management Board) and/or other responsible functions. If requested by the whistleblower, this can also be done in anonymised form.
- Reports (potential or actual violations) will be evaluated, the results of an investigation will be followed up on, and, if necessary, escalated – including to the relevant competent authority or law enforcement agency if required.
- Employees who report violations will be adequately protected from negative consequences (e.g. retaliation), including appropriate measures against individuals involved in victimising the reporting person.
- The protection also extends to reports that did not lead to the initiation of action because no (or insufficient) evidence could be found.

The procedures for investigating whistleblower reports are carried out promptly, independently, and objectively. In incidents related to corruption and bribery, the Audit Department (whistleblowing reporting office) collaborates with the Legal and/or Compliance Department.

The HYPO NOE Group is subject to the legal requirements of Directive (EU) 2019/1937 and, accordingly, its transposition into Austrian law in the Whistleblower Protection Act.

8.4.1.3 Corruption and bribery

Prevention and detection, including training

Corruption and bribery pose significant obstacles to sustainable economic development and social justice. As a responsible bank, the HYPO NOE Group is committed to ensuring compliance with regulatory standards and upholding the principles of transparency and integrity. Prevention and detection of corruption and bribery is the overarching objective.

Under Section 74(1)(4a)(d) of the Austrian Strafgesetzbuch (Criminal Code), employees of the HYPO NOE Group are classified as public officials, as the State of Lower Austria indirectly holds an interest of more than 50% (the legal threshold) in the Group. As a result, the Management Board, members of the Supervisory Board, and all other employees of the HYPO NOE Group fall under the definition of public officials in anti-corruption criminal law. Policies and procedures for compliance and reporting related to corruption and bribery apply to all employees, management, and supervisory bodies equally. In particular, holders of management and leadership roles within the company are most at risk regarding corruption and bribery. Accordingly, the Management Board, the members of the Supervisory Board, and all employees of the HYPO NOE Group are to be defined as “at-risk functions”.

Prevention and detection of corruption and bribery

Information is provided below about the system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery, including the related training.

All new employees receive information from the People & Culture Department during onboarding about HYPO Bildung’s mandatory online learning programmes, which must be completed within one month of starting employment. Compliance is monitored by the People & Culture Department. The target group for training measures for existing employees, management, and supervisory bodies is determined for the financial year in question. Training is conducted via online tests or in person. The Compliance Officer may also conduct specific focus training for certain target groups, as required. These training sessions aim to raise the awareness among all employees in order to prevent, detect, and combat incidents related to corruption and bribery.

Information on training regarding corruption and bribery is described under “Action: training on corruption and bribery” in section 8.4.1.3 Corruption and bribery. Anti-corruption regulations are covered under “Concept: Compliance Manual” in section 8.4.1.3 Corruption and bribery. Detailed anti-corruption and anti-bribery guidelines are defined in the Compliance Manual. These include clear conduct rules, actions for managing conflicts of interest, and processes for accepting and reporting gifts or invitations to minimise corruption risks. Internal controls and regular audits are carried out to check compliance with the anti-corruption guidelines. These controls include reviews of accounting and financial transactions by the Internal Audit Department. Reported incidents are handled using a defined investigation procedure. This involves forming an investigation team led by the Compliance Officer, who thoroughly investigates the incidents. Depending on the outcome of the investigation, disciplinary measures may be taken, ranging from warnings to immediate termination. Findings and actions from investigations are regularly reported to the Management Board and Supervisory Board. The procedures for detecting corruption and bribery include internal and external reporting channels that can be used by whistleblowers. The internal reporting channel is described in section 8.4.1.2 Protection of whistleblowers. Details regarding external reporting channels are provided in section 8.3.2.5 Channels through which customers can raise concerns (S4-3).

Any violations of or non-compliance with the policies and procedures are independently investigated by the investigator, who determines any sanctions. The investigator in these matters is the Compliance Officer, who is independent from the Management Board.

An exchange of information between the Management Board and the Compliance Officer is ensured through regular, scheduled meetings. Where applicable, relevant findings are included in the annual activity report which is submitted to the Management Board and Supervisory Board.

Concept: anti-corruption regulations

In order to comply with the anti-corruption regulations applicable in Austria, HYPO NOE Landesbank has implemented these in the Compliance Manual. Their key contents centre on reporting obligations for gifts, event invitations, and sponsorships. Definitions such as public official, official duties, and others are explained. Internal policies such as general principles and processes are likewise described. The overarching objectives of the anti-corruption regulations focus on prevention and raising awareness of corruption. They include definitions of corruption, fraud, and embezzlement, the

target group, types of benefits and gifts, reporting thresholds and scenarios to ensure compliance with the regulations. The material positive impacts of resilient anti-corruption actions include preventing and detecting corruption, ensuring compliance with regulatory standards and maintaining a good reputation. The requirements set out in the Compliance Manual include the internal reporting, review, and approval process based on a traffic light system. The Compliance Manual is reviewed for relevance annually. Depending on thresholds and scenarios, reporting/approval is required via the compliance portal, or incidents are classified as impermissible and not approvable.

Since the Management Board, Supervisory Board, and all employees of the HYPO NOE Group are classified as public officials under section 74(1)(4a)(d) of the Austrian Criminal Code, they are also subject to the anti-corruption regulations in the Compliance Manual. The policies apply as a Group standard, and management of subsidiaries with their own employees/holdings of 50% or more must also comply with them. All employees of HYPO NOE Landesbank have their workplace in Austria. The anti-corruption and anti-bribery concept also extends to the entire value chain. Responsibility for implementing the policies rests with the respective management.

The guideline is available to all employees in the organisational handbook on the intranet. Changes must be acknowledged by all employees via the compliance portal to ensure they are aware of the current content.

Action: anti-corruption and anti-bribery training

For several years, designated employees (from front-office and back-office units such as Products & Services and the General Secretariat) have been required to undergo annual training related to combating corruption and bribery. Rather than as a one-time event, the training actions are seen as part of an ongoing process. They are evaluated annually, and adjustments are made as needed, in line with the latest developments. This contributes to the objective of raising awareness regarding corruption. Planned future actions include maintaining specialised training for relevant employees with a high risk of corruption incidents for the upcoming financial year. The expected outcome of this action is a deeper understanding and enhanced ability to detect and combat corruption in key positions and areas.

The training for designated employees covers definitions of corruption, fraud, and embezzlement, the target group, types of benefits and gifts, examples for differentiation, and scenarios. The training must be completed with a positive test result (score of 70% or higher). These measures are implemented in Austria, where the Bank operates. Training courses take place internally and as a result only apply to the internal value chain.

Metric: prevention and detection of corruption and bribery

In 2024, the HYPO NOE Group conducted training for at-risk own workers regarding its concepts related to anti-corruption and bribery. Training was mandatory for 162 at-risk functions. 100% of the designated individuals completed the training. In total, 343 individuals took the training (181 voluntarily). Details of the training throughout the year are provided in the table below.

	At-risk functions[1]	Managers	Management bodies[2]
Training coverage (G1-3.21a) (G1-3.21c)	-	-	-
Total	631	74	14
Total receiving training	343	29	2
Percentage of at-risk functions covered by training programmes (G1-3.21b)	54.4%	39.2%	14.3%
Delivery method and duration	-	-	-
Classroom training	-	-	x
Mandatory computer-based training	x	x	x
Voluntary computer-based training	x	x	-
Frequency	-	-	-
How often training is required	Annually	Annually	Annually
Topics covered	-	-	-
Definition of corruption, fraud, embezzlement	x	x	x
Criminal liability	x	x	x
Awareness raising	x	x	x
Reporting examples:	x	x	x

[1]At-risk functions include all employees (including managers) and executive bodies
[2]Management Board and Supervisory Board

The method for calculating the ”Percentage of at-risk functions covered by training programmes” metric is based on a percentage calculation. The basis of the calculation is the respective total number of at-risk functions. Measurement of the metric is not validated by an external entity.

Concept: Compliance Manual

The HYPO NOE Group is legally obliged to ensure that all activities of the Bank and its employees comply with applicable legal provisions and regulatory requirements, relevant internal policies, guidelines, and procedures, and that they adhere to high ethical standards.

The Compliance Manual defines terms, delineates boundaries with other areas of the HYPO NOE Group, and establishes the scope of duties and responsibilities. The Compliance Manual is reviewed for relevance annually. Compliance-related duties relate to general and capital market compliance. Accordingly, the Compliance Manual includes provisions regarding anti-corruption criminal law, conflicts of interest, the EU Market Abuse Directive (MAD), the Market Abuse Regulation (MAR), the Austrian Börsengesetz (Stock Exchange Act), the Austrian Wertpapieraufsichtsgesetz (Securities Supervision Act) 2018, the EU Markets in Financial Instruments Directive (MiFID) and the EU Markets in Financial Instruments Regulation (MiFIR). In terms of insurance distribution, the provisions of the EU Insurance Distribution Directive (IDD), the EU Insurance Distribution Directive Regulation (IDR), as well as the professional standards for insurance mediation, are relevant.

This concept aims to ensure strict compliance with all legal and regulatory requirements to minimise the risk of legal violations and associated sanctions. The key positive impact of a strong compliance culture is the promotion of awareness among all employees regarding compliance matters. An effective compliance system also protects the Bank from legal and financial risks and reduces the risk of market manipulation and insider trading. The monitoring process includes regular spot checks, system-supported analyses of employee transactions, and system-supported reporting and authorisation processes. The Compliance Office also serves as an advisor to the management body (Management Board) and specialist departments. Regular reporting to the management body (Management Board) is also ensured.

General policies such as anti-corruption regulations and requirements for reporting employee transactions apply equally to all employees in Austria. Specialist policies, such as those related to insurance distribution, must be applied accordingly by the relevant and affected specialist employees. Implementation of the concept applies only to the HYPO NOE Group. It does not extend to the upstream or downstream value chain.

The Management Board is responsible for ensuring that the compliance function is appropriately implemented and resourced. The Compliance Manual is available to all employees in the organisational handbook on the intranet. Changes must be acknowledged by all employees via the compliance portal to ensure they are aware of the current content.

Action: obligation to report employee transactions

In accordance with the legal and internal requirements set out in the Compliance Manual, all employees are obliged to report their securities accounts and transactions involving financial instruments to Compliance. The FOCONIS@ZAK compliance portal has been implemented for this purpose. An explanatory video has been created, which is freely available to employees at all times to ensure correct use of the portal. Employees receive an annual reminder and request to report their securities accounts and any transactions that they have made. Spot checks are conducted to determine the completeness of the list of transactions from external securities accounts. The process that is currently in place will be maintained for the upcoming financial year. Expected outcomes include increased compliance and a better understanding of relevant legal regulations among employees. These measures apply to all employees and cover all business areas of the HYPO NOE Group in Austria, where the company is headquartered.

The Compliance Manual sets out an immediate reporting obligation for securities accounts. Financial instrument transactions must be reported promptly via the compliance portal on the day following order execution at the latest. Employees in certain areas (such as Treasury) must obtain prior approval ("pre-clearing") via the compliance portal for trading involving securities issued by HYPO NOE Landesbank. Rather than as one-time events, the actions are seen as part of an ongoing process. They are evaluated annually, and adjustments are made as needed, in line with the latest developments.

Metric: percentage of employee transactions reviewed

The monitoring methods include fully system-supported reviews of reported employee transactions in the compliance portal to identify suspicious transactions. Among these significant assumptions are the expectation that employees report the relevant transactions correctly. Limitations of the methods used may include erroneous reports or a failure to report. In spite of these, the system-supported reviews and random checks provide high reliability and contribute to the early detection and prevention of potential market abuse. Measurement of the metric is not validated by an external entity. The metric is defined as "Percentage of employee transactions reviewed".

Concept: Manual for Prevention of Money Laundering

HYPO NOE Landesbank has implemented the legal requirements of the Financial Markets Anti-Money Laundering Act, the FMA circulars on the prevention of money laundering and terrorist financing, the Wirtschaftlicher Eigentümer Registergesetz (Austrian Beneficial Owners Register Act) and the EU Money Laundering Directives through its Manual for Prevention of Money Laundering. The Manual is reviewed for relevance annually. It includes the necessary prevention measures, documentation obligations as well as the reporting requirements related to suspected cases of money laundering and terrorist financing for the countries in which HYPO NOE Landesbank operates. Risk-based documentation obligations encompass identification requirements and Know-Your-Customer (KYC) documents and information. KYC documentation must be obtained and verified during customer onboarding. It must also be updated regularly on a risk-based basis. Implementation of the concept applies only to the HYPO NOE Group. It does not extend to the upstream or downstream value chain. The activities concern all employees of the HYPO NOE Group. Ongoing transaction monitoring is also ensured, as well as continuous screening of the customer base against various sanctions lists. The Management Board is responsible for ensuring that the money laundering function is appropriately implemented and resourced. The Compliance Manual is available to all employees in the organisational handbook on the intranet. Changes must be acknowledged by all employees via the compliance portal to ensure they are aware of the current content.

Action: customer transaction monitoring

In accordance with legal and regulatory requirements, HYPO NOE Landesbank is obliged to implement risk-based and appropriate measures to ensure continuous risk-based monitoring of business relationships. In 2024, HYPO NOE Landesbank further adapted its SMARAGD IT tool, which is made by German company GFT and has already been in use at the Group for several years. These adaptations are designed to improve ex-ante and ex-post checking of customer transactions against defined parameters and logic. HYPO NOE Landesbank plans additional adaptations to these IT tools in the future. Expected outcomes include an increased detection rate for suspicious transactions.

Logic patterns have been established on a daily and monthly basis to ensure observations over a longer period. The logic patterns and parameters were evaluated and adjusted in the year under review. These actions cover the monitoring of all transactions in both national and international operations. Geographically, the measures extend to all countries where the Company operates, with a particular focus on higher-risk regions. In the upstream and downstream value chain, higher-risk customer relationships in particular are monitored to help identify and mitigate compliance risks early.

Customer transaction monitoring must be continuously ensured using a risk-based approach. Accordingly, the applied logic patterns and parameters are validated annually to respond to new money laundering typologies if necessary. The Company has also set specific timelines for completing key actions. Implementation of further adjustments to improve the analysis of transaction patterns is planned by the end of the next financial year. A revision of internal anti-money laundering guidelines is also scheduled for the coming year.

Metric: percentage of customer transactions reviewed

The monitoring methods include fully system-supported reviews of customer transactions. The resulting hits are processed, verified, and concluded by employees in the Anti-Money Laundering Department in accordance with internal rules. Significant assumptions include the continued use of the IT tool. Limitations of the methods used may include erroneous processing or failure to process hits by employees of the Anti-Money Laundering Department. In spite of these limitations, the system-supported reviews and verifications provide a high degree of reliability and contribute to the early detection and prevention of potential money laundering activities. Measurement of the metric is not validated by an external entity. The metric is defined as “Percentage of employee transactions reviewed”.

Incidents

Number of convictions related to corruption and bribery (G1-4.24a)	0
Fines for violations of anti-corruption and anti-bribery regulations in EUR (G1-4.24a)	0

As there were no convictions or fines for breaches of anti-corruption and anti-bribery regulations, no actions have been taken in this regard.

The “Number of convictions related to corruption and bribery” and “Fines for violations of anti-corruption and anti-bribery regulations in EUR” metrics are not based on methods or assumptions, as an absolute count of incidents and an absolute amount in EUR are used. Measurement of the metric is not validated by an external entity.

Total number of confirmed incidents of corruption or bribery (G1-4.25a)	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents (G1-4.25b)	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery (G1-4.25c)	0

There were no public legal cases regarding corruption or bribery brought against the HYPO NOE Group and its own workers during the reporting period. Nor were such cases initiated in previous years with outcomes falling within the reporting period.

The “Total number of confirmed incidents of corruption or bribery”, “Number of confirmed cases in which own workers were dismissed or disciplined for corruption or bribery-related incidents”, and “Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery” metrics are not based on methods or assumptions, as an absolute count of incidents is used. Measurement of the metric is not validated by an external entity.

9 GROUP OUTLOOK

9.1 Economic environment

Recently, Europe in particular has been affected by political developments and, in some cases, structural growth weaknesses. Germany, the Eurozone's largest economy in terms of economic output, is currently seeing its decades-old growth model coming under threat, which is likewise an indicator of structural weaknesses. Considered in the context of the unpredictability of Donald Trump's actions, it can be assumed that Trump's upcoming second term will bring effects that inhibit growth for China and Europe, but which temporarily benefit the US.

However, there is no reason to abandon hope for Europe entirely. In the light of high wage settlements and positive growth in real income, there is justified hope that private consumption in the eurozone will gradually pick up again. The industrial sector, however, is likely to continue to feel the burden for some time, especially if the new US administration imposes significant tariffs on Europe. However, every recession eventually ends at some point, and the ECB's interest rate cuts, which have already taken place while more are still expected, seem to be gradually providing positive impetus for economic development. Despite a number of negative developments, Europe still has potential, including in areas with a promising future. To the extent that the political will for change returns, additional growth potential could be unlocked through fiscal policy and by removing bureaucratic hurdles. In this respect, hopes are currently clearly resting on a positive new start in Germany in the wake of the upcoming elections in February 2025, with the latest polls predicting that the CDU/CSU will emerge as the strongest force. The fiscal constraints that Germany has imposed on itself through the "debt brake" it enshrined in its constitution will certainly be relaxed to some degree. This could create the necessary room for fresh growth.

The tense geopolitical situation continues to pose a significant risk to the economy. Besides known hotspots such as Ukraine and the Middle East, where the situation could escalate at any time, there are plenty of other potential sources of unrest in the world. Israel and Hamas, meanwhile, agreed to a ceasefire and hostage release deal in mid-January 2025. Both the outgoing Biden administration and Team Trump were involved, with Donald Trump claiming the success for himself and highlighting his election victory as the decisive factor behind the agreement. However, it remains to be seen whether Donald Trump will be able to ease or bring about a resolution to other high-profile theatres this year, or if his provocative manner – which sometimes verges on the arrogant – could further escalate and worsen the situation.

From today's perspective, growth prospects for the global economy as a whole and for Europe in particular remain muted for the next two years.

In the countries that make up HYPO NOE Landesbank's core market, growth is expected to run at a moderate 0.8% in 2025 (according to the OeNB) and 0.2% in Germany (Deutsche Bundesbank). Due to the new elections in its core market and a combination of the resulting political agenda-setting, geopolitical hotspots, and increasing protectionism of the future US administration, the growth forecasts for 2025 come with a high degree of uncertainty.

The anticipated economic recovery is mainly based on an increase in private consumption (Austria: up 0.8%, or 0.7% year-on-year). Exports in Austria are seen as rising by 1.5% by 2025, compared to just 0.2% in Germany. Economic output in Germany (Austria's largest trading partner) will barely grow at all in 2025 and only start to pick up again in 2026.

In spite of moderate economic growth estimated as rising from 7% to 7.4% in Austria, and from 6% to 6.3% in Germany, joblessness will only start to go back down again in 2026 and 2027. The phasing out of fiscal measures in Austria ("electricity price brake"), the reintroduction of electricity and gas levies, the flat-rate renewables charge, and the increase in system charges will fuel a significant rise in energy costs in 2025. However, the current forecast sees inflation in Austria as decreasing overall, from 2.9% in 2024 to 2.4% in 2025, and to 2.5% in Germany. The drop in inflation will temper uncertainty among economic actors and serve to accelerate consumer growth, among other things. Having risen significantly over the last two years and now at a high level, the savings rate is expected to decrease and in doing so stimulate consumption.

Housing investment in Austria may well have already bottomed out in 2024 (19% below the 2022 level) and is expected to grow by about 3% in 2025. Seen as coming at the start of the second quarter of 2025, the low point is expected to come a little later for Germany. However, the drop in interest rates and the positive trend in construction activity in recent months are giving construction companies grounds for cautious optimism for 2025. At the same time, demand for private housing loans is also expected to pick up slightly in 2025 – in Austria partly due to the expiration of the regulation for sustainable

lending standards for residential real estate financing (KIM) on 30 June 2025. However, from the current perspective, in 2026/2027 housing investment growth will be only tentative. Investment in equipment, by contrast, will shrink in both markets in 2025 due to sluggish industrial demand.

With regard to the national budget, Austria was able to avert the initiation of an EU deficit procedure for the time being, although the expected budget deficits remain high (2024F: 3.7%; 2025F: 4.2%). Inflation-induced increases in expenditure (e.g. relating to pensions, personnel expenses, and social benefits) along with higher refinancing costs for previously low-interest government bonds are narrowing the fiscal room to manoeuvre, and increasing the need for consolidation measures as a result. These have the potential to hold back the economic recovery (OeNB scenario: growth 0.4% lower than in the forecast). At 2.5%, Germany's forecast budget deficit for 2025 is Maastricht-compliant.

State and municipal finances are also feeling the delayed effects of the lower tax receipts caused by the economic downturn in the form of a lower share of revenues. At the same time, higher interest expenses and increases in expenditure as a result of inflation are weighing on budgets. Continuing to cause higher net financing deficits, they are also reducing the scope for fiscal action.

As regards the competitive environment, Austria will continue to see a slowdown in the long-running consolidation process. In the Austrian banking sector, there are no signs of any significant corporate merger activity in the current financial year beyond mergers of local primary banks. However, the general trend towards mergers remains pronounced in several European countries and is likely to lead to further local mergers or acquisitions. The prospect of cross-border takeovers of major banks can no longer be fully discounted in spite of the extensive controls and conditions imposed by the European authorities.

9.2 Outlook for Group performance

The economic environment in 2024 was shaped by numerous challenges. In addition to ongoing geopolitical tensions, particularly in Ukraine and the Middle East, cautious economic growth forecasts and a growing number of insolvencies made life difficult for the financial sector. The HYPO NOE Group proved to be particularly resilient in this challenging environment and has achieved another excellent result.

Shaped by rising construction cost indexes, higher interest rates and generally stricter criteria for housing loans to retail customers, the current economic environment is increasingly posing problems for commercial property developers and large-scale project developers. These factors contributed to an increase in non-performing loans in this sub-portfolio. Besides fundamentally solid capitalisation, this development is addressed through conservative, model-compliant risk provisioning. The HYPO NOE Group was able to ride out these challenges due to its diversified business model, featuring financing solutions for public sector and government-linked clients, as well as for non-profit housing associations which are generally very defensively positioned and well capitalised. The volume of new business in 2024 amounted to EUR 1.6 billion, matching the level reported a year earlier. Given the challenging economic conditions outlined above, this development comes as a notable success that underscores the effectiveness of the HYPO NOE Group's sustainable strategic alignment. The business model once again proved its worth thanks to its focus on low-risk infrastructure and housing finance. Responsible interest rate and liquidity management also have a significant part to play in the HYPO NOE Group's sustained success.

The HYPO NOE Group is subject to the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Sustainability and Diversity Improvement Act) in accordance with section 243b and section 267a Austrian Business Code (UGB). As a result, it is obliged to prepare a report in the form of a non-financial statement either in the operational and financial review, or as a separate non-financial report. To date, the HYPO NOE Group has included a non-financial statement in the operational and financial review and voluntarily published an ESG Journal which is aligned to the international standards of the Global Reporting Initiative (GRI). From 2024 onwards, this ESG Journal will no longer be prepared, as the content that was previously published separately in the ESG Journal has since been integrated into the non-financial statement in the operational and financial review. As a regional bank, HYPO NOE Landesbank has been committed to upholding ESG principles, in terms of a lived sense of responsibility for its region and the promotion of local economic development, ever since its formation in 1888. As a pioneer in corporate social responsibility, having established its formal sustainability program in 2013, HYPO NOE Landesbank is – according to its articles of association – aware of its responsibility to current and especially to future generations.

HYPO NOE Landesbank continuously monitors the social and ecological compatibility of its own banking operations, which investors can also benefit from directly via its successful refinancing activities. Since 2020, the Bank has demonstrated its

expertise when it comes to sustainable financial products as a regular issuer of euro- and Swiss-franc-denominated green senior preferred benchmark bonds. This has further consolidated its standing as a reliable issuer on the international capital market. HYPO NOE Landesbank further expanded its issuance options when it extended its Sustainability Bond Framework in 2023 to include the Social Bond Standard. Used strategically within the overall refinancing strategy, these complement the existing range of sustainable financial products, particularly in retail banking.

Stipulating comprehensive new capital requirements for all banks in the EU, CRR III came into force on 1 January 2025. HYPO NOE Landesbank took early measures to ensure timely implementation of the regulation and guarantee the long-term stability and competitiveness of its own operations. A comprehensive impact analysis was conducted during the reporting period based on the commercial portfolio and the information available as of 30 June 2024: the first-time application of these new regulations resulted in an increase in the risk-weighted measurement basis for credit risk (credit risk RWA) of approximately 20% at HYPO NOE Landesbank, and an approximately 300-basis-point reduction in the capital ratios. This increase is chiefly attributable to the bank's focus on real estate financing, which fulfils the definitions for acquisition, development and construction (ADC) or IPRE in accordance with CRR III and for which the regulator has significantly tightened capital requirements under CRR III. The expected decline in the capital ratios after 31 December 2024 exclusively reflects regulatory changes and does not represent a deterioration in the risk profile. Thanks to HYPO NOE Landesbank's solid capital base, these new requirements can be met without strategic restrictions.

The technical preparations for CRR III implementation have been completed successfully at HYPO NOE Landesbank. This included the adaptation of internal guidelines and processes, expansion of data fields, and internal training measures for employees. Technical implementation was carried out in collaboration with the Austria-wide IT service provider Accenture TiGital GmbH, which also supports a number of other Austrian banks. Owing to the short implementation timeline and high complexity, the EBA granted a significant deadline extension for submitting supervisory COREP reporting templates as of 31 March 2025. Accordingly, the final supervisory figures for initial application of CRR III will be available no later than 30 June 2025. By addressing the impacts of CRR III early on, HYPO NOE Landesbank was able to develop a sustainable capital strategy to maintain growth potential under the new regulatory framework. Forward-looking capital management helps to boost the Bank's resilience while also ensuring its long-term competitiveness. Adaptation to the new regulatory requirements at an early stage also provides a solid starting point for generating stable earnings and operating sustainably in the future.

Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA) was published on 27 December 2022 and entered into force on 17 January 2025. As a sector-specific legal act within the scope of the NIS2 Directive, this regulation was aimed at reinforcing resilience against threats, cyberattacks and other ICT disruptions by setting uniform and consistent standards and requirements across the European single market, so as to provide enduring protection for the European financial market and hence banking customers. Since the first half of 2023, HYPO NOE Landesbank has been participating in a wide-ranging project aimed at meeting the DORA requirements, and at ensuring compliance with the rules for handling ICT incidents, testing ICT security, as well as those for oversight of ICT service providers. As a state bank, strengthening its own resilience is of central importance for HYPO NOE Landesbank, in order to continue providing its clients with the secure and reliable services they are accustomed to.

HYPO NOE Landesbank will aim to counter the increased administrative expenses that inevitably accompany high inflation by means of additional rationalisation and process optimisation, together with further honing of the business model and maintenance of the current strategy of risk-aware, sustainable growth. HYPO NOE Landesbank's highly committed workforce and its exceptionally sound capital base will be the main pillars of its continued success in a volatile and, in part, difficult business environment.

St. Pölten, 5 March 2025
The Management Board

DI Wolfgang Viehauser, MSc
Management Board Members Markets
and Speaker of the Board

MMag. Dr. Udo Birkner, MBA (LBS)
Management Board Member Finance,
Risk & Operations

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
IN ACCORDANCE WITH IFRS
HYPO NOE GROUP

Part I: HYPO NOE GROUP ANNUAL REPORT 8

GROUP OPERATIONAL AND FINANCIAL REVIEW 9

CONSOLIDATED FINANCIAL STATEMENTS 169

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 170
2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION 172
3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 173
4 CONSOLIDATED STATEMENT OF CASH FLOWS 174

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 175

ADDITIONAL INFORMATION 304

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Gains/losses

EUR '000	Notes	2024	2023
Interest and similar income measured using the effective interest method		594,240	499,191
Interest and similar income not measured using the effective interest method		111,710	103,077
Interest and similar expense		-522,133	-425,596
Dividend income		53	26
Net interest income	4.2.1	183,869	176,699
Fee and commission income		22,481	18,763
Fee and commission expense		-2,386	-2,369
Net fee and commission income	**5.1**	**20,095**	**16,395**
Net measurement gains or losses		2,862	-11,862
Net gains on derecognition of financial assets		581	694
Net gains or losses on financial assets and liabilities	**4.2.2**	**3,443**	**-11,169**
Other operating income	5.2	10,567	53,573
Other operating expense	5.2	-6,544	-2,889
Administrative expenses	5.3	-111,086	-112,830
Impairment losses on financial assets – IFRS 9 ECL	4.5.4	-23,560	-27,236
Net gains or losses on investments accounted for using the equity method	10.3	5,458	-4,430
Profit before tax		82,242	88,113
Income tax expense	7.1	-17,772	-22,130
Profit for the year		64,470	65,983
Non-controlling interests	3.2	-309	-71
Profit attributable to owners of the parent		64,161	65,912

Other comprehensive income

EUR '000	Notes	2024	2023
Profit for the year		**64,470**	**65,983**
Changes in valuation that will not be reclassified to profit or loss		**-1,224**	**536**
Equity instruments – FVOCI	4.2.2	231	88
Actuarial gains and losses	6.2.2	-1,455	449
Changes in valuation that will be reclassified subsequently to profit or loss		**-2,385**	**-2,113**
Debt instruments – FVOCI	4.2.2	-2,085	-1,924
Debt instruments – FVOCI reclassified to profit or loss	4.2.2	-167	-190
Hedges (hedge accounting)	4.6.2	-132	-
Other comprehensive income		**-3,609**	**-1,577**
Total comprehensive income		**60,860**	**64,406**
Non-controlling interests	3.2	-309	-71
Comprehensive income attributable to owners of the parent		**60,552**	**64,335**

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

EUR '000	Notes	31 Dec. 2024	31 Dec. 2023
Cash and balances at central banks	4.3	753,541	397,981
Financial assets – HFT	4.3	157,922	150,622
Financial assets – mandatorily FVTPL	4.3	68,141	108,192
Financial assets – FVOCI	4.3	207,911	225,588
Financial assets – AC	4.3	14,708,988	14,229,790
Positive fair value of hedges (hedge accounting)	4.6.2	280,356	315,691
Investments accounted for using the equity method	10.3	35,401	27,828
Investment property	6.1	23,188	22,452
Intangible assets	6.1	847	677
Property, plant and equipment	6.1	61,058	62,272
Current tax assets	7.1	29,239	8,378
Deferred tax assets	7.3	384	279
Other assets	6.3	30,587	29,700
Total assets		16,357,561	15,579,450

Liabilities

EUR '000	Notes	31 Dec. 2024	31 Dec. 2023
Financial liabilities – HFT	4.4	142,001	141,766
Financial liabilities – FVO	4.4	5,839	5,650
Financial liabilities – AC	4.4	14,762,832	13,898,367
Negative fair value of hedges (hedge accounting)	4.6.2	366,872	496,887
Provisions	6.2	31,030	30,533
Current tax liabilities	7.1	70	17,074
Deferred tax liabilities	7.3	26,650	19,893
Other liabilities	6.3	132,375	119,305
Equity	**3.1**	**889,892**	**849,977**
Equity attributable to owners of the parent	3.1	882,589	841,196
Non-controlling interests	3.2	7,302	8,781
Total equity and liabilities		16,357,561	15,579,450

3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	1 Jan. 2024	Profit for the year	Reversals	Dividends paid	Changes in scope of consolidation	Other compre-hensive income	31 Dec. 2024
Share capital	51,981	-	-	-	-	-	51,981
Capital reserves	191,824	-	-	-	-	-	191,824
Retained earnings	594,701	64,161	4	-20,000	841	-	639,707
Other reserves composed of:	**2,691**	**-**	**-4**	**-**	**-**	**-3,609**	**-922**
Actuarial gains and losses	150	-	-	-	-	-1,455	-1,306
Debt instruments – FVOCI	2,101	-	-	-	-	-2,253	-152
Equity instruments – FVOCI	441	-	-4	-	-	231	668
Hedges (hedge accounting)	-	-	-	-	-	-132	-132
Equity attributable to owners of the parent	**841,196**	**64,161**	**-**	**-20,000**	**841**	**-3,609**	**882,589**
Non-controlling interests	8,781	309	-	-910	-876	-	7,302
Equity	**849,977**	**64,470**	**-**	**-20,910**	**-35**	**-3,609**	**889,892**

EUR '000	1 Jan. 2023	Profit for the year	Reversals	Dividends paid	Changes in scope of consolidation	Other compre-hensive income	31 Dec. 2023
Share capital	51,981	-	-	-	-	-	51,981
Capital reserves	191,824	-	-	-	-	-	191,824
Retained earnings	533,782	65,912	6	-5,000	-	-	594,701
Other reserves composed of:	**4,275**	**-**	**-6**	**-**	**-**	**-1,577**	**2,691**
Actuarial gains and losses	-299	-	-	-	-	449	150
Debt instruments – FVOCI	4,214	-	-	-	-	-2,113	2,101
Equity instruments – FVOCI	359	-	-6	-	-	88	441
Equity attributable to owners of the parent	**781,862**	**65,912**	**-**	**-5,000**	**-**	**-1,577**	**841,196**
Non-controlling interests	8,710	71	-	-	-	-	8,781
Equity	**790,571**	**65,983**	**-**	**-5,000**	**-**	**-1,577**	**849,977**

4 CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	Notes	31 Dec. 2024	31 Dec. 2023
Cash and cash equivalents at end of previous period	4.3	397,981	184,915
Profit for the year		**64,470**	**65,983**
Adjustments for interest income and expense	4.2.1	-183,869	-176,699
Non-cash items from operating activities		**34,282**	**28,728**
Depreciation, amortisation, impairment and write-ups on investment property, intangible assets and property, plant and equipment	**6.1**	5,093	6,499
Allocations to and reversals of provisions and risk provisions	4.5.4/6.2.1	22,400	-2,079
Net measurement gains or losses on financial assets and liabilities	4.2.2	-2,770	11,851
Other adjustments		9,559	12,455
Changes in assets and liabilities due to operating activities		**324,029**	**75,800**
Financial assets – AC		-597,351	-452,152
Financial assets – mandatorily FVTPL		41,882	16,704
Financial assets – FVOCI		15,265	8,915
Other operating assets		-13,388	-64,189
Financial liabilities – AC		865,454	533,180
Other operating liabilities		12,166	33,342
Payments for taxes, interest and dividends		**151,583**	**226,056**
Income tax paid		-46,004	-4,975
Interest received		694,754	586,027
Interest paid		-500,244	-355,902
Dividends on FVOCI investments received	4.2.1	53	26
Dividends on investments accounted for using the equity method		2,974	717
Dividends from non-consolidated subsidiaries and associates received		50	162
Cash flows from operating activities		390,494	219,868
Proceeds from sale of/redemption of:		**169**	**2,438**
Equity investments (accounted for using the equity method/FVOCI/non-consolidated subsidiaries and associates included in other assets)		5	749
Property, plant and equipment, intangible assets and investment property		164	1,689
Purchase of:		**-13,618**	**-3,889**
Equity investments (accounted for using the equity method/FVOCI/non-consolidated subsidiaries and associates included in other assets)		-10,179	-40
Property, plant and equipment, intangible assets and investment property		-3,439	-3,849
Proceeds from loss of control of subsidiaries	**5.2**	**12**	**12**
Cash flows from investing activities		-13,437	-1,439
Dividends paid		**-20,910**	**-5,000**
Repayment of lease liabilities		**-588**	**-363**
Cash flows from financing activities		-21,498	-5,363
Net increase in cash and cash equivalents		355,560	213,066
Cash and cash equivalents at end of period		753,541	397,981

Information on the consolidated statement of cash flows can be found in Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
IN ACCORDANCE WITH IFRS
HYPO NOE GROUP

Part I: HYPO NOE GROUP ANNUAL REPORT 8

GROUP OPERATIONAL AND FINANCIAL REVIEW 9

CONSOLIDATED FINANCIAL STATEMENTS 166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 175

1 GENERAL INFORMATION 176
2 SEGMENT INFORMATION 179
3 EQUITY AND CONSOLIDATED OWN FUNDS 184
4 FINANCIAL INSTRUMENTS AND CREDIT RISK 191
5 ADDITIONAL NOTES TO THE STATEMENT OF PROFIT OR LOSS 250
6 ADDITIONAL NOTES TO THE STATEMENT OF FINANCIAL POSITION 255
7 TAXES 265
8 RISK MANAGEMENT 269
9 NOTES TO THE STATEMENT OF CASH FLOWS 290
10 GROUP STRUCTURE AND RELATED-PARTY RELATIONSHIPS 291
11 EVENTS AFTER THE REPORTING PERIOD 302
12 GOVERNING BODIES OF HYPO NOE LANDESBANK 303

ADDITIONAL INFORMATION 304

1 GENERAL INFORMATION

HYPO NOE Landesbank für Niederösterreich und Wien AG, a state mortgage bank domiciled at Hypogasse 1, 3100 St. Pölten, Austria, is the ultimate parent of the companies included in consolidation. It is registered in the register of companies under FN 99073x.

The HYPO NOE Group has chosen the internet as the means of fulfilling its disclosure obligations in accordance with section 65 Austrian Bankwesengesetz (Banking Act), Part Eight of Regulation (EU) No 575/2013, and the Disclosure Regulation. The disclosures are published on the HYPO NOE Group website at ir.hyponoe.at/en/.

The Management Board approved the consolidated financial statements for publication on 5 March 2025.

1.1 Accounting standards

The consolidated financial statements of the HYPO NOE Landesbank für Niederösterreich und Wien AG Group (the HYPO NOE Group) for 2024 were prepared in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the European Union pursuant to Regulation (EC) No 1606/2002 on the application of international accounting standards. The requirements of section 59a Austrian Banking Act and section 245a Unternehmensgesetzbuch (Austrian Business Code) were fulfilled.

The consolidated financial statements of the HYPO NOE Group for the year ended 31 December 2024 consist of the statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes. The risk report, which contains disclosures pursuant to the provisions on the operational and financial review in section 267 Austrian Business Code, is part of the notes.

The HYPO NOE Group applies uniform Group-wide accounting policies. The reporting currency is the euro. All figures are presented in thousand euro (EUR thsd/EUR ’000) unless otherwise stated. The tables below may contain rounding differences. The consolidated financial statements have been prepared on a going concern basis.

1.2 Accounting policies

Information on the accounting policies applied can be found in the disclosures on the various subjects. In the following chapters, significant accounting policies are denoted by the symbol . The table below provides an overview.

Accounting policies	Notes	IFRS
Currency translation	1.5	IAS 21
Segment information	2	IFRS 8
Financial instruments I – classification and measurement	4.1, 4.3, 4.4	IFRS 9, IFRS 7, IAS 32
Net interest income	4.2.1	IAS 1
Financial instruments II – loss allowances	4.5.2	IFRS 9, IFRS 7
Financial instruments III – hedge accounting	4.6.2	IFRS 9, IFRS 7
Fair value disclosures	4.7	IFRS 9, IFRS 7, IFRS 13
Net fee and commission income	5.1	IFRS 15
Investment property	6.1	IAS 40
Leasing	6.1	IFRS 16
Intangible assets and property, plant and equipment	6.1	IAS 38, IAS 16
Impairment of non-financial assets	6.1, 10.3	IAS 36
Provisions	6.2	IAS 19, IAS 37
Taxes	7	IAS 12
Consolidated statement of cash flows	9	IAS 7
Interests in subsidiaries, associates and joint ventures	10	IAS 28, IFRS 10, IFRS 11, IFRS 12

1.3 Estimation uncertainty and judgements

Estimation uncertainties and judgements are denoted by the symbol .

All the estimates and judgements required when preparing the financial statements in accordance with IFRS are best estimates made in accordance with the relevant standards. The estimates are reviewed on an ongoing basis, and are drawn from experience and other factors, including expectations regarding future events that appear reasonable under the circumstances. Estimates and assumptions were primarily applied to the following:

- Measurement of property, plant and equipment, financial instruments, associates and joint ventures
- Evaluation of the transfer of financial instruments in accordance with paragraph 3.2.4 IFRS 9
- Determining impairment losses and gains on financial assets
- Defining default
- Establishment of the principles governing the transfer of financial instruments (stage transfers)
- Assessment of inclusion in the scope of consolidation
- Recognition of deferred tax assets attributable to tax loss carryforwards
- Determination of fair value
- Determination of the useful lives of intangible assets, right-of-use assets, and property, plant and equipment
- Assessment of the effect of first-time application of new IFRSs
- Recognition and measurement of provisions
- Determination of the credit-adjusted effective interest rate for POCI assets
- Classification related to leases

Where estimates and judgements were necessary, the assumptions made are explained in the notes to the corresponding items.

1.4 New and amended regulations

New and amended standards	Applicable from		Effect
Classification of Liabilities as Current or Non-current – Amendment to IAS 1	1 Jan. 2024		None
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 Jan. 2024		None
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 Jan. 2024		None
New and amended standards adopted but not yet applied			
Lack of Exchangeability – Amendments to IAS 21	1 Jan. 2025		None
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 Jan. 2026	*	Immaterial
Amendments to IFRS 9 and IFRS 7 – Contracts for Renewable Energy	1 Jan. 2026	*	Immaterial
Annual Improvements to IFRS Accounting Standards – Volume 11	1 Jan. 2026	*	None
New standard: IFRS 18 Presentation and Disclosure in Financial Statements	1 Jan. 2027	*	Material
New standard: IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan. 2027	*	None

*Mandatory application not yet endorsed by the EU

IFRS 18 Presentation and Disclosure in Financial Statements

This standard replaces IAS 1 Presentation of Financial Statements. The new standard is intended primarily as a means of improving the comparability of information about companies' financial performance. To this end, subtotals must be introduced as compulsory elements in the statement of profit or loss. IFRS 18 also includes regulations on the aggregation and disaggregation of material items. The IASB will also set out guidelines regarding the disclosure and explanation of performance measures. The options available for classifying certain cash flows in the statement of cash flows will be limited.

The publication of IFRS 18 will have material effects on the HYPO NOE Group. A working group has been set up to identify the modifications to be carried out in the financial statements and draw up the steps to be taken.

1.5 Currency translation

Accounting policies

In accordance with IAS 21, monetary assets and liabilities denominated in foreign currencies, non-monetary items measured at fair value, and cash transactions unsettled as at the end of the reporting period are translated at the mid spot rate, and forward transactions unsettled as at the end of the reporting period are translated at the mid forward rate ruling at the end of the reporting period.

As all of the consolidated subsidiaries prepare their financial statements in euro (the functional currency), it was not necessary to translate them into the reporting currency.

2 SEGMENT INFORMATION

Accounting policies

The Bank's segment reporting is in accordance with IFRS 8. In its capacity as the HYPO NOE Group's most senior managing body, the Management Board regularly monitors the evolution of profit or loss before tax across the various business segments and takes decisions on the management of the Group in light of the segment reports.

The HYPO NOE Group's organisational and management structure is based on areas of activity and customer groups.

Segment reporting is derived from the profit centre accounting of HYPO NOE Landesbank and consolidated subsidiaries' IFRS consolidation packages. The same accounting policies are applied to the preparation of these statements as those set out in the 'Significant accounting policies' section of Note 1.

The allocation of income in the profit centre accounting is based on Schierenbeck's market interest method. Interest income and expense are divided into a contribution to margin and a structural contribution (i.e. interest maturity transformation), and imputed refinancing costs (liquidity costs) are directly allocated to assets and liabilities. The resulting costs and income from liquidity maturity and interest maturity transformation are allocated to the Treasury & ALM segment. Due to the decomposition of net interest income for individual transactions and allocation of the individual components under this standard industry approach, interest income and expense for each segment are not included in the management view. Management of the company's profitability is based on the individual net interest income components, and as a result the segment reporting does not include gross figures for this item.

Individual items under administrative expenses are allocated directly where possible. Components that cannot be directly allocated are attributed to the various segments in a cost-reflective allocation procedure appropriate to the management of a bank.

The reported segment assets and liabilities relate to on-balance-sheet customer business in the operating segments. Equity is reported in full under the segment liabilities of the Corporate Center segment.

Analysis by geographical area in accordance with paragraph 33 IFRS 8 is based on the domiciles of reporting entities, and accordingly all interest income is attributed to Austria.

A breakdown by products and services in accordance with paragraph 32 IFRS 8 is not performed, as the necessary information is not available in full on a regular basis and the expense of compiling it would be out of proportion to any benefits.

Disclosures on profit or loss and the carrying amounts of investments accounted for using the equity method in each segment, in accordance with paragraphs 23 and 24 IFRS 8, are provided in Note 10.1 Scope of consolidation.

The four reporting segments, which are derived from the HYPO NOE Group's organisational structure, and the reconciliation with consolidated profit or loss are as follows:

Segmental analysis as at 31 December 2024, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Group
Net interest income/expense	44,131	50,959	49,966	41,270	-2,456	183,869
Net fee and commission income	3,715	1,421	15,349	-353	-37	20,095
Net gains or losses on financial assets and liabilities	-169	-1,372	-4,929	9,119	795	3,443
Net other operating income	4,393	881	844	-3,702	1,607	4,023
Net gains or losses on investments accounted for using the equity method	1,906	2,107	50	1,394	-	5,458
Administrative expenses	-21,307	-21,968	-50,197	-14,722	-2,892	-111,086
Impairment gains/losses on financial assets – IFRS 9, ECL	2,532	-16,604	-9,532	16	27	-23,560
Profit before tax	**35,201**	**15,423**	**1,551**	**33,021**	**-2,955**	**82,242**
Income tax expense						-17,772
Profit for the year						**64,470**
Segment assets	**6,807,889**	**3,910,931**	**2,310,044**	**3,158,081**	**170,617**	**16,357,561**
Segment liabilities	**1,962,504**	**417,212**	**2,842,826**	**10,163,403**	**971,616**	**16,357,561**

Segmental analysis as at 31 December 2023, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Group
Net interest income/expense	41,060	41,976	37,818	58,458	-2,614	176,699
Net fee and commission income/expense	1,509	1,080	13,954	-253	105	16,395
Net gains or losses on financial assets and liabilities	-577	728	998	-13,913	1,596	-11,169
Net other operating income	5,024	1,226	2,313	14,473	27,647	50,683
Net gains or losses on investments accounted for using the equity method	1,310	-7,244	43	1,460	-	-4,430
Administrative expenses	-23,427	-21,026	-47,014	-16,593	-4,769	-112,830
Impairment gains/losses on financial assets – IFRS 9, ECL	5,241	-34,554	1,967	76	34	-27,236
Profit before tax	**30,140**	**-17,813**	**10,080**	**43,709**	**21,998**	**88,113**
Income tax expense						-22,130
Profit for the year						**65,983**
Segment assets	**6,840,188**	**3,590,556**	**2,183,036**	**2,822,196**	**143,474**	**15,579,450**
Segment liabilities	**1,854,964**	**345,287**	**2,319,879**	**10,094,599**	**964,721**	**15,579,450**

2.1 Public Sector

This segment includes financing and deposit-taking business with public sector and government-linked customers (state governments, local and regional authorities, public agencies and infrastructure businesses, as well as religious communities and interest groups). The regional focus is on Lower Austria and Vienna, where HYPO NOE is market leader. In other states in Austria, business expansion and growth takes place under the overarching HYPO Österreich strategy. Customers are offered conventional loans, and there is an emphasis on bespoke financing models in the segment's home market. In addition, income generated by the administration of subsidised homebuilding loans, a service provided for the public sector by HYPO NOE Landesbank, is reported under this segment.

All of the leasing subsidiaries' earnings, which are almost entirely derived from leasing transactions with the public sector and public agencies, are also attributed to the Public Sector segment. The products provided by the leasing subsidiaries include complex project-based real estate lease agreements, support services for real estate project management, and business management services.

Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m.b.H, which is accounted for using the equity method, is also allocated to this segment.

The Public Sector segment has a major business relationship with a customer in the meaning of paragraph 34 IFRS 8. The customer in question is a public authority, and the services provided primarily take the form of leases, as well as lending and deposit taking. Dealings with the authority and its allocable group entities, in accordance with the definition of major investments and without recourse to the exemption for sub-groups, generated net interest income of EUR 30.16m

during 2024. This includes EUR 14.74m from direct business relationships with the customer, EUR 3.70m from direct business relationships with allocable group members, and EUR 11.72m from indirect business relationships in the form of lease refinancing.

2.2 Real Estate segment

The Group's business with property sector companies is attributed to this segment. Earnings from lending to non-profit and commercial housing developers as well as the office, shopping centre, retail park, housing and city hotel asset classes, and mixed-use portfolios are reported under this segment. Real estate finance and real estate leases for the public sector and public agencies, for retail customers and for SMEs are exceptions, as these are allocated to the relevant segments.

The HYPO NOE Group has a long tradition of providing finance for cooperative and non-profit housing developers, with an emphasis on the construction and renovation of large housing projects including land purchases in Austria, mainly in Lower Austria and Vienna. This business is a stable source of long-term earnings due to the high collateral coverage ratio, the long duration of contracts and resulting low probability of default. In addition, HYPO NOE Landesbank has recently won several contracts put out to tender by the State of Lower Austria for state-guaranteed homebuilding loans. These loans are earmarked primarily for affordable housing and homes for young people.

In addition, the segment provides finance for commercial housing construction projects, other real estate developments devoted predominantly to residential use, as well as existing properties (rental apartment buildings). In the case of new builds, the apartments constructed are either held in the portfolio and let to private individuals, or sold off individually as owner-occupier properties. For the most part, financing is provided to satisfy housing demand and is limited to the Group's home market of Austria.

Activities in this segment also include large-scale commercial real estate transactions in Austria and in selected foreign markets, with financing provided for real estate earmarked for residential and commercial use. In Austria, the segment focuses on flagship and other large-scale projects valued at between EUR 20m and EUR 40m. The segment plans to extend its operations in selected areas – in its foreign business, the emphasis will be on leveraging the potential to generate additional earnings compared with the domestic market, as well as ensuring a balanced risk-return ratio. Equity ratios are higher and guarantee mechanisms are more highly developed in the foreign business. Outside Austria, the costs for entering collaterals in property registers are negligible, meaning that the barriers to entry are low. The segment will concentrate on cover-pool-eligible financing in EU markets with good or very good ratings.

The Real Estate segment's product portfolio is supplemented by subsidiary HYPO Niederösterreichische Liegenschaft GmbH, as well as the Group's interests in NOE Immobilien Development GmbH (NID), a property developer, EWU Wohnbau Unternehmensbeteiligungs-GmbH, and VIVITliving GmbH, all three of which are accounted for using the equity method.

On 27 June 2024, the supervisory board of EWU Wohnbau Unternehmensbeteiligungs-GmbH (EWU) adopted a resolution to initiate the liquidation of the company after disposal of the non-profit investments, which took place on 18 December 2024. Liquidation of EWU will take place in 2025.

2.3 Retail and Corporate Customers segment

This segment's core competences include banking transactions with retail, self-employed and corporate customers. The product portfolio consists of 'finance and housing', 'saving and investment', and 'accounts and cards' lines, and covers the full range of traditional banking business, from lending – with an emphasis on housing construction – to investment in savings products and securities, as well as current accounts and credit cards. Close cooperation with the State of Lower Austria enables the Group to offer one-stop consultation on loans and subsidies, which ensures sound advice and rapid processing for customers.

In the retail business, the strategic focus is on the core product, home construction finance. Regarding add-on products, the segment proactively enters into partnerships with the goal of further increasing net fee and commission income. These efforts are centred on digitalisation and achieving efficiency gains by implementing numerous proprietary innovations.

The comprehensive range of services provided to corporate customers is geared towards ensuring healthy and sustained expansion of the Bank's business in its core market of Lower Austria and Vienna, as well as in Austria as a whole and in Germany. Alongside a team that concentrates on small and medium-sized enterprises (SMEs) nationwide – with a

particular focus on Lower Austria and Vienna – the segment also comprises units specialising in large corporates in Lower Austria, as well as large companies in the rest of Austria and abroad. Another specialist team in the segment is responsible for structured finance and product solutions, and concentrates on consultation on subsidies, export and foreign trade finance, as well as advice on payment transactions.

The insurance brokerage business of HYPO NOE Versicherungsservice GmbH (HVS), an entity accounted for using the equity method, also forms part of this segment.

2.4 Treasury & ALM segment

Treasury & ALM is in charge of the HYPO NOE Group's capital market operations and interbank business. This ranges from money market and capital market refinancing to interest rate and liquidity management activities, as well as liquidity buffering and management of foreign exchange risk.

The Nostro Management Department's activities are centred on providing liquid assets for liquidity maintenance and compliance with regulatory requirements. Nostro Management's targeted exploitation of capital market opportunities enables it to generate interest contributions for the segment, and achieve market and customer diversification.

The objective of Asset Liability Management (ALM) is to centrally manage the Bank's interest position, in line with its interest rate expectations and risk appetite, in order to safeguard profitability and achieve positive structural contributions.

Close cooperation with institutional customers plays a central role in the HYPO NOE Group's business model. As part of its investor relations activities, the Bank nurtures these long-standing, trust-based partnerships on an ongoing basis by actively servicing its direct relationships with other banks, insurance companies, pension funds, utilities and investment companies. The resulting focus is on relations with European partners, although in recent years there has been growing interest from investors in certain countries outside Europe.

For regulatory reasons, the segment's trading activities are limited to a small trading book aimed at generating additional income and designed for short holding periods. Consequently, these trading activities do not have a material impact on segment earnings.

Niederösterreichische Vorsorgekasse AG, an entity accounted for using the equity method, is also allocated to the Treasury & ALM segment

2.5 Corporate Center

The Corporate Center segment serves to reconcile the operating segments' results with the consolidated totals. It is used for elimination of intra-Group income and expenses, as well as activities and ancillary banking services that are not attributable to any other segment, and do not constitute separate reportable segments on materiality grounds.

The ancillary services include companies that manage properties predominantly used by the Group and any related assets. These are Benkerwiese Verwaltungs- und Verwertungsgesellschaft m.b.H., and Unternehmens-, Verwaltungs- und Verwertungsgesellschaft m.b.H. The rental expenses and operating costs charged on by these firms are allocated to the operating segments' administrative expenses on a causation basis. HYPO Officium GmbH is also allocated to the Corporate Center, as are earnings and expenses related to interests managed by the investment management unit that are not directly apportioned to any operating segment.

Specific material earnings from prior periods, and non-recurring earnings and expenses relating to the Bank as a whole are allocated to the Corporate Center segment so as to avoid sending distorted signals to management at the segment reporting level wherever possible. This approach is not applied to impairments or restructuring gains or losses, which are allocated directly to the segments in the same way as the corresponding assets.

The following asymmetrical allocations are also reported under Corporate Center, pursuant to paragraph 27f IFRS 8:

- Cost of cash collaterals for customer derivatives contracts in the absence of collateral agreements:

  where customer derivatives are not secured by collateral agreements, the HYPO NOE Group does not receive collateral from customers but must post cash collaterals for the related hedges. Liquidity costs are incurred when refinancing the open collateral position. Treasury & ALM is responsible for managing all collateral positions, while

the related refinancing costs for the open collateral positions are reported under Corporate Center. Under the current approach, collateral requirements for derivatives contracts with customers are met by means of pricing or collateral agreements, and are therefore not included in this asymmetrical allocation.

- Changes in a legal-risk provision for potentially contentious negative interest collected on corporate loans.

In 2024, net interest income in the Corporate Center segment included a charge of EUR 1.2m (2023: charge of EUR 1.1m) in asymmetrical allocations arising from collateral expenses.

The cost of refinancing ancillary companies (Group properties) is also reported under Corporate Center's net interest income.

Net gains on financial assets and liabilities in the reporting period were EUR 0.7m (2023: EUR 1.6m). These were attributable to measurement of the HETA contingent additional purchase price (CAPP). Details can be found in Note 4.7 Fair value disclosures.

Net other operating income and administrative expenses in the Corporate Center include specific material earnings from prior periods and non-recurring income and expenses. This is to avoid sending distorted signals to management at the segment reporting level.

In 2023 and 2024, net other operating income in the Corporate Center segment included reversal of a provision for negative interest on corporate loans. See Note 6.2 Provisions for further information. This item also includes compensation for the services of the Retail and Corporate Customers segment in connection with internal customers, recognised as an expense of EUR 0.7m (2023: expense of EUR 1.0m).

Additional disclosures on the performance of the various segments are provided in section 3 of the Group operational and financial review.

3 EQUITY AND CONSOLIDATED OWN FUNDS

3.1 Equity

Accounting policies

Reported as a separate equity item in accordance with IAS 1, “Non-controlling interests” (minority interests) include interests in consolidated subsidiaries.

The capital reserves contain share premiums paid in excess of nominal value when shares are issued. The retained earnings reserves required by law and the articles of association, and the other retained earnings, as well as the liability reserve pursuant to section 57(5) Banking Act, and consolidated profit/loss (comprising the accumulated profit or loss brought forward, the profit for the year and dividends) are reported under “Retained earnings”.

EUR ’000	31 Dec. 2024	31 Dec. 2023
Share capital	51,981	51,981
Capital reserves	**191,824**	**191,824**
Appropriated reserve	94,624	94,624
Unappropriated reserve	97,200	97,200
Other reserves	-922	2,691
Retained earnings	639,707	594,701
Equity attributable to owners of the parent	**882,589**	**841,196**
Non-controlling interests	7,302	8,781
Equity	**889,892**	**849,977**

As was the case a year earlier, as at 31 December 2024 there were 7,150,000 registered shares of no par value in issue. Of these, 70.49% or 5,040,000 shares were held by NÖ Landes-Beteiligungsholding GmbH, and 29.51% or 2,110,000 shares by NÖ BET GmbH. At year-end 2024 the share capital (issued capital) of HYPO NOE Landesbank, amounting to EUR 51,981thsd (2023: EUR 51,981thsd), was fully paid-up. Each share confers the right to one vote. In 2024 a dividend of EUR 20,000 (2023: EUR 5,000) was paid to the owners. This corresponds to a rounded-up dividend yield of EUR 2.80 per share (2023: EUR 0.70 per share). Management proposes the distribution of a dividend of EUR 10,000thsd in 2025.

The total return on assets was 0.39% (2023: 0.42%).

3.2 Non-controlling interests

The table below provides an overview of the share of earnings attributable to non-controlling interests.

EUR '000	Profit/loss, 2024	Net assets, 2024
FORIS Grundstückvermietungs Gesellschaft m.b.H.	7	905
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	186	2,444
LITUS Grundstückvermietungs Gesellschaft m.b.H.	21	1,375
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	51	1,072
Adoria Grundstückvermietungs Gesellschaft m.b.H.	7	101
CONATUS Grundstückvermietungs Gesellschaft m.b.H.	5	-204
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	40	1,413
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	-10	197
Non-controlling interests	**309**	**7,302**

EUR '000	Profit/loss, 2023	Net assets, 2024
FORIS Grundstückvermietungs Gesellschaft m.b.H.	-8	898
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	87	2,258
LITUS Grundstückvermietungs Gesellschaft m.b.H.	-	1,354
PINUS Grundstückvermietungs Gesellschaft m.b.H.	43	435
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	20	1,020
Adoria Grundstückvermietungs Gesellschaft m.b.H.	5	446
CONATUS Grundstückvermietungs Gesellschaft m.b.H.	-2	349
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	13	1,373
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	-104	207
HYPO Niederösterreich-Immobilienleasinggesellschaft m.b.H.	15	412
Non-controlling interests	**71**	**8,781**

All the subsidiaries in which the Group holds minority interests are in the Leasing segment. Information on the head offices of subsidiaries in which the Group has a non-controlling interest, and on the holdings in them, can be found in Note 10.2 Consolidated subsidiaries.

In 2024 there were no non-controlling interests with a claim to a share of other comprehensive income. EUR 910thsd (2023: nil) in dividends was distributed to non-controlling interests.

Financial information relating to unconsolidated subsidiaries in which the Group holds non-controlling interests is shown below.

EUR '000	31 Dec. 2024	31 Dec. 2023
Cash and balances at central banks	21	3,533
Financial assets – AC	374,131	733,914
Deferred tax assets	-	663
Other assets	30	809
Total assets	**374,182**	**738,919**
Financial liabilities – AC	345,990	672,067
Current tax liabilities	-	122
Deferred tax liabilities	8,300	8,125
Other liabilities	3,613	32,820
Equity	16,279	25,784
Equity attributable to owners of the parent	8,977	17,004
Non-controlling interests	7,302	8,781
Total equity and liabilities	**374,182**	**738,919**

3.3 Reconciliation of equity

EUR '000	31 Dec. 2024	31 Dec. 2023
Equity according to IFRS financial statements	**889,892**	**849,977**
Divergence in scope of consolidation (accounting vs. regulatory treatment)	3,049	1,521
Equity according to FINREP template 51	**892,941**	**851,498**
Deferred taxes on untaxed reserves	-3,591	-3,747
Adjustments to CET1 (prudential filters)	-514	-580
Intangible assets	-847	-677
Insufficient coverage of non-performing exposures	-3,379	-503
Ineligible minority interests	-7,302	-8,781
Intra-year change in revaluation surplus, profit and dividend	-10,000	-20,000
Eligible capital	**867,308**	**817,211**

Eligible capital diverges from the HYPO NOE Group's equity for the following reasons:

- The scope of consolidation according to the CRR and IFRS is slightly different.
- The deferred tax liabilities included in EUR 15,612thsd in untaxed liability reserves may not be included in equity, as these reserves would be taxable in the event of reversal (Independent Financial Senate appeal decision GZ.RV/1669-W/02 of 2003, and paragraph 95a AFRAC 30) and therefore do not fully meet the requirements of Article 26(1) CRR.
- Under Commission Delegated Regulation (EU) 2016/101 in conjunction with Article 105 CRR, valuation uncertainties must be considered in relation to items recognised at fair value when using the simplified approach to prudent valuation.
- Article 36(1)(b) CRR states that intangible assets are a regulatory deduction.
- For the purposes of Article 36(1)(m) CRR, "insufficient coverage of non-performing exposures" is the purely regulatory adjustment for non-performing exposures as defined by Article 47a CRR, over and above the IFRS 9 Stage 3 risk provisions, and the calculation formula is set out in Article 47c in conjunction with Article 469a CRR.
- As the minority interests only relate to banks, they are not eligible under Article 81 CRR.
- The proposed dividend or an unaudited interim profit is a non-qualifying equity component in the meaning of Article 26(2) CRR.

3.4 Consolidated own funds and regulatory own funds requirement

Under Regulation (EU) No. 575/2013 (Capital Requirements Regulation [CRR]) as amended, including latterly by Regulation (EU) No. 2024/1623, and related EBA delegated regulations, as well as Directive 2013/36/EU on access to the

activity of credit institutions (Capital Requirements Directive [CRD]) as last amended by Directive (EU) No. 2024/1623, which is currently being transposed into Austrian law and various national orders, since 2014 it has been required to determine banks' consolidated own funds and their consolidated regulatory own funds requirements in accordance with IFRS and the regulatory scope of consolidation.

The composition of the HYPO NOE Group's own funds, calculated in accordance with the CRR/CRD, is as follows.

EUR '000	CRR/CRD 31 Dec. 2024	CRR/CRD 31 Dec. 2023
Share capital	**136,546**	**136,546**
Paid-up capital instruments	51,981	51,981
Premiums	84,566	84,566
Reserves, differences and non-controlling interests	**735,501**	**682,424**
Retained earnings	621,130	567,583
Other reserves	104,945	104,844
Accumulated comprehensive income	9,427	9,997
Adjustments to CET1 (prudential filters)	-514	-580
Insufficient coverage of non-performing exposures	-3,379	-503
Intangible assets	-847	-677
Common Equity Tier 1 (CET1) capital	867,308	817,211
Additional Tier 1 (AT1) capital	-	-
Tier 1 capital	**867,308**	**817,211**
Deductions due to investments, pursuant to Arts. 36 and 89 CRR	-	-
Eligible Tier 1 capital	**867,308**	**817,211**
Eligible supplementary capital (after deductions)	**-**	**-**
Total eligible capital	**867,308**	**817,211**
Minimum capital requirements	**341,446**	**313,121**
Excess capital	**525,862**	**504,089**
Coverage ratio	254.01%	260.99%
Tier 1 capital ratio in accordance with Art. 92(2)(b) CRR	20.32%	20.88%
Total capital ratio in accordance with Art. 92(2)(c) CRR	20.32%	20.88%
Own funds requirement incl. all buffer requirements	13.04%	12.57%
Leverage ratio in accordance with Art. 92(2)(d) CRR	5.30%	5.27%
Leverage ratio requirement (Pillar 1)	3.00%	3.00%

Changes in the risk-weighted measurement basis and the resulting own funds requirement are shown below.

EUR '000	CRR/CRD 31 Dec. 2024	CRR/CRD 31 Dec. 2023
Total leverage ratio exposure	16,353,780	15,497,335
Risk-weighted exposure measure	3,873,167	3,542,346
Minimum own funds requirement for credit risk (8%)	309,853	283,388
Own funds requirement for open currency positions	-	-
Own funds requirement for operational risk	29,565	27,456
Own funds requirement for CVA risk	2,027	2,278
Total own funds requirement	**341,446**	**313,121**

The Group's total own funds requirement stood at EUR 341,446thsd as at 31 December 2024 (31 Dec. 2023: EUR 313,121thsd), an increase of EUR 28,325thsd or 9.05%. This was predominantly due to the growth in risk-weighted assets (RWA), and to a minor extent to the increase in the own funds requirement for operational risk, driven by the continuing upward trend in operating income in recent years. As no new regulations that were relevant for the HYPO NOE Group entered into force during the reporting period, the change in RWA reflects the Group's growth as well as the increased risk in certain business segments.

Capital management

Determination of capital requirements and investment opportunities

Management aims to employ the Company's capital in the interests of its owners by taking a responsible, value-driven approach. The methods primarily applied to this end are budget and scenario analysis. With the current capital situation as the starting point, they reflect specific economic parameters over a five-year planning horizon. Among other things, it is necessary to assess whether risk-bearing capacity (Pillar II) is being maintained on the basis of the planning assumptions made.

Communication of the results as an aid to capital management decision-making

The Group's budgeting and medium-term planning takes place in close consultation with all the front-office and back-office units, and the chief executives of the subsidiaries concerned. There are regular liaison discussions with the Management Board. The medium-term budget is approved by the Management Board and notified to the Supervisory Board on an annual basis.

If the budget and scenario analysis indicates a need for capital management actions, these may involve reducing or suspending dividend payments; rights issues; slowing growth, and balance sheet downsizing and related reductions in risk-weighted assets.

Basel Committee on Banking Supervision (BCBS) Paper 277

The above objectives, methods and processes mean that the HYPO NOE Group conforms to the four components of good practice outlined in BCBS Paper 277 entitled "A Sound Capital Planning Process: Fundamental Elements":

- Internal control and governance
- Capital policy and risk capture
- Forward-looking view
- Management framework for preserving capital

Capital management actions in 2024

No unforeseen capital measures were necessary in 2024. The long-term policy of moderate dividend payout ratios has continued to help strengthen the Company's capital. Through its early analysis of the effects of CRR III and strategic capital management, HYPO NOE is well-positioned for the future. This proactive preparation also facilitates the realisation of growth opportunities under the new legal framework.

European legislators have used Title VII Chapter 4 Sections I and II of the CRD to standardise various capital buffer requirements, and these amendments have been transposed into Austrian law by way of the Banking Act.

In accordance with section 23d Banking Act, under the Kapitalpuffer-Verordnung (Capital Buffer Order) the FMA prescribes additional capital buffers for specifically listed domestic banks in the form of CET1 capital, in order to enhance the resilience of Austrian banks against specific systemic risks. The latest amendment to the Order was Federal Law Gazette II No. 389/2024. This brought no changes for the HYPO NOE Group. The buffer requirements were unaltered at 0.5% (2023: 0.5%) of the total risk exposure calculated in accordance with Article 92(3) CRR. For HYPO NOE Landesbank, which was subject to this requirement for the first time in 2023, a buffer requirement of 0.25% applied during a one-year introductory phase in 2023. In 2024, an individual requirement of 0.5% was applicable. Member states use these buffer requirements in very different ways. Up-to-date information can be found on the European Systemic Risk Board (ESRB) website at https://www.esrb.europa.eu/national_policy/systemic/html/index.en.html.

The phased introduction of the capital conservation buffer pursuant to section 22 Banking Act began in 2016. Identical throughout the territory of the Community since 2019, this buffer must consist of CET1 capital, and remains at 2.5% of the total risk exposure amount (see https://www.esrb.europa.eu/national_policy/capital/html/index.en.html).

Also since 2016, it has been necessary to comply with the countercyclical capital buffer, likewise in the form of CET1 capital, which is governed by section 23a Banking Act. Under section 5 of the schedule to section 23a Banking Act, the relevant credit exposures form the calculation basis for this requirement.

As at the end of the reporting period, according to information from the ESRB (https://www.esrb.europa.eu/national_policy/ccb/html/index.en.html) and the Bank for International Settlements (BIS, https://www.bis.org/bcbs/ccyb/index.htm), the countercyclical capital buffers for risk exposures to customers in the host countries below were as follows.

- Australia: 1.00%
- Belgium: 1.00%
- Bulgaria: 2.00%
- Cyprus: 1.00%
- Czech Republic: 1.25%
- Germany: 0.75%
- Denmark: 2.50%
- Estonia: 1.50%
- France: 1.00%
- UK: 2.00%
- Hong Kong: 1.00%
- Croatia: 1.50%
- Hungary: 0.50%
- Ireland: 1.50%
- Iceland: 2.50%
- Lithuania: 1.00%
- Luxembourg: 0.50%
- Latvia: 0.50%
- Netherlands: 2.00%
- Norway: 2.50%
- Romania: 1.00%
- Sweden: 2.00%
- Slovenia: 0.50%
- Slovakia: 1.50%
- Korea: 1.00%
- Armenia: 1.50%
- Chile: 0.50%

In 2025 some countries will increase their current buffers, while others will introduce new ones:

- Greece: 0.25%
- Hungary: 1.00%
- Poland: 1.00%
- Spain: 0.50%
- Slovenia: 1.00%

In spite of a significant increase in its needs, the HYPO NOE Group's additional own funds requirement (31 Dec. 2024: EUR 10,159thsd or 0.23%; 31 Dec. 2023: EUR 6,735thsd or 0.17%) as a result of the buffer regulations remained manageable in 2024.

At its last meeting, on 2 December 2024, the Austrian Financial Market Stability Board recommended maintaining the country's countercyclical capital buffer at zero. However, a sectoral systemic risk buffer pursuant to section 23e Banking Act is proposed for the risk subitem of commercial real estate loans, amounting to 1% of these risk exposures on both a consolidated and unconsolidated basis. Currently, the OeNB is conducting a review. The sectoral systemic risk buffer is expected to be applicable from 1 July 2025.

The banking supervisors regularly evaluate the adequacy of banks' capital on the basis of the risk assessment performed as part of the supervisory review and evaluation process (SREP). During this process the supervisors assess the banks' leverage ratios, and judge whether there is a need for additional capital buffers.

The assessment of capital adequacy and the need for additional own funds is largely based on three factors:

- The risk of unexpected losses and of expected losses not covered by sufficient assets over a 12-month period
- Underestimation of risk due to deficiencies in risk models
- Risks arising from weaknesses in internal governance, including the internal control system and other process vulnerabilities

The SREP guidelines provide for two benchmarks of banks' capital adequacy: first, the total SREP capital requirements (TSCR) – the sum of the capital requirements under Article 92 CRR and other requirements to be specified in more detail by the supervisory authorities; and second, the overall capital requirements (OCR), which are the aggregate of the TSCR, the capital buffers and the macro-prudential requirements.

In April 2024 HYPO NOE Landesbank and the HYPO NOE Group received a new FMA notice increasing the TSCR requirement to 1.8% (2023: 1.4%). Consequently, HYPO NOE Landesbank and the HYPO NOE Group were both obliged to comply with minimum capital ratios of 5.51% for CET1 capital, 7.35% for Tier 1 capital and 9.8% for total capital. The FMA has not yet begun the SREP process with the HYPO NOE Group for 2025.

4 FINANCIAL INSTRUMENTS AND CREDIT RISK

4.1 Recognition of financial instruments

Accounting policies

The HYPO NOE Group recognises the regular way purchase or sale of derivatives and financial instruments on the trade date. Financial assets are derecognised when the contractual rights to the cash flows from them expire or the transfer criteria are fulfilled. Financial liabilities are derecognised when the obligations concerned are discharged or otherwise extinguished.

In the event of modifications to contractual terms during the lifetime of an investment, IFRS 9 requires a distinction to be made where the cash flows have been modified to such an extent that a new contractual relationship has effectively come into being. This assessment is based on both quantitative and qualitative criteria.

The quantitative yardstick is whether there has been a modification of the contractual cash flows resulting in a change of more than 10% in the present value of the modified cash flow structure, discounted by the effective interest rate of the original cash flow. In a quantitative pre-analysis, the main indicator of such a change in present value is modifications to the terms where these are not contractually provided for. Qualitative criteria relate to changes that were not originally contractually agreed:

- Currency
- Debtor
- Amendments to clauses affecting SPPI conformity, even if these do not result in a change of more than 10% in present value
- Type of interest, with regard to the contractual terms (change from variable to fixed interest, or from fixed to variable)
- Maturity within six months of the maturity date or 90 days after expiry of the transaction concerned (prolongation)

If such a substantial modification is identified, the existing financial instrument must be derecognised and the new, modified instrument recognised. If it is decided that the modification is not substantial in terms of the criteria, a modification gain or loss is recognised on financial instruments measured at amortised cost.

4.2 Influence of financial instruments on the statement of profit or loss

4.2.1 Net interest income

Accounting policies

Paragraph 82(a) IAS 1 requires interest income calculated using the effective interest method (EIR) to be shown separately from other interest income. Interest on loans and advances with negative interest rates is reported under interest expense (under “Financial liabilities – AC”), while interest on liabilities bearing negative interest is recognised as interest income (under “Financial assets – AC”).

Interest payments and accrued interest arising from derivatives are calculated on the basis of the contractual terms of the transaction, and hence not using the effective interest method, and are offset across both legs (fixed and floating).

EUR '000	2024	2023
Interest and similar income measured using the effective interest method	**594,240**	**499,191**
Financial assets – FVOCI	6,933	6,996
Financial assets and liabilities – AC	481,351	409,283
Current finance lease income	105,955	82,913
Interest and similar income not measured using the effective interest method	**111,710**	**103,077**
Financial assets and liabilities – HFT	21,313	24,585
Financial assets – mandatorily FVTPL	2,397	2,619
Hedges	86,295	73,686
Other interest and similar income	1,704	2,187
Interest and similar expense	**-522,133**	**-425,596**
Financial assets and liabilities – HFT	-18,305	-21,670
Financial liabilities – AC	-322,348	-236,565
Hedges	-181,427	-167,357
Lease liabilities in accordance with IFRS 16	-52	-4
Dividend income	**53**	**26**
Net interest income	**183,869**	**176,699**

In 2024, the HYPO NOE Group again reported higher "Net interest income", which rose by 4.1% (2023: 24.3%) to reach a highly encouraging EUR 183,869thsd (2023: EUR 176,699thsd). A strong signal from the customer-facing units in view of the difficult operating environment, this improvement reflected the continued high level of new business in the various customer segments during the reporting period. Targeted and effectively managed refinancing capabilities also contributed to "Net interest income". The Group was able to capitalise on favourable points in time for its refinancing measures on the capital market, while also steadily increasing the level of customer deposits, which was another satisfying development.

Interest capitalised in accordance with paragraph 26(a) IAS 23 totalled EUR 2,577thsd (2023: EUR 3,029thsd). The average capitalisation rate was 4.82% (2023: 3.06%).

Dividends of EUR 53thsd on FVOCI equity instruments (2023: EUR 26thsd) were distributed during the reporting period. None of these were attributable to equity instruments derecognised during the year. They related to CONATUS Grundstückvermietungs Gesellschaft m.b.H. and Adoria Grundstückvermietungs Gesellschaft m.b.H.

Further details are provided in the segment reporting (Note 2 SEGMENT INFORMATION).

4.2.2 Net gains or losses on financial assets and liabilities

Accounting policies

Net gains or losses on disposal contain the net gains or losses recognised through profit or loss on disposal of financial assets reported under "Financial assets – AC" and "Financial assets – FVOCI" (recycling). The net gains on disposal include routine disposals of bonds which are attributed to the "hold to collect and sell" business model and triggered a recycling result by their effective derecognition.

All gains and losses on fair value measurement are reported under "Net gains or losses on financial assets and liabilities". This item includes the effects of measurement of financial instruments in the mandatorily FVTPL, HFT and FVO categories. It also includes direct measurement gains and losses for assets recognised under "Financial assets – AC" and "Financial assets – FVOCI", receipts from written-off receivables, and gains and losses on non-substantial contract modifications. The item "Net gains or losses on derecognition of financial liabilities" discloses the result of applying the offsetting rules under paragraph 3.3.3 IFRS 9 to the repurchase of own issues.

Net gains or losses on the measurement of hedged risk with respect to hedged items (basis adjustment) and the corresponding hedges are shown under net measurement gains or losses on hedges (see Note 4.6.2 Detailed information on hedge accounting).

In accordance with paragraph 20A IFRS 7, the impact of "Net gains on derecognition of financial assets" on earnings results from substantial contract modifications.

EUR '000	2024	2023
Net gains or losses on:	**2,862**	**-11,862**
Disposal	**1,075**	**302**
Financial assets – AC	858	56
Financial assets – FVOCI	217	246
Measurement	**3,252**	**-7,555**
Financial assets and liabilities – AC	-7,398	899
Net gains or losses due to non-substantial modification	-39	91
Direct write-offs/receipts from written-off assets	-7,697	295
Net gains on derecognition of assets	339	513
Financial assets – mandatorily FVTPL	1,832	2,724
Financial assets and liabilities – HFT	9,007	-10,767
Financial assets and liabilities – FVO	-189	-411
Hedging relationships	**-1,465**	**-4,609**
Net losses on hedged transactions (fair value hedges)	-82,242	-116,505
Net gains on hedges (fair value hedges)	80,778	111,896
Net gains on derecognition of financial assets	**581**	**694**
Financial assets – AC	581	694
Net gains or losses on financial assets and liabilities	**3,443**	**-11,169**

The **net measurement gain on "Financial assets – mandatorily FVTPL"** includes the change in the HETA contingent additional purchase price. Details can be found in Note 4.7 Fair value disclosures.

The change in "Direct write-offs/receipts from written-off assets" was attributable to direct write-offs in relation to insolvency proceedings. The largest components under this item were a corporate loan of EUR 5m in the real estate sector and a real estate loan of EUR 2m.

The contractual outstanding amount of written-off financial assets that are subject to **execution measures** was EUR 39,701thsd as at 31 December 2024 (31 Dec. 2023: EUR 14,896thsd).

Detailed disclosures: non-substantial modifications

	2024				2023			
EUR '000	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Net gains or losses due to non-substantial modification of financial assets	2	-53	11	-39	5	84	2	91

	31 Dec. 2024				31 Dec. 2023			
EUR '000	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost before non-substantial modification of financial assets	39,584	81,270	3,956	124,811	37,671	61,578	1,566	100,815

The gross carrying amount of financial assets measured at amortised cost affected by non-substantial modifications that were transferred to Stage 1 during the period was EUR 983thsd as at 31 December 2024 (31 Dec. 2023: EUR 31,982thsd).

4.3 Financial assets

Accounting policies

"Financial assets – HFT" comprises the positive fair value of derivatives held by the Group as economic hedges and not included in hedge accounting. Additional information on these assets is provided in Note 4.6 Derivatives and hedge accounting.

The category "Financial assets – mandatorily FVTPL" contains financial assets not assigned to either the "hold to collect" or "hold to collect and sell" business models, as well as assets assigned to the "hold to collect" and "hold to collect and sell" models that do not meet the SPPI criteria, meaning that the cash flows do not consist solely of payments of principal and interest at market rates.

The "Financial assets – FVOCI" category comprises debt instruments allocated to the "hold to collect and sell" business model. It also includes equity instruments that are financial instruments as defined by IFRS 9. Internal assessments of these entities found that the Group exercised neither control as defined by IFRS 10 nor significant influence as defined by IAS 28, and they were therefore not measured at fair value as prescribed by IFRS 13.

The Group's Management Board has made use of its elective right to classify all equity instruments as "Financial assets – FVOCI" under IFRS 9. The justification for this decision was that these strategic investments are not held for sale and with the objective of generating a profit.

The dividend income included in "Financial assets – FVOCI" is reported under "Dividend income" in the statement of comprehensive income.

The "Financial assets – AC" category contains non-derivative financial assets assigned to the "hold to collect" business model, where the cash flows solely represent payments of principal and interest at market rates. Measurement is at amortised cost, less impairment in accordance with paragraph 5.5 IFRS 9 (for detailed information, see Note 4.5 Credit risk and risk provisions); gains and losses are recognised in profit or loss and amortised over the remaining lives of the assets using the effective interest method. Interest is reported under Note 4.2.1 Net interest income.

Lease agreements concluded by the HYPO NOE Group as the lessor, which are classified as finance leases, are also included in "Financial assets – AC". Finance lease receivables are included under loans. The main determinant of the classification of, and hence the method of accounting for leases is not the legal ownership of the leased property but the substance of the lease. If substantially all the risks and rewards incidental to legal ownership are transferred to the lessee, under IFRS 16 the lease is a finance lease; otherwise it is an operating lease. Instead of recognising the asset, the present value of the future lease payments is recognised, taking account of any residual values. Agreed lease payments are apportioned between the finance charge, recognised in profit or loss, and the reduction in the outstanding liability. The finance charge is reported under "Net interest income" (Note 4.2.1).

Estimation uncertainties and judgements

The designation and assessment of business models is on a portfolio basis. The classification of the portfolios is not arbitrary, but must be based on control of the business activities concerned and objectively supportable.

The Group's business models are as follows:

- "Hold to collect" business model

The HYPO NOE Group's loans are normally held to maturity. However, this business model permits disposals to a limited extent. In principle, minor asset sales are allowed, as well as instances of significant sales transactions provided that these are unusual and seldom occur. Compliance with this rule is monitored by the regular meetings of the ALM Committee.

In the Group's securities business, the "hold to collect" business model is likewise geared to holding the assets concerned to maturity. The focus is on period-focused net interest income management. The debt instrument business of all segments other than Treasury & ALM is likewise assigned to this business model since the intention, as with the lending business, is to hold to maturity.

- "Hold to collect and sell" business model

In the HYPO NOE Group, the "hold to collect and sell" business model is currently used solely in the securities business. The purpose of the securities devoted to this business model is both to collect contractual cash flows by holding the financial assets concerned and to sell. Under this business model, significant and regular sales are neither incidental nor unexpected, but are an integral part of the asset management approach. Consequently, there is no compulsion to hold the assets to maturity.

The HYPO NOE Group currently has no loans within the "hold to collect and sell" business model. If such a designation occurs, similar arrangements to those for securities will be made. Monitoring is performed by the ALM Committee. The FVOCI portfolio is regularly assessed and documented with regard to the frequency of sales of assets subject to the "hold to collect and sell" business model.

The following table shows the HYPO NOE Group's financial assets classified according to paragraph 6 IFRS 7:

EUR '000	31 Dec. 2024	31 Dec. 2023
Cash and balances at central banks	**753,541**	**397,981**
Cash on hand incl. demand deposits	13,900	20,205
Balances at central banks	739,641	377,776
Financial assets – HFT	**157,922**	**150,622**
Positive fair value of interest rate derivatives	66,670	76,513
Positive fair value of foreign exchange derivatives	91,251	74,109
Financial assets – mandatorily FVTPL	**68,141**	**108,192**
Loans	60,518	65,101
General governments	29,208	28,580
Other financial corporations	613	739
Non-financial corporations	21,913	24,439
Households	8,782	11,342
Bonds	7,624	43,091
General governments	7,624	8,199
Banks	-	34,892
Financial assets – FVOCI	**207,911**	**225,588**
Bonds	205,566	223,538
General governments	119,376	148,266
Banks	75,948	65,164
Other financial corporations	10,243	10,109
Equity instruments	2,344	2,051
Other financial corporations	1,510	1,474
Non-financial corporations	786	533
Financial assets – AC	**14,708,988**	**14,229,790**
Loans	12,999,360	12,678,340
General governments	4,120,738	4,139,527
Banks	259,952	354,441
Other financial corporations	130,165	150,619
Non-financial corporations	5,994,099	5,598,025
Households	2,494,407	2,435,728
Bonds	1,709,628	1,551,450
General governments	568,186	523,466
Banks	873,527	770,165
Other financial corporations	227,915	226,469
Non-financial corporations	40,000	31,350
Total	**15,896,503**	**15,112,173**

The HETA contingent additional purchase price is included in loans recognised in the "Financial assets – FVTPL" category, under "General governments", and amounted to EUR 28,629thsd. Further details regarding HETA can be found in Note 4.7.2 Fair value hierarchy: Level 3 disclosures.

Financial assets include EUR 159,185thsd denominated in foreign currency pursuant to section 64(1)(2) Austrian Banking Act (31 Dec. 2023: EUR 178,847thsd).

The companies listed below were recognised as “Financial assets – FVOCI (equity instruments)”.

Company name	Interest	Fair value 31 Dec. 2024	Fair value 31 Dec. 2023
Equity instruments		**2,344**	**2,051**
NÖ Bürgschaften und Beteiligungen GmbH	5.82%	791	762
Hypo-Wohnbaubank Aktiengesellschaft	12.50%	719	712
Hypo-Banken-Holding Gesellschaft m.b.H.	12.50%	704	458

4.3.1 Analysis of financial assets by maturities

The following table shows a breakdown of residual maturities in accordance with section 64 Banking Act:

EUR '000	31 Dec. 2024	31 Dec. 2023
Financial assets – HFT	**157,922**	**150,622**
Up to 3 months	1,311	268
3 months to 1 year	41,582	1,467
1 to 5 years	14,191	54,407
Over 5 years	100,838	94,479
Financial assets – mandatorily FVTPL	**68,141**	**108,192**
Repayable on demand	877	1,204
Up to 3 months	745	505
3 months to 1 year	9,915	39,718
1 to 5 years	41,957	49,418
Over 5 years	14,648	17,348
Financial assets – FVOCI	**207,911**	**225,588**
Repayable on demand	2,344	2,051
Up to 3 months	30,804	16,347
3 months to 1 year	32,643	13,043
1 to 5 years	67,895	127,806
Over 5 years	74,225	66,342
Financial assets – AC	**14,708,988**	**14,229,790**
Repayable on demand	368,114	117,866
Up to 3 months	393,652	325,939
3 months to 1 year	1,275,778	1,328,948
1 to 5 years	4,411,446	4,526,197
Over 5 years	8,259,997	7,930,841
Positive fair value of derivatives (hedge accounting)	**280,356**	**315,691**
Up to 3 months	1,170	1,362
3 months to 1 year	2,927	21,122
1 to 5 years	102,174	95,323
Over 5 years	174,085	197,884
Other assets	**30,587**	**29,700**
Repayable on demand	19,886	17,375
Up to 3 months	5,230	5,579
3 months to 1 year	1,571	1,250
1 to 5 years	2,381	3,387
Over 5 years	1,519	2,107

Receivables falling due within one year from bonds and other fixed-income securities pursuant to section 64 Banking Act stood at EUR 128,087thsd (31 Dec. 2023: EUR 80,026thsd), and those from bonds issued at EUR 1,128,365thsd (31 Dec. 2023: EUR 757,753thsd).

4.3.2 Supplementary information concerning financial assets

Finance leases (with the Group as lessor)

Net investment in finance leases is included under the "Financial assets – AC" item.

EUR '000	31 Dec. 2024	31 Dec. 2023
Gross investment	**3,235,087**	**3,023,048**
Minimum lease payments	2,968,753	2,773,416
Up to 1 year	228,934	211,735
1 to 2 years	240,229	227,088
2 to 3 years	233,681	221,365
3 to 4 years	222,133	214,672
4 to 5 years	216,288	204,502
Over 5 years	1,827,488	1,694,054
Unguaranteed residual values	266,334	249,633
Unearned finance income	**-863,297**	**-861,474**
Up to 1 year	-91,223	-92,541
1 to 2 years	-85,319	-86,855
2 to 3 years	-79,626	-81,000
3 to 4 years	-73,791	-75,173
4 to 5 years	-68,204	-69,188
Over 5 years	-465,134	-456,717
Net investment	**2,371,790**	**2,161,574**

Regional authorities – primarily the State of Lower Austria and Lower Austrian local authorities – account for around 95% (31 Dec. 2023: 96%) of the finance leases written (as a proportion of assets). The rest of the lessees are business customers, other public agencies or associations. About 91% (31 Dec. 2023: 96%) of the lease assets in question are property. Under finance leases, land and buildings are treated as a single unit, but a small amount of equipment is also involved, often directly related to the real estate financed by the leases. Most of the leased properties are hospitals, care homes, office buildings and schools, while the equipment largely relates to furnishings treated as separate assets, and to medical equipment.

EUR '000	31 Dec. 2024	31 Dec. 2023
Minimum lease payments	2,968,753	2,773,416
Unearned finance income	-863,297	-861,474
Net present value of minimum lease payments	**2,105,456**	**1,911,941**
Unguaranteed residual values	266,334	249,633
Net investment	**2,371,790**	**2,161,574**

Disclosures on operating leases concluded by the HYPO NOE Group as lessor and as lessee can be found in Note 6.1 Investment property, intangible assets, and property, plant and equipment.

Transfer of financial assets

The HYPO NOE Group engages in transactions that result in the transfer of assets. Assets transferred within the Group either remain on the statement of financial position or are derecognised in accordance with paragraph B3.2.1 IFRS 9. Transferred assets are derecognised if substantially all risks and rewards incidental to ownership of the assets are also transferred.

The following table shows the carrying amounts of financial assets that were transferred.

At the HYPO NOE Group, transferred financial assets that are not derecognised mainly relate to loans, as well as pension and securities-lending transactions.

	31 Dec. 2024		31 Dec. 2023	
EUR '000	Transferred assets	Related liabilities	Transferred assets	Related liabilities
Financial assets – AC	**80,238**	**80,238**	**83,592**	**83,592**
Loans	80,238	80,238	83,592	83,592
Total	**80,238**	**80,238**	**83,592**	**83,592**

Securities admitted to trading

The following table shows securities admitted to trading in accordance with section 64(1)(10) Banking Act:

	Listed		Not listed	
EUR '000	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Bonds and other fixed-income securities	1,182,151	1,062,806	-	-
Total	**1,182,151**	**1,062,806**	**-**	**-**

As at the end of the reporting period there were no pension or securities-lending transactions. Transferred assets in accordance with paragraph 3.2.4 IFRS 9 in conjunction with paragraph 42A IFRS 7 consisted solely of loans. The entitlement to regular cash flows from a project loan was divested in order to repay liabilities arising from refinancing; however, the Group retained substantially all of the associated risks and rewards (valid lease agreement).

4.4 Financial liabilities

Accounting policies

The category "Financial liabilities – HFT" comprises the negative fair value of derivatives held by the Group as economic hedges and not included in hedge accounting. Additional information can be found in Note 4.6 Derivatives and hedge accounting.

"Financial liabilities – FVO" comprises liabilities for which the option to designate a financial liability as at fair value through profit or loss has been exercised, in order to eliminate measurement inconsistencies in accordance with paragraph 4.2.2(a) IFRS 9.

"Financial liabilities – AC" comprises financial liabilities, including bonds in issue, for which the option of measurement at fair value through profit or loss was not exercised.

"Financial liabilities – AC" are measured at amortised cost. Gains and losses on bonds in issue are amortised in accordance with the effective interest method, over the maturities of the liabilities. Interest expense is reported under Note 4.2.1 Net interest income.

The remainder of the financing obtained under the Targeted Longer-Term Refinancing Operation (TLTRO) programme was repaid on 26 June 2024. The nominal value as at 31 December 2023 was EUR 185,000thsd. This was reported at amortised cost under "Financial liabilities – AC", in accordance with paragraph 4.2.1 IFRS 9, and amounted to EUR 189,918thsd as at 31 December 2023.

Recognised for the final time in the current reporting period, as "Interest and similar expense" under "Financial assets – AC" (see Note 4.2.1 Net interest income), the resulting interest expense stood at EUR 3,161thsd (2023: EUR 15,427thsd). The effect pursuant to paragraph B5.4.6 IFRS 9, amounting to EUR 457thsd (2023: EUR 938thsd), had a positive impact on net interest income.

4.4.1 Financial liabilities by financial instrument class

The following table lists the HYPO NOE Group's financial liabilities, broken down into financial instrument classes, in accordance with paragraph 6 IFRS 7:

EUR '000	31 Dec. 2024	31 Dec. 2023
Financial liabilities – HFT	**142,001**	**141,766**
Negative fair value of interest rate derivatives	53,950	59,445
Negative fair value of foreign exchange derivatives	88,051	82,321
Financial liabilities – FVO	**5,839**	**5,650**
Other financial liabilities	5,839	5,650
Financial liabilities – AC	**14,762,832**	**13,898,367**
Savings and savings-equivalent deposits	1,609,926	1,315,389
Deposits	4,049,048	3,966,780
Banks	1,502,227	1,827,445
General governments	878,849	724,887
Other financial corporations	198,957	167,098
Non-financial corporations	881,631	660,473
Households	587,383	586,877
Bonds in issue	9,103,858	8,616,198
Covered bonds	2,523,283	2,004,505
Municipal bonds	3,923,347	3,378,531
Other bonds	2,657,228	3,233,162
Total	**14,910,672**	**14,045,783**

"Financial liabilities – FVO" comprises a liability related to the HETA contingent additional purchase price. Details can be found in Note 4.7.2 Fair value hierarchy: Level 3 disclosures.

Financial liabilities include EUR 526,143thsd denominated in foreign currency pursuant to section 64(1)(2) Banking Act (31 Dec. 2023: EUR 637,476thsd).

4.4.2 Analysis of financial liabilities by maturities

The following table shows a breakdown of residual maturities in accordance with section 64 Banking Act:

EUR '000	31 Dec. 2024	31 Dec. 2023
Financial liabilities – HFT	**142,001**	**141,766**
Up to 3 months	50	8,182
3 months to 1 year	39,769	1,294
1 to 5 years	12,711	51,536
Over 5 years	89,471	80,754
Financial liabilities – FVO	**5,839**	**5,650**
1 to 5 years	5,839	5,650
Financial liabilities – AC	**14,762,832**	**13,898,367**
Repayable on demand or no fixed term	2,314,236	2,206,045
Up to 3 months	870,410	545,927
3 months to 1 year	2,215,160	1,751,493
1 to 5 years	5,205,491	5,361,341
Over 5 years	4,157,535	4,033,561
Negative fair value of hedges (hedge accounting)	**366,872**	**496,887**
Up to 3 months	2,551	208
3 months to 1 year	13,237	40,542
1 to 5 years	110,530	179,314
Over 5 years	240,554	276,823
Other liabilities	**132,375**	**119,305**
Repayable on demand or no fixed term	12,634	29,882
Up to 3 months	33,627	21,392
3 months to 1 year	40,969	23,889
1 to 5 years	43,949	42,979
Over 5 years	1,196	1,164

4.4.3 Off-balance-sheet transactions

EUR '000	31 Dec. 2024	31 Dec. 2023
Guarantees and financial guarantee contracts	62,776	50,578
Contingent liabilities	**62,776**	**50,578**
Unutilised facilities	**878,822**	**1,086,314**
Off-balance-sheet transactions	**941,598**	**1,136,893**

Unutilised facilities

"Unutilised facilities" includes both unused loan facilities and revolving borrowing facilities (e.g. overdraft facilities) where there is a very high probability that the unused credit facilities will be used within a contractually specified period. By contrast, credit lines can be used at any time, implying a higher degree of uncertainty with regard to utilisation and the maturity date. The amounts disclosed for unutilised credit facilities include amounts listed in Note 10.4 Disclosures on related-party relationships.

Obligation to become a member of a deposit protection scheme

Since 1 January 2019, HYPO NOE Landesbank has been a member of the Einlagensicherung AUSTRIA Ges.m.b.H. (ESA) deposit protection scheme, in accordance with its obligations under sections 93 and 93a Austrian Banking Act as well as the Austrian Einlagensicherungs- und Anlegerentschädigungsgesetz (Deposit Guarantee Schemes and Investor Compensation Act).

Interbank exemption

In June 2024, in a pending case regarding a complaint lodged by an Austrian bank relating to the applicability of the VAT exemption ("interbank exemption") under section 6(1)(28) final sentence of the Austrian Umsatzsteuergesetz (Value Added Tax Act) 1994, the Federal Finance Court decided to submit the question of whether this exemption represents state aid in the meaning of Article 107(1) Treaty on the Functioning of the European Union (TFEU) to the European Court of Justice (ECJ) for adjudication. If the ECJ rules that the interbank exemption represents state aid, there is a risk that section 6(1)(28) final sentence of the Austrian Value Added Tax Act will be retrospectively repealed, and that VAT not paid by HYPO NOE Landesbank in the past under this provision will have to be paid to the Republic of Austria. This is in spite of the fact that the VAT exemption was enshrined in Austrian law at the time, meaning that application was mandatory. In the meantime, Austrian legislators have responded to the referred matter by pointing out that the corresponding tax exemption was annulled with effect from 1 January 2025, with the justification that the exemption was not consistent with the EU VAT Directive and therefore had no basis in EU law. As a result, the risk described above only applies to previous periods. Future legal developments are unclear and it remains to be seen whether and when the ECJ will make a decision on potential initiation of state aid proceedings. With regard to the legal assessment, the Group shares the official view of the Republic of Austria, which – as it pointed out in a statement – assumes "that a tax regulation like that in the main proceedings does not contravene the prohibition of state aid under Article 107(1) TFEU, because the criteria under state aid law – advantage, selectivity, distortion of competition and restriction of trade between member states – are not met." The Group's internal calculations – based on the assumption that, contrary to the view above, state aid proceedings are initiated – suggest potential impending losses of between EUR 1.5m and EUR 2.5m. This range of potential losses reflects uncertainty regarding the exact period of any retroactive effect, and whether only VAT from appealable periods – which at present would extend back to 2018 – or non-appealable years (2017 and earlier) would be recovered under state aid proceedings. Furthermore, it is not possible to accurately predict when the European Commission would initiate such proceedings.

4.4.4 Supplementary information on financial liabilities

Mortgage banking in accordance with the Pfandbriefgesetz (Covered Bond Act)

31 Dec. 2024, EUR '000	Coverage required for bonds in issue	Coverage of:		Surplus coverage
		Loans	Securities	
Covered bonds	2,860,704	3,186,645	15,893	341,834
Public sector covered bonds	4,024,313	4,864,653	87,053	927,392
Total	**6,885,017**	**8,051,298**	**102,946**	**1,269,226**

31 Dec. 2023, EUR '000	Coverage required for bonds in issue	Coverage of:		Surplus coverage
		Loans	Securities	
Covered bonds	2,636,433	3,053,973	13,350	430,890
Public sector covered bonds	3,541,566	4,701,157	88,263	1,247,854
Total	**6,178,000**	**7,755,131**	**101,613**	**1,678,744**

EUR '000	31 Dec. 2024	31 Dec. 2023
Assets pledged as collateral		
Cover pool for covered bonds and public sector covered bonds (bond issues)	**8,154,243**	**7,856,744**
Covering loans	8,051,298	7,755,131
Securities	102,946	101,613
Marketable collateral (securities) delivered to the collateral custody account with the OeNB (for "Financial liabilities – AC")* **	**939,445**	**973,144**
Non-marketable collateral (loans) transferred to the OeNB (for "Financial liabilities – AC")*	**197,727**	**321,935**
*OeNB tenders	-	390,018
Securities pledged to the EIB (for "Financial liabilities – AC")	**97,206**	**89,888**
Loans pledged to the EIB (for "Financial liabilities – AC")	**592,918**	**542,647**
Loans pledged for other deposits (for "Financial liabilities – AC")	**393,190**	**402,636**
Collateral delivered (cash) (for derivatives)	255,502	320,183
Coverage of trustee savings accounts (securities)	**7,011**	**6,821**
Trustee savings accounts requiring coverage***	3,587	4,251
Surplus coverage	3,424	2,570

******In addition, repurchased covered bonds of EUR 250m (2023: EUR 500m) were delivered to the OeNB as collateral, which is not recognised in the statement of financial position due to IFRS offsetting rules

***Furthermore, trustee savings accounts amounting to EUR 328,838 (2023: EUR 173,935) are covered by a state guarantee

Contingent liability of the State of Lower Austria

Under section 1356 Austrian Civil Code, the State of Lower Austria is liable, as the deficiency guarantor, for all the liabilities incurred by HYPO NOE Landesbank up to and including 2 April 2003. Liabilities incurred between 3 April 2003 and 1 April 2007 were covered by the state guarantee, provided that their maturities did not extend beyond 30 September 2017. The guarantee does not cover liabilities incurred after 1 April 2007 or falling due after 30 September 2017. As at 31 December 2024, state guarantees of issues, deposits and other liabilities amounted to EUR 87,459thsd (31 Dec. 2023: EUR 93,293thsd) for the HYPO NOE Group.

4.5 Credit risk and risk provisions

4.5.1 Credit risk

The credit risk strategy maps out the framework for managing individual, Bank-specific credit risks. These include:

- Counterparty risk
- Replacement risk
- Issuer risk
- Investment risk
- Customer foreign exchange risk (foreign-currency-induced credit risk)
- Customer fixed interest risk
- Repayment vehicle risk
- Lease residual value risk
- Country risk/transfer risk and conversion risk
- Residual risk arising from credit risk mitigation techniques
- Settlement risk (prepayment and clearing risk)
- Securitisation risk
- Dilution risk
- Central counterparty (CCP) risk
- Concentration risk present in credit risk incl. the banking book
- Migration risk
- Sustainability risk

The main credit risks to which the HYPO NOE Group is exposed are counterparty risk (loans), replacement risk (derivatives), issuer risk (securities) and the concentration risk present in credit risk.

The Group is also susceptible to investment risk, customer foreign currency credit risk, repayment vehicle risk and country risk, all of which are accordingly limited and monitored.

The importance of sustainability risks has grown significantly, and they have therefore been recognised as a separate key risk sub-category. The HYPO NOE Group has implemented strict internal standards for socially responsible and sustainable business practices. As a result, material aspects of sustainability risk have already been incorporated into its lending processes, and these will continue to be refined. In addition, aspects of sustainability relevant to credit risk are being evaluated and reconsidered on an ongoing basis.

Principles derived from the objectives outlined in the Group's risk management strategy provide the framework for exposure to and management of individual credit risks. These principles are implemented by the Operating Credit Risk Management and Strategic Risk Management departments, by means of an appropriate reporting system, coordinated limits, suitable assessment and measurement methods, and transparent processes.

The HYPO NOE Group's credit risk strategy is based on the following risk management principles:

- Identifying and regularly appraising credit risks
- Determining models and processes for measuring identified credit risks, and regularly reviewing their suitability
- Quantifying credit risk, using the methods established for this purpose
- Identifying and complying with legislative and regulatory frameworks
- Determining Management's risk appetite/tolerance
- Appropriate limiting and monitoring of credit risk on the basis of the predetermined risk tolerance
- Regular, goal-driven reporting
- Use of methods and processes tailored to the risk-weighted calculation of credit risk costs

Credit risk in the narrow sense

Credit risk should be seen as the risk of a change in creditworthiness. In other words, monitoring it involves keeping a watch on the risk of a deterioration in creditworthiness and, in the worst case, the default of the counterparty or guarantor.

Credit risk is classified according to the product groups concerned, as follows:

In the lending business, counterparty risk is the risk of complete or partial loss due to a default or a deterioration in the counterparty's creditworthiness. In this case, from the Bank's perspective, credit risk exists over the entire lifetime of a transaction, from the time of its conclusion through to its termination.

Replacement risk exists in the case of derivatives (including forwards and futures, and credit derivatives) that are subject to fixed price agreements, the market prices of which could change during their lifetimes. If a party to a contract drops out during the lifetime of the derivative, the Bank must conclude a new contract for the remaining maturity, at the market price ruling at that time. If the current price is unfavourable for the Bank, the replacement transaction results in costs or losses. The Bank is exposed to counterparty risk throughout the lifetime of a transaction.

Similarly, issuer risk means the risk of complete or partial loss due to a default of the counterparty where the latter is an issuer of securities. From the Group's perspective, issuer risk also exists from the time of conclusion of the transaction until its termination, i.e. over its entire lifetime.

The HYPO NOE Group calculates the capital charge for credit risk (counterparty risk, replacement risk and issuer risk) for regulatory purposes (Pillar 1) using the standardised approach required by Chapter 2 of Title II of Part 3 of the CRR, and applying the "simple" credit risk mitigation method.

The calculation of own funds requirements (unexpected loss) with regard to counterparty risk, replacement risk and issuer risk, as part of Pillar 2 of the Internal Capital Adequacy Assessment Process (ICAAP), is derived from the formulas for the internal ratings-based (IRB) approach set out in Article 153ff CRR.

IRB approach (holding period of one year, 99.9% confidence level), EUR '000	31 Dec. 2024	31 Dec. 2023
Credit risk (counterparty, replacement and issuer risk)	-197,831	-222,146

Credit risk analysis

Lending accounts for a significant proportion of the HYPO NOE Group's core business, meaning that assuming, managing and limiting credit risks are among the Group's core competences. Lending activities, the valuation and classification of collateral, and credit ratings are all governed by strategic, organisational and substantive guidelines, the fundamental principles of which are embedded in the Group risk manual. These rules also deal with decision-making authorities, credit rating and collateral classification procedures, as well as guidelines for credit risk policy, and lending and loan management processes.

Operating Credit Risk Management is responsible for all activities related to assessing, monitoring, managing and limiting risks associated with on-balance-sheet and off-balance-sheet receivables at the individual customer level.

This department's duties primarily involve checking the form and content of loan applications and providing second opinions. It also has sole responsibility for confirming rating assessments (apart from those in the low-volume retail lending business).

Operating Credit Risk Management also reviews early warning signs (which it is mainly alerted to by Credit Services or through the early warning system) in order to spot potential problem customers and initiate countermeasures in good time. The appearance of certain early warning indicators (such as economic or political instability or negative stock exchange announcements) results in loans being designated as "watch loans". This designation is applied to all customers with ratings of between 4C and 4E. If a customer experiences financial difficulties and concessions are contractually agreed with them, the customer is designated as being subject to forbearance. If the decision is taken to make individual customers the subject of increased monitoring, these customers are also categorised as watch loans. In the event of a significant and lasting deterioration in creditworthiness as compared to the time of initial recognition, the customer concerned is also flagged as "intensive care". All forbearance, watch loan and intensive care customers are monitored more closely, and their cases are reviewed on a quarterly basis by the Problem Loans Committee. The committee also takes any decisions

related to exposure policy. As at 31 December 2024, the volume of designated watch loans stood at EUR 494.4m (31 Dec. 2023: EUR 446.5m). This increase reflects rises in the level of watch loans across all customer segments, although most of the decline is accounted for by Real Estate Customers.

Primary responsibility for loans subject to intensive care lies with the front office unit concerned and Operating Credit Risk Management. In certain cases, Intensive Care Management provides support in the form of action plans and attendance at meetings with the customer. The goal of intensive care is to eliminate uncertainty regarding the risk situation, and to reach a decision on whether the exposure can be returned to normal service or needs to be transferred to Intensive Care Management due to increased risk.

If the heightened risk factors must be regarded as lasting, meaning that there is an acute threat to the continued existence of the debtor, or if the exposure threatens to significantly impact the Bank's risk position, due mainly to its size, Intensive Care Management is informed immediately by the front office unit concerned.

Intensive Care Management is responsible for managing distressed loans and Stage 3 impairment gains/losses on financial assets in accordance with IFRS 9.

Credit risk monitoring

Operating Credit Risk Management is responsible for risk monitoring at individual customer level; this involves checking credit ratings, monitoring blacklists drawn up by Credit Services, and processing loan applications that potentially entail significant risks. In addition, relationship managers are required to prepare comprehensive reviews of the current situation for each customer when necessary, and at least once a year, irrespective of the customer segment, the amount of the exposure and the credit rating (the only exceptions are low-risk transactions). The reviews are submitted to the managers with the requisite decision-making authority. Customers who attract notice (where this is relevant in terms of risk) are designated as watch loans and monitored by Operating Credit Risk Management. Where there is a significant deterioration in the risk situation, the exposures become the responsibility of the specialists in Intensive Care Management, who are not involved in front office approval.

Where necessary, an assessment is carried out immediately to determine whether risk provisions for the exposure in question will be calculated in Stage 3 in future, using a fully automated or expected cash flow (ECF) method, due to attainment of the significance threshold. If risk provisions for the Stage 3 loan in question are calculated using the ECF method, a decision must be made as to whether an ECF analysis is required immediately, i.e. outside the quarterly process cycle. If not, the risk provisions for the Stage 3 exposure are calculated prior to the next regular ECF process cycle, using the fully automated method. Customers with 5A ratings are transferred to Intensive Care Management in the month following that in which the rating is assigned at the latest.

Lending facilities for own investments, money market investments and derivatives are submitted to the Supervisory Board for authorisation once every half-year. Compliance with these facilities is monitored on an ongoing basis, and regular reports are sent to the Supervisory Board. Such facilities are principally requested for sovereigns, regional governments, and Austrian and foreign banking groups.

The Strategic Risk Management Department also monitors credit risk at portfolio level. The Management Board is kept informed of changes in credit risks by means of monthly credit risk reports, and regular or ad hoc reports on risk-related issues. The Management Board and selected senior managers receive comprehensive information on the Group's risk situation, and hold in-depth discussions on selected issues, at meetings of the Risk Management Committee (RICO), during which any necessary measures are discussed, agreed and monitored.

Risk concentrations

In the HYPO NOE Group, risk concentrations are identified and monitored using country and industry limits, and by means of internal capital charges for name concentrations, as well as securities, derivatives and money market facilities, and a limit for related-party transactions.

Name concentration risk

The concentration in the Public Sector segment reflects the HYPO NOE Group's strategic focus on Austria, and Lower Austria in particular. The portfolio in question is essentially granular, and partly comprises loans to sovereigns, state

governments and local authorities, where the emphasis is mainly on finance for social and public infrastructure, and for subsidised home loans.

The concentration risk component of credit risk, as part of Pillar 2 of the ICAAP, is calculated using the granularity adjustment method. The credit risk is calculated using the formulas for the IRB approach, and adjusted by applying a concentration risk factor:

Granularity adjustment (holding period of one year, 99.9% confidence level), EUR '000	31 Dec. 2024	31 Dec. 2023
Concentration risk inherent in credit risk	-23,602	-22,595

The slight increase in concentration risk is attributable to a regular update of unsecured LGDs for the sovereigns customer group according to the rating class.

The following table presents the risk volume (not a financial reporting item, but in line with internal risk assessment practices) of the five largest name concentrations (excluding balances at the OeNB), which principally comprise amounts receivable from public sector customers and non-profit housing associations.

EUR '000	31 Dec. 2024	31 Dec. 2023
1	5,416,817	5,529,237
2	237,621	257,288
3	236,716	160,365
4	164,630	161,732
5	153,221	154,926

Country risk

Country risks are operational banking risks that arise in the international lending business due to a foreign country's insolvency (business risk) or unwillingness to pay (political risk). As a result, this is an overarching category of risk, which may affect both creditors and borrowers but cannot be influenced or managed by either. Other elements of country risk are transfer and conversion risk, which represent limitations on foreign currency dealings caused by the above risks.

Country risk is managed by setting country limits for the target countries, and by limiting the entire outstanding foreign exposures to 20% of total Group assets, as well as confining foreign lending operations (in the Public Finance, Real Estate Project Finance and Corporate Customers control units) to 8% of total Group assets (early warning level).

Operating Credit Risk Management oversees utilisation of the individual country limits, while monitoring of the portfolio country limits takes place at the quarterly RICO meetings.

The table below shows the aggregate risk exposures (in line with internal aggregate banking risk management approaches) of the five largest countries.

EUR '000	31 Dec. 2024	31 Dec. 2023
Austria	13,803,924	13,298,779
Germany	426,463	423,883
Netherlands	373,122	353,987
France	288,827	236,293
Poland	226,755	228,183

Breakdown of the aggregate lending exposure (in accordance with the CRR) by item in the statement of financial position

The table below shows the breakdown of the aggregate lending exposure, which forms the basis for internal portfolio management, by statement of financial position items. In its approach to internal risk management, the Bank takes an economic view of its credit risk exposures, which may not be fully consistent with the IFRS statement of financial position. Exposure at default (EAD) is calculated on the basis of the following premises:

- An empirically determined credit conversion factor (CCF) is applied to determine the aggregate risk exposures (EAD) arising from contingent assets (guarantees and credit facilities).
- The fair value of the items in question is used when determining internal credit risk for securities in the banking book and the small trading book (i.e. all IFRS classes), since risk coverage capital includes hidden reserves and potential liabilities.
- Cash collaterals for derivatives are offset against fair value when determining internal exposures. Credit risk is also calculated for any excess cash collaterals.
- Equity holding exposures are presented as investment risk based on their IFRS classification, in accordance with Article 165 CRR, and are not included in credit risk.

Risk exposure by statement of financial position items	31 Dec. 2024	31 Dec. 2023
Cash and balances at central banks	744,150	385,824
Financial assets – HFT (held for trading)	252,720	243,031
Financial assets – mandatorily FVTPL (mandatorily measured at fair value through profit or loss, and not held for trading)	40,744	82,309
Financial assets – FVOCI (measured at fair value through other comprehensive income)	193,512	212,702
Financial assets – AC (measured at amortised cost)	14,731,069	14,428,631
Derivatives – positive fair value of hedges (hedge accounting)	19,052	27,394
Tangible assets	72,099	67,767
Intangible assets	2	3
Tax assets	384	239
Other assets	11,900	7,657
Total	**16,065,631**	**15,455,557**
Off-balance-sheet	309,140	290,672
Aggregate risk exposures	**16,374,771**	**15,746,229**

Credit risk management

The tables below correspond to the internal risk monitoring data which is regularly reported to the Management Board and is used for internal aggregate banking risk management (Pillar 2).

The credit risk management system is based on control units, and the risk exposure for each control unit is shown in the following table:

Control units, EUR '000	31 Dec. 2024	31 Dec. 2023
Public Finance	7,237,764	7,445,961
Real Estate Project Finance	1,051,267	1,001,888
Treasury & ALM	2,597,271	2,172,077
Housing Development	2,384,594	2,248,777
Housing and Commercial Property Austria	605,492	506,952
Retail	1,676,457	1,585,261
Corporate Customers	821,924	785,313
Total	**16,374,771**	**15,746,229**

Credit risk management is also carried out on the basis of credit ratings. The exposures in each rating category are as follows:

Rating categories, EUR '000	31 Dec. 2024	31 Dec. 2023
1A – 1E:	8,490,782	8,110,921
2A – 2E	4,730,469	4,482,357
3A – 3E	2,412,480	2,466,812
4A – 4E	339,020	358,400
5A – 5E	402,020	327,739
Total	**16,374,771**	**15,746,229**

Credit risk management on an economic basis is also applied via the Basel segments shown below. The Basel segments do not correspond to the breakdown used in the Bank's segment information, but instead form the basis for allocations to the risk exposure class in accordance with Article 112 CRR. A breakdown of risk exposures by Basel segment is shown in the table below:

Basel segments, EUR '000	31 Dec. 2024	31 Dec. 2023
Banks	1,112,103	1,070,245
Sovereigns	1,171,428	869,013
State governments and local authorities	4,211,630	4,129,661
Multilateral development banks	56,931	54,731
International organisations	50,897	29,541
Public sector enterprises	452,226	490,485
Special purpose finance (income producing real estate [IPRE] and project finance)	1,753,457	1,604,418
Corporate Customers	5,163,576	5,157,430
Retail	2,322,449	2,258,497
Religious communities	1,587	1,765
Associations, insurance companies and leasing companies	78,487	80,443
Total	**16,374,771**	**15,746,229**

Credit risk mitigation

Alongside the borrower's creditworthiness, collaterals are one of the key determinants of credit risk, and they therefore have a significant influence on the prescribed capital charge for a loan. To benefit from the available credit risk mitigation techniques, the minimum requirements specified in the Group collateral manual must be met. These relate both to the type of collateral furnished and to the internal processes.

The collateral list shows all permissible forms of collateral in the HYPO NOE Group. The principal categories of CRR-compliant collateral that are relevant to the HYPO NOE Group are guarantees (mainly public sector), mortgages and pledges. A substantial proportion of the Group's total lending relates to the purchase of subsidised homebuilding loans from the State of Lower Austria. Most of this exposure is secured by a guarantee from the State of Lower Austria; the remainder is collateralised by means of pledged cash deposits. The policy on collaterals has remained unchanged since last year.

The measurement and classification of collateral are subject to strict organisational and substantive rules. Throughout the Group, a distinction is made between collateral recognised for regulatory purposes and its economic value. Usually, the relationship managers check the legal status and the economic value of the collateral – with particular reference to the current market environment – when the initial loan application is made, at least once a year when the application is resubmitted, and whenever circumstances require. Operating Credit Risk Management checks the information, as well as the assumptions and underlying parameters as part of the credit review process.

The HYPO NOE Group determines the fair value of mortgage collateral in compliance with the applicable statutory regulations and standards. The Group uses established valuation methods and software for this purpose. Depending on the type of property concerned, the methods employed include the income approach, the comparative value approach, the cost approach, the discounted cash flow method, or a combination of approaches. Standard residential properties are valued by means of an automated, statistically validated system. The relationship managers input the property data required for the valuation. The operational department responsible assesses these valuations on the basis of a random

sample. Specially trained and, in some cases, certified assessors value other forms of real estate collateral. If necessary, valuations are performed by externally certified property valuers, and their plausibility is checked internally. In customer reviews at both individual customer and portfolio level, there is now a stronger focus on the current upheaval on the real estate market, and in the commercial segment in particular. The uncertainty surrounding the fair values of real estate in Germany is reflected in the writedown of mortgaging values.

Property collaterals are initially valued as part of the credit rating process, and in all events prior to disbursal of a loan. Collaterals are then tested for impairment annually and, where necessary, revalued. In addition, collateral values are index-linked and reviewed annually based on market data. One-off revaluations of real estate collaterals occur if an exposure is classified as a non-performing loan and:

- the valuation is out of date, or
- was made using an automated process, or
- there are suspicions of a material change in value.

Collaterals on a property are revalued annually as long as the exposure is classed as non-performing. Furthermore, one-off valuations of commercial properties are carried out if, since the previous valuation:

- the vacancy rate has increased by ten percentage points, or
- net rental income has fallen by 15%, or
- an anchor tenant is insolvent, and space has not been let to a new anchor tenant within the past six months.

The residual risk arising from the use of credit risk mitigation techniques is the danger that recognised risk mitigation techniques employed by the Bank will be less effective than expected. This relates to the approaches adopted, the valuation arrived at, and the enforceability of collaterals. This risk is addressed by determining mortgaging values and losses given default (LGDs). The mortgaging values contained in the collateral list include discounts on the fair value or nominal value arrived at by means of the collateral valuation process. The discounts reflect the risks associated with valuation and realisation.

Current credit risk situation

The Group's loan and investment portfolio largely consists of risk-conscious loans to public sector borrowers such as sovereigns, the Austrian federal government, state governments and local authorities (and their associated enterprises) – mainly in Lower Austria – as well as loans to banks with good external ratings (predominantly own investments, derivatives and money market investments), and generally well-collateralised loans to housing construction companies (both large housing associations and commercial developers).

The HYPO NOE Group also finances real estate projects with good to excellent ratings, as well as infrastructure companies, corporate and retail customers, and small and medium-sized enterprises.

Non-performing loan (NPL) coverage is a key performance measure for banks in connection with financial assets in default. The NPL coverage ratio is defined as total Stage 3 risk provisions plus collaterals, divided by the sum of the gross carrying amounts of NPLs (financial assets – AC [excluding banks]). The coverage ratio for the Group as at 31 December 2024 was 89.13% (31 Dec. 2023: 102.93%). This decrease was due to more cautious valuation of mortgage collaterals in the course of the regular updates of expert opinions.

The refinement of the credit risk management system involves: enhancing processes for managing high-risk cases (early warning system, forbearance, watch list, and continuous evaluation of impairment losses); tighter monitoring; and active portfolio management (increasing portfolio granularity, risk transfer, risk concentrations, and improving the structure and concentration of collateral).

Effects of current crises and events

The HYPO NOE Group does not have any direct outstanding loans in Russia, Ukraine, Israel or the Arab states. Alongside the risks associated with the current interest rate environment, the primary risk factors are seen as persistently weak growth as well as economic uncertainty. These factors are analysed and taken into consideration in the regular assessment of creditworthiness (in the form of downgrades or designation of the customers concerned as watch loans, where necessary).

In light of the flooding in Lower Austria in September 2024, the analysis focused primarily on mortgage collateral in the retail customer segment. The affected regions and the residential properties there were identified, and an assessment was carried out to establish whether portfolio-wide reductions in fair value as well as qualitative stage transfers of customers in these regions would have to be applied. Regarding the fair value adjustments, it was found that, as things currently stand, direct portfolio-wide reductions are not necessary. The property characteristics that are relevant for determination of the fair value and were impacted by the flooding (building structure, heating, etc.) are partially covered by insurance, and restoration using the owner's own money or loans – in order to make the property habitable – is compulsory. The huge damage caused by the floods also related to factors that have no influence on fair value (e.g. furnishings). In addition, due to the application of mortgaging values, related uncertainties are reflected in the evolution of fair values, meaning that the mortgaging values already include potential individual adjustments in fair value. The actual changes in fair value in the regions affected by the flooding will only become clear, and will be considered accordingly, during 2025 and in the following years. In terms of deterioration of the creditworthiness of customers in the affected regions, analysis was performed regarding the need for portfolio-wide stage transfers. The results showed that this measure was not required. The Group has only received a handful of enquiries regarding loan repayment deferrals, which were handled by means of the usual forbearance procedures, and there was no increase in overdrafts and arrears among retail customers. Additionally, overdrafts and arrears are directly considered in the continuously updated behaviour ratings.

Investment risk

Investment risk is the risk of a partial or total loss of the value of investments (ceding of equity to third parties). These risks only materialise when it becomes necessary to write down (or, in extreme cases, totally write off) the carrying amounts of investments and any remargining.

Investment risk is managed by acquiring equity holdings which serve the Group's primary business objectives and support its strategic alignment. Other control levers include measuring investments against internal models, and acting on the results of the analysis, as well as constantly monitoring existing holdings at portfolio and customer level.

The calculation of own funds requirements (unexpected loss) in order to determine investment risk as part of Pillar 2 of the ICAAP is derived from formulas for the IRB approach set out in Article 153ff CRR. However, use is also made of the minimum parameters for probability of default (PD), LGD and remaining maturity in accordance with Article 165 CRR.

IRB approach (holding period of one year, 99.9% confidence level), EUR '000	31 Dec. 2024	31 Dec. 2023
Investment risk	-9,438	-8,256

Customer foreign exchange risk

Customer foreign exchange risk (foreign-currency-induced credit risk) arises where the customer has taken out a loan in a currency that differs from the one in which they generate most of the cash flow required to service the debt. In this case there is a risk that the borrower may be unable to continue to service the loan due to unfavourable movements in the exchange rate.

Customer foreign exchange risk is managed by offering conversion products at preferential prices, by limiting the exposure, and by constantly monitoring existing positions that are vulnerable to foreign exchange risk, both at portfolio and individual customer level. New lending that is subject to foreign exchange risk is only offered to specific customer segments and in accordance with the borrower's creditworthiness.

The calculation of the own funds requirement (unexpected loss) with regard to customer foreign exchange risk, as part of Pillar 2 of the ICAAP, is carried out in two stages. The potential increase in lending volume is arrived at using a variance-covariance value at risk approach based on the volatility of the exchange rate in question. The unexpected loss resulting from this increase in lending volume is calculated using the IRB approach set out in Article 153ff CRR.

Variance-covariance VaR, IRB approach (1 year holding period, 99.9% confidence level), EUR '000	31 Dec. 2024	31 Dec. 2023
Customer foreign exchange risk	-709	-1,675

The rating structure of receivables exposed to customers' Swiss franc exchange rate risk is as follows:

EUR '000	31 Dec. 2024	31 Dec. 2023
Investment grade	115,825	135,772
Non-investment grade	31,516	47,303
Default	2,349	3,219
Total	**149,690**	**186,294**

The largest exposure in the investment grade category relates to a company linked to the State of Lower Austria. The non-investment grade category largely consists of private housing finance. Lending exposed to Swiss franc exchange rate risk was further reduced in 2024.

Other subtypes of credit risk

Repayment vehicle risk refers to the risk of the emergence of a hedging gap due to adverse market developments affecting factors on which the repayment vehicle is based. This type of risk is quantified when calculating risk-bearing capacity, and is hedged using equity (including limits).

Customer fixed interest risk consists of the risk that hedging will lead to losses on structured and fixed-interest loans. It is regularly monitored by the Asset Liability Management (ALM) group. This form of risk is limited and managed by monitoring the counterparty's parameter rating (in order to assess the probability of default) and the present value of hedging transactions.

Lease residual value risk is the risk that it will not be possible to realise the full calculated residual value of a leased asset. Operating Credit Risk Management performs regular monitoring of residual value risk exposures and, above all, of the definition under which lessees or types of real estate where residual value without purchase options may arise, as well as the possibility of disposal of assets to third parties, the strategic significance of a property for the lessee in question, and the time to maturity of the residual value.

Migration risk refers to the risk of a deterioration in a debtor's creditworthiness resulting in an increase in the probability of default and a consequent downgrading of the customer's credit rating. It is countered by providing additional equity cover, using the buffer, as part of the risk-bearing capacity calculation. In addition, potential effects of migration on profit or loss and on capital requirements are regularly recognised, using scenario assumptions and sensitivities, as part of bank-wide and reverse stress tests. A migration matrix is used for the ongoing monitoring of rating changes in the finance portfolio in the course of the regular reporting.

Settlement risk comprises prepayment risk and clearing risk. Prepayment risk denotes the risk that consideration will not be received at the appointed time. Clearing risk is the risk of changes in fair value where a transaction is not completed on the due date. Settlement risk is limited and managed by setting and regularly monitoring volume limits for risk exposures. Settlement limits are reduced accordingly when they are no longer necessary.

Sustainability risks relate to events or circumstances affecting sustainability (i.e. in connection with environmental, social and employee-related matters, and respect for human rights, as well as anti-corruption and anti-bribery measures) where their occurrence has or could potentially have material negative impacts on asset values, or on the assets, finances, earnings or reputation of a business. As far as credit risk is concerned, sustainability risks are currently limited and managed using an ESG and reputational risk questionnaire for real estate and corporate customers; by recording compliance with ESG criteria in models for company ratings, retail customer loan applications and asset-based ratings by means of the soft facts questionnaire; and by defining inclusion and exclusion criteria, as well as environmentally and socially sensitive sectors (increased due diligence), which are taken as a basis for decision making in the loan approval process.

4.5.2 Risk provisions

Accounting policies

Calculation method for Stage 1 and 2 expected credit losses

The following inputs are used to calculate expected credit loss (ECL) over time in Stages 1 and 2 (the process is fully automated):

- Exposure at default (EAD)
- Probability of default (PD)
- Loss given default (LGD) for the uncollateralised or collateralised portion
- Credit conversion factor (CCF)

EAD represents the expected exposure at the time of default. For each individual transaction, EAD is divided into a collateralised and an uncollateralised portion. The uncollateralised portion is calculated as EAD less the aggregate value of collaterals after discounting. To determine exposure at risk (EAR), the uncollateralised portion is multiplied by the LGD for the uncollateralised portion, and the value of collaterals by the LGD for each collateral. LGD represents the expected loss in the event of default relative to EAD.

The impairments to be recognised in Stages 1 and 2 are determined by aggregating the products of the multiplication of monthly marginal PD by the applicable exposure at risk for a period of up to one year (Stage 1) or for the remaining maturity (Stage 2).

The simplified impairment model described in paragraph 5.5.15 IFRS 9 is applied to trade receivables that do not contain a financing component. For these receivables, impairment losses are measured at an amount equal to the lifetime expected credit losses. The receivables are therefore assigned to Stage 2.

Calculation method for Stage 3 expected credit losses

Impairment losses/gains on financial assets in Stage 3 are calculated either automatically or using the expected cash flow (ECF) approach. Both processes are carried out at the individual customer level. The fully automated procedure is used for non-significant customers. The method used is virtually identical to Stage 2, with the exception that only a monthly allowance is calculated, as the probability of default is 100%.

The ECF approach is adopted for significant customers that are in default in Stage 3. Customers are classified as significant if total loans, advances and off-balance-sheet items exceed EUR 150thsd. The risk provisions recognised represent the difference between the gross carrying amount of the asset and the present value of expected future cash flows. The scenario-weighted impairment loss is calculated on the basis of the expected recoveries, taking the expected realisation of collateral into account.

Estimation uncertainties and judgements

Rating models

The HYPO NOE Group uses various rating modules to regularly assess customers' creditworthiness, as a variety of financial indicators and assessment criteria are available and appropriate for the accurate evaluation of a multiplicity of exposures. Allocation to given rating modules and models depends on the customer group concerned.

For retail customers, the HYPO NOE Group currently employs an applications rating procedure together with behaviour rating for ongoing evaluation. With corporate customers, allocation principally depends on whether they use accrual accounting, whether they prepare accounts on a cash basis, and whether they are start-ups. Various rating modules, with given statistical and qualitative parameters, are applied accordingly. Companies using accrual accounting are further broken down by operating revenue and risk-related dependence on the personal circumstances of the business owner. Behaviour ratings are used for ongoing assessment of businesses that are obliged to prepare accounts on a cash basis and for small businesses that use accrual accounting. An asset-based model is used to assess creditworthiness where expected repayment of financing for real estate construction, letting or acquisition projects is fully or substantially dependent on the cash flow generated from the project (income-producing real estate, IPRE). Separate rating modules

are employed for local authorities, banks, commonhold associations under the Austrian Wohnungseigentumsgesetz (Home Ownership Act), and non-profit housing cooperatives. Customers that do not match any rating module are rated in accordance with expert opinions based on analyses of internal and external information.

Inputs

Credit assessments are based on quantitative and qualitative information. The main quantitative inputs for the rating modules are annual financial statements, project-related information and household budgets, as well as – in the case of automated credit ratings – account and customer data, in particular figures relating to exceeded overdraft limits, reminder levels and use of overdraft facilities. When assessing a business's creditworthiness, the qualitative factors considered include details of the trading and industry environment, corporate strategy, management and investor relations. With retail customers, key inputs include the duration of the individual's current employment and level of qualifications.

If other relevant and material information is available for the rating, justifiable transfers between rating categories can be carried out at the end of the process. Reasons for such transfers include intra-year publications that result in a change in the risk assessment, unusual changes in future order volumes, or risks arising from unusual concentrations and the resulting dependence on certain customers or suppliers.

Rating process

Customers are subject to a regular rating process from the time of conclusion of a transaction. When preparing a rating in response to an application in connection with a transaction or customer review, the market-facing units submit a rating proposal which is then confirmed and approved by Operating Credit Risk Management. In the case of retail customers, the rating is approved by a staff member with the necessary decision-making authority. With the fully automated behaviour rating models, the current rating is generated on a quarterly basis and automatically fed into the Bank's systems.

Ratings generated using all other processes are usually updated at least once a year, in accordance with the statutory requirements. In addition, in the event of a one-off evaluation of the risk associated with certain exposures, the rating is updated immediately if the Bank becomes aware of information from internal or external sources that suggests a significant deterioration in the risk assessment of the exposure in question. Such information includes updated external ratings, changes that occur in the course of entering details in the register of companies or the property register, entries in the warning list, and subsequent registrations with Kreditschutzverband von 1870.

Ratings must be based on the latest financial documentation and prepared promptly after the documentation becomes available. Financial documentation with a reporting date more than 19 months in the past, or more than 22 months in the case of entities that prepare accounts on a cash basis, may only be used to prepare a rating in exceptional cases, subject to approval by Operating Credit Risk Management. In such cases, Operating Credit Risk Management sets a period of less than 12 months until the next review takes place.

Financial documentation and all other risk-related documents must be submitted in German or English, or in the form of a certified translation into one of those languages, and must provide sufficient information and be of sufficient quality. If an entity has not disclosed any information, the Bank will generally refrain from concluding or prolonging a transaction.

As a rule, ratings of group companies may not be higher than that of the group parent. Exceptions to this principle are only possible in exceptional cases with good reason, and decisions are taken in consultation with Operating Credit Risk Management.

Collaterals are not considered in the rating, with the following exceptions:

- Rating systems that use the slotting approach (project finance) assess the customer's overall credit risk and not just the probability of default
- Guarantees which can be invoked before a customer defaults may also be considered when preparing the rating

Internal rating: HYPO NOE master scale

The HYPO NOE Group's internal risk management and the classification of customers by creditworthiness in accordance with the annual probability of default employs the 25-step master scale, which is shown in condensed form below. The corresponding one-year PDs are presented in the final table in Note 4.5.2 Risk provisions, in the "Point in time (PiT) PD curves" section under "Measurement parameters":

HYPO NOE Group master scale

	PD reconciliation		
Grade	**Rating grade**	**Moody's**	**S&P**
Investment	1A – 1E:	Aaa – A1	AAA – A+
	2A – 2E	A2 – Baa3	A – BBB-
Non-investment	3A – 3E	Ba1 – B2	BB+ – B+
	4A – 4B	B3 – Caa1	B
	4C – 4E	Caa2 – C	B- – C
Default	5A – 5E	D	D

Determining the initial rating

For transactions concluded after 1 January 2018, the most recent customer rating on the final day of a given month is taken as the initial rating, depending on the time of recognition of the transaction.

In the case of transactions concluded before 31 December 2017, the historic rating tables must be considered in order to identify the corresponding customer rating, again depending on the time of recognition of the transaction. Subsequently, where necessary, rating information that cannot be used to determine the initial rating of a transaction (e.g. duplicate ratings or incorrect rating grades) is deleted from the rating data sets.

In general, the most recent rating up to 359 days prior to initial recognition of the transaction is taken as the initial rating in accordance with the updated rating table. Consideration is given to including a 29-day grace period in the period after recognition of the transaction. If no rating is available within this period, the first rating after the initial recognition of the transaction is applied as the initial rating. It is subject to the following criteria:

- If the first available rating for a retail customer is more than three months after recognition of the transaction, or
- if the first available rating for all customer groups is more than one year after recognition of the transaction,

this rating is not accepted as a valid initial rating, and the transactions in question are allocated to Stage 2 in accordance with IFRS 9. The limits of three months and one year for assigning a valid initial rating after recognition of a transaction were set in accordance with internal rating processes. Updates of retail customers' ratings are carried out automatically on a quarterly basis by means of a behaviour rating; other customers are generally subject to an annual rating review.

In the case of securities, starting with the customer reference number and the date of initial recognition of the transaction (purchases are reported separately as at the initial recognition date), a rating table is used to determine the rating; a rating within a period of between 719 days before and 29 days after a transaction is classed as valid.

Forbearance

Forborne exposures are loans for which concessions have been made to debtors who are in danger of being unable to fulfil their payment obligations due to financial difficulties. Forborne exposures are those that satisfy both of the following conditions:

- Amendment of the agreement or refinancing that results in concessions to a debtor
- Payment difficulties

Forbearance concessions may be made to debtors in the performing rating grades (1 to 4) and the non-performing grade (5). Debtors continue to be rated as performing if the forbearance concessions do not result in reclassification as non-performing and the loans were not non-performing at the time of the concessions.

Forborne exposures not classified as non-performing are monitored by way of a regular review process and as part of the early warning and event system.

Transactions subject to forbearance measures which are in a probation period and have previously been in default are closely monitored in case the account falls into arrears for longer than 30 days.

This ensures that transactions which were previously in default and are currently subject to forbearance measures are classified as non-performing as soon as:

- The desired outcome of forbearance (restored compliance with terms and conditions) is not achieved or can no longer be expected to be achieved
- The customer meets another of the predefined criteria for non-performance
- Where the customer has previously been in default, the account has been in arrears for more than 30 days or a new forbearance measure is necessary

Where forborne exposures are already classified as non-performing they are constantly monitored as part of the strategy for intensive care cases.

As a general rule, risk provisions are calculated for all Stage 2 forborne exposures not classified as non-performing. Risk provisions are recognised in Stage 3 for forborne exposures that have been classified as non-performing.

The following conditions must be satisfied for forbearance status to be lifted:

- An analysis of the debtor's financial position leads to the conclusion that they can meet their financial liabilities
- The loan/bond is classified as performing
- The probation period of at least two years after classification as performing has been completed
- The debtor has materially fulfilled their payment obligations regularly over at least half of the probation period
- None of the debtor's exposures during and at the end of the probation period are overdue by more than 30 days

In 2024, the main forbearance measures were rescheduling, maturity extensions and refinancing measures.

EUR '000	2024	2023
Forborne exposures as at 1 Jan.	**214,496**	**55,289**
Additions (+)	326,274	197,814
Exits (-)	-31,044	-38,606
Forborne exposures as at 31 Dec.	**509,727**	**214,496**
Related interest income from existing receivables recognised in profit or loss	34,282	11,344
Related risk provisions	-40,388	-20,094

Presentation includes all forbearance measures, e.g. forborne arrears. Unlike the NPL portfolio, the tables below include all assets in respect of which forbearance measures were taken, even where these did not lead to Stage 3 classification at the level of individual exposures.

Geographical analysis

EUR '000	31 Dec. 2024	31 Dec. 2023
Domestic customers	**376,770**	**97,273**
Foreign customers	**132,956**	**117,223**
Central and Eastern Europe (CEE)	54,939	57,460
Rest of the world	78,017	59,763
Total	**509,727**	**214,496**

Rating class analysis

31 Dec. 2024, EUR '000	Not past due	Less than 90 days overdue	90 or more days overdue	Total	Collateral received
Rating class 2	55,689	-	-	55,689	30,211
Rating class 3	55,808	56,933	-	112,741	53,242
Rating class 4	87,974	59,679	-	147,653	108,780
Rating class 5	16,460	30,019	147,164	193,643	80,086
Total	**215,931**	**146,631**	**147,164**	**509,727**	**272,320**

31 Dec. 2023, EUR '000	Not past due	Less than 90 days overdue	90 or more days overdue	Total	Collateral received
Rating class 2	13,717	-	-	13,717	214
Rating class 3	45,527	54	-	45,581	11,183
Rating class 4	80,370	1,391	-	81,761	59,357
Rating class 5	40,438	453	32,546	73,437	42,493
Total	**180,052**	**1,899**	**32,546**	**214,496**	**113,246**

Maturity analysis

31 Dec. 2024, EUR '000	Not past due	Less than 90 days overdue	90 or more days overdue	Total	Collateral received
Financial assets – AC (Stage 1)	204	-	-	204	204
Financial assets – AC (Stage 2)	198,974	116,613	-	315,587	191,825
Financial assets – AC (Stage 3)	16,430	30,019	146,503	192,952	79,439
Financial assets – mandatorily FVTPL	323	-	661	984	852
Total	**215,931**	**146,631**	**147,164**	**509,727**	**272,320**

31 Dec. 2023, EUR '000	Not past due	Less than 90 days overdue	90 or more days overdue	Total	Collateral received
Financial assets – AC (Stage 1)	136	-	-	136	136
Financial assets – AC (Stage 2)	139,092	404	-	139,497	69,388
Financial assets – AC (Stage 3)	40,438	453	32,543	73,434	42,493
Financial assets – mandatorily FVTPL	385	1,041	3	1,429	1,229
Total	**180,052**	**1,899**	**32,546**	**214,496**	**113,246**

Payment deferrals and bridging loans

When considering whether to grant a payment deferral, a forbearance review is carried out. Detailed information on such reviews can be found in the section entitled "Forbearance", above.

Financial instruments for which there has not been a significant increase in credit risk (Stage 1)

Regardless of the rating, new business is usually allocated to Stage 1. As soon as credit risk increases significantly compared with the risk at the time of conclusion of the transaction, the instrument is transferred to Stage 2. The qualitative and quantitative triggers that result in a transfer to Stage 2 are described below.

Financial instruments for which there has been a significant increase in credit risk (Stage 2)

The HYPO NOE Group uses quantitative and qualitative indicators to determine whether there has been a significant increase in credit risk (SICR). Individual and collective analyses and information are taken into account.

The quantitative staging factor compares the residual probability of default for the remaining term of the asset as at the reporting date with the forward-looking PD for the same term as estimated on initial recognition. This means that the following two PDs are compared:

- The lifetime PD of the financial instrument (from the current date to the end of the contractual term) given the current assessment of the customer's creditworthiness
- The lifetime PD of the financial instrument (from the current date to the end of the contractual term) implied by the assessment of the customer's creditworthiness at the time of initial recognition of the asset

If the first lifetime PD is significantly higher than the second, the financial instrument is assigned to Stage 2. The quantitative staging criterion establishes a threshold, over and above a predefined staging factor, that leads to a stage transfer. As the starting point for determining the staging threshold, a three-notch deterioration in the credit rating has been classified as significant. This threshold is subsequently calculated for each customer group, rating level, lifetime and remaining term. This is done by comparing the cumulative lifetime PD of the initial rating with the same lifetime PD minus three notches. As multi-year cumulative lifetime PDs do not increase in a linear fashion over time, there are different staging thresholds for the lifetimes and remaining terms, depending on the PD curve for a given customer group and rating. The staging factor threshold determined by the customer group, lifetime and residual maturity is compared with the current staging factor (the rate of change in the PD) for each transaction. A stage transfer takes place if the threshold is exceeded. The threshold bands resulting from the model are shown in the following table.

	31 Dec. 2024			31 Dec. 2023		
	Min.	Max.	Median	Min.	Max.	Median
All	131%	375%	174%	131%	375%	173%
Retail	144%	225%	162%	144%	225%	161%
Corporate	141%	225%	187%	141%	225%	183%
Institutions	131%	225%	165%	131%	225%	165%
Sovereign	157%	375%	262%	157%	375%	262%

Qualitative SICR indicators comprise: forbearance measures; whether payment is 30 days past due; whether the customer is subject to intensive care measures; customers unrated at the reporting date; and early warning indicators (to the extent that these are not already adequately reflected in the rating).

Overall shifts in the macroeconomic conditions affecting a sector or customer segment are also considered when assessing whether a stage transfer is required. As at year-end 2024, the key macroeconomic developments were related to the consequences of the Covid-19 pandemic, the war in Ukraine and the Middle East conflict. Alongside the risks associated with the current interest rate environment, the primary risk factors are seen as persistently weak growth as well as economic uncertainty. These risks are primarily considered in the standard parameters for the ECL model, with supplementary measures in the form of qualitative stage transfers implemented as required; these measures are regularly reviewed and updated. Measures implemented or discontinued as at the end of the period under review are described below.

With regard to the Retail and Corporate Customers segment, it was found that the impact of rising interest rates has already been taken into account in the current behaviour rating, or in the financial documentation and therefore taken into account in the current company rating, and consequently in the quantitative assessment. Potential construction cost increases for construction loans extended to retail customers between 1 July 2020 and 30 June 2022 are also now included in the qualitative assessment. As a result, the relevant measures taken as part of qualitative stage transfers were discontinued.

- **Measures related to CHF-denominated loans and loans with repayment vehicles**
  The HYPO NOE Group believes that there are still indications of a significant increase in the credit risk associated with CHF loans and loans with repayment vehicles in the retail segment, as compared with the time of conclusion of the transactions concerned, in view of the deterioration in the EUR/CHF exchange rate and the performance of repayment vehicles over time. The loans in question have been transferred to Stage 2.

- **Measures related to other macroeconomic risk drivers**
  As part of an industry benchmarking process, credit risk and ESG risks associated with future developments in the industries concerned were evaluated in terms of quantitative (empirical and statistical) and qualitative (expert

opinions) criteria. All loans extended to industries that scored poorly overall in the evaluation were transferred to Stage 2. The following industries with poor overall scores were assessed and confirmed:

- Agriculture and forestry
- Metal production and processing
- Coking and oil processing
- Energy supply – non-sustainable
- Manufacturing industries/goods production
- Land transport and transportation by pipeline
- Glass, glassware and ceramics production, stone and soil processing
- Mining, quarrying and soil production
- Motor vehicle and vehicle parts manufacturing
- Construction industry/construction – property development
- Production of rubber and plastic goods
- Other vehicle manufacturing

The following industries were identified as having poor overall scores for the first time:

- Forestry and logging
- Production of printed materials; reproduction of storage media containing audio recordings, images and data
- Production of data processing devices, electronic and optical products
- Warehousing and provision of other transportation services
- Mechanical engineering

- **Measures related to increases in interest rates**
  Loans extended for non-profit housing development, where increased capital service costs arising from higher interest rates were not passed on directly in consultation with the non-profit housing developer concerned, were transferred to Stage 2. Due to the change in repayment behaviour in comparison with the time at which the loans were extended, the HYPO NOE Group believes there is strong evidence of a significant increase in credit risk compared with the date of conclusion.

The effects of the measures outlined above on risk provisions are shown in the tables below.

Collective qualitative staging measures as at 31 Dec. 2024, EUR '000 **Measures related to**	Exposure	Cumulative impairment losses before measures	Cumulative impairment losses after measures
Macroeconomic risk drivers – industries	1,891,261	13,253	19,496
Increases in interest rates for non-profit housing	198,856	26	603
CHF-denominated loans and loans with repayment	47,590	504	549
Increases in interest rates for corporate customers	-	-	-
Increases in interest rates for retail customers	-	-	-
Construction cost increases	-	-	-
Total	**2,137,707**	**13,783**	**20,648**

Collective qualitative staging measures as at 31 Dec. 2023, EUR '000 **Measures related to**	Exposure	Cumulative impairment losses before measures	Cumulative impairment losses after measures
Macroeconomic risk drivers – industries	1,521,978	13,193	18,638
Increases in interest rates for corporate customers	274,824	2,468	4,348
Increases in interest rates for non-profit housing	107,766	20	388
Increases in interest rates for retail customers	344,393	2,218	3,379
CHF-denominated loans and loans with repayment	59,168	807	850
Construction cost increases	4,253	23	36
Total	**2,312,382**	**18,729**	**27,639**

When a trigger event induces a stage transfer, retransfer only takes place if the event in question no longer applies. In Stage 2, there are generally no good conduct periods with the exception of the forbearance measures. In the case of the latter, there is a two-year probation period before the event is deemed to be voided.

Financial assets with impaired credit quality (Stage 3)

Financial instruments with impaired credit quality (i.e. in default) in accordance with the definition of default in Article 178 CRR are allocated to Stage 3. A borrower is considered to be in default if one or both of the following criteria are met:

- A material liability of the borrower is 90 days overdue
- The Bank believes it is unlikely that the borrower will fully repay its liabilities (unlikeliness to pay)

The following indicators are assumed to suggest that the borrower meets this second criterion:

- Third unsuccessful reminder
- Insolvency: daily search of and checking against list of newly opened insolvency proceedings
- Deterioration in financial position: ongoing assessment of creditworthiness as part of the review and rating process performed by the Operating Credit Risk Management Department and sales units
- Insufficient expected cash flow: identification by Operating Credit Risk Management
- Significant financial difficulties on the part of the issuer or borrower
- Breach of contract or breach of trust
- Execution of collateral by a third party
- Disappearance of an active market for the financial asset because of financial difficulties
- Negative entry in a public register
- Reforbearance measures taken

The following indicators are also applied to corporate loan agreements:

- Acute liquidity bottlenecks
- Termination of credit lines by other lenders
- Requests for additional collateral from other lenders
- Equity used up in connection with losses
- Operating losses incurred, but only non-recurrent income due
- Impairment of collateral
- Objections to bills of exchange or cheques, rejection of debit notes
- Payments to collection agencies, attachments
- Serious managerial problems (e.g. frequent replacement of managers, succession not clearly planned)
- Several simultaneous warning signals (e.g. payment arrears, frequent overdrafts and suspicious account movements)
- Planned payment of a large fixed amount due at the end of the repayment schedule
- Irregular repayment schedule, with significantly smaller payments planned at the start of the schedule
- Significant grace period before the start of the repayment schedule

In many cases, it is not a single event, but the combined effect of several events that causes a deterioration in an individual customer's creditworthiness. Close cooperation between the sales units, Operating Credit Risk Management and Intensive Care Management ensures that customers with compromised creditworthiness are identified in good time.

When calculating the necessary risk provisions using the ECF approach, up to three different scenarios are generated and weighted, depending on the servicing status of the customers in question. This yields the current level of risk provisions required for the customers' various credit facilities.

The HYPO NOE Group has defined the following three basic scenarios:

- Contractual cash flow scenario: in this scenario, only cash flows of principal and interest arising from contractual agreements over the entire residual term of the loan are recognised. Income from the potential realisation of collateral is not considered. When estimating the level of cash flows, it is assumed that these will be received in full over the entire residual maturity of the transaction.
- Going concern scenario: here, it is assumed that the customer will pay the principal and/or interest for at least three more years and that the realisation of available collateral will only begin after three years. Until that time, no steps will be taken to collect the outstanding amount. Realisation begins after three years. Consequently, cash flows from payments of principal and interest, as well as from the realisation of collateral are taken into account in this scenario.
- Gone concern scenario: in the gone concern scenario it is assumed that the customer has ceased to make payments and the outstanding loans and receivables can be covered from the realisation of the collateral furnished. The realisation period is determined by the collateral class. Usually, only cash flows from collateral realisation are recognised in this scenario.

When determining the risk provision for individual customers, various servicing statuses may apply. The servicing status depends on the customers' contractual position. The status indicates that given scenarios are more likely, or that they are no longer relevant. For this reason there are a variety of weightings, which are determined by the servicing status. Changes to these weightings are only permitted in exceptional cases, and reasons must be given.

Purchased or originated credit-impaired (POCI) financial assets

POCI assets are financial assets for which there is objective evidence of impairment on initial recognition. The HYPO NOE Group has laid down the following circumstances that help establish whether there is actually objective evidence of the impairment of a financial asset:

- Purchase of a financial asset at a price that represents a significant rating discount.
- Substantial modification of a Stage 3 financial asset, leading to the derecognition of the original instrument and recognition of a modified, impaired instrument ("originated credit-impaired"), for which the newly agreed cash flows differ significantly from the expected cash flows.

In the course of initial measurement of a POCI asset, the expected cash flows are discounted using a credit-adjusted effective interest rate (Ca-EIR). This present value represents the IFRS carrying amount of the POCI asset on initial recognition. No risk provisions are recognised at the time of initial recognition. However, risk provisions are recognised on subsequent measurement for both positive and negative deviations from the present value.

Depreciation, amortisation and impairment

Receivables and securities that are more likely than not to be unrecoverable must be partly or entirely derecognised. Receivables are unrecoverable if at least two attempts at execution have failed, it has not been possible to trace the customer's place of residence for a considerable period, or the customer has no attachable income or has such high liabilities that there is no prospect of collection. Receivables and securities must also be partly or entirely derecognised if they have been partly or entirely waived. This may be the case if there is a rescue or payment plan, or a bank account attachment in connection with bankruptcy, a composition agreement or an instalment agreement.

Cure

A cure is where an intensive care customer transitions from a non-performing (i.e. from 5A downwards) to a performing rating grade. The following minimum requirements are decisive:

- The exposure is performing in accordance with the regulatory forbearance requirements

- None of the customer's loans or receivables are in arrears or overdue.
- The reason or reasons that triggered the default event have no longer applied for an extended period. Intensive care customers must also meet all of the following criteria, regardless of the initial default event:
  - Obligations arising from the loan agreement are duly fulfilled for the following minimum periods after restructuring:
    - Six months in the case of monthly repayments
    - Nine months in the case of quarterly repayments
    - 12 months in the case of half-yearly repayments
      - Retail customers
        - Positive household budget
      - All other customer groups
        - Two successive sets of annual financial statements (statement of financial position, or receipts and payments statement) showing an operating profit
        - Realistic prospects of long-term debt service from cash flow
  - Improvement in the customer's financial situation
  - No other indications of impaired creditworthiness

Pursuant to the EBA guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013, applicable from 1 January 2021, a cure may be approved in exceptional circumstances diverging from the above standard conditions.

Measurement parameters

The HYPO NOE Group distinguishes between four key customer groups: sovereigns, retail customers, corporates, and financial institutions. Each group has its own PD curve and its own LGD for uncollateralised loan portions.

Probability of default (PD)

The internal rating for all products is generally applied when estimating the probability of default. This forms the basis for calculating the rate of change of the PD in the quantitative staging process for the expected credit loss (ECL) and lifetime ECL.

The treatment of transactions involving project finance ratings uses a slotting approach, in accordance with Article 158(6) CRR. In order to permit a stage transfer on this basis, the various slots must be reconciled with one of the rating grades on the Group's master scale. The PD curve is drawn up on the basis of this "slot-implied" rating, which permits a staging comparison based on the long-term PD, as well as calculation of the ECL.

The lifetime PD curves are derived from a breakdown of the entire portfolio by credit risk factors. The Group distinguishes between the following key customer groups: sovereigns, retail customers, corporates, and financial institutions. The first step involves generating a multi-year (lifetime) PD curve that reflects a through-the-cycle (TTC) methodology. Owing to the HYPO NOE Group's size and risk-averse business model, sufficient empirical default and migration data from which to derive an empirical lifetime PD curve are only available for the retail business. Empirical default data for up to ten years can be used to determine the one-year PDs on the master scale, and also serve as the basis for plotting the TTC lifetime PD curve. External data in the public domain are also used to generate the TTC PD curves for other customer groups.

TTC PD curves

The HYPO NOE Group has adopted the following approach to the derivation of multi-year probabilities of default in line with the TTC approach.

An average one-year migration matrix and an average, cumulative multi-year PD curve for a period of up to five years are generated for the retail customer group, based on one, two, three, four and five-year cohorts compiled using historic, Bank-specific rating migration data and the cohort method. An intensity matrix generated on the basis of the aforementioned one-year migration matrix (time-homogeneous generator matrix) is used, leading as a next step to calibrating the time-inhomogeneous curve (seasoning effect), applying the above cumulative multi-year PD curve and an appropriate transformation approach.

In order to generate multi-year PD curves for the corporates, sovereigns and financial institutions customer groups, the Bank makes use of external data in the public domain as it does not have sufficient internal data. Sovereign default is extremely rare, and time series of empirical default rates are not available. By design, migration matrixes are based on all

changes in the ratings of the customers under observation, and not purely on default data. In other words, all available empirical migration data are used for the estimate. With regard to sovereigns, the Bank draws on external, publicly available one-year migration matrixes for sovereigns, and obtains cumulative 50-year PD curves by means of exponentiation (time-discrete, autonomous Markov process). Regardless of whether they are generated using external or internal data, migration matrixes often need to be smoothed in order to assure the economic plausibility of the data and a monotonic curve. Smoothing is also required for the sovereign PD curves generated using the migration model. Likewise, due to the lack of internal default data, the Bank relies on external data in the public domain for the corporates and financial institutions customer groups. In contrast to sovereigns, sufficient data on one-year default rates are available for these groups. In order to incorporate these data into the estimate as efficiently as possible, a fitting approach was adopted to generate the multi-year PD curves, as this employs empirical default data. Based on the empirical cumulative default rate data, fitting is carried out for corporates and financial institutions by means of adjusted Weibull distributions.

Point in time (PiT) PD curves

PiT adjustment enables current and expected macroeconomic developments to be taken into account when calculating PD. To this end, an empirical model was used to analyse the relationships between changes in macroeconomic indicators and the PD. The Group has identified such a correlation in the retail and corporates customer groups. Defaults are rare in the other groups, so a connection between PD and macroeconomic developments cannot be demonstrated. The model focuses on identifying the business cycle relevant to defaults and the current position in the cycle. This is represented by a standardised aggregate indicator and is subsequently used to adjust the TTC PDs (PiT adjustment).

The basis for the simulation is a multivariate linear regression model based on the ordinary least squares (OLS) model. To begin with, the macroeconomic indicators relevant to the HYPO NOE Group's empirical default data are identified. The model is then calibrated for the composition and type of the selected macroeconomic indicators until an economically meaningful and statistically significant relationship between empirical defaults and the explanatory indicators with an appropriate level of explanatory power can be derived. Calibration is by means of the step-by-step selection of indicators, whereby the first indicators that feed into the model are those that make the greatest contribution to explaining the course of PD. In addition, indicators are assessed to find out whether they have become superfluous due to their correlation with the other indicators and can be removed from the model.

In both of the customer groups concerned, the fully calibrated model permits the application of the following macroeconomic indicators, which explain the connection between macroeconomic trends and the probability of default in a statistically significant and economically meaningful manner:

- GDP growth (%)
- Export growth (%)
- Growth in private consumption (%)

Historical data for these economic indicators are taken from data published by Eurostat, the EU's statistical office. A weighted average of forecasts from up to three different sources is used for the macroeconomic forecasts incorporated into the model. The forecast horizon is three years. Published data from the following institutions are used as sources for the forecast: the OeNB, the Austrian Institute of Economic Research (WIFO), Fitch Solutions (Fitch), the Institute for Advanced Studies (IHS) and the Organisation for Economic Cooperation and Development (OECD). The final selection of forecast sources is made according to the criteria of currentness, granularity and forecasting horizon, and the selection is limited to a maximum of three sources. The following forecasts from December 2024 fed into the model for PiT adjustment as at 31 December 2024, with the following weightings: OeNB 50%, Fitch 50%. This is because these were the only two sources to include a three-year forecast horizon as at the reporting date (31 Dec. 2023 – weightings for December 2023 forecasts: OeNB 50%, Fitch 50%).

In addition to the baseline scenario, an upside and a downside alternative scenario were incorporated into the estimate for the final PiT PDs as at 31 December 2024. To determine the alternative scenarios, the 10% quantile of the distribution of PD scenarios resulting from a large number of possible trajectories of the macroeconomic variables was selected for the upside scenario, and the 90% quantile for the downside scenario.

The three PD scenarios are weighted to produce the overall PiT PD curves for the retail and corporates customer groups. The weighted PiT PD curves provide the basis for evaluation of the quantitative stage transfer. In principle, both the upside and the downside scenario are given a 10% weighting, in accordance with the selected quantiles. However, if available information is not adequately reflected in the forecasts, the weighting is reviewed to determine whether an adjustment is necessary, and this may be performed. As at the end of the reporting period, the forecasts were subject to a high degree

of uncertainty due to various negative factors. Alongside the risks associated with the current interest rate environment, these factors mainly include persistently weak growth as well as economic uncertainty. In order to take this information into consideration appropriately, the HYPO NOE Group defined the following weightings for the three PD scenarios as at 31 December 2024: baseline scenario 30%, upside scenario 10%, downside scenario 60% (31 Dec. 2023: baseline scenario 30%, upside scenario 10%, downside scenario 60%).

The tables below provide a comparison of the macroeconomic indicators published by the selected sources and those applied in generating the HYPO NOE Group's forecasts as at 31 December 2024 and 31 December 2023.

31 Dec. 2024		Forecasts	
	Years	OeNB	Fitch
GDP	2025	0.8	1.0
	2026	1.6	1.6
	2027	1.3	1.7
Private consumption	2025	0.7	1.5
	2026	1.6	1.5
	2027	1.4	2.0
Exports	2025	1.3	2.3
	2026	2.5	2.0
	2027	2.4	2.0

31 Dec. 2024		HYPO NOE inputs	
	Years	OeNB	Fitch
GDP	2025	0.8	1.0
	2026	1.6	1.6
	2027	1.3	1.7
Private consumption	2025	0.7	1.5
	2026	1.6	1.5
	2027	1.4	2.0
Exports	2025	1.3	2.3
	2026	2.5	2.0
	2027	2.4	2.0

31 Dec. 2023		Forecasts	
	Years	OeNB	Fitch
GDP	2024	0.6	0.9
	2025	1.7	1.9
	2026	1.3	1.6
Private consumption	2024	1.5	1.3
	2025	1.8	1.0
	2026	1.2	1.5
Exports	2024	1.5	3.0
	2025	2.2	2.6
	2026	2.6	2.0

31 Dec. 2023		HYPO NOE inputs	
	Years	OeNB	Fitch
GDP	2024	0.6	0.9
	2025	1.7	1.9
	2026	1.3	1.6
Private consumption	2024	1.5	1.3
	2025	1.8	1.0
	2026	1.2	1.5
Exports	2024	1.5	3.0
	2025	2.2	2.6
	2026	2.6	2.0

The table below shows the one-year default probabilities generated by the PiT PD model, and a comparison with the one-year probability of default according to the long-term average PD based on the HYPO NOE master scale, broken down by rating grades. The comparison between the master scale and the PiT PDs reveals an increase in expectations of default in the lower rating classes in the corporates PD segment, and across the board in the retail segment, as compared with the long-term average.

Rating	1Y PD – master scale	1Y PiT PD – corporate	1Y PiT PD – retail
1A	0.01%	0.02%	The assessment of retail customers' creditworthiness begins at a rating of 2C, meaning that these categories do not apply
1B	0.02%	0.02%	
1C	0.03%	0.03%	
1D	0.04%	0.03%	
1E	0.05%	0.03%	
2A	0.07%	0.04%	
2B	0.11%	0.07%	
2C	0.16%	0.10%	0.17%
2D	0.24%	0.15%	0.26%
2E	0.35%	0.24%	0.39%
3A	0.53%	0.42%	0.58%
3B	0.80%	0.71%	0.86%
3C	1.20%	1.09%	1.28%
3D	1.79%	1.66%	1.92%
3E	2.69%	2.57%	2.86%
4A	4.04%	3.96%	4.27%
4B	6.05%	6.59%	6.37%
4C	9.08%	11.00%	9.51%
4D	13.62%	18.33%	14.19%
4E	20.44%	30.54%	21.15%

LGD for uncollateralised loan portions

LGDs for uncollateralised loan portions are applied to each key customer group specifically. The LGDs for the retail and corporates customer groups are derived from internal empirical default data. When preparing the 2024 financial statements, the estimates of LGDs for uncollateralised loan portions in the retail and corporates customer groups were updated, while the estimates of LGDs for uncollateralised loan portions for sovereigns were calculated on the basis of a hybrid modelling approach that incorporates both empirical values and implied market values for LGD. In the remainder of the low-default-risk portfolio (i.e. covered bonds and financial institutions) the Group currently uses estimates of LGD based on global default data from the rating agency Moody's. LGDs for uncollateralised loan portions for specialised lending in the IPRE asset-based rating model were set at 100%. In the case of specialised lending related to project finance under the slotting approach, LGD for uncollateralised loan portions is derived from slot 5 in Table 2 in Article 158(6) CRR. This is used to generate "slot-implied" ratings.

Owing to the application of a liquidation period, the HYPO NOE Group directly includes haircuts in the LGD estimate. This results in material reductions in retail and corporate LGD. The liquidation period is derived from internal empirical default data. The haircut feeds into the estimate of LGD by discounting the expected recovery over the liquidation period and including the average rate of interest on the portfolio (effective interest rate). Internal analysis does not give rise to a material liquidation period for the LGDs of the other customer groups. This is mainly due to short-term restructuring measures, required by statutory frameworks, that enable sovereigns and financial institutions to ensure that systemically important operations continue to run smoothly in advanced societies. For this reason, a separate resolution procedure has been established for financial institutions. This is designed to restore a bank's viability and ability to restructure in a short space of time, by converting bail-in debt capital into equity.

LGD for collateralised loan portions

EAD is divided into a collateralised and an uncollateralised portion for each individual transaction. The value of collaterals to be recognised (i.e. the mortgaging values) is compared with the EAD, and offset up to the maximum EAD. The LGD for the collateralised portion of a loan is then assigned to the collateral in question.

The collaterals used by the HYPO NOE Group are largely guarantees and mortgages. The LGD on guarantees is determined by means of a mathematical model, applying the joint default approach. Based on the Bank's historic default and recovery data, the estimates of mortgage LGDs (excluding IPRE) also form the basis for the estimates of mortgage LGDs for IPRE lending. In the case of mortgages, a potential sales writedown is already included in the mortgaging value of the collateral. Real estate furnished as collateral can have a very wide range of mortgaging values, and these are set

out in the lending rate table in the Group's collateral list. The mortgaging rates for real estate collateral are determined in accordance with the regulatory requirements, taking into account the various options for furnishing collateral (e.g. a maximum-amount mortgage or a fixed-amount mortgage on a property or a building on third-party land), and distinguishing between the various types of property in Austria and other countries. In the case of properties valued using an automated process, the resulting market price forms the basis of the Bank's internal mortgaging value. With properties for which an automated valuation procedure is not applied, if finance is provided to buy the property, the internal mortgaging value is normally capped at the purchase price.

The realisation period for collaterals is taken into account in the calculation of LGD. A discount rate is calculated and applied on the basis of the realisation period and the average interest on the corresponding portfolio (effective interest rate). This is primarily relevant to mortgages. The realisation period is calculated using internal empirical default data.

An additional sensitivity analysis to identify the effects of potential decreases in the value of real estate collaterals is presented in the 'Scenarios and sensitivities' section of Note 4.5.3 Detailed information on risk provisions.

Credit conversion factor (CCF)

The credit equivalent of off-balance-sheet items (such as contingent liabilities and irrevocable commitments) is calculated by multiplying the value of an individual transaction by a credit conversion factor. The CCF is arrived at by means of an internal empirical analysis, focusing on the pattern of use of overdraft facilities in the 12 months prior to default.

Early repayments

The impact of early repayments on Stage 1 is insignificant because of the one-year observation period. Transfer from Stage 1 to Stage 2 results from a significant increase in credit risk, and the related deterioration in the borrower's solvency makes early repayment unlikely. Indeed, in such cases it can be assumed that the borrower is unable to make early repayment, and because of this the Group does not consider prepayment profiles in Stages 1 and 2.

Instruments with no fixed maturity date

The maturity of perpetual instruments (instruments with no stated or predetermined maturity) is calculated for financial institutions on a case-by-case basis, in accordance with paragraph 5.5.20 in conjunction with B5.5.40 IFRS 9. The purchase date is assumed to be the opening date, and the initial rating is therefore recorded at the purchase date. An empirical analysis of historic repayment behaviour on the part of these accounts is used to determine the maturity. The estimates of maturity were updated and refined for the 2024 financial statements.

The effects of the aforementioned parameter adjustments on risk provisions recognised in the 2024 annual financial statements largely offset one another.

Climate risk

Evaluation of exposures to particularly carbon-intensive industries in the Group's lending portfolio, based on estimates of CO_2 emissions broken down by NACE industry, uses an internal industry benchmarking model designed to assess industries' current and future situation. The model comprises an industry-specific and ESG-specific section, both of which are further broken down into empirical/statistical and expert-opinion components. The industries' greenhouse gas intensity is evaluated in the empirical/statistical component. The Eurostat statistics for CO_2 emissions by NACE industries underlie the new model, and these figures are subsequently correlated with the net non-current assets of the industry in question. As a result, the greenhouse gas intensity attributed to older assets is higher than that for newer, more modern assets. Using expert opinions collected by means of a survey, the industries are also assessed in terms of climate change mitigation/adaptation, sustainable use/protection of water and marine resources, the transition to a circular economy, avoiding/reducing pollution, and protecting/restoring ecosystem biodiversity. By applying a benchmarking function and defined weightings, the results of the empirical/statistical and expert-opinion components give rise to an overall ESG assessment.

An adapted breakdown based on significant industries provides a more detailed analysis of the HYPO NOE Group's loan portfolio, in particular lending to the public sector – e.g. finance leases from the "provision of financial and other services" industry to the "public administration, defence, social insurance" industry concluded by the State of Lower Austria – as a substantial proportion of the loans concerned are subject to high environmental and social standards, and these loans account for a significant share of the Group's overall loan portfolio. The evaluations showed that currently less than 1% of the HYPO NOE Group's lending portfolio contains sectors with a below-average ESG rating.

Another significant risk in the medium-to-long term is the physical risk of rising sea levels. The HYPO NOE Group has specifically evaluated lending in the Netherlands, which makes up about 2% of the entire lending portfolio, from this perspective. The Netherlands expects sea levels to rise by 0.5 metres by 2050. Taking this forecast into consideration, and on account of the average residual maturity of approximately five years, as well as the country's long-standing, highly successful implementation of preventive measures, the Group concluded that there is no acute risk in this regard and therefore no basis for the recognition of additional risk provisions.

Due to the Group's comprehensive ethics guidelines and business principles, and the business model's focus on finance for the public sector and housing construction in the core markets of Austria and Germany as well as selected EU markets, at present it is assumed that there are no material transition or physical sustainability risks.

4.5.3 Detailed information on risk provisions

Gross carrying amount/nominal amount by rating class

	31 Dec. 2024					31 Dec. 2023				
EUR '000	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances at central banks	**753,543**	**-**	**-**	**-**	**753,543**	**397,985**	**-**	**-**	**-**	**397,985**
Financial assets – AC	**11,815,190**	**2,603,943**	**401,867**	**2,950**	**14,823,950**	**11,382,472**	**2,632,858**	**323,341**	**3,192**	**14,341,863**
Loans	10,143,399	2,562,072	401,867	2,950	13,110,288	9,875,933	2,581,489	323,341	3,192	12,783,955
Rating class 1	5,522,451	14,372	-	-	5,536,823	5,535,407	36,145	-	-	5,571,552
Rating class 2	3,553,579	1,055,057	-	-	4,608,636	3,466,435	908,987	-	-	4,375,422
Rating class 3	1,059,403	1,207,353	-	2,950	2,269,706	855,272	1,344,858	-	-	2,200,129
Rating class 4	7,967	285,290	-	-	293,257	18,819	291,500	-	3,192	313,511
Rating class 5	-	-	401,867	-	401,867	-	-	323,341	-	323,341
Bonds	1,671,791	41,871	-	-	1,713,662	1,506,539	51,368	-	-	1,557,908
Rating class 1	1,147,031	-	-	-	1,147,031	964,192	-	-	-	964,192
Rating class 2	524,760	-	-	-	524,760	529,751	8,170	-	-	537,920
Rating class 3	-	40,387	-	-	40,387	12,597	8,102	-	-	20,699
Rating class 4	-	1,483	-	-	1,483	-	35,096	-	-	35,096
Financial assets – FVOCI	**205,778**	**-**	**-**	**-**	**205,778**	**220,821**	**-**	**-**	**-**	**220,821**
Bonds	205,778	-	-	-	205,778	220,821	-	-	-	220,821
Rating class 1	178,620	-	-	-	178,620	189,303	-	-	-	189,303
Rating class 2	27,158	-	-	-	27,158	31,518	-	-	-	31,518
Off-balance-sheet transactions	**719,766**	**218,868**	**2,964**	**-**	**941,598**	**942,357**	**190,301**	**4,235**	**-**	**1,136,893**
Rating class 1	486,437	300	-	-	486,737	635,381	304	-	-	635,685
Rating class 2	116,628	78,853	-	-	195,481	200,516	61,728	-	-	262,244
Rating class 3	114,991	129,523	-	-	244,514	104,416	118,933	-	-	223,348
Rating class 4	1,710	10,192	-	-	11,902	2,044	9,337	-	-	11,381
Rating class 5	-	-	2,964	-	2,964	-	-	4,235	-	4,235
Trade receivables	**-**	**691**	**-**	**-**	**691**	**-**	**2,203**	**-**	**-**	**2,203**
Total	**13,494,278**	**2,823,502**	**404,830**	**2,950**	**16,725,560**	**12,943,635**	**2,825,363**	**327,576**	**3,192**	**16,099,765**

Risk provisions by rating class

	31 Dec. 2024					31 Dec. 2023				
EUR '000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Cash and balances at central banks	**-3**	**-**	**-**	**-**	**-3**	**-4**	**-**	**-**	**-**	**-4**
Financial assets – AC	**-2,256**	**-26,658**	**-86,114**	**67**	**-114,961**	**-2,363**	**-31,682**	**-78,081**	**54**	**-112,073**
Loans	-2,065	-22,816	-86,114	67	-110,928	-2,182	-25,405	-78,081	54	-105,615
Rating class 1	-220	-1	-	-	-222	-101	-20	-	-	-120
Rating class 2	-342	-2,279	-	-	-2,621	-507	-3,958	-	-	-4,464
Rating class 3	-1,419	-10,925	-	67	-12,277	-1,314	-12,452	-	-	-13,767
Rating class 4	-84	-9,611	-	-	-9,695	-261	-8,976	-	54	-9,183
Rating class 5	-	-	-86,114	-	-86,114	-	-	-78,081	-	-78,081
Bonds	-191	-3,843	-	-	-4,034	-181	-6,277	-	-	-6,458
Rating class 1	-67	-	-	-	-67	-55	-	-	-	-55
Rating class 2	-124	-	-	-	-124	-121	-26	-	-	-147
Rating class 3	-	-3,705	-	-	-3,705	-5	-76	-	-	-80
Rating class 4	-	-138	-	-	-138	-	-6,175	-	-	-6,175
Financial assets – FVOCI	**-14**	**-**	**-**	**-**	**-14**	**-12**	**-**	**-**	**-**	**-12**
Bonds	-14	-	-	-	-14	-12	-	-	-	-12
Rating class 1	-4	-	-	-	-4	-4	-	-	-	-4
Rating class 2	-10	-	-	-	-10	-7	-	-	-	-7
Off-balance-sheet transactions	**-150**	**-1,038**	**-1,174**	**-**	**-2,361**	**-220**	**-733**	**-1,768**	**-**	**-2,722**
Rating class 1	-	-	-	-	-	-	-	-	-	-
Rating class 2	-23	-374	-	-	-397	-57	-150	-	-	-207
Rating class 3	-114	-514	-	-	-628	-140	-408	-	-	-548
Rating class 4	-13	-149	-	-	-162	-23	-176	-	-	-199
Rating class 5	-	-	-1,174	-	-1,174	-	-	-1,768	-	-1,768
Trade receivables	**-**	**-1**	**-**	**-**	**-1**	**-**	**-14**	**-**	**-**	**-14**
Total	**-2,423**	**-27,698**	**-87,287**	**67**	**-117,341**	**-2,599**	**-32,430**	**-79,850**	**54**	**-114,825**

Scenarios and sensitivities

The HYPO NOE Group analyses and takes account of a range of scenarios in order to reduce uncertainty arising from the use of forecasts and statistical models when estimating PD, and to portray this uncertainty in a transparent manner. The results yielded by the various scenarios as at 31 December 2024 and 31 December 2023 are shown below. The scenarios are described in the 'Measurement parameters' section of Note 4.5.2 Risk provisions, above.

31 Dec. 2024, EUR '000	**Upside**	**Baseline**	**Downside**
Risk provisions generated by the fully automated process (Stage 1 and Stage 2)	26,006	28,659	31,522

31 Dec. 2023, EUR '000	**Upside**	**Baseline**	**Downside**
Risk provisions generated by the fully automated process (Stage 1 and Stage 2)	30,880	33,607	36,434

The current crises have increased the uncertainty associated with estimating anticipated credit losses. In order to address this heightened uncertainty, sensitivity analyses were also performed to determine the effects of an increase of 25% in all unsecured LGDs (31 Dec. 2023: 25%), coupled with an 85% increase in LGDs on real estate collaterals (31 Dec. 2023: 85%). The effects of the measures outlined above on risk provisions as at 31 December 2024 are shown in the table below.

31 Dec. 2024, EUR '000	Increase in unsecured LGDs	Increase in LGDs on real estate collaterals
Change in risk provisions generated by the fully automated process (Stage 1 and Stage 2)	2,183	11,926

31 Dec. 2023, EUR '000	Increase in unsecured LGDs	Increase in LGDs on real estate collaterals
Change in risk provisions generated by the fully automated process (Stage 1 and Stage 2)	2,313	12,641

4.5.4 Detailed information on impairment losses/gains – IFRS 9, ECL

The following table shows the changes in risk provisions in 2024 and the breakdown of the changes by statement of profit or loss items.

EUR '000	Changes in risk provisions, 2024	Impairment gains/losses on financial assets – IFRS 9 ECL	Interest and similar expense	Not recog-nised through profit or loss	Changes in risk provisions, 2023
Risk provisions at start of reporting period	**-114,825**				**-90,903**
Increase due to origination and purchase	-10,281	-10,281	-	-	-6,719
Reduction due to derecognition and substantial modification	5,693	5,693	-	-	8,340
Utilisation of risk provisions	22,731	-	-	22,731	5,016
Allocations and reversals due to changes in credit risk	-20,673	-18,986	-1,687	-	-30,564
Change due to non-substantial modification	-1	-1	-	-	4
Cash and balances at central banks, and trade receivables	14	14	-	-	1
Risk provisions at end of reporting period	**-117,341**	**-23,560**	**-1,687**	**22,731**	**-114,825**

Stage 1 impairment losses/gains

The following table shows the evolution of the loss allowances for expected losses on financial assets without a significant increase in credit risk. These loss allowances are measured at amounts equal to the 12-month expected credit losses.

EUR '000	1 Jan. 2024	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2024
Cash and balances at central banks	**-4**	**-**	**1**	**-**	**-**	**-3**
Financial assets – AC	**-2,363**	**-1,821**	**229**	**1,699**	**-**	**-2,256**
Loans	-2,182	-1,799	226	1,691	-	-2,065
Banks	-	-	-	-	-	-
General governments	-8	-2	2	1	-	-8
Other financial corporations	-	-3	1	1	-	-2
Non-financial corporations	-1,043	-1,387	141	1,552	-	-738
Households	-1,131	-406	82	137	-	-1,318
Bonds	-181	-22	3	8	-	-191
Banks	-144	-15	2	12	-3	-148
General governments	-3	-	-	1	-	-3
Other financial corporations	-28	-4	1	-1	-	-32
Non-financial corporations	-6	-2	-	-3	3	-9
Financial assets – FVOCI	**-12**	**-9**	**4**	**2**	**-**	**-14**
Bonds	-12	-9	4	2	-	-14
Banks	-11	-9	4	1	-	-14
General governments	-	-	-	-	-	-
Other financial corporations	-1	-	-	-	-	-1
Non-financial corporations	-	-	-	-	-	-
Off-balance-sheet transactions	**-220**	**-476**	**187**	**359**	**-**	**-150**
Loan commitments and financial guarantee contracts	-220	-476	187	359	-	-150
Total	**-2,599**	**-2,306**	**421**	**2,061**	**-**	**-2,423**

EUR '000	1 Jan. 2023	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2023
Cash and balances at central	**-4**	**-1**	**1**	**1**	**-**	**-4**
Financial assets – AC	**-6,946**	**-3,664**	**910**	**7,336**	**-**	**-2,363**
Loans	-6,683	-3,633	898	7,235	-	-2,182
Banks	-	-	-	-	-	-
General governments	-10	-3	3	2	-	-8
Other financial corporations	-461	-27	1	486	-	-
Non-financial corporations	-5,794	-3,248	842	7,157	-	-1,043
Households	-418	-355	51	-410	-	-1,131
Bonds	-263	-31	12	101	-	-181
Banks	-156	-23	-	35	-1	-144
General governments	-5	-	-	4	-2	-3
Other financial corporations	-32	-8	2	7	3	-28
Non-financial corporations	-70	-	10	55	-	-6
Financial assets – FVOCI	**-11**	**-7**	**-**	**6**	**-**	**-12**
Bonds	-11	-7	-	6	-	-12
Banks	-9	-7	-	4	1	-11
General governments	-1	-	-	-	-	-
Other financial corporations	-1	-	-	-	-	-1
Non-financial corporations	-	-	-	1	-1	-
Off-balance-sheet transactions	**-358**	**-638**	**189**	**587**	**-**	**-220**
Loan commitments and financial guarantee contracts	-358	-638	189	587	-	-220
Total	**-7,319**	**-4,310**	**1,100**	**7,930**	**-**	**-2,599**

Stage 2 impairment losses/gains

The following table shows the evolution of the loss allowances for expected losses on financial assets with a significant increase in credit risk. These loss allowances are measured at amounts equal to the lifetime expected credit losses.

EUR '000	1 Jan. 2024	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2024
Cash and balances at central banks	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets – AC	**-31,682**	**-7,766**	**4,751**	**8,040**	**-1**	**-26,658**
Loans	-25,405	-7,746	4,750	5,586	-1	-22,816
General governments	-206	-	-	182	-	-23
Other financial corporations	-526	-5	8	393	4	-125
Non-financial corporations	-15,680	-7,511	4,053	4,251	-4	-14,892
Households	-8,994	-230	690	760	-1	-7,776
Bonds	-6,277	-20	-	2,454	-	-3,843
Banks	-26	-	-	-	26	-
Other financial corporations	-6,175	-20	-	2,534	-26	-3,687
Non-financial corporations	-76	-	-	-80	-	-156
Financial assets – FVOCI	**-**	**-18**	**-**	**18**	**-**	**-**
Bonds	-	-18	-	18	-	-
Other financial corporations	-	-18	-	18	-	-
Trade receivables	**-14**	**-1**	**14**	**-**	**-**	**-1**
Off-balance-sheet transactions	**-733**	**-192**	**96**	**-209**	**-**	**-1,038**
Loan commitments and financial guarantee contracts	-733	-192	96	-209	-	-1,038
Total	**-32,430**	**-7,976**	**4,861**	**7,848**	**-1**	**-27,698**

EUR '000	1 Jan. 2023	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2023
Cash and balances at central banks	**-1**	**-**	**19**	**-18**	**-**	**-**
Financial assets – AC	**-35,966**	**-2,370**	**6,490**	**161**	**3**	**-31,682**
Loans	-28,407	-2,370	6,490	-1,122	3	-25,405
General governments	-266	-	-	60	-	-206
Other financial corporations	-3,431	-1	10	2,904	-9	-526
Non-financial corporations	-18,323	-2,179	5,628	-818	12	-15,680
Households	-6,387	-190	851	-3,268	-	-8,994
Bonds	-7,559	-	-	1,283	-	-6,277
Banks	-	-	-	-	-26	-26
Other financial corporations	-7,472	-	-	1,271	26	-6,175
Non-financial corporations	-87	-	-	11	-	-76
Trade receivables	**-14**	**-14**	**14**	**-**	**-**	**-14**
Off-balance-sheet transactions	**-1,096**	**-40**	**279**	**123**	**-**	**-733**
Loan commitments and financial guarantee contracts	-1,096	-40	279	123	-	-733
Total	**-37,077**	**-2,424**	**6,802**	**266**	**3**	**-32,430**

Stage 3 impairment losses/gains

The following table shows the evolution of the loss allowances for expected losses on financial assets. These loss allowances are measured at amounts equal to the lifetime expected credit losses.

EUR '000	1 Jan. 2024	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2024
Financial assets – AC	**-78,081**	**-**	**23,147**	**-31,180**	**-**	**-86,114**
Loans	-78,081	-	23,147	-31,180	-	-86,114
General governments	-	-	-	-	-	-
Other financial corporations	-10,628	-	189	478	-	-9,961
Non-financial corporations	-61,346	-	22,148	-30,975	-	-70,172
Households	-6,107	-	810	-683	-	-5,980
Off-balance-sheet transactions	**-1,768**	**-**	**10**	**585**	**-**	**-1,174**
Loan commitments and financial guarantee contracts	-1,768	-	10	585	-	-1,174
Total	**-79,850**	**-**	**23,157**	**-30,594**	**-**	**-87,287**

EUR '000	1 Jan. 2023	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2023
Financial assets – AC	**-44,724**	**-**	**5,377**	**-38,734**	**-**	**-78,081**
Loans	-44,724	-	5,377	-38,734	-	-78,081
General governments	-3,012	-	-	3,012	-	-
Other financial corporations	-7,791	-	-	-2,837	-	-10,628
Non-financial corporations	-26,981	-	3,010	-37,375	-	-61,346
Households	-6,941	-	2,367	-1,533	-	-6,107
Off-balance-sheet transactions	**-1,782**	**-**	**110**	**-97**	**-**	**-1,768**
Loan commitments and financial guarantee contracts	-1,782	-	110	-97	-	-1,768
Total	**-46,506**	**-**	**5,487**	**-38,831**	**-**	**-79,850**

POCI impairment losses/gains

The following table shows the evolution of the loss allowances for expected losses on financial assets. These loss allowances are measured at amounts equal to the lifetime expected credit losses.

EUR '000	1 Jan. 2024	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2024
Financial assets – AC	**54**	**-**	**-**	**13**	**-**	**67**
Loans	54	-	-	13	-	67
Other financial corporations	-	-	-	1	5	6
Non-financial corporations	54	-	-	12	-5	61
Total	**54**	**-**	**-**	**13**	**-**	**67**

EUR '000	1 Jan. 2023	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	31 Dec. 2023
Financial assets – AC	**-**	**-**	**-**	**54**	**-**	**54**
Loans	-	-	-	54	-	54
Other financial corporations	-	-	-	-	-	-
Non-financial corporations	-	-	-	54	-	54
Total	**-**	**-**	**-**	**54**	**-**	**54**

4.5.5 Collateral and loan-to-value ratio

The main forms of collateral received are guarantees for loans and advances to customers, securities and derivatives; guarantees are provided almost exclusively by the public sector (sovereigns, state governments and local authorities). Financial collateral mainly includes pledged securities, margins received and deposits received from banks.

Collateral received, which was in use as at 31 December 2024 in accordance with the requirements for credit risk mitigation in Title I, Chapter 4 of Part Three of the CRR, is broken down as follows:

Types of collateral

EUR '000	31 Dec. 2024	31 Dec. 2023
Guarantees	3,679,282	3,769,113
Residential properties	2,766,383	2,627,232
Commercial properties	669,677	673,749
Financial collateral	419,586	438,095
Life insurance policies	4,224	7,739

The following table shows the loans assigned to Stage 3 with a loan-to-value (LTV) ratio of over 60% as recommended by the European Systemic Risk Board (ESRB). The LTV ratio is the ratio of the loan extended to the related real estate collaterals.

Loans – Stage 3

EUR '000	31 Dec. 2024	31 Dec. 2023
Households	**6,373**	**5,306**
LTV ratio 61-80%	3,420	3,362
LTV ratio 81-100%	1,183	933
LTV ratio >100%	1,770	1,012
Non-financial corporations	**76,287**	**58,457**
LTV ratio 61-80%	34,875	19,384
LTV ratio 81-100%	27,530	9,249
LTV ratio >100%	13,882	29,824
Total	**82,659**	**63,764**

4.6 Derivatives and hedge accounting

Accounting policies

Derivative financial instruments are always carried at "dirty" fair value (i.e. "clean" fair value plus any accrued interest), which is calculated based on the fair value hierarchy.

In accordance with IFRS 9 and the Bank's risk management strategy, Group guidelines require derivative financial instruments designated for hedge accounting treatment to be carried under "Positive fair value of hedges (hedge accounting)" and "Negative fair value of hedges (hedge accounting)". All other derivative transactions are measured at fair value and reported under "Financial assets – HFT" and "Financial liabilities – HFT".

Changes in the reference rate curve (primarily the Euribor) are one of the main drivers of fluctuations in the fair value of fixed-rate financial instruments. In line with its risk management strategy, the Group ensures that interest rate risk remains within specified limits (see Note 8 RISK MANAGEMENT) by means of hedging. Hedging instruments convert the fixed interest rate on the hedged item into a floating rate pegged to the reference rate, which in turn mitigates the market risk induced by changes in interest rates. The HYPO NOE Group generally uses interest rate swaps to hedge against interest rate risk arising from fixed-rate financial instruments reported under "Financial assets – AC", "Financial assets – FVOCI" and "Financial liabilities – AC". Interest rate and foreign exchange risk on bond issues denominated in foreign currencies ("Financial liabilities – AC") are hedged by cross-currency interest rate swaps. The fixed leg of the swap represents the hedged risk component in the hedged item. Assets are therefore hedged by trading swaps with a fixed-rate payer side and a floating-rate receiver side, while liabilities are hedged by means of swaps with a fixed-rate receiver side and a floating-rate payer side. Interest rate options are used to hedge against interest rate risk arising from interest rate caps on variable-rate financial instruments (purchased caps for assets), and are recognised as fair value hedges provided that they qualify for hedge accounting. Any changes in the contractual nominal values of or call rights on hedged items are replicated in the hedging instrument. Off-balance-sheet firm commitments are occasionally hedged by forward starting swaps and designated as hedged items in hedge accounting.

In the HYPO NOE Group, potential causes of hedge ineffectiveness are:

- Basis risks arising from differing discount curves
- FX basis risks
- Hedge credit risk
- Residual risks in the floating leg in swaps

Basis risks arising from differing discount curves are in principle purely valuation risks, resulting from current market practice with regard to valuation in hedge accounting. Cash-collateralised derivatives (e.g. collateralised by means of a credit support annex [CSA]) are discounted using the risk-free (OIS) interest curve, while the hedged items are discounted using the Interbank Offered Rate (IBOR), which includes the interbank liquidity spread as well as the risk-free rate.

FX basis risks arise when the FX basis components in the hedged item are not recognised in hedge accounting, although they are included in the valuation of the hedge instrument. This leads to the contradictory situation that when the FX basis

risk is adequately hedged by a cross-currency swap with matching maturity, there is a risk of earnings fluctuations over the term arising from changes in the FX basis spread, due to their inclusion in the valuation of the FX derivative. In economic terms, no risk arises over the entire term of such FX hedges as the periodic effects on earnings completely cancel each other out. With regard to cross-currency swaps, IFRS 9 includes an elective right to recognise the FX basis spread in other reserves (presented in OCI), and not under “Net gains or losses on financial assets and liabilities”. The Group exercises this elective right for eligible transactions, for which the FX basis spread is recognised as a cost of hedging in other reserves (hedge accounting). The ineffectiveness is reported under “Net gains or losses on financial assets and liabilities” in the statement of profit or loss.

The residual risk in the floating leg in swaps refers to the interest rate risk that arises from the floating leg of an interest rate swap, even in the case of matched hedging of a fixed-rate transaction.

The documentation of hedges largely comprises the type of hedging relationship, the hedged risk, the economic relationship, the risk management objective, and the method for assessing effectiveness. Hedge effectiveness is crucial to the use of hedge accounting. In many cases, the Group demonstrates the economic relationship qualitatively, and using a forward-looking approach, by documenting the correlation between the main risk parameters for hedges and hedged items (critical terms match [CTM]) at the time of designation. If the material terms of the hedge and those of the opposing risk position in the hedged item were not or, in the case of significant changes in the terms of hedged transactions, ceased to be sufficiently closely aligned to the extent usually expected in a standard economic hedge, a purely qualitative assessment would entail a high degree of uncertainty. In such cases, a final assessment based on quantitative methods is permitted. The HYPO NOE Group carries out quantitative assessment of effectiveness retrospectively using the dollar offset method, and prospectively using linear regression analysis.

The hedged risk is modelled either by means of adjustment of the contractual fixed interest rate and measurement using the reference rate curve (the NPV margin method), or by means of measurement using the reference rate curve including a premium and applying the contractual fixed interest rate (yield spread method). Changes in the fair value of the hedged risk component (hedged fair value) are calculated regularly and incorporated into the carrying amount of hedged items by means of basis adjustments.

Both the hedged item and the hedge may nominally qualify for hedge accounting in full or in part. The hedge ratio is the ratio of the portion of the nominal value qualifying for hedge accounting to the overall nominal value of the financial instrument. IFRS 9 states that in the event of changes in risk parameters (e.g. in basis risks between the hedged item and the hedge), an entity may adjust the hedge ratio so as to restore effectiveness.

As at 31 December 2024, only micro fair value hedges were reported on the consolidated statement of financial position. A micro-hedge arises if a hedged item (or group of hedged items) can be clearly assigned to one or more hedges. Bottom layer hedges are used as a special form of micro fair value hedge for a variety of fixed-interest loans. A bottom layer for a group of like hedged items is designated for hedge accounting, and it is assumed that following expected premature repayments this layer will in all likelihood remain in place until the hedging instruments mature. In this case, precise allocation of individual hedged items to the remaining bottom layer is not required.

Net measurement gains or losses on fair value hedges form part of “Net gains or losses on financial assets and liabilities”.

Designated derivatives in hedging relationships are measured at fair value, and gains or losses on them are reported under “Net gains or losses on financial assets and liabilities”. Corresponding interest accruals are shown under “Net interest income”. For details see notes 4.2.1 Net interest income and 4.2.2 Net gains or losses on financial assets and liabilities.

The measurement of designated hedged items in hedging relationships is at amortised cost, and is reported under “Financial assets – AC” and “Financial liabilities – AC”, adjusted for the fair value measurement of the hedged risk (basis adjustment). Changes in basis adjustments are reported under “Net gains or losses on financial assets and liabilities”. Fair value measurement of hedged risks is recognised for hedged items in the statement of financial position under “Financial assets – FVOCI” by adjusting the carrying amount. Any remaining difference compared to fair value is reported in OCI.

When a hedge or hedged transaction is terminated early, or if the hedging relationship no longer fully meets the criteria for hedge accounting, the hedging relationship must be discontinued. IFRS 9 does not provide for the voluntary discontinuation of hedge accounting.

Early termination of hedging instruments is recognised in fair value and not carried to profit or loss. In case of early termination of the hedged item, derecognition is performed at the carrying amount including basis adjustment, so that the gain or loss on derecognition is determined including basis adjustment.

If hedge accounting is terminated but a hedged item is still carried, the most recent basis adjustment for the hedged items concerned, reported under “Financial assets – AC” and “Financial liabilities – AC”, is amortised in “Net interest income” over the remaining maturity of the hedged item. A similar approach is used for the most recent hedge accounting adjustment of the OCI reserve for hedged items under “Financial assets – FVOCI”. The financial statements presented in this annual report do not include any amortisation under this line item. In the year under review, one hedging relationship was terminated early due to the dominance of credit risk. The most recent applicable basis adjustments for the hedged item concerned will be amortised over the remaining term of the hedged item, as described above.

The Group has not netted off derivatives for accounting purposes, as the current master agreements that provide for netting (the ISDA Master Agreements, as well as other Austrian and German master agreements for financial forward transactions) do not meet the relevant criteria in this regard. Under these agreements, the right to offset all transactions by a single net amount would only be enforceable if certain future events occurred which would result in termination of the agreements (e.g. default or insolvency of the counterparty).

4.6.1 Carrying amounts and nominal values of derivatives

The HYPO NOE Group only held unlisted OTC derivatives as at the end of the reporting period.

The following table shows the nominal values and carrying amounts of derivatives recognised as at 31 December 2024.

	31 Dec. 2024			31 Dec. 2023		
	Carrying amount		Nominal value	Carrying amount		Nominal value
EUR ’000	Assets	Liabilities		Assets	Liabilities	
Financial assets and liabilities – HFT	**157,922**	**142,001**	**2,936,172**	**150,622**	**141,766**	**3,351,428**
Interest rate derivatives	66,670	53,950	2,139,568	76,513	59,445	2,539,655
Foreign exchange derivatives	91,251	88,051	796,604	74,109	82,321	811,773
Positive and negative fair value of hedges (hedge accounting)	**280,356**	**366,872**	**11,662,512**	**315,691**	**496,887**	**11,530,342**
Interest rate derivatives	276,808	358,505	11,539,309	297,452	456,792	11,315,594
Foreign exchange derivatives	3,548	8,367	123,204	18,238	40,094	214,748

31 Dec. 2024	Financial assets/liabilities (gross)	Reported amounts offset (gross) (-)	Reported financial assets (net)	Effect of master netting agreements (-)	Collateral in the form of financial instruments (-)	Net amount
				Not offset		
EUR '000	(a)	(b)	(c)=(a)+(b)	(d)(i)	(d)(ii)	(e)=(c)+(d)
Assets						
Financial assets – HFT	157,922	-	157,922	-2,305	-74	155,543
Positive fair value of hedges (hedge accounting)	280,356	-	280,356	-196,874	-13,664	69,818
Total assets	**438,278**	**-**	**438,278**	**-199,179**	**-13,738**	**225,361**
Liabilities						
Financial liabilities – HFT	142,001	-	142,001	-2,305	-127,522	12,174
Financial liabilities – FVO	5,839	-	5,839	-	-	5,839
Negative fair value of hedges (hedge accounting)	366,872	-	366,872	-196,874	-124,325	45,673
Total equity and liabilities	**514,712**	**-**	**514,712**	**-199,179**	**-251,847**	**63,686**

31 Dec. 2023	Financial assets/liabilities (gross)	Reported amounts offset (gross) (-)	Reported financial assets (net)	Effect of master netting agreements (-)	Collateral in the form of financial instruments (-)	Net amount
				Not offset		
EUR '000	(a)	(b)	(c)=(a)+(b)	(d)(i)	(d)(ii)	(e)=(c)+(d)
Assets						
Financial assets – HFT	150,622	-	150,622	-2,589	-917	147,116
Positive fair value of hedges (hedge accounting)	315,691	-	315,691	-277,104	-985	37,602
Total assets	**466,313**	**-**	**466,313**	**-279,693**	**-1,902**	**184,718**
Liabilities						
Financial liabilities – HFT	141,766	-	141,766	-2,589	-134,443	4,733
Financial liabilities – FVO	5,650	-	5,650	-	-	5,650
Negative fair value of hedges (hedge accounting)	496,887	-	496,887	-277,104	-172,419	47,364
Total equity and liabilities	**644,303**	**-**	**644,303**	**-279,693**	**-306,862**	**57,747**

4.6.2 Detailed information on hedge accounting

Net gains or losses on hedging relationships

The following table shows the basis adjustments for hedged items as recognised in profit or loss on the basis of fair value hedge accounting, as well as net gains or losses on measurement of hedges, and resultant hedge ineffectiveness, broken down by line item and the product type of the hedged item.

It should be noted that the relevant valuations of both the active hedged items and hedging instruments, and the final valuations of hedging relationships terminated early are shown.

	2024			2023		
EUR '000	Net gains or losses on hedged items	Net gains or losses on hedges	Net gains or losses on hedging relationships	Net gains or losses on hedged items	Net gains or losses on hedges	Net gains or losses on hedging relationships
Assets						
Financial assets – FVOCI	**2,255**	**-2,135**	**120**	**5,987**	**-5,879**	**108**
Bonds	2,255	-2,135	120	5,987	-5,879	108
Financial assets – AC	**66,930**	**-66,218**	**711**	**180,464**	**-180,327**	**137**
Loans	33,722	-33,273	449	118,203	-120,102	-1,899
Bonds	33,208	-32,946	262	62,261	-60,225	2,036
Liabilities						
Financial liabilities – AC	**-151,427**	**149,131**	**-2,296**	**-302,956**	**298,102**	**-4,854**
Deposits	-1,355	1,487	131	-1,663	1,657	-6
Bonds in issue	-150,071	147,644	-2,427	-301,293	296,445	-4,848
Total	**-82,242**	**80,778**	**-1,465**	**-116,505**	**111,896**	**-4,609**

The change in "Net gains or losses on hedging relationships" as compared to 2023 is mainly due to residual risk in the floating legs of swaps, the basis risks arising from differing discount curves, and foreign exchange basis risks where these were not taken to OCI.

Positive fair value of hedges (hedge accounting)

The table below provides an analysis of the positive fair value of hedges (hedge accounting) according to the entries in the statement of financial position under which the hedged items are reported.

EUR '000	31 Dec. 2024	31 Dec. 2023
Assets	**183,621**	**238,888**
Financial assets – FVOCI	936	2,360
Financial assets – AC	182,684	236,528
Liabilities	**96,736**	**76,803**
Financial liabilities – AC	96,736	76,803
Total	**280,356**	**315,691**

Negative fair value of hedges (hedge accounting)

The table below shows a breakdown of the negative fair value of hedges (hedge accounting) according to the entries in the statement of financial position under which the hedged items are reported.

EUR '000	31 Dec. 2024	31 Dec. 2023
Assets	**150,845**	**131,223**
Financial assets – FVOCI	10,637	10,184
Financial assets – AC	140,208	121,039
Liabilities	**216,027**	**365,664**
Financial liabilities – AC	216,027	365,664
Total	**366,872**	**496,887**

The change in the positive and negative fair value of hedges (hedge accounting) is attributable to fluctuations in the fair value of the underlying derivatives.

Hedged items in fair value hedges

The following table shows the carrying amounts and the basis adjustments they contain for hedged items included in hedge accounting as at the end of the reporting period.

The basis adjustments included in the carrying amounts of the hedged items, recognised as loans under "Financial assets – AC", also contain basis adjustments arising from firm commitments, which are described in Note 6.3 Other assets and liabilities.

	31 Dec. 2024		31 Dec. 2023	
EUR '000	Carrying amounts of hedged items	Basis adjustments contained in carrying amounts	Carrying amounts of hedged items	Basis adjustments contained in carrying amounts
Assets				
Financial assets – FVOCI	**199,735**	**7,223**	**222,687**	**5,514**
Bonds	199,735	7,223	222,687	5,514
Financial assets – AC	**4,197,411**	**-32,483**	**3,790,469**	**-99,515**
Loans	2,752,834	10,760	2,531,489	-22,964
Bonds	1,444,577	-43,243	1,258,980	-76,552
Liabilities				
Financial liabilities – AC	**8,181,402**	**-151,317**	**8,235,175**	**-302,744**
Deposits	73,177	-131	46,258	-1,486
Bonds in issue	8,108,226	-151,187	8,188,916	-301,258

Maturity profile of hedges

The breakdown of the nominal values of hedges qualifying for hedge accounting by residual maturity is as follows.

Nominal value at 31 Dec. 2024 EUR '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Assets					
Financial assets – FVOCI	**30,000**	**32,500**	**64,700**	**61,000**	**188,200**
Bonds	30,000	32,500	64,700	61,000	188,200
Financial assets – AC	**61,500**	**128,488**	**1,133,865**	**2,974,463**	**4,298,316**
Loans	-	46,423	532,662	2,252,350	2,831,436
Bonds	61,500	82,065	601,203	722,113	1,466,881
Liabilities					
Financial liabilities – AC	**527,500**	**631,800**	**4,031,247**	**1,985,449**	**7,175,996**
Deposits	20,000	-	8,000	29,000	57,000
Bonds in issue	507,500	631,800	4,023,247	1,956,449	7,118,996
Total	**619,000**	**792,788**	**5,229,812**	**5,020,912**	**11,662,512**

Nominal value at 31 Dec. 2023 EUR '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Assets					
Financial assets – FVOCI	**21,000**	**27,000**	**106,600**	**55,000**	**209,600**
Bonds	21,000	27,000	106,600	55,000	209,600
Financial assets – AC	**85,559**	**110,140**	**934,029**	**2,840,763**	**3,970,491**
Loans	26,059	61,640	365,814	2,214,824	2,668,337
Bonds	59,500	48,500	568,215	625,939	1,302,154
Liabilities					
Financial liabilities – AC	**37,000**	**589,955**	**4,410,600**	**2,312,696**	**7,350,251**
Deposits	-	20,000	6,000	21,000	47,000
Bonds in issue	37,000	569,955	4,404,600	2,291,696	7,303,251
Total	**143,559**	**727,095**	**5,451,229**	**5,208,459**	**11,530,342**

4.7 Fair value disclosures

Information on the nature and extent of the risks that arise from financial instruments, as well as sensitivity analyses and other additional disclosures, can be found in Note 8 RISK MANAGEMENT.

Accounting policies

Fair value is defined by IFRS 13 and is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must be classified using a level hierarchy as follows:

Level 1

According to paragraph 76 IFRS 13, this concerns quoted prices in active markets for identical assets or liabilities, and balances at central banks.

Level 2

According to paragraph 81 IFRS 13, this concerns inputs other than quoted prices as used for Level 1 measurements, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, inactive markets, similar assets or liabilities, or other observable data relevant to valuation). This chiefly applies to OTC derivatives ("Financial assets and liabilities – HFT", and "Positive and negative fair values of hedges"), as well as securities not traded on active markets. Assets carried under the "Cash and balances at central banks" item are reported in Level 2 of the hierarchy, with the exception of balances at central banks.

In the HYPO NOE Group, methods based on market prices (market approach) and net present values (income approach) are applied for Level 2 measurements. The former is applied to measure receivables from securities, and is largely based on market prices for the assets in question or analogously on market prices for similar assets or liabilities. The latter is applied to the measurement of receivables from securities and OTC derivatives, and is used to determine the discounted value of all future payment streams at the measurement date (present value method). The price parameters used are:

(a) The interest rate curves directly observable on the money and capital markets, and

(b) Premiums for similar assets directly observable on capital markets.

Prevalent pricing models used to value options (in particular caps, floors and call rights embedded in the related hedges) include indirectly observable parameters in the form of implicit interest rate volatility figures from established market data providers, derived from prices quoted on options markets.

Level 3

According to paragraph 86 IFRS 13, Level 3 inputs are unobservable inputs for the asset or liability. In this model, measurement is based on management's assumptions and assessments, which depend on the price transparency and complexity of the financial instrument.

The Strategic Risk Management Department defines the methods to be applied in valuation, in accordance with the relevant measurement guidelines. These guidelines, which are regularly updated, lay down the procedural and operational rules for determining fair value. The HYPO NOE Group measures the fair value of Level 3 assets and liabilities on a monthly basis. The parameters applied are tested for plausibility as part of the monthly measurement process, and management receives regular reports.

Level 3 fair values occur in the following items:

Financial assets – mandatorily FVTPL and FVOCI (debt instruments), and financial liabilities – FVO

Here, default risk, liquidity costs and the epsilon are employed as measurement parameters. Default risk is measured using the PD and LGD parameters, as well as eligible collateral. Liquidity premiums are calculated on the basis of the internal liquidity cost model. Upon conclusion of a transaction, the delta for the price is offset using epsilon calibration.

For defaulted assets, different assumptions are made for the expected cash flows from the collateralised and uncollateralised portions of the instruments with regard to their due dates. The discount factor applied takes account of the risk-free interest rate, the senior unsecured liquidity costs implied by the maturity of the individual cash flows, and a net required rate of return determined using the market interest method and based on regularly updated indicators from a sample of European banks, published on the EBA Risk Dashboard.

The HETA contingent additional purchase price (CAPP), to which all the senior and junior creditors that participated in the second Kärntner Ausgleichszahlungsfonds (KAF) Tender Offer are entitled (irrespective of whether they opted for the cash or exchange offer), is valued using an internal model. There is neither a liquid market nor are there observable market transactions for the CAPP. The parameters for the Level 3 model were determined using available official information on HETA and details from the Austrian Financial Market Authority (FMA), as well as a scenario analysis. This took into account all of the information and assumptions that market participants would apply in price formation. The threshold for the CAPP and the payment terms are governed by the second KAF Tender Offer.

The internal valuation model is based on the following information:

- HETA company presentations 2021-2024, most recent: 26 April 2024
- HETA annual financial statements, annual reports 2020-2023
- HETA press releases, 27 October 2021, 24 March 2022, 26 May 2023, 26 April 2024

- KAF press release, 2 November 2021
- HETA investor information 2021 – final distribution, 28 October 2021
- HETA corporate presentation May 2023, 26 May 2023
- FMA press release, 21 October 2021
- Third FMA notice on HETA, 26 March 2019
- KAF Tender Offer

The HYPO NOE Group took up the swap offer in KAF's second Tender Offer. Under the terms of the offer, the possible range for the CAPP is between 0% and 10%.

Financial assets – HFT and financial liabilities – HFT

The "Financial assets – HFT" and Financial liabilities – HFT" items contain measurements of uncollateralised customer derivatives (e.g. without the CSA annex to the ISDA Master Agreement). An internal model based on the discounted cash flow method is applied, taking account of the current interest rate and basis spread curves. Suitable models are used to measure embedded options. Counterparty and internal credit risk (credit value adjustment and debt value adjustment) are taken into consideration when calculating the fair value of all uncollateralised customer derivatives. However, since issuance by customers is minimal to non-existent, in the absence of quoted prices derivable from credit spreads, recourse is made to credit spreads with matching maturities, drawn from global CDS index curves that correspond to the internal customer ratings. A hybrid Hull-White model is used to calculate CVAs and DVAs.

Financial assets – FVOCI (equity instruments)

In consultation with other organisational units, the General Secretariat/Participations Department coordinates and implements the process for determining the fair values reported under this item. The framework is provided by the Group's binding procedural instructions and the Group IFRS manual, both of which are regularly updated. They set out the methods, processes and legal framework for measurement, as well as laying the basis for implementation of the internal measurement processes. Measurement case studies establish the key principles, objectives and parameters for business decisions.

The General Secretariat/Participations Department measures the fair value of the "Financial assets – FVOCI (equity instruments)" item on a half-yearly basis, and regularly analyses the relevant qualitative and quantitative measurement factors.

Financial assets – AC

The main measurement parameter for the bonds in the credit spread is comparable assets (peer group). For all other receivables included in this item, the same measurement parameters are applied as for "Financial assets – mandatorily FVTPL".

4.7.1 Fair value hierarchy

The table below summarises the fair value hierarchies of all the financial instruments held by the HYPO NOE Group.

31 Dec. 2024 EUR '000	Carrying amount	Fair value	Fair value measurement		
			Level 1	Level 2	Level 3
Assets					
Cash and balances at central banks	753,541	753,541	739,641	13,900	-
Financial assets – HFT	157,922	157,922	-	97,098	60,823
Financial assets – mandatorily FVTPL	68,141	68,141	-	7,624	60,518
Financial assets – FVOCI	207,911	207,911	200,577	4,990	2,344
Financial assets – AC	14,708,988	14,551,573	1,522,789	75,958	12,952,826
Positive fair value of hedges (hedge accounting)	280,356	280,356	-	280,356	-
Total assets	**16,176,859**	**16,019,443**	**2,463,006**	**479,925**	**13,076,511**
Liabilities					
Financial liabilities – HFT	142,001	142,001	-	141,430	571
Financial liabilities – FVO	5,839	5,839	-	-	5,839
Financial liabilities – AC	14,762,832	14,493,935	994,189	7,731,974	5,767,772
Negative fair value of hedges (hedge accounting)	366,872	366,872	-	366,872	-
Total equity and liabilities	**15,277,544**	**15,008,648**	**994,189**	**8,240,276**	**5,774,182**

31 Dec. 2023 EUR '000	Carrying amount	Fair value	Fair value measurement		
			Level 1	Level 2	Level 3
Assets					
Cash and balances at central banks	397,981	397,981	377,776	20,205	-
Financial assets – HFT	150,622	150,622	-	85,652	64,970
Financial assets – mandatorily FVTPL	108,192	108,192	-	43,091	65,101
Financial assets – FVOCI	225,588	225,588	223,538	-	2,051
Financial assets – AC	14,229,790	13,888,439	1,339,598	112,403	12,436,438
Positive fair value of hedges (hedge accounting)	315,691	315,691	-	315,691	-
Total assets	**15,427,864**	**15,086,513**	**1,940,912**	**577,042**	**12,568,559**
Liabilities					
Financial liabilities – HFT	141,766	141,766	-	139,521	2,245
Financial liabilities – FVO	5,650	5,650	-	-	5,650
Financial liabilities – AC	13,898,367	13,508,736	1,063,119	7,490,500	4,955,117
Negative fair value of hedges (hedge accounting)	496,887	496,887	-	496,887	-
Total equity and liabilities	**14,542,670**	**14,153,039**	**1,063,119**	**8,126,909**	**4,963,012**

In 2024 there were no transfers of financial instruments between the different levels of the fair value hierarchy.

4.7.2 Fair value hierarchy: Level 3 disclosures

EUR '000	1 Jan. 2024	Gains/losses		Pur-chases	Sales	Transfers to/from Level 3	31 Dec. 2024	Unrealised gains or losses recognised in profit or loss as at
		Recog-nised in profit or loss	Not recog-nised in profit or loss					
Assets								
Financial assets – HFT	64,970	-4,146	-	-	-	-	60,823	-4,999
Financial assets – mandatorily FVTPL	65,101	1,301	-	-	-5,884	-	60,518	1,201
Financial assets – FVOCI	2,051	290	5	-	-1	-	2,344	-
Total assets	**132,121**	**-2,556**	**5**	**-**	**-5,885**	**-**	**123,685**	**-3,798**
Liabilities								
Financial liabilities – HFT	2,245	-1,674	-	-	-	-	571	1,583
Financial liabilities – FVO	5,650	189	-	-	-	-	5,839	189
Total equity and liabilities	**7,895**	**-1,485**	**-**	**-**	**-**	**-**	**6,410**	**1,772**

The main gains or losses on current Level 3 assets are recognised in the statement of profit or loss under "Net gains or losses on financial assets and liabilities".

EUR '000	1 Jan. 2023	Gains/losses		Purchas es	Sales	Transfers to/from Level 3	31 Dec. 2023	Unrealised gains recognised in profit or loss as at 31 Dec. 2023
		Recog-nised in profit or loss	Not recog-nised in profit or loss					
Assets								
Financial assets – HFT	56,579	8,391	-	-	-	-	64,970	12,260
Financial assets – mandatorily FVTPL	78,263	2,868	-	-	-16,030	-	65,101	4,347
Financial assets – FVOCI	1,945	-	106	-	-	-	2,051	-
Total assets	**136,787**	**11,259**	**106**	**-**	**-16,030**	**-**	**132,121**	**16,607**
Liabilities								
Financial liabilities – HFT	4,262	-2,018	-	-	-	-	2,245	1,565
Financial liabilities – FVO	5,239	411	-	-	-	-	5,650	411
Total equity and liabilities	**9,501**	**-1,607**	**-**	**-**	**-**	**-**	**7,895**	**1,976**

Estimation uncertainties and judgements

The results of the sensitivity analysis for the "Financial assets – HFT", "Financial assets – mandatorily FVTPL" and "Financial assets – FVOCI" (equity instruments) items at Level 3 are discussed below.

All sensitivities are presented using a historical value-at-risk (VaR) approach (95% confidence level, one-year holding period) in line with internal risk management policies. The disclosures in the table below show the impact of changes in significant unobservable input parameters on Level 3 fair value. The figures are not a forecast or indication of future changes in fair value, but represent potential losses, where gains of a similar amount are also possible. In the case of HFT "Financial assets – HFT" and "Financial liabilities – HFT", the significant inputs are global CDS spreads. For the "Financial assets – mandatorily FVTPL" item, credit and liquidity risk premiums are the unobservable inputs that drive prices. An increase in premiums results in lower fair values. In the case of "Financial assets – FVOCI", conventional company valuation methods such as discounted cash flow or adjusted net asset value are used to determine fair value. The item is entirely made up of equity instruments assigned to Level 3.

31 Dec. 2024, EUR '000	Fair value	Fluctuation (VaR)	Measurement method	Inputs
Financial assets – HFT	60,823	212	Hybrid Hull-White model; discounted cash flow (DCF) model	Global CDS spreads
Financial assets – mandatorily FVTPL (excl. HETA)	30,880	823	DCF model	Premiums for credit and liquidity risk
Financial assets – mandatorily FVTPL, Stage 3 (excl. HETA)	1,009	16	DCF model	Premiums for credit and liquidity risk
Financial assets – FVOCI	2,344	n/a	Adjusted net asset value (NAV) model; DCF model	Adjusted equity (for adjusted NAV model); WACC (for DCF model); cost of equity (for both models)
Total assets	**95,056**	**1,051**		
Financial liabilities – HFT	571	-	Hybrid Hull-White model; DCF model	Global CDS spreads
Total equity and liabilities	**571**	**-**		

31 Dec. 2023, EUR '000	Fair value	Fluctuation (VaR)	Measurement method	Inputs
Financial assets – HFT	64,970	257	Hybrid Hull-White model	Global CDS spreads
Financial assets – mandatorily FVTPL (excl. HETA)	36,954	1,021	DCF model	Premiums for credit and liquidity risk
Financial assets – mandatorily FVTPL, Stage 3 (excl. HETA)	443	7	DCF model	Premiums for credit and liquidity risk
Financial assets – FVOCI	2,051	n/a	Adjusted net asset value (NAV) model; DCF model	Adjusted equity (for adjusted NAV model); WACC (for DCF model); cost of equity (for both models)
Total assets	**104,417**	**1,285**		
Financial liabilities – HFT	2,245	-		Global CDS spreads
Total equity and liabilities	**2,245**	**-**		

The ranges for the unobservable inputs to the "Financial assets – FVOCI (equity instruments)" item classed as Level 3 are shown below.

Change in fair value, financial assets – FVOCI (equity instruments)

EUR '000	31 Dec. 2024	31 Dec. 2023
10% increase in adjusted equity	230	201
10% decrease in adjusted equity	-230	-201
50 bp increase in cost of equity	-16	-10
50 bp decrease in cost of equity	19	11

Measurement model for the HETA contingent additional purchase price (CAPP)

On 31 December 2021 HETA exited the resolution regime implemented under the Federal Act on the Recovery and Resolution of Banks. Since 1 January 2022 the company has been under resolution in accordance with the Austrian Companies Act. In April 2024, HETA published its 2023 financial statements as well as an updated financial plan for 2024.

Taking into account the published documentation, significant measurement pillars have remained unchanged as compared with the period ending 31 December 2023.

Separate scenarios are simulated for expected payments based on the FMA quota, and for payments which remain uncertain and are dependent on the continued wind-down process and the results of the liquidation procedure. The scenarios are then combined to arrive at an overall quota. This enables precise reporting of different assumptions regarding maturities and expected returns.

For measurement of the payment according to the FMA quota, the amount of which can be assumed to be relatively certain, three scenarios are modelled (base, worse and worst case) with different assumptions regarding the payment date. Due to the fixed quota, no variations in the payment amount are assumed. The probabilities of occurrence are equally weighted, since at the reporting date there had been no strong indications of a prospective payment date. The corporate presentation published on 26 April 2024 included an announcement that the remaining liquidation proceeds will be distributed in 2027. In view of this information, it is assumed that receivables under the debtor warrant will potentially be paid between 2027 and 2029. For discounting, in addition to the current yield curve and the current senior unsecured liquidity costs, a current required rate of return for relatively certain cash flows is applied, which covers both operating costs and expected profit, and is based on the average returns from interest-linked transactions at European banks.

The only change in comparison with the end of the previous year was in the assumed payment dates for the fixed quota in the base-case and worse-case scenario, from 31 December 2024 to 31 December 2027 and from 31 December 2026 to 31 December 2028, in line with the information provided in the corporate presentation.

The remaining, uncertain portion of the payout is calculated based on the HETA quota (90.25%) less the FMA quota, and the maximum value of the CAPP (10%). As with the relatively certain part of the payout, three different scenarios are modelled for the uncertain portion, with assumptions of the payment amount ranging from a maximum of 2.71% to 0%, and a range of payment dates. Again, the probability of occurrence is equally weighted for each of the scenarios, and the current yield curve, the present value of the senior unsecured liquidity costs and a current required rate of return are applied for discounting. For risky transactions where the entire cash flow could be lost, the required rate of return is derived from the market risk premium for Austrian equity instruments and/or from comparable securities. This required rate of return is significantly higher than that for a relatively certain cash flow, in order to take account of substantially higher risks. The same range of possible payment dates was assumed as for the measurement of the payment according to the quota.

After discounting the forecast payments and applying the weightings, the CAPP quota was at 7.53% as at 31 December 2024 (31 Dec. 2023: 7.29%). The model produced a range of valuations between 5.97% and 8.55%. Compared with the previous year, the range of potential valuations is smaller, as a result of changes in the payment dates and the discounting parameters. Lower liquidity costs had a positive impact on the valuation, while the slight increase in the required rate of return for the payment to be made according to the FMA quota and the adjustment of the payment dates had the effect of reducing the valuations. The undiscounted results of the scenarios remained constant as compared with the end of the previous year.

Although uncertainties regarding the valuation of the CAPP have been reduced in the course of the wind-down, measurement is still subject to risks and uncertainties. In addition to overall economic developments, financial developments on fixed-interest and capital markets, the progress of the wind-down and uncertainty over the outcomes of legal proceedings, past announcements and wind-down plans have in some cases deviated significantly from previous announcements. As a result, the recovery amount and the date(s) of payment of the CAPP are still uncertain. The offers made by KAF to the holders of the CAPP in the meantime may also include information relevant to the valuations and have an effect on the date and amount of the payout, among other factors. HETA's articles of association contain an obligation to continue preparing financial plans and publishing material insights related to them in future. If future developments related to HETA and the CAPP lead to amendments in the parameter assumptions that underlie the model, as described here, this will also result in changes to the payout value. The effects of changes in significant unobservable inputs for the measurement model on the valuation are presented in the sensitivity analysis below.

The analysis shows the effects of average changes in individual parameters on the CAPP, with other inputs remaining constant (ceteris paribus). The effects are stated as percentages of the nominal value of the original HETA receivables.

The impacts of changes in parameters on profit or loss are also shown, as absolute amounts stated in EUR thsd. The three inputs are Level 3 (unobservable) parameters. Since the expected recovery rate according to the 2024 financial plan is higher than the maximum value of the CAPP, a change in the recovery amount of +/- EUR 100 million has no effect on measurement. A reduction in the discount rate and bringing the payout date forward by one year would result in a higher valuation.

31 Dec. 2024 Sensitivity analysis: Level 3 parameters	Recovery, EUR m		Discount rate		Payout date, years	
	+100	-100	+1%	-1%	+1	-1
Valuation sensitivity to profit or loss (%)	0.0%	0.0%	-0.3%	0.3%	-0.4%	0.4%
Valuation sensitivity to profit or loss (EUR '000)	-	-	-825	866	1,074	1,139

31 Dec. 2023 Sensitivity analysis: Level 3 parameters	Recovery, EUR m		Discount rate		Payout date, years	
	+100	-100	+1%	-1%	+1	-1
Valuation sensitivity to profit or loss (%)	0.0%	0.0%	-0.2%	0.2%	-0.4%	0.4%
Valuation sensitivity to profit or loss (EUR '000)	-	-	-703	742	-1,194	1,271

5 ADDITIONAL NOTES TO THE STATEMENT OF PROFIT OR LOSS

5.1 Net fee and commission income

Accounting policies

"Fee and commission income" is measured on the basis of prices agreed with customers for the performance obligation in question. Income is judged to have been recognised in profit or loss if the performance obligation has been satisfied and a promised good or service is transferred to the customer.

Services provided over time result in the ongoing accrual of benefits to the customer. The commissions generated are recognised according to the degree of progress towards satisfaction of the performance obligation in the performance period, and amortised in the appropriate period. Such commissions include account maintenance fees, service fees and portfolio administration charges, which are usually payable monthly or quarterly, depending on the contractual conditions. Transaction-related performance is recognised as soon as the service in question has been provided in full. This mainly relates to commissions from payment transactions, the securities and lending businesses, and foreign exchange transactions.

Fee and commission income that is an integral component of the effective rate of interest on a financial instrument is reported as interest income. In accordance with IFRS, trust transactions entered into by the HYPO NOE Group in its own name but for the account of third parties are not shown in the statement of financial position. Any fees and commissions are reported in the statement of comprehensive income. Contract assets and liabilities are reported in accordance with IFRS 15, under Note 6.3 "Other assets and liabilities".

2024, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Total
Fee and commission income	**3,810**	**1,451**	**16,634**	**623**	**-37**	**22,481**
Securities and custody account business	3	-	5,138	515	-	5,656
Payment transactions	784	719	6,307	40	-12	7,837
Foreign exchange, foreign notes and coins, and precious metals	53	10	220	22	-2	304
Other services	3,040	1	3,643	45	23	6,752
Other fee and commission income	-70	721	1,326	1	-47	1,932
Fee and commission expense	**-95**	**-30**	**-1,285**	**-977**	**-**	**-2,386**
Securities and custody account business	-3	-	-10	-456	-	-468
Payment transactions	-54	-12	-1,230	-521	-2	-1,818
Other services	-	-	-28	-	-	-28
Other fee and commission expense	-38	-19	-18	-	2	-72
Total	**3,715**	**1,421**	**15,349**	**-353**	**-37**	**20,095**

2023, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Total
Fee and commission income	**1,579**	**1,129**	**15,240**	**716**	**101**	**18,763**
Securities and custody account business	44	-	4,553	509	8	5,114
Payment transactions	1,058	789	5,998	94	37	7,976
Foreign exchange, foreign notes and coins, and precious metals	52	4	216	23	-	295
Other services	713	-	3,520	89	116	4,437
Other fee and commission income	-289	335	954	1	-60	941
Fee and commission expense	**-70**	**-49**	**-1,285**	**-968**	**4**	**-2,369**
Securities and custody account business	-3	-	-48	-491	-5	-547
Payment transactions	-26	-15	-1,190	-477	-	-1,709
Other services	-	-	-29	-	-7	-36
Other fee and commission expense	-41	-34	-18	-	16	-77
Total	**1,509**	**1,080**	**13,954**	**-253**	**105**	**16,395**

5.2 Net other operating income

EUR '000	2024	2023
Other income	**10,567**	**53,573**
Income from real estate services and property development	2,629	2,936
Gains on investment property	2,183	2,456
Income from default interest arising from corporation tax assessments	1,427	-
Gains on the reversal of provisions	1,363	29,335
Other rental income	486	481
Income from early repayments	465	1,794
Gains on the disposal of intangible assets, property, plant and equipment, and other non-financial assets	64	117
Gains on foreign currency translation	-	14,442
Sundry other income	1,951	2,011
Other expenses	**-6,544**	**-2,889**
Losses on foreign currency translation	-3,591	-
Losses on investment property	-1,712	-1,715
Other taxes	-302	-274
Losses on recognition of provisions	-189	-19
Losses on the disposal of intangible assets, property, plant and equipment, and other non-financial assets	-17	-81
Losses on deconsolidation	-	-11
Sundry other expenses	-733	-789
Total	**4,023**	**50,683**

The change in "Gains on the reversal of provisions", reported under "Other income", stems from a non-recurring effect from settlement agreements concerning negative interest on corporate loan agreements, recognised in the first half of 2023. Information on provisions can be found in Note 6.2.

Net gains or losses on disposal of consolidated subsidiaries

EUR '000	2024	2023
Financial assets – AC	12	21
Current tax assets	-	3
Total assets	**12**	**23**
Proceeds of disposal	12	12
- Assets disposed of	-12	-23
Net gains or losses on disposal of consolidated subsidiaries	**-**	**-11**
Net gains or losses on disposal of consolidated subsidiaries through profit or	**-**	**-11**

EUR '000	2024	2023
Consideration received in cash and cash equivalents	12	12
Proceeds from loss of control of subsidiaries	**12**	**12**

5.3 Administrative expenses

5.3.1 Analysis of administrative expenses

EUR '000	2024	2023
Staff costs	**-66,780**	**-59,925**
Wages and salaries	-52,190	-46,572
Pensions and other employee benefit expenses	-14,590	-13,353
Other administrative expenses	**-40,423**	**-47,632**
Premises	-4,351	-4,494
Office and communication expenses	-1,080	-1,215
IT expenses	-17,747	-14,862
Legal and consultancy costs	-3,715	-3,080
Auditors: annual audit	-766	-562
Auditors: other auditing services	-65	-66
Advertising and entertainment expenses	-4,586	-4,676
Other administrative expenses	-8,943	-19,304
Financial stability contribution (bank tax)	-2,784	-4,751
Allocation to resolution fund	-	-8,293
Allocation to deposit insurance fund	-	-333
Cost of compliance with company law	-569	-490
Training costs	-651	-702
Vehicle and fleet expenses	-292	-247
Insurance	-585	-552
Cost of information procurement and payment transactions	-850	-712
Depreciation, amortisation and impairment	**-3,883**	**-5,272**
Depreciation and amortisation	-3,883	-4,252
Intangible assets	-223	-183
Buildings used by Group companies	-1,473	-1,462
Equipment, fixtures and furnishings (incl. low value assets)	-1,737	-2,264
Right-of-use assets (IFRS 16)	-449	-342
Impairment losses	-	-1,021
Administrative expenses	**-111,086**	**-112,830**

See Note 6.1 Investment property, intangible assets, and property, plant and equipment for details on the "Impairment losses" item.

5.3.2 Staff costs

The "Supervisory Board members' remuneration" sub-item forms part of "Other administrative expenses", but is shown in the supplementary information on staff costs in the interests of readability. All of the information in the two tables below relates to the individuals who held the positions concerned at the end of or during the reporting period.

At the HYPO NOE Group, "identified staff" comprise persons who are directly or indirectly responsible for planning, managing and supervising the Group's activities. These are the Management Board, Supervisory Board and key management. A list of key management staff including their names and functions, and the Group companies of which they are employees, is updated at the end of each reporting period.

	2024	2023
Average number of employees (excl. on statutory leave)	610	594

EUR '000	2024	2023
Termination benefit expenses incl. provident fund for:	**-1,297**	**-1,143**
Management Board	-18	-17
Key management	-77	-64
Other employees	-1,201	-1,062
Pension expenses for:	**-1,838**	**-1,718**
Management Board	-118	-109
Key management	-176	-162
Other employees (including former employees)	-1,544	-1,447
Expenses for former officers	**-160**	**-190**
Former Management Board members: total remuneration	-160	-190

EUR '000	2024	2023
Salaries of Management Board members	-1,331	-1,236
Supervisory Board members' remuneration (non-employees)	-133	-125
Supervisory Board members' salaries	-554	-513
Remuneration of Management Board members, Supervisory Board members	**-6,147**	**-5,614**

6 ADDITIONAL NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1 Investment property, intangible assets, and property, plant and equipment

Accounting policies

Land and buildings, and equipment, fixtures and furnishings used by the HYPO NOE Group in the course of its own business activities are stated as property, plant and equipment. Land and buildings held to earn rentals or for expected capital appreciation are classified as investment property. Mixed-use properties where the degree of own use is immaterial are reported under “Investment property”.

The HYPO NOE Group does not apply the requirements for lessees under IFRS 16 to short-term leases or leases for which the underlying asset is of low value.

The fair value of investment property is measured by independent external assessors every three years, in accordance with paragraph 34 IAS 16. The HYPO NOE Group has decided to exercise its option to use the acquisition cost model.

The HYPO NOE Group held only intangible assets acquired for consideration and no self-constructed intangible assets in 2024.

Depreciation, amortisation and impairment are reported as “Administrative expenses” (Note 5.3). Gains and losses on disposal of property, plant and equipment, and current income and expenses from investment property are reported as profit or loss, under “Net other operating income” (Note 5.2).

Depreciation and amortisation of right-of-use assets arising from lease agreements is recognised under “Administrative expenses” (Note 5.3). In accordance with IFRS 16, lease liabilities are reported under “Other assets and liabilities” (Note 6.3), while interest expense on lease liabilities is recognised in “Net interest income” (Note 4.2.1).

Estimation uncertainties and judgements

The items “Investment property”, “Intangible assets” and “Property, plant and equipment” are measured at cost less accumulated depreciation. Depreciation and amortisation are on a straight-line basis over the normal useful lives of the assets. The following useful lives are applied:

- Buildings and building alterations 20-50 years
- Equipment, fixtures and furnishings 3-15 years
- Computer software and hardware 3-5 years
- Right-of-use assets (IFRS 16) 4-10 years

Pursuant to IAS 36, indications of impairment result in an impairment test in order to determine the recoverable amount, and impairment is recognised where necessary.

The table below shows movements in intangible assets, property, plant and equipment, and investment property.

	Cost						
EUR '000	1 Jan. 2024	Changes in scope of consolidation	Additions	Disposals	Transfers	Other changes	31 Dec. 2024
Software	9,259	-	393	-33	-	-	9,618
Intangible assets	**9,259**	**-**	**393**	**-33**	**-**	**-**	**9,618**
Land	13,004	-	-	-	-	-	13,004
Buildings	60,708	-	552	-	-	-	61,260
IT equipment	2,621	-	124	-25	-	-	2,719
Equipment, fixtures and furnishings	33,982	-	664	-2,042	-	-	32,603
Right-of-use assets (IFRS 16)	2,223	-	1,215	-494	-	8	2,952
Other property, plant and equipment	270	-	-	-	-	-	270
Property, plant and equipment	**112,806**	**-**	**2,555**	**-2,561**	**-**	**8**	**112,808**
Investment property	**33,886**	**-**	**1,945**	**-**	**-**	**-**	**35,831**

	Accumulated depreciation and amortisation						Carrying amount	
EUR '000	1 Jan. 2024	Changes in scope of consolidation	Depre-ciation and amorti-sation	Impair-ment	Dis-posals	31 Dec. 2024	1 Jan. 2024	31 Dec. 2024
Software	-8,582	-	-223	-	33	-8,771	677	847
Intangible assets	**-8,582**	**-**	**-223**	**-**	**33**	**-8,771**	**677**	**847**
Land	-21	-	-1	-	-	-22	12,983	12,982
Buildings	-21,178	-	-1,473	-	-	-22,651	39,530	38,609
IT equipment	-2,132	-	-275	-	25	-2,382	489	337
Equipment, fixtures and furnishings	-25,735	-	-1,428	-	1,925	-25,238	8,247	7,366
Right-of-use assets (IFRS 16)	-1,325	-	-449	-	494	-1,280	898	1,672
Other property, plant and equipment	-143	-	-34	-	-	-178	126	92
Property, plant and equipment	**-50,534**	**-**	**-3,659**	**-**	**2,443**	**-51,750**	**62,272**	**61,058**
Investment property	**-11,434**	**-**	**-1,210**	**-**	**-**	**-12,644**	**22,452**	**23,188**

	Cost						
EUR '000	1 Jan. 2023	Changes in scope of consolidation	Additions	Disposals	Transfers	Other changes	31 Dec. 2023
Software	8,872	-	388	-1	-	-	9,259
Intangible assets	**8,872**	**-**	**388**	**-1**	**-**	**-**	**9,259**
Land	13,004	-	-	-	-	-	13,004
Buildings	60,310	-	398	-	-	-	60,708
IT equipment	2,263	-	429	-71	-	-	2,621
Equipment, fixtures and furnishings	32,357	-	2,698	-1,073	-	-	33,982
Right-of-use assets (IFRS 16)	2,073	-	52	-	-	98	2,223
Other property, plant and equipment	356	-	-	-86	-	-	270
Property, plant and equipment	**110,362**	**-**	**3,577**	**-1,230**	**-**	**98**	**112,806**
Investment property	**34,920**	**-**	**376**	**-1,410**	**-**	**-**	**33,886**

	Accumulated depreciation and amortisation						Carrying amount	
EUR '000	1 Jan. 2023	Changes in scope of consolidation	Depreciation and amortisation	Impair-ment	Dis-posals	31 Dec. 2023	1 Jan. 2023	31 Dec. 2023
Software	-8,398	-	-183	-	-	-8,582	474	677
Intangible assets	**-8,398**	**-**	**-183**	**-**	**-**	**-8,582**	**474**	**677**
Land	-20	-	-1	-	-	-21	12,983	12,983
Buildings	-18,696	-	-1,462	-1,021	-	-21,178	41,614	39,530
IT equipment	-1,747	-	-455	-	69	-2,132	517	489
Equipment, fixtures and furnishings	-24,966	-	-1,770	-	1,002	-25,735	7,390	8,247
Right-of-use assets (IFRS 16)	-982	-	-342	-	-	-1,325	1,091	898
Other property, plant and equipment	-125	-	-39	-	20	-143	231	126
Property, plant and equipment	**-46,536**	**-**	**-4,068**	**-1,021**	**1,091**	**-50,534**	**63,826**	**62,272**
Investment property	**-10,249**	**-**	**-1,227**	**-**	**42**	**-11,434**	**24,671**	**22,452**

EUR '000	2024	2023
Other income from investment property	**2,183**	**2,456**
Rental income	1,824	1,870
Other income	360	429
Income from disposals	-	157
Other expenses arising from investment property	**-1,712**	**-1,715**
Depreciation, amortisation and impairment	-1,210	-1,227
Expenses arising from let investment property	-396	-457
Expenses arising from vacant investment property	-106	-31
Total	**471**	**741**

	31 Dec. 2024		31 Dec. 2023	
EUR '000	Carrying amount	Fair value	Carrying amount	Fair value
Land and buildings	51,591	65,467	52,513	65,467
Investment property	23,188	37,022	22,452	38,032

6.1.1 Operating leases (with the Group as lessor)

EUR '000	2024	2023
Income from operating leases		
Investment property	1,824	1,870
Property, plant and equipment	486	481

6.1.2 Right-of-use assets (IFRS 16)

	31 Dec. 2024				31 Dec. 2023			
EUR '000	Carrying amount	Additions	Depre-ciation and amorti-sation	Other changes	Carrying amount	Additions	Depre-ciation and amorti-sation	Other changes
Land and buildings	1,145	584	-345	8	898	150	-342	98
Vehicles	527	631	-104	-	-	-	-	-
Parking spaces	-	-	-	-	-	-	-	-

EUR '000	2024	2023
Leases with the Group as lessee – supplementary information		
Payments for leases on low-value assets	-14	-19
Short-term lease payments	-514	-523
Total cash outflow for leases	-1,072	-904

6.2 Provisions

Accounting policies

Employee benefit provisions

There are both defined contribution and defined benefit plans in the HYPO NOE Group. Under the former, defined contributions are paid to an external fund. As the employer has no legal or other obligation to make additional payments, there is no need to recognise a provision.

Since 1 January 2019 the defined contribution entitlements have been administered by APK Pensionskasse AG. Under the works agreement in force at HYPO NOE Landesbank and HYPO NOE Leasing GmbH since 1 January 2019, 3% of eligible salaries are paid to the pension fund on behalf of ordinary employees, 6% on behalf of departmental heads with all-in contracts, and 9.76% on behalf of divisional heads and other management members of like status. Where there were different agreements on contributions in the past, these remain in force. In the case of employees who joined the pension scheme on or before 31 December 2012, the employer's contributions vested five years after payments began; in that of employees joining on or after 1 January 2013, they did so three years after commencement. Since 1 January 2019 eligibility for employer's contributions has been conditional on two years' service; prior service may be counted (for entrants before 1 January 2019 the waiting period was five years).

There are also defined benefit pension, and termination and jubilee benefit commitments. The plans are not financed by a fund. Long-term employee benefit provisions are measured using the projected unit credit method, in accordance with IAS 19. Future obligations are measured on the basis of a report by an independent actuary. Recognition in the consolidated statement of financial position is at the present value of the defined benefit obligation (DBO). Actuarial gains and losses on the termination benefit and pension provision are recognised in equity, under the "Actuarial gains and losses

recognised in other reserves" item. Actuarial gains and losses on the jubilee benefit provision are shown under "Administrative expenses" (Note 5.3) in the statement of profit or loss.

Disclosures on employee benefits

Current service cost and interest cost are recognised in profit or loss, under "Staff costs" (Note 5.3.2). The actuarial gains and losses are due entirely to changes in the financial assumptions applied.

The HYPO NOE Group's defined benefit plans give rise to pension, termination benefit and jubilee benefit obligations. IAS 19 defines pension and termination benefit obligations as benefits that are payable after the completion of employment. Jubilee benefits are classified as other long-term employee benefits. At present, the HYPO NOE Group has no defined benefit pension plans, and the remaining obligations have been transferred to an outside pension fund. The only other defined benefit obligations are to retired employees and their surviving dependents where the latter have entitlements. The remaining obligations have been transferred to an outside pension fund. The average duration of the pension obligation is 9.5 years, and that of the termination benefit obligation is 10 years. The HYPO NOE Group does not have any plan assets.

There are termination benefit obligations under superseded legislation. These are to employees who entered the service of the Group before 1 January 2003 and have not already received termination benefits as a result of a group transfer. Under the new termination benefit legislation, the benefits are contracted out to a termination benefit fund (see the "Expenses for provident fund" item in "Staff costs" [Note 5.3.2]). The jubilee benefits depend on employees' length of service and are governed by the collective agreement applicable to the employment contract concerned.

Credit provisions

This item comprises provisions for credit risks such as unused but irrevocable credit lines and guarantees, see also "Off-balance-sheet transactions" (Note 4.4.3).

Other provisions

Allocations to and reversals of the other provisions are made to/charged to the various profit or loss items concerned on a causation basis. For legal-risk provisions, allocations are recognised in "Other operating expense", while any reversals are reported under "Other operating income".

Estimation uncertainties and judgements

Employee benefit provisions

Measurement of the long-term employee benefit provisions was based on the statutory retirement ages of 60 for women and 65 for men. Account was taken of the staged increase in the retirement age for women from 60 to 65.

As in previous years, the discount rate applied to measurement at the end of the reporting period was determined on the basis of investment-grade industrial bonds and finalised in consultation with experts in the eurozone.

Interest rate for	31 Dec. 2024	31 Dec. 2023
Discount rate	3.50%	4.25%
Future salary increases	3.50%	3.80%
Future pension increases	3.00%	3.30%
Adjustment for employee turnover applied to jubilee benefits	8.00%	10.70%

Measurement was based on the biometric estimates contained in the latest Austrian actuarial table for pension insurance, "AVÖ 2018 – P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler, Angestelltenbestand". Use of this table for the measurement of employee benefit obligations is recommended by the Actuarial Association of Austria.

Other provisions

As at 30 June 2024, the legal-risk provision for negative interest rates in connection with corporate loan agreements, carried under "Other provisions", amounted to EUR 4,142thsd (31 Dec. 2023: EUR 5,495thsd).

Sensitivity of the provision for negative interest rates under corporate loan agreements (parameter changes expressed in EUR '000)	31 Dec. 2024	31 Dec. 2023
Expected parameter assumptions	5,169	5,495
Expected settlement percentage +10 percentage points	5,557	5,907
Expected settlement percentage -10 percentage points	4,782	5,083
Weighting of full payment +10 percentage points	5,686	6,044
Weighting of full payment -10 percentage points	4,653	4,946

6.2.1 Movements in provisions

EUR '000	1 Jan. 2024	Allocations	Utilisation	Reversals	Discount unwinding effect	Remeasurement	31 Dec. 2024
Employee benefit provisions	**22,168**	**498**	**-1,573**	**-**	**963**	**2,210**	**24,267**
Provisions for pensions	11,910	-	-1,062	-	506	1,262	12,616
Provisions for termination benefits	7,760	323	-426	-	344	628	8,629
Provisions for jubilee benefits	2,498	175	-86	-	114	320	3,021
Credit provisions	**2,722**	**1,450**	**-**	**-1,810**	**-**	**-**	**2,361**
Other provisions	**5,643**	**189**	**-67**	**-1,363**	**-**	**-**	**4,402**
Total	**30,533**	**2,137**	**-1,640**	**-3,173**	**963**	**2,210**	**31,030**

6.2.2 Disclosures on employee benefits

Estimation uncertainties and judgements

The following tables present sensitivity analyses that show how changes in some parameters (the discount rate, salary and pension increases, and life expectancy) would affect the recognised DBO.

The first two calculations show the sensitivity to a change in the discount rate (plus or minus 0.25 percentage points) with the remaining parameters unchanged. The others show the effects of the following assumptions: salary increases or reductions of 0.25%, pension increases or reductions of 0.25%, and a rise or fall of one year in life expectancy, while the remaining parameters are unchanged.

The last line of the table models DBO given a discount rate unchanged from the previous year.

DBO sensitivities of the pension provision under parameter changes	DBO
Carrying amounts as at 31 Dec. 2024: 0.25pp discount rate increase	
Discount rate 3.75%; salary increase 3.5%; pension increase 3%	12,330
Carrying amounts as at 31 Dec. 2024: 0.25pp discount rate decrease	
Discount rate 3.25%; salary increase 3.5%; pension increase 3%	12,915
Carrying amounts as at 31 Dec. 2023: 0.25% pension increase	
Discount rate 3.5%; salary increase 3.5%; pension increase 3.25%	12,915
Carrying amounts as at 31 Dec. 2024: 0.25% pension decrease	
Discount rate 3.5%; salary increase 3.5%; pension increase 2.75%	12,330
Carrying amounts as at 31 Dec. 2024: one-year increase in life expectancy	
Discount rate 3.5%; salary increase 3.5%; pension increase 3%	13,278
Carrying amounts as at 31 Dec. 2024: one-year decrease in life expectancy	
Discount rate 3.5%; salary increase 3.5%; pension increase 3%	11,970
Carrying amounts as at 31 Dec. 2024: previous year's discount rate	
Discount rate 4.25%; salary increase 3.5%; pension increase 3%	12,110

DBO sensitivities of the provision for termination benefits under parameter changes	DBO
Carrying amounts as at 31 Dec. 2024: 0.25pp discount rate increase	
Discount rate 3.75%; salary increase 3.5%; pension increase 3%	8,423
Carrying amounts as at 31 Dec. 2024: 0.25pp discount rate decrease	
Discount rate 3.25%; salary increase 3.5%; pension increase 3%	8,843
Carrying amounts as at 31 Dec. 2024: 0.25% salary increase	
Discount rate 3.5%; salary increase 3.75%; pension increase 3%	8,853
Carrying amounts as at 31 Dec. 2024: 0.25% salary decrease	
Discount rate 3.5%; salary increase 3.25%; pension increase 3%	8,413
Carrying amounts as at 31 Dec. 2024: previous year's discount rate	
Discount rate 4.25%; salary increase 3.5%; pension increase 3%	8,277

Type of provision

EUR '000	Pensions	Termination benefits	Jubilee benefits	Total
Present value of DBO at 31 Dec. 2022	**13,245**	**7,330**	**2,288**	**22,864**
Service cost	-	301	163	465
Interest cost	503	290	93	886
Payments	-1,075	-342	-102	-1,519
Actuarial gains and losses recognised in profit or loss	-	-	55	55
Actuarial gains and losses not recognised in profit or loss	-763	180	-	-583
Present value of DBO at 31 Dec. 2023	**11,910**	**7,760**	**2,498**	**22,168**
Service cost	-	323	175	498
Interest cost	506	344	114	963
Payments	-1,062	-426	-86	-1,573
Actuarial gains and losses recognised in profit or loss	-	-	320	320
Actuarial gains and losses not recognised in profit or loss	1,262	628	-	1,890
Present value of DBO at 31 Dec. 2024	**12,616**	**8,629**	**3,021**	**24,267**

The following table shows the present values of the DBOs in respect of the employee benefit provisions (pensions, termination benefits and jubilee benefits) as at 31 December 2024, and the service and interest cost, as well as the underlying assumptions (discount rate, and salary and pension increases) for 2025 on which the calculations are based. The amounts for members of the Supervisory and Management Boards, and for key management are also shown.

These DBOs are subject to longevity and discount rate risk.

31 Dec. 2025 (forecast) by type of provision, EUR '000 **Discount rate 3.5%; salary increase 3.5%; pension increase 3%**	**Pensions**	**Termination benefits**	**Jubilee benefits**	**Total**
DBO	12,616	8,629	3,021	24,267
Current service cost	-	344	210	555
Interest cost	442	314	113	869
Supervisory and Management boards				
DBO	-	294	36	330
Service cost	-	12	2	14
Interest cost	-	11	1	12
Key management staff				
DBO	-	212	109	321
Service cost	-	-	7	7
Interest cost	-	7	4	11

6.3 Other assets and liabilities

Accounting policies

"Other assets and liabilities" largely relates to other non-bank receivables and liabilities.

Following conclusion in November 2022 of an energy supply agreement that runs until 2025, the HYPO NOE Group only uses electricity generated from renewable sources. The agreement locks in the electricity price paid by the Group for specified quantities in 2025, which likewise correspond to expected consumption.

In September 2023 the Group also concluded a gas supply agreement that runs until 2025. It locks in the gas price paid by the Group for specified quantities in 2025, which likewise correspond to expected consumption.

As the agreed quantities of electricity and gas will solely cover the HYPO NOE Group's own demand, the Group opted to apply the own use exemption under paragraph 2.4 IFRS 9 to the agreements, which are therefore recognised as pending agreements.

Other assets

EUR '000	31 Dec. 2024	31 Dec. 2023
Offset receivables (public loan management)	14,844	11,485
Accruals and deferrals, and contract assets in accordance with IFRS 15	6,463	6,576
Other offset receivables	5,183	5,883
VAT and other tax credits (other than income tax)	2,091	2,272
Trade receivables	690	2,189
Non-consolidated subsidiaries and associates	434	582
Properties taken into possession	331	-
Sundry other receivables	551	712
Other assets	**30,587**	**29,700**

In June 2024, a property in Laxenburg was acquired through a forced auction by Strategic Equity Beteiligungen GmbH as the highest bidder, with the intention of disposing of it by the end of 2025. The current carrying amount is EUR 331thsd (31 Dec. 2023: nil)

Other liabilities

EUR '000	31 Dec. 2024	31 Dec. 2023
Trade payables	79,892	56,709
VAT and other tax liabilities (other than income tax)	16,170	10,135
Firm commitments arising from future lending business	9,483	9,907
SEPA clearing offset liabilities	8,782	25,560
Employee liabilities	8,253	7,326
Other offset liabilities	3,219	3,026
Accruals and deferrals, and contract liabilities in accordance with IFRS 15	2,927	3,746
Lease liabilities in accordance with IFRS 16	2,212	900
Offset liabilities (public loan management)	850	937
Sundry other liabilities	588	1,060
Other liabilities	**132,375**	**119,305**

The table below shows a maturity analysis in accordance with paragraph 58 IFRS 16 for the lease liabilities contained in "Other liabilities". Further information on the HYPO NOE Group in its capacity as a lessee can be found in "Right-of-use assets (IFRS 16)" (Note 6.1.2).

EUR '000	31 Dec. 2024	31 Dec. 2023
Lease liabilities by term		
Up to 1 year	489	223
1 to 2 years	465	194
2 to 3 years	454	159
3 to 4 years	341	138
4 to 5 years	65	130
Over 5 years	398	55
Total	**2,212**	**900**

7 TAXES

Accounting policies

Current tax assets and liabilities are measured at current rates and the amounts expected to be paid to or recovered from the taxation authorities. HYPO NOE Landesbank is liable to tax in Austria. Since 2008, use has been made of the option of group taxation, with HYPO NOE Landesbank acting as the tax group parent company. To this end, the parent has concluded group taxation agreements governing tax contributions, reporting duties and due dates with each group member. Positive tax contributions are reported as 23% of a Group entity's profit, and negative tax contributions as 20% of its loss.

Deferred tax assets and liabilities are measured using the balance sheet liability method. The tax base of an asset is compared with the IFRS carrying amount, and deferred tax is recognised for the temporary difference. If a tax liability is probable when the temporary difference reverses, a deferred tax liability is recognised. Deferred tax assets are recognised for temporary differences that result in tax reductions when they reverse. Offsetting of deferred tax assets and liabilities is performed on a company-by-company basis. Pursuant to IAS 12, deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are also offset within the tax group, in accordance with paragraph 74 IAS 12.

Deferred tax assets and liabilities are recognised and reversed either in profit or loss, under "Income tax expense", or in equity if the underlying item is recognised outside profit or loss (e.g. under "Other reserves composed of debt instruments – FVOCI").

A tax rate of 23% is applied for deferred tax liabilities.

Estimation uncertainties and judgements

Deferred tax assets are recognised for tax loss carryforwards if it is likely that sufficient taxable profit will be available. The HYPO NOE Group's tax loss carryforwards are recognised in Austria and are available for use without time limit. The relevant calculations are based on an updated budget for each company, and a distinction is made between realisable and non-realisable tax loss carryforwards. The assumed time horizon is five years (or, in the case of project companies, a horizon equal to the contractual term). The carrying amounts of deferred tax assets arising from tax loss carryforwards and temporary differences are reviewed at the end of each reporting period. No deferred tax assets were recognised in respect of tax loss carryforwards of EUR 2,176thsd (2023: EUR 2,181thsd).

7.1 Income tax

This item includes all taxes payable on profits for the reporting period.

EUR '000	2024	2023
Current income tax	-10,159	-24,332
Current income tax on previous years	229	-8,299
Deferred income tax	-7,613	2,201
Total	**-17,772**	**-22,130**

7.2 Tax reconciliation

A reconciliation of the expense that would result from applying the standard rate of corporate income tax to the reported tax expense is shown below.

EUR '000	2024	2023
Profit before tax	**82,242**	**88,113**
x income tax rate	**23%**	**24%**
= anticipated income tax expense	**-18,916**	**-21,147**
Reductions in tax liability	**2,565**	**1,008**
Tax-free income from investments	708	212
Other tax-free income	1,244	274
Investments accounted for using the equity method	614	521
Increases in tax liability	**-1,638**	**-1,259**
Non-deductible expenses	-1,638	-1,259
Tax effects of other differences	**217**	**-732**
Adjustments to and non-recognition of deferred tax	-	-95
Previous years	224	-612
Prepayments	-2	-9
Other adjustments	-6	-16
Total	**-17,772**	**-22,130**

The "Increases in tax liability" arise from non-deductible expenses, such as the financial stability contribution which has not been tax-deductible since 2017.

7.3 Deferred income tax

EUR '000	Net deferred taxes	Changes in scope of consolidation	Change in 2024		Net deferred taxes	Assets	Liabilities
			Recognised in profit or loss	Recognised outside profit or loss			
Financial assets – HFT	-15,852	-	403	-	-15,449	-	-15,449
Financial assets – mandatorily FVTPL	-1,220	-	23	-	-1,197	-	-1,197
Financial assets – FVOCI	-2,262	-	-536	605	-2,193	-	-2,193
Financial assets – AC	-1,102	-137	-24,062	-	-25,301	9,702	-35,004
Positive fair value of hedges (hedge accounting)	-62,394	-	10,771	-	-51,623	-	-51,623
Other assets (statement of financial position)	43	-	572	-	616	1,688	-1,072
Financial liabilities – HFT	14,744	-	-234	-	14,510	14,510	-
Financial liabilities – AC	-71,624	-	34,756	-	-36,869	-	-36,869
Negative fair value of hedges (hedge accounting)	110,882	-	-29,428	-	81,454	81,454	-
Other liabilities (statement of financial position)	1,806	-	183	474	2,463	4,296	-1,832
Tax loss carryforwards available for use without time limit	7,365	18	-61	-	7,322	7,322	-
less deferred tax liabilities	-	-	-	-	-	-	118,589
Total	**-19,614**	**-119**	**-7,613**	**1,079**	**-26,266**	**384**	**-26,650**

EUR '000	Net deferred taxes	Changes in scope of consolidation	Change in 2023		Net deferred taxes	Assets	Liabilities
			Recognised in profit or loss	Recognised outside profit or loss			
Financial assets – HFT	-14,401	-	-1,451	-	-15,852	-	-15,852
Financial assets – mandatorily FVTPL	-1,315	-	95	-	-1,220	-	-1,220
Financial assets – FVOCI	-1,398	-	-1,471	607	-2,262	1	-2,263
Financial assets – AC	43,395	-	-44,497	-	-1,102	28,706	-29,808
Positive fair value of hedges (hedge accounting)	-87,046	-	24,651	-	-62,394	-	-62,394
Other assets (statement of financial position)	955	-	-911	-	43	1,163	-1,119
Financial liabilities – HFT	12,923	-	1,821	-	14,744	14,744	-
Financial liabilities – AC	-141,008	-	69,383	-	-71,624	-	-71,624
Negative fair value of hedges (hedge accounting)	160,768	-	-49,887	-	110,882	110,882	-
Other liabilities (statement of financial position)	-2,428	-	4,368	-134	1,806	4,135	-2,329
Tax loss carryforwards available for use without time limit	7,265	-	100	-	7,365	7,365	-
less deferred tax liabilities	-	-	-	-	-	-166,717	166,717
Total	**-22,288**	**-**	**2,201**	**473**	**-19,614**	**279**	**-19,893**

Deferred taxes on income recognised in other comprehensive income

		2024	
EUR '000	**Gross**	**Deferred taxes**	**Net**
Financial assets – FVOCI	-2,625	605	-2,021
Equity instruments – FVOCI	300	-69	231
Debt instruments – FVOCI	-2,708	624	-2,085
Debt instruments – FVOCI reclassified to profit or loss	-217	50	-167
Other liabilities (statement of financial position)	-2,062	474	-1,588
Actuarial gains and losses	-1,890	435	-1,455
Hedges (hedge accounting)	-172	40	-132
Total	**-4,687**	**1,079**	**-3,609**

		2023	
EUR '000	**Gross**	**Deferred taxes**	**Net**
Financial assets – FVOCI	-2,631	607	-2,026
Equity instruments – FVOCI	114	-26	88
Debt instruments – FVOCI	-2,498	577	-1,924
Debt instruments – FVOCI reclassified to profit or loss	-246	57	-190
Other liabilities (statement of financial position)	583	-134	449
Actuarial gains and losses	583	-134	449
Hedges (hedge accounting)	-	-	-
Total	**-2,048**	**473**	**-1,577**

Tax loss carryforwards for which no deferred tax assets have been recognised may be carried forward without time limit.

The basis for non-recognition of deferred tax for associates and joint ventures in profit or loss was negative by EUR 2,669thsd (31 Dec. 2023: negative by EUR 2,173thsd).

The deductible temporary differences arising from differences between tax and accounting valuations related to interests in affiliated companies, joint ventures and associates, for which no deferred tax liabilities were recognised, totalled EUR 632thsd (31 Dec. 2023: EUR 687thsd). Unrecognised deferred tax liabilities arising from differences between the tax bases of interests in affiliated companies, joint ventures and associates, measured by shares of net assets held, amounted to EUR 22,352thsd (2023: EUR 20,233thsd).

8 RISK MANAGEMENT

The HYPO NOE Group defines risk as the possibility of unexpected, unfavourable future developments that could have an adverse impact on the assets, earnings or liquidity of the Group or of individual subsidiaries.

Derived from the Group's strategic objectives, development of all significant business activities takes strategic risk factors into account, with a strong focus on risk-bearing capacity. The Bank attaches particular importance to the assessment of risks in the light of the risk-reward ratio. Risks are not ends in themselves but are assumed in the interests of value creation and, in turn, improved risk-bearing capacity, as well as adequate returns on risk capital. The refinement of instruments and processes aimed at maintaining an adequate risk-reward ratio is seen as an integral element of the Group's long-term strategy.

The Group's risk-bearing capacity is safeguarded by a balanced relationship between risks and coverage capital. To this end, eligible risk coverage capital is very carefully defined, and the confidence level for risk quantification (i.e. the probability of loss) is set at a conservative level.

The disclosure of risks is based on the Group's internal risk management and risk reporting systems.

8.1 Risk management system

Achieving business success necessarily involves taking risks. The HYPO NOE Group practises active risk transformation and risks are consciously incurred in connection with it. The Group's risk management objectives are to identify, measure, actively manage and monitor all risks arising from banking operations (credit, market, liquidity, operational, reputational and other risks).

The Group's organisational structure provides for a clear separation of front and back office functions (in line with the four-eye principle) at every level up to and including the Management Board. The front office functions originate business and give initial clearance to transactions, while the back office functions cast an additional, independent vote on lending decisions that confers final approval. The internal division of responsibilities requires the unanimous approval of the front and back office functions for all business decisions that would alter the risk profile. There are also rules for the ultimate approval of exposures requiring resolutions of the Group's Supervisory Board.

In principle, all risks throughout the HYPO NOE Group are subject to a Group-wide, uniform limit system, which is monitored on an ongoing basis. A Group-wide risk reporting system ensures timely, regular and comprehensive risk reporting. In addition to the quarterly risk management report, which provides an aggregated summary of all identified material capital risks and the available capital coverage, and analyses the Group's insolvency risk, the Management and Supervisory Boards receive separate regular risk reports for each risk category. These provide detailed information on current risk-related developments.

The disclosures required by Part 8 of the CRR are made on a consolidated basis for the HYPO NOE Group, in a separate document posted on the corporate website at ir.hyponoe.at/en.

The rules for introducing new areas of business or new products, and for entering new markets, require appropriate prior analysis of the relevant business risks. Without exception, transactions that entail risks are only permitted if they are explicitly regulated and authorised by the Group's risk documentation. In principle, the Group restricts its exposures to areas where it has the necessary expertise to judge and manage the specific risks involved. If the risk situation is unclear, or there are methodological uncertainties, the principle of prudence is given precedence.

The HYPO NOE Group identifies, quantifies, monitors and manages risks in accordance with the applicable statutory and commercial requirements. In spite of the risk management methods and internal control processes in place, the Group may still be exposed to unknown and unexpected risks. Furthermore, the risk management techniques and strategies applied cannot completely rule out the future occurrence of risks.

8.2 Aggregate risk management and risk-bearing capacity (ICAAP)

The identification, quantification and oversight of total Bank risk at portfolio level is the responsibility of the Strategic Risk Management Department, and encompasses the identification, measurement, aggregation and analysis of all the risks assumed, assessment of the adequacy of economic capital in relation to the risk profile, and the use and ongoing refinement of appropriate risk management systems.

The minimum own funds requirement is calculated using the standardised approach set out in Pillar 1 of the Basel regulations. All material risks are actively managed as part of the Group's internal risk management process (Pillar 2) and in compliance with the disclosure requirements (Pillar 3).

Maintenance of adequate risk-bearing capacity is monitored by two control loops:

- The economic gone concern control loop provides creditor protection against exposure to customer liquidation. Risks are measured at a high confidence level of 99.9% with a one-year holding period, and compared with the risk coverage capital available in the event of liquidation.
- The going concern management control loop is designed to ensure that the HYPO NOE Group survives as a going concern. Here, risks are measured at a lower confidence level of 95% with a one-year holding period, and compared with the coverage capital realisable without endangering survival.

The HYPO NOE Group's risks and risk coverage capital for the purposes of the economic control loop are shown below.

Economic risk by risk type, EUR '000	31 Dec. 2024	31 Dec. 2023
Credit risk	**233,897**	**257,375**
Counterparty risk	197,831	222,146
FX risk (customer perspective)	709	1,675
Investment risk	9,438	8,256
Concentration risk	23,602	22,595
Macroeconomic risk	997	1,382
Repayment vehicle risk	1,320	1,323
Market risk	**111,433**	**83,971**
Interest rate risk	78,665	53,669
Credit spread risk	31,781	29,227
Credit valuation adjustment risk	289	337
FX risk (Bank perspective)	47	87
Risk – small trading book	650	650
Liquidity risk	**6,400**	**6,200**
Operational risks	**29,565**	**27,456**
Risk buffer	**51,126**	**55,187**
Model risk	19,065	18,750
Reputational risk	7,626	7,500
Other non-quantified risks	24,435	28,936
Total	**432,420**	**430,189**

Allocated to RBC, EUR '000	31 Dec. 2024	31 Dec. 2023
Economic Tier 1 capital	866,758	816,728
Undisclosed reserves/liabilities	-26,882	-19,693
Economic risk-bearing capacity (RBC)	**839,876**	**797,035**
Utilisation of economic RBC	**51%**	**54%**

As at 31 December 2024 the Group was utilising 51.5% of its risk-bearing capacity (including an adequate risk buffer), which was lower than at 31 December 2023 (54%). This reduction was mainly due to updates in credit risk parameters, in particular loss given defaults.

8.2.1 Management of the internal risk coverage capital

As part of the aggregated banking risk management system, own funds are calculated at the consolidated Group level as defined by the CRR. The own funds figures from the Common Reporting Framework (COREP) are thus converted into economic risk-bearing capacity. Undisclosed economic reserves and liabilities arising from securities are also included in the risk coverage capital. Changes are driven both by the volatility of the undisclosed reserves and liabilities, and by the resolutions of the Annual General Meeting with respect to dividend distributions, allocations to reserves and any capital increases.

The main components of the HYPO NOE Group's economic risk-bearing capacity are as follows:

- Tier 1 capital, and
- Undisclosed reserves/liabilities arising from securities (AC)

The following components are currently not included in the Group's economic coverage capital:

- Subordinated and Tier 2 capital (except for certain predefined stress situations) – the HYPO NOE Group currently has no subordinated or Tier 2 capital
- Interim profits and losses for the current financial year

The exclusion of subordinated and Tier 2 capital from the risk coverage capital serves to protect the Group's creditors. In the event of liquidation, the interests of subordinated creditors are protected, which represents prudent banking practice.

In accordance with the going concern control loop, meeting the own funds requirements is also a strict condition for ensuring that the Bank remains a going concern.

8.2.2 Recovery plan

Under the Bundesgesetz über die Sanierung und Abwicklung von Banken (Federal Act on the Recovery and Resolution of Banks), which came into force on 1 January 2015, the HYPO NOE Group is required to draw up a recovery plan. Embedding of the plan in day-to-day operations pursuant to the Act is integral to the Group's risk and capital management framework.

At the core of the expanded risk management and overall control processes implemented under the recovery plan, specific indicators and restructuring and communication measures will be established, as well as robust escalation and decision-making processes within the recovery governance structure that supplement the existing control measures in the event of an impending or unfolding crisis.

Early warning and recovery indicators are an integral part of the reporting within the relevant management bodies.

The 2024 review of the Group's recovery plan under the Federal Act on the Recovery and Resolution of Banks was completed and the approved document submitted to the supervisory authority.

8.2.3 Bank-wide stress test

As part of the internal Bank-wide stress testing process, a detailed economic study compiled every year provides the basis for the annual analysis of scenarios relevant to the HYPO NOE Group's business model. The impact of the scenarios on credit, investment and liquidity risk, net interest income and credit spreads, as well as on the recognition of additional risk provisions pursuant to IFRS 9 and expected defaults, are simulated at Group level to determine both regulatory and economic risk-bearing capacity. The results of the stress test and potential countermeasures are reported to the Management Board and presented to the Risk Management Committee (RICO) and Risk Committee.

In addition, reverse stress tests are carried out annually, and stress tests may also be held on a case-by-case basis.

8.2.4 Basel III/IV

CRR III (Regulation [EU] 2024/1623) and CRD IV (Regulation [EU] 2024/1619) were published in the Official Journal of the European Union on 19 June 2024. CRR III came into effect on 9 July 2024 and must be applied by the institutions concerned from 1 January 2025. However, the date of initial application for certain provisions was 9 July 2024.

The European Banking Authority also published the finalised reporting framework 4.0 (EBA ITS 4.0), which implements the new and amended CRR III regulations into the supervisory reporting requirements. The OeNB will provide the supervisory reporting master data in January 2025 and the public disclosure master data in February/March 2025.

In view of the short implementation period and high degree of complexity facing all banks, the EBA significantly extended the deadline for submission of the regulatory COREP reporting templates – to 31 March 2025 – meaning that the final regulatory figures for initial application of CRR III will not be available until 30 June 2025 at the latest.

On the basis of the amendments to Regulation (EU) No 575/2013 outlined above, another impact analysis was carried out to determine credit risk based on the business portfolio as at 30 June 2024. The results again fed into the medium-term budget drawn up in the autumn. The new data requirements for existing business were identified and the processes for new lending were adapted. Technical implementation of CRR III will take place under the Integrated Finance and Risk Architecture (IFRA) programme, which was initiated in 2022.

8.2.5 Upgrading risk management systems

In 2025 the HYPO NOE Group will again refine its infrastructure, processes and methodologies, in order to meet current and future regulatory requirements, as well as to ensure that internal risk control systems remain compatible with the Group's permitted risk tolerance and its business objectives.

8.2.6 Minimum requirement for own funds and eligible liabilities (MREL)

As at 31 December 2024, the HYPO NOE Group was obliged to comply with the following mandatory minimum requirements for MREL:

- 5.91% of leverage ratio exposure (31 Dec. 2023: 5.90%), or
- 21.61% of total risk exposure (31 Dec. 2023: 20.92%)

The Group makes use of a general prior permission (GPP) in order to reduce the level of instruments for eligible liabilities by up to 10%. The officially approved GPP for 2024 was approximately EUR 254m. Renewal of the GPP at EUR 172m for 2025 was applied for and approved by the regulator. Consequently, the HYPO NOE Group is entitled to make repurchases of eligible liabilities amounting to EUR 172m without further approval from the regulator.

As a result, this pre-approved amount for repurchases of eligible liabilities can no longer be included in the MREL calculations as outstanding liabilities. The Group still comfortably meets the minimum requirements established by the regulator, as there are sufficient eligible liabilities and own funds.

8.3 Credit risk

Information on credit risk can be found in Note 4 FINANCIAL INSTRUMENTS AND CREDIT RISK.

8.4 Market risk

8.4.1 Market risk management

Market risks are potential losses resulting from adverse changes in the net asset value of exposures due to changes in market prices.

Market risks specific to banking include:

- Interest rate risk in the banking book
- Credit spread risk
- Foreign exchange risk from a banking perspective
- Option risk (volatility risk)
- Trading book risk
- Basis risk
- Credit valuation adjustment (CVA) risk

- Concentration risk inherent in market risk
- Commodity risk
- Share price risk
- Fund price risk
- Sustainability risk

The HYPO NOE Group's market risk management strategy sets out the strategic guidelines for managing market risks specific to banking.

The main market risks facing the HYPO NOE Group are interest rate risk in the banking book, and credit spread risk (in particular in the nostro portfolio) arising in part from ordinary banking activities such as fixed-interest lending and management of liquidity reserves. The HYPO NOE Group has implemented detailed oversight and control processes to address these risks. In the course of its business operations, the HYPO NOE Group is exposed to foreign exchange and option risks (e.g. embedded upper and lower interest rate limits) which are monitored and managed. The use of derivatives to hedge interest rate risk can give rise to basis risk, which is likewise monitored in the risk management systems. Risk management procedures and methods are also in place to deal with the CVA risk associated with derivatives. The concentration risk inherent in market risk chiefly arises from own investments of liquidity reserves, and is managed and limited together with the latter. The Bank also uses the small trading book to trade on its own account. Appropriate and transparent limits that reflect risk appetite and monitoring processes have been introduced in order to maintain compliance with legal requirements and internal risk management policies.

The HYPO NOE Group has not earmarked any internal risk capital for commodity, share price or fund risk, and, as a result, no related risks may be incurred in these market risk categories. Sustainability risk is limited and managed by applying inclusion and exclusion criteria, among other measures.

The HYPO NOE Group's market risk strategy is based on the principles set out below, which are enshrined in the Group's risk strategy. These principles ensure capital coverage of the market risks incurred at all times, and underpin the related monitoring, control and transparency of the individual market risk positions by:

- Identifying and regularly evaluating market risks
- Specifying and regularly reviewing the suitability of models and processes for measuring market risks
- Quantifying market risk on the basis of the processes established
- Determining management's risk appetite and tolerance with respect to the various individual market risk categories, taking account of risk and reward expectations
- Identifying and complying with legislative and regulatory frameworks
- Appropriately limiting and monitoring market risk on the basis of the specified risk tolerance
- Goal-driven reporting

8.4.2 Interest rate risk in the banking book

When measuring, managing and restricting interest rate risk, the HYPO NOE Group distinguishes between period net interest income risk – which mainly tracks the risk of net interest income fluctuations in a given period – and present value risk, which measures decreases in the asset value of a particular portfolio due to interest-rate-induced changes in present value.

The HYPO NOE Group monitors and manages interest rate risk arising from aggregate net interest income at Bank level and from sub-portfolios relevant to IFRS earnings and equity, which are reported in the statement of profit or loss. Additionally, the present value of interest rate risk across the entire banking book is managed to ensure conformity with the Bank's total risk-bearing capacity and with supervisory requirements (supervisory outlier test).

Interest rate risk management

Monitoring and quantifying interest rate risk is the responsibility of an independent back office department, Strategic Risk Management. This scrutiny includes watching interest rate gaps, calculating present values and performing sensitivity analyses. Positions with interest rates fixed for indefinite periods, fixed-interest loan commitments and associated assumptions on prepayments are modelled and regularly assessed on the basis of statistical models and/or expert estimates. Regular analyses are also carried out for the entire banking book and for sub-portfolios.

The ALM team is responsible for managing interest rate risk positions and implementing the Bank's interest rate risk management strategy. The primary objective is to achieve stable, long-term contributions to net interest income, while also managing the present value of interest rate risk.

The Bank's interest rate risk policy is planned as part of the annual budget and medium-term planning, and calibrated to the Bank's risk appetite. Adherence to the strategic interest rate risk position is reported in the ALM Committee and, if necessary, adjusted in consultation with the Management Board. The ALM Team is responsible for operational implementation of the interest rate risk management strategy within the preordained interest rate risk limits and authorities. Interest rate risk management measures are ultimately executed by the Treasury/Capital Market/FI/IR Department.

The ALM Team coordinates regularly with Strategic Risk Management on decisions that have a bearing on interest rate risk.

The HYPO NOE Group makes use of fair value hedges that qualify for hedge accounting in order to guard against interest rate risk arising from structured positions and significant fixed-interest positions. Low-value transactions are combined and hedged by means of layered hedges (see Note 4.6 Derivatives and hedge accounting). Interest rate swaps may be used as risk management instruments. Alternatively, the Bank uses new investment and refinancing business as a means of managing structured fixed-interest risk positions.

Banking book

The present value of interest rate risk across the banking book as a whole is subject to an absolute limit for the purposes of internal risk measurement. This is set during the annual risk budgeting process, on the basis of the Bank's total risk-bearing capacity and risk appetite, and in accordance with the limits established by the regulator and the provisions for identifying outlier banks.

The present value of interest rate risk for all interest-sensitive positions (i.e. excluding non-interest-bearing equity and interest-free investments) is measured for the banking book as a whole, and is limited, monitored and kept to the specified limits. The effect on net asset value of a range of interest rate scenarios and shifts forms the basis for the measurement.

The internal present value of interest rate risk is assessed on the basis of a static present value simulation, gap analyses and interest rate sensitivities. The worst-case change in present value is calculated for the entire banking book on the basis of the six EBA scenarios, and the four scenarios subject to the EBA interest rate floor also included without the floor. These ten scenarios are scaled up to a confidence level of 99.9% for the liquidation approach and of 95% for the going concern approach, with a holding period of one year. Parallel shifts and twists in the yield curve (on money and capital markets) are also modelled in the interest rate scenarios. When aggregating the interest rate risks associated with the various currencies, negative present value changes are weighted at 100% and positive present value changes at 50%.

The calculation of interest rate risk models pipeline risks, loan prepayments, non-performing loans, and positions with interest rates fixed for indefinite periods, e.g. deposits. Parameters for the exposures concerned are derived on the basis of historical data and applied at the end of the current reporting period. Scenario-dependent assumptions regarding loan prepayments and deposits are also modelled. The parameters for the estimate are the values for the standardised approach set out in the relevant EU regulation. Interest rate risk arising from provisions for pensions and termination benefits is identified and modelled on the basis of the interest rate risk determined using actuarial methods. The realisation period under the ECL method is applied when modelling non-performing loans.

The model parameters are updated regularly, or as required in light of material events. In addition, the models used are reviewed by the independent Validation and Model Risk group.

Risk measurement and submission of the regulatory interest rate risk statistics are carried out in accordance with the regulatory requirements. As at 31 December 2024, none of the regulatory reporting thresholds were exceeded for any foreign currencies, and the total exposure reported was above the regulatory minimum threshold. As a result, only values denominated in euro were reported as at 31 December 2024.

Period net interest income risk is measured using a net interest income simulation. Net interest income risk is a measure of fluctuations in net interest income arising from differences in reference rates and in rate fixing dates. Risk is determined for a 12-month period and includes a calculation of net interest income in the baseline scenario, as well as its sensitivity to a positive and a negative parallel shift. A constant, stable balance sheet structure is assumed and a simulation performed, based on the premise that new transactions will be concluded to replace expiring positions for the same indicator.

Individual portfolios

As is the case for the banking book as a whole, limits are set and monitored in the control system for interest-sensitive portfolios for which measurement effects are recognised in the IFRS statement of profit or loss or in IFRS equity. Risk assessment and limit setting are based on present value sensitivities derived from the six EBA scenarios without an interest rate floor, scaled up to a confidence level of 95%.

Current interest risk situation

Interest rate risk measured in terms of the supervisory outlier test (15% of eligible capital) remains moderate. The following table shows the results of the risk scenarios modelled in accordance with the regulatory requirements and the performance indicator identifying an outlier bank as at 31 December 2024 and 31 December 2023. The indicators are based on equity including retained profit.

Regulatory interest rate risk, total banking book, change in present value, EUR '000	31 Dec. 2024	31 Dec. 2023
Scenario I: EBA parallel up	-58,271	-48,790
Scenario II: EBA parallel down	16,369	16,384
Scenario III: EBA steepener	-8,031	4,941
Scenario IV: EBA flattener	-9,756	-605
Scenario V: EBA short rate up	-30,305	-17,350
Scenario VI: EBA short rate down	10,384	7,680
Worst-case scenario	**-58,271**	**-48,790**
Worst case as percentage of equity	**6.72%**	**5.97%**

The interest rate risk by period for both parallel interest rate shocks is as follows:

Interest income risk for the period, EUR '000	31 Dec. 2024	31 Dec. 2023
Scenario I: EBA parallel up	-5,036	-537
Scenario II: EBA parallel down	-6,112	-5,927

The interest rate risk positions taken by the HYPO NOE Group as at 31 December 2024 and 31 December 2023 are presented in the tables below. Unlike at 31 December 2023, the current breakdown does not include any optionalities presented using the Delta method, as the related requirement in the interest rate risk statistics no longer applies:

Interest rate risk positions (assets – liabilities), 31 Dec. 2024, EUR '000	On-balance-sheet	Off-balance-sheet	Total
Up to 1 month	238,280	-145,602	92,678
>1-3 months	1,602,779	-1,515,537	87,243
>3-6 months	1,920,891	-1,480,625	440,266
>6 months-1 year	-33,854	527,438	493,584
>1-2 years	-1,090,053	805,504	-284,549
>2-3 years	-339,543	628,705	289,163
>3-4 years	-547,420	543,953	-3,468
>4-5 years	-473,497	678,459	204,962
>5-7 years	-957,509	415,144	-542,365
>7-10 years	-487,217	317,779	-169,438
>10-15 years	475,052	-235,647	239,405
>15-20 years	155,857	-171,025	-15,167
Over 20 years	62,977	-71,951	-8,974

Interest rate risk positions (assets – liabilities), 31 Dec. 2023, EUR '000	On-balance-sheet	Off-balance-sheet	Total
Up to 1 month	659,643	-673,443	-13,801
>1-3 months	823,599	-708,014	115,585
>3-6 months	1,738,215	-1,508,390	229,825
>6 months-1 year	601,386	163,003	764,388
>1-2 years	-1,007,096	939,564	-67,532
>2-3 years	-960,634	671,853	-288,781
>3-4 years	-510,425	623,124	112,699
>4-5 years	-402,378	466,630	64,252
>5-7 years	-510,794	759,601	248,807
>7-10 years	21,955	-43,272	-21,317
>10-15 years	425,189	-504,757	-79,569
>15-20 years	308,294	-243,614	64,680
Over 20 years	72,941	-71,004	1,937

As at 31 December 2024, risk utilisation was 98% of the total limit of EUR 80m (31 Dec. 2023: 72% of the total limit of EUR 75m). The tables below show the results of various interest rate scenarios for the HYPO NOE Group, and how they are reflected in the internal limits, as at 31 December 2024 and 31 December 2023. For the internal risk measurement process, the six EBA scenarios with an interest rate floor and the four without a floor are applied and scaled up to a confidence level of 99.9%.

Internal interest rate scenario analysis, total banking book, EUR '000	31 Dec. 2024	31 Dec. 2023
Scenario I: EBA parallel up	-78,665	-53,669
Scenario II: EBA parallel down	18,006	18,022
Scenario III: EBA steepener	-10,360	5,435
Scenario IV: EBA flattener	-14,146	-666
Scenario V: EBA short rate up	-42,124	-19,085
Scenario VI: EBA short rate down	15,888	8,448
Scenario VII: EBA parallel down without interest rate floor	18,006	18,022
Scenario VIII: EBA steepener without interest rate floor	-10,360	3,614
Scenario IX: EBA flattener without interest rate floor	-14,146	-3,549
Scenario X: EBA short rate down without interest rate floor	15,888	3,885
Internal risk	-78,665	-53,669
Warning level (95% of limit)	**80,000**	**75,000**
Limit/utilisation (%)	**-98.33%**	**-71.56%**

8.4.3 Credit spread risk

Credit spread risk is the impact of adverse changes in risk premiums on instruments for which prices are determined by the markets. As with the measurement of interest rate risk, credit spread risk is calculated both in terms of present value and for a given period. The HYPO NOE Group identifies credit spread-sensitive exposures using a documented procedure. Such risk mainly arises due to the Group's own investments of liquidity reserves, and from strategic nostro positions. The IFRS fair value of loans is included in the measurement of credit spread risk. Measurement is carried out for the entire nostro portfolio and for exposures relevant to IFRS earnings and equity.

Credit spread risk is managed indirectly by means of requirements for the nostro portfolio as well as the strategic reduction of exposures designated as at fair value. There are no plans to hedge credit spread risk using derivatives such as credit default swaps. Conformity with the Group's risk appetite is monitored by the back-office Strategic Risk Management Department. Regular reports containing significant information on the credit spread risk portfolio as well as limit utilisation are submitted.

Management of credit spread risk focuses primarily on the present value of risk, as this reflects the loss in net asset value resulting from adverse changes in risk premiums. The resulting risks are monitored and quantified, with limits set, and reflected in the risk-bearing capacity calculation. The capital requirements resulting from credit spread risk are determined for the entire nostro portfolio in the banking book and for loans measured at fair value using a historical value-at-risk (VaR) model. VaR is calculated on the basis of historical credit spread scenarios, which are estimated with the aid of iBoxx indices. The changes arrived at in this way are then aggregated, and this distribution of losses is used to calculate a loss quantile of 99.9% and 95%. The historical simulation methodology uses a history of more than ten years. This indicator measures the potential loss in value from widening spreads that would be realised, from a liquidation perspective, if the underlying portfolio was disposed of. The table below shows the results of the credit spread VaR analysis for the HYPO NOE Group, assuming a holding period of one year and a confidence level of 99.9%.

Credit spread, VaR (holding period of one year, confidence level of 99.9%), EUR '000	31 Dec. 2024	31 Dec. 2023
Total credit spread risk	-31,781	-29,227

Alongside the present value analysis, risk is also measured for a given period. The effect of changes in risk premiums on net interest income are calculated for a 12-month period, assuming a constant balance sheet structure. In order to quantify risk, a scenario with falling risk premiums and one with rising risk premiums are compared with a baseline scenario in which funds from a maturing transaction are reinvested, applying current risk premiums. Quantiles that reflect the changes in credit spreads with a holding period of one year are taken from the history and applied in order to calculate the credit spread risk under both of these risk scenarios. For the scenario in which falling spreads are assumed, quantiles of 0.01% and 5% of the annual change in credit spreads were calculated; in the scenario with rising spreads, quantiles of 95% and 99.9% were calculated. The results of this period-based approach are shown below:

Credit spread risk by period (horizon of one year, confidence level of 99.9%), EUR '000	31 Dec. 2024	31 Dec. 2023
Total credit spread risk	-735	-856

8.4.4 Foreign exchange risk

The strict limits on open foreign exchange positions reflect the HYPO NOE Group's conservative risk policies. Refinancing in the same currency and the use of FX derivatives serves to effectively eliminate foreign exchange risks for the Group.

Consequently, under the Capital Requirements Regulation, as at 31 December 2024 the Group was not subject to the minimum capital requirement for foreign exchange positions, as the total position for the Group as a whole was less than 2% of eligible capital. The internal limit for foreign exchange positions is below this figure.

The residual foreign exchange risk for all open currency positions is regularly measured and monitored, using a VaR model based on foreign currency fluctuations over time. In order to ensure consistency, during the reporting period the HYPO NOE Group replaced the variance/covariance approach with a historic approach, which is based on an exchange rate history going back almost 20 years. Due to the very low level of foreign exchange risk, the effects of this change were not material. The table below shows the results of the currency-position VaR analysis for the HYPO NOE Group, assuming a holding period of one year and with a confidence level of 99.9%.

Currency positions, VaR (holding period of one year, confidence level of 99.9%), EUR '000	31 Dec. 2024	31 Dec. 2023
Currency risk exposure, total	-47	-87

8.4.5 Options risk

Volatility risks in the HYPO NOE Group chiefly arise from upper and lower interest rate limits on loans and deposits. The management and oversight of these exposures forms part of management of interest rate risk in the banking book.

The Group normally aims to prohibit any option positions with a significant bearing on IFRS fair value. Option derivatives are only employed to a very limited extent, to manage interest rate risk and to optimise the mismatch contribution. Limits are imposed by implementing fair value interest rate risk limits.

8.4.6 Trading book risk

The HYPO NOE Group does not engage in any business that requires it to maintain a large trading book as defined by the CRR. It maintains a small trading book in accordance with Article 94 CRR, and the volume of business is accordingly limited, in line with that Article. In addition, sensitivity limits and a maximum loss limit have been set (31 Dec. 2024: EUR 650thsd; 31 Dec. 2023: EUR 650thsd), including an early warning indicator (31 Dec. 2024: EUR 300thsd; 31 Dec. 2023: EUR 300thsd) that halves the sensitivity limit when it is triggered. Daily observation is performed by the Strategic Risk Management Department. No positions were taken up in the small trading book in 2024.

There were no significant changes in the methods used to measure and monitor foreign exchange risk during the reporting period.

8.4.7 Basis risk

Information on basis risks can be found in Note 4.6 Derivatives and hedge accounting.

8.4.8 CVA/DVA risk

When calculating the fair value of derivative instruments, the CVA for counterparty risk and the debt valuation adjustment (DVA) for the Bank's own credit risk must be taken into account. The CVA is calculated by Strategic Risk Management using customary methods: expected exposure is taken into account by means of a Monte Carlo simulation, and the probability of default feeds into the calculation by applying appropriate global CDS curves. CDS curves are assigned to

the respective instruments on the basis of the customer rating and sector. The effects of the CVA and DVA are recognised in the consolidated statement of comprehensive income.

CVA risk relates to decreases in present value as a result of fluctuations in the CVAs for OTC derivatives with CVAs, which can in turn lead to fluctuations in the “Net measurement gains or losses” item in the statement of profit or loss. CVA risk is measured and monitored on a monthly basis. As part of the Bank-wide economic banking risk observation, swings in the CVAs of relevant positions over time are measured and included as risks in the calculation of risk-bearing capacity. The daily movements in global CDS curves are the basis for measuring these fluctuations. Risk measurement uses a historic value-at-risk approach, with a holding period of one year and a monitored time series of five years. All derivatives without collateral agreements are included in measurement. The HYPO NOE Group mainly concludes derivative contracts via central clearing houses or collateralises them by means of a credit support annex (CSA) in order to reduce credit risk and CVA volatility risk.

8.4.9 On-balance-sheet market risk: sensitivity analysis

Estimation uncertainties and judgements

The risk measurement methods used to determine market risk meet the legal and economic requirements, and are also internally validated. All risk measurement methods have their limits, and losses in excess of those shown by the risk measurements cannot be ruled out. The amounts shown are not forecasts or indications of how these amounts may evolve in the future. The main limitations of the methods used are discussed below (the information provided is not exhaustive).

The following factors need to be borne in mind when employing the sensitivity analyses used to determine risk:

- The scenarios are defined in such a way that they model a broad range of possible market movements. Nevertheless, future events may result in the value at risk in a given scenario being significantly exceeded under certain circumstances.
- The assumptions regarding changes in the risk factors and the relationships between them (e.g. simultaneous twists in the euro and Swiss franc yield curves) may turn out to be false, particularly if extreme market developments occur. There are no standard methodologies for defining interest rate scenarios, and applying other scenarios would generate different results.
- The scenarios applied do not provide any indications of the potential losses in situations not modelled by them.

With regard to the applied value-at-risk approaches, drawbacks of the methodology that need to be borne in mind include:

- The value at risk stated for a given confidence level does not provide any information about the potential loss beyond the assumed confidence level.
- The models used take account of historical data within the specified time series. The choice of a different period would alter the results.
- The correlations derived from the time series and the risk distribution may change in future.

Besides the risk determination methods described, stress tests are performed in order to highlight risks beyond the regular risk measurement schedule.

Market risk sensitivities in respect of comprehensive income and equity are presented below. All sensitivities are presented using a VaR approach (95% confidence level, holding period of one year) as described above for the various types of risk. Repricing risk shows the impact on net interest income.

IFRS fair value sensitivities, 31 Dec. 2024, EUR '000	Profit/loss sensitivities			OCI sensitivities		
	VaR	Limit	Utilisation	VaR	Limit	Utilisation
Present value interest rate risk	-1,001	3,000	33%	-538	2,500	22%
Credit spread risk	-921	4,000	23%	-2,194	4,000	55%
CVA risk	-213					
FX basis risk	-309	3,000	10%	-788	5,000	16%
OIS spread risk	-797					
Banking book risk	-3,240			-3,520		
Trading book interest rate risk	-					

IFRS fair value sensitivities, 31 Dec. 2023, EUR '000	Profit/loss sensitivities			OCI sensitivities		
	VaR	Limit	Utilisation	VaR	Limit	Utilisation
Present value interest rate risk	-817	4,000	20%	-612	3,500	17%
Credit spread risk	-1,246	7,000	18%	-2,400	4,000	60%
CVA risk	-257					
FX basis risk	-722	3,000	24%		5,000	
OIS spread risk	-1,075					
Banking book risk	-4,117			-3,012		
Trading book interest rate risk	-					

8.5 Liquidity risk

Liquidity risk is defined as the danger that the HYPO NOE Group will be unable to meet its present and future payment obligations in full and on time, or may only be able to do so at prohibitive cost.

The HYPO NOE Group distinguishes between intraday liquidity risk management, operational liquidity management (up to one year), and the planning and implementation of the medium-to-long-term structural refinancing and liquidity risk strategy.

The table below shows a maturity analysis of the Group's financial liabilities, including existing financial guarantees extended for derivative financial liabilities and outstanding irrevocable loan commitments as at 31 December 2024 and 31 December 2023. The presentation is based on the following assumptions:

- Undiscounted contractual cash flows (including payments of principal and interest) are shown
- In the case of liabilities with variable cash flows, the future cash flows are calculated on the basis of forward rates
- Liabilities are reported at the earliest possible date they can be called in by the counterparty (sight and savings deposits are therefore shown in the earliest maturity band, regardless of their actual maturities)
- Financial guarantees are assigned to the earliest maturity band
- Finance lease obligations are included at the expected payment dates
- Outstanding irrevocable loan commitments are included at the earliest possible drawing date
- Liabilities arising from derivative transactions based on master agreements do not include any netting agreements
- Cash flows from interest rate derivatives are included on a net basis
- Gross values are shown for repayments of obligations arising from foreign exchange derivatives and forwards
- In the interests of consistency, the liabilities are presented in accordance with the IFRS balance sheet format; the key items from a liquidity perspective are also listed by internal categories.

Financial liabilities: maturity analysis, 31 Dec. 2024, EUR '000

Liabilities by Note and internal liquidity category		0-1M	1-3M	3-12M	1-5Y
Financial liabilities – HFT	**4.4**	**30,878**	**77,749**	**570,672**	**121,479**
Derivative liabilities		30,878	77,749	570,672	121,479
Financial liabilities – AC	**4.4**	**3,022,396**	**614,892**	**2,332,531**	**6,045,305**
Deposits from financial institutions		5,275	1,783	241,146	57,007
Liabilities arising from collateral received for derivatives		126,175	-	-	-
Customer deposits		2,721,264	516,622	744,017	63,014
Liabilities to development banks and multilateral development banks		41,281	4,942	47,729	162,149
Unsecured own issues		115,426	47,722	616,328	1,617,865
Secured own issues		12,975	43,824	683,311	4,145,271
Financial liabilities – FVO	**4.4**	**-**	**-**	**-**	**-**
Contingent liabilities	**4.4.3**	**942**	**-**	**-**	**-**
Financial guarantees		63	-	-	-
Loan commitments		879	-	-	-
Other positions affecting liquidity		**6,240**	**11,960**	**30,800**	**51,000**
Finance lease obligations		6,240	11,960	30,800	51,000

Financial liabilities: maturity analysis, 31 Dec. 2023, EUR '000

Liabilities by Note and internal liquidity category		0-1M	1-3M	3-12M	1-5Y
Financial liabilities – HFT	**4.4**	**54,404**	**136,022**	**416,692**	**337,252**
Derivative liabilities		54,404	136,022	416,692	337,252
Financial liabilities – AC	**4.4**	**2,780,800**	**338,270**	**1,987,430**	**6,625,447**
OeNB tenders/GC Pooling repos		200,175	-	185,000	-
Deposits from financial institutions		14,998	6,130	186,450	54,196
Liabilities arising from collateral received for derivatives		88,206	-	-	-
Customer deposits		2,429,198	218,670	469,937	207,226
Liabilities to development banks and multilateral development banks		421	1,334	101,864	198,030
Unsecured own issues		7,228	72,646	866,030	2,108,194
Secured own issues		40,573	39,490	178,149	4,057,801
Financial liabilities – FVO	**4.4**	**-**	**-**	**-**	**-**
Contingent liabilities	**4.4.3**	**1,137**	**-**	**-**	**-**
Financial guarantees		51	-	-	-
Loan commitments		1,086	-	-	-
Other positions affecting liquidity		**23,980**	**27,000**	**63,000**	**120,000**
Finance lease obligations		23,980	27,000	63,000	120,000

The majority of derivative liabilities are collateralised with cash, or arise due to the inclusion of gross values for foreign exchange derivatives or forwards. As a result, actual net liquidity outflows are lower than those shown in the maturity analysis. In connection with derivatives being cleared or with CSAs, the general risk of remargining is taken into account in the calculation of the time to wall, which is considered in the internal operational liquidity stress tests. This is based on the largest net change in the daily balance figures over the past two years, and an interest rate floor of 0% for the ten-year euro swap rate including a buffer. The worst-case liquidity outflow resulting from remargining of derivatives with CSAs for the years to 31 December 2024 and to 31 December 2023 is shown in the table below.

Worst-case liquidity outflow, EUR '000	31 Dec. 2024	31 Dec. 2023
	288,852	315,101

Irrevocable loan commitments include unused credit lines and loan facilities, as well as revolving credit lines, such as overdraft facilities and cash advances, where there is a strong likelihood that the unutilised loans will be drawn on within the contractually agreed period. By contrast, credit lines can be used at any time, implying a higher degree of uncertainty regarding utilisation and the maturity date. Public sector customers with which the Bank has close relationships account for a significant proportion of the unused credit lines. Planned use by customers is regularly coordinated with the front office units concerned. This in turn facilitates forward planning of the Group's refinancing requirements.

The Group's main sources of finance are secured and unsecured issues, as well as deposits from retail, SME and institutional customers. OeNB tenders and GC Pooling repos are primarily used to manage liquidity.

The concentration of deposits from individual retail customers is usually low in volume terms, so the HYPO NOE Group faces no significant concentration risk in this segment. In contrast, customer concentrations are possible in the case of institutional customers, some of which are in a position to make large investments. The Group normally seeks to include different and longer-term maturity bands in the mix by offering appropriate products. In liquidity risk management, the risk that institutional customer deposits will not be extended on maturity is taken into account in the internal operational liquidity stress tests used to determine time to wall on a scenario basis in the light of experience of past crises.

The ten largest fixed-term deposits made by institutional customers were as follows:

EUR '000	31 Dec. 2024	31 Dec. 2023
1	115,000	75,000
2	91,750	51,600
3	50,000	50,000
4	50,000	40,000
5	40,205	28,500
6	33,000	28,000
7	30,000	17,250
8	28,500	16,516
9	25,000	15,000
10	25,000	14,000

The HYPO NOE Group aims to achieve a balanced refinancing mix. Collateralised and uncollateralised bond issues are currently an integral component of the refinancing structure, and will remain so in future. Unlike the other deposit-taking business, issuance allows the Bank to access long-term refinancing and offset the maturity transformation risk that results from long-term lending. Care is taken to avoid concentrations in the maturity profile of issued debt.

The secured capital market accounts for a substantial portion of the Group's total refinancing, and will continue to do so in future. It exhibits a high degree of stability in times of crisis. Another major advantage is the fact that the free collateral in the cover pools can be converted into assets eligible as collateral for OeNB tenders and so used to provide liquidity in a crisis.

Fixed-term interbank deposits are another, albeit less important source of refinancing. The table below shows the four largest deposits.

EUR '000	31 Dec. 2024	31 Dec. 2023
1	133,000	133,000
2	35,000	25,000
3	30,000	15,055
4	20,000	13,000

The HYPO NOE Group's primary instruments for managing and covering short-term maturities are its available liquidity reserve, cash reserves and overnight investments. The Group draws a distinction between high-quality, highly liquid assets (HQLA) and other ECB or GC Pooling repoable collateral. Strategic liquidity is mainly generated by means of OeNB tenders and GC Pooling repos. The available liquidity reserve was broken down as follows.

Available liquidity reserve, 31 Dec. 2024, EUR m	T0	1M	3M	12M
HQLA	1,363	1,363	1,328	763
Other collateral eligible for ECB tenders or GC Pooling repos	1,536	1,534	1,478	1,588
Cash and balances at central banks	738	-	-	-

Available liquidity reserve, 31 Dec. 2023, EUR m	T0	1M	3M	12M
HQLA	1,109	1,109	1,089	1,046
Other collateral eligible for ECB tenders or GC Pooling repos	1,951	2,069	2,016	1,794
Cash and balances at central banks	377	-	-	-

The analysis of the available liquidity reserve does not include collateral already utilised as at the end of the reporting period. This means that once the liabilities secured with such collateral have matured, there could be an increase in the portfolios included in the maturity profile.

By definition, the focus of investments made from the liquidity reserve is restricted to HQLA, OeNB tenders and GC Pooling repoable collateral. In this respect, new investments are primarily made in Level 1 HQLA from the euro area.

If the refinancing options are not sufficient to cover financial liabilities, the Group's emergency processes and measures are triggered. The Bank's internal liquidity risk management processes require the activation of these processes and measures well before the actual occurrence of a situation that could pose a threat to its survival.

Details of the individual components of the Group's comprehensive liquidity risk management framework and their interaction are described below. The framework takes account of all of the mainstays of liquidity risk management. These include: preparing and implementing a refinancing and risk strategy adapted to the business model and risk appetite; employing and regularly reviewing suitable methods and processes to determine, measure, oversee and control liquidity risk; and ensuring that effective escalation processes and contingency plans are in place.

8.5.1 Strategic liquidity risk management targets

The liquidity risk management function identifies, analyses and manages the HYPO NOE Group's liquidity risk position, so as to maintain sufficient liquidity coverage as well as an effective cost structure at all times.

This gives rise to the following fundamental objectives of the Group's liquidity risk management:

- Maintenance of a sufficient liquidity buffer, based on suitable stress tests and limit systems, to maintain solvency at all times
- Optimisation of the refinancing structure with respect to risk tolerance, maturity transformation and costs
- Comprehensive planning of the medium-to-long-term refinancing strategy
- Coordination of issuance activity on the money and capital markets
- Risk- and cost-reflective pricing
- Compliance with statutory regulations and legal frameworks

These underlying objectives form the basis for the following liquidity risk management principles, which are applied in liquidity management operations:

- Identification and regular assessment of liquidity risks
- Selection of models and processes for measuring identified liquidity risks, and regular review of their suitability
- Quantification of liquidity risk on the basis of the defined processes
- Identifying and complying with legislative and regulatory frameworks
- Determining Management's risk appetite/tolerance
- Maintenance of an appropriate liquidity buffer at all times
- Reasonable limitation and monitoring of liquidity risk on the basis of the specified risk tolerance
- Goal-driven reporting
- Emergency plans and processes, and regular reviews to ensure that these are up to date and appropriate
- Efficient and timely management of operational liquidity
- Approval and monitoring of the implementation of the medium-to-long-term refinancing strategy
- Employment of processes and procedures aimed at the risk-reflective allocation of liquidity costs

8.5.2 Implementation of liquidity risk management

Day-to-day liquidity requirements are monitored and managed on the basis of daily reports prepared by the Strategic Risk Management Department.

The department compiles extensive monthly liquidity risk reports to assist in the analysis and control of operational and structural liquidity, and monitoring of compliance with the liquidity risk limits. These reports describe and analyse operational liquidity risk over a period of 12 months according to a normal scenario (volatility scenario), as well as three stress scenarios (name crisis, market crisis and combined crisis) and the structural liquidity risk inherent in the normal scenario. In addition, the Management Board receives comprehensive monthly progress reports on the liquidity position, incorporating planning assumptions and key liquidity risk indicators, as well as information on the current liquidity situation. The Board also receives reports on the liquidity position and limit utilisation in the course of its regular meetings and from RICO.

All on- and off-balance-sheet items (including contingent liabilities) affecting liquidity are taken into account when preparing the liquidity cash flow forecast and the various liquidity scenarios. With regard to business that affects liquidity, the presentation of the liquidity cash flows distinguishes between a deterministic and a stochastic approach. For the positions given stochastic treatment, fictional maturity scenarios drawn from statistical models, benchmarks and/or expert valuations for given scenarios are extrapolated in order to arrive at the expected capital commitment.

In addition to existing business, assumptions about expected new business and prolongations are made for each scenario. Prolongations represent the extension of due positions arising from existing business relationships, while new business consists of new business from new or existing customers.

The HYPO NOE Group's operational liquidity capacity is evaluated and monitored on a monthly basis, in terms of the length of time that the Group would be able to survive ("time to wall"). The net cash outflows in the normal scenario and the three stress scenarios are compared with the relevant available liquidity reserve, and the point in time when the liquidity reserve would no longer be sufficient to cover the net cash outflows is calculated. The shortest time to wall is used to calculate limit utilisation. When determining the survival period in the stress scenarios, the fundamental assumption is made that no significant changes in the business model or risk strategy have as yet been initiated in order to reduce illiquidity. The limit leaves scope for standard escalation processes to be triggered as required to react quickly to potential liquidity shortages and initiate appropriate action in good time. The stress test horizon is one year. The basic assumptions behind the various stress scenarios are described briefly below:

- For the **bank name crisis** stress scenario, a deterioration in the HYPO NOE Group's individual liquidity situation is simulated. Other market participants are not initially affected by the crisis, but react indirectly, for example by withdrawing their deposits from the Bank. At the same time, the Group's refinancing options in the money and capital markets are severely constrained or non-existent.
- In the **market crisis** scenario, an overall deterioration in the liquidity of the money and capital markets is assumed, and access to money and capital market refinancing is taken to be generally restricted. In addition, the available liquidity reserve can be expected to fall in value as a result of declining market prices, as market participants' risk aversion increases. The effects on customer deposits are assumed to be smaller than in a name crisis and, as the Group is owned by the State of Lower Austria, may be seen as entirely positive, given that customers have an increased need for security in a crisis.

- The **combined crisis** scenario links a bank name crisis with a market crisis. It should be noted that in such a crisis the stress factors of the two components are not simply added; special parameters come into play. It can be assumed that refinancing in the money or capital markets will hardly be possible in such a crisis. The liquidity buffer shrinks as market prices fall, and customer deposits increasingly drain away – albeit less than in a name crisis, since other market participants are also affected.
- A **normal scenario** is also simulated. This depicts routine business developments, as well as customary fluctuations in deposits, and withdrawals attributable to contingent liabilities. It is therefore referred to as the volatility scenario.

With a limit of eight weeks (or 12 weeks in the case of an early warning), the HYPO NOE Group's time to wall as at 31 December 2024 was 43 weeks (31 Dec. 2023: over 52 weeks). The need for HQLA in order to comply with the regulatory requirement for a 180-day liquidity buffer is taken into account in the calculation, in accordance with the Austrian Pfandbriefgesetz (Covered Bond Act). Alongside time to wall, the regulatory liquidity coverage ratio (LCR) is an important operational liquidity control metric. The LCR is reported on a monthly basis and is integral to the Group's operational liquidity management and the planning processes. The LCR reported to the regulator was 229% as at 31 December 2024 (31 Dec. 2023: 236%). The regulatory limit for LCR is 100%, while the HYPO NOE Group has set an internal limit of 120%. There are also maturity-related volume limits designed to control unsecured bank money-market exposures. The 30-day limit of EUR 250m, 90-day limit of EUR 400m and up-to-one-year limit of EUR 500m were adhered to throughout the monitoring period in 2024. The liquidity position (LP) key indicator is employed to measure the Bank's liquidity reserve. This compares the minimum reserve of liquid collaterals, defined according to the Bank's risk appetite, with the current available liquidity reserve. The LP is significantly above the internal limits defined in the budgetary planning process.

For structural liquidity risk, the period and cumulative liquidity gaps are presented in one-year maturity bands; here, the focus is mainly on contractual cash flows generated by existing business. Modelled cash flows only play a minor role, and new business and prolongations also play a part.

The HYPO NOE Group uses economic capital as a major metric for structural liquidity risk. Economic capital measures the maximum possible net interest loss that can be absorbed in the course of one year. To calculate the economic capital implied by liquidity risk, higher costs are applied, due to the potentially higher refinancing spreads over a given year. On the basis of changes in historical funding costs for each major funding instrument, the maximum expected increase in refinancing costs over a period of one year is calculated and monitored with a given confidence level. The economic capital for a limit of EUR 15m was EUR 6.4m as at 31 December 2024 (31 Dec. 2023: EUR 6.2m for a limit of EUR 15m). In addition to the economic capital, the structural one-year gap limit – within the five-year time horizon – of EUR 1bn, and the net stable funding ratio (NSFR), a liquidity risk indicator, are also applied. The NSFR was 118.55% at year-end 2024 (31 Dec. 2023: 115.63%), which was significantly higher than the regulatory minimum ratio of 100% and the internal limit of 107.5%.

Besides these limits, early warning indicators are in place to identify impending critical liquidity situations as early as possible, so that the Group can initiate timely countermeasures.

8.5.3 Liquidity contingency plan

The liquidity contingency plan is designed to ensure effective liquidity management even in a market crisis. The HYPO NOE Group's plan defines the responsibilities in an emergency, the composition of the crisis management teams, the internal and external communication channels, and the action to be taken where necessary. In an emergency, a crisis management team takes control of liquidity management and decides on the measures to be taken on a case-by-case basis. The contingency plan comprises a package of measures useful in overcoming a liquidity crisis; these were identified, analysed in detail and documented in a multi-stage selection process. The feasibility and suitability of each of the emergency measures in a variety of basic types of stress scenario were evaluated, the quantitative and qualitative effects computed, and the individual steps in the implementation process determined.

8.5.4 Current liquidity risk situation

The HYPO NOE Group is well placed as regards its refinancing position. It continues to draw its liquidity from conventional capital market transactions and from deposits. Where necessary, refinancing is supplemented by standard repo transactions and ECB tenders. Transactions with development banks are another source of refinancing.

In 2024, liquidity markets were again hit by uncertainty due to the war in Ukraine and the conflict in the Middle East. Following the significant hikes in 2022 and 2023, interest rates began to come down in 2024 in light of the global economic slowdown.

The HYPO NOE Group completed all of its capital market issues planned for 2024, which totalled around EUR 1,100m. All of the transactions were significantly oversubscribed. The main issues were a EUR 500m mortgage-backed covered bond, a EUR 500m covered bond from the public sector cover pool, and a CHF 100m senior preferred green bond.

Current account, savings account and fixed-term deposits from retail customers rose once more in 2024, in line with the budget. This positive picture was also reflected in the institutional customers segment. Overall, the HYPO NOE Group recorded a substantial increase in total current account, savings account and time deposits.

The remainder of the financing obtained under the TLTRO III programme was repaid on schedule in June 2024.

During the reporting period, the regulatory indicators of liquidity risk were calculated in accordance with the published standards and reported to the Austrian regulator. Where applicable, the minimum regulatory requirements were observed. In future, compliance with the statutory regulations will be assured by their integration into the internal liquidity risk management and planning processes, and by means of the strict internal standards and operational control processes already in place. The HYPO NOE Group refines its liquidity risk management system on an ongoing basis, principally by incorporating the results of model and parameter validations, stress tests and emergency simulations.

During the year just ended, procedural and technical refinements were made to the liquidity risk reporting system, and the report preparation process was improved.

8.6 Operational risk

Operational risk is the danger of losses arising directly or indirectly from the inadequacy or failure of internal processes or systems, human error or external events. In each of these categories of operational risk, legal risks can result in losses. This is because in every category the HYPO NOE Group can be exposed to claims or legal proceedings arising from alleged breaches of contractual, statutory or regulatory requirements. Information and communication technology (ICT) risk and reputational risk are closely related to operational risk. However, business risks do not form part of it.

The management of operational risks in the HYPO NOE Group is subject to a consistent Group-wide system of controls. The following methods are used to identify, evaluate and mitigate operational risks:

- Continuous recording of operational risk events, including the development of countermeasures designed to recognise such events at an early stage or avert similar events in future, as well as regular reporting to the Management Board
- Ongoing monitoring of the implementation of such measures up to completion, and submission of quarterly status reports to the Management Board
- Forward-looking monitoring of the operational risk profile using key risk indicators
- Evaluation of factors that could alter the risk profile, such as the introduction of new products or outsourcing activities
- Ongoing adaptation of and improvements to internal guidelines
- Management of business interruption risks by means of emergency plans embedded in the business continuity management (BCM) system
- Strict adherence to the four-eye management principle so as to reduce the likelihood of risk events occurring
- In-service training as part of staff development
- Insurance against various risks

There is also an emphasis on continuously improving the effectiveness and efficiency of operational risk management processes. The operation and continuous improvement of an effective internal control system (ICS) is aimed at reducing the likelihood of operational risk events and minimising their impact. Risks are systematically identified and assessed, controls agreed and developed, and where necessary key processes adapted.

Current operational risk situation

During the reporting period, all operational risk events were recorded in a central database. Improvements are seen as crucial to controlling operational risk – these have been consistently formulated and implemented when operational risk events and near-miss incidents have occurred.

The early-warning and key risk indicators yielded satisfactory results. The Group has responded to the continued increase in the number of cases of payment fraud in connection with debit cards, but also via other channels (notably using social engineering techniques), through an ongoing awareness-raising campaign aimed at customers and staff.

The ICS was updated in the course of the annual review.

Risks in connection with new products and new outsourcing are routinely surveyed using a standard evaluation tool, which is built into the product launch and outsourcing processes.

Due to the HYPO NOE Group's ongoing digitalisation drive as well as the applicable regulatory requirements (in particular, the Digital Operational Resilience Act or DORA), ICT risk has become a major issue. It is addressed by the Operations Department and the ICT Compliance, Project & Process Management Department in cooperation with Strategic Risk Management. ICT risks are identified, assessed, mitigated and documented using a specialised risk management tool. This focuses on the following three sources of risk: Accenture TiGital GmbH in its capacity as the developer and operator of the in-house core banking system; the HYPO NOE Group, its employees and processes, and the IT systems and applications it develops and operates itself; and third parties to which ICT services are outsourced.

8.7 Reputational risk

Reputational risk is the danger of direct or indirect damage to the Group's good name, and the opportunity costs that this would entail. Such damage can compromise the Group's all-important standing and the trust of its stakeholders, including customers, investors, employees, business partners and the community. It may arise from a failure to live up to these stakeholders' expectations.

As the HYPO NOE Group attaches great importance to limiting and managing reputational risk, it is treated as a separate risk category. The utmost care is taken to avoid potential harm to the Group's reputation when taking business decisions, and a process for evaluating reputational risk is in place.

In the Group's view, effective business processes, coupled with sound risk monitoring and management, lay the groundwork for meeting those expectations. The Group's code of conduct outlines the common values and principles shared by its employees. The HYPO NOE Group also avoids business policy measures and transactions associated with particularly acute legal or tax risks, or with substantial environmental risks. The Group's lending is subject to clear ethics guidelines and business principles, which permit strict implementation of a holistic environmental and social sustainability approach in its lending policies. By doing so, the Group ensures that it only extends loans for purposes that are compatible with its philosophy and its focus on sustainability. The ethics guidelines and business principles comprise exclusion criteria, coupled with the exercise of particular care in financing environmentally and socially sensitive sectors. They are fundamental to the approach to initiating new business across the Group. These criteria are also explicitly referred to in the ESG and reputational risk questionnaire that forms part of loan applications.

The independent ombudsman deals quickly and efficiently with customers' concerns (such as complaints and misunderstandings), and seeks to find satisfactory solutions in consultation with them. Besides meeting the statutory requirements, the goal is to improve customer relationships and mitigate reputational risk.

8.8 Sustainability risks

In accordance with the recommendations of the FMA Guide for Managing Sustainability Risks, the HYPO NOE Group integrated sustainability risks into the current main risk categories in its risk map as separate sub-categories (i.e. reporting the effect on existing types of risk) when drawing up its risk inventory. The risk manuals and strategies reflect this.

Sustainability risks are limited and managed when approving new lending, in the course of regular reviews using inclusion and exclusion criteria, and by defining environmentally and socially sensitive sectors for which greater due diligence is necessary. In addition, the Group uses an ESG questionnaire for real estate and corporate customers, records compliance

with ESG criteria in company rating, retail customer loan application and asset-based rating models by means of the soft facts questionnaire, and takes ESG metrics into account (corruption index and rule of law indicators) when assessing country ratings.

Compliance with ethics guidelines, in particular the Group's exclusion criteria, is examined before an official loan approval is prepared. If any obstacles are identified, implementation of the financing project concerned is discontinued. This ensures that all loan applications forwarded to Operating Credit Risk Management for assessment meet the defined criteria. No financing plans that breached the Group's ethics guidelines were identified during the reporting period.

Other steps taken to monitor sustainability risks include assessment of potential impacts of climate-related risks in specific regions and countries in the decision-making process for lending, and the integration of climate risks into stress tests; evaluation of the lending portfolio with regard to allocation of loans to industries with poor ESG scores by means of an internal sector benchmarking model; and regular assessment of ethics guidelines and business principles.

ESG measures are integrated into the HYPO NOE Group's operations as routine activities in the various departments. The Sustainability Committee has overall responsibility for managing these topics. In addition, there is an interdepartmental sustainability working group which handles internal and external communication regarding action taken by the HYPO NOE Group to enhance sustainability and reduce sustainability risks, and performs cross-departmental analysis of business opportunities and product developments with a view to addressing sustainability risks.

The HYPO NOE Group assessed its entire loan and securities portfolio on the assets side to determine which financing can be allocated to the supercategories in accordance with the Commission Delegated Regulation supplementing Regulation (EU) 2020/852 (Taxonomy Regulation). Lending activity and, in turn, the allocation of funds was a central element of this assessment. When assessing Taxonomy eligibility, it must be determined whether a financing activity is in principle covered by the economic activities defined in the CDR and, accordingly, has the potential to qualify as an economically sustainable activity. Subsequently, the conformity (alignment) of financing activities with the Taxonomy was determined, and green asset ratios (GARs) calculated on the basis of the environmentally sustainable activities identified.

8.9 Other risks

The following types of risk are classified as "other risks":

- Business risk (the danger of loss resulting from a deterioration in the economic environment or in the HYPO NOE Group's business relationships)
- Strategic risk (the risk of losses arising from decisions on the Group's basic focus and business development)
- Macroeconomic risk (potential losses resulting from exposure to macroeconomic risk factors)
- Concentration risk – encompassing various types of risk (potential adverse consequences of the concentration of, or interplay between similar or differing risk factors or types of risk)
- Leverage risk (any threat to the Bank's stability arising from its actual or potential indebtedness)
- Real estate price risk (potential losses due to downturns in property prices and the resultant adverse effect on the fair value of a property)
- Model risk (potential losses arising from the consequences of decisions that stem from internal approaches, and which are attributable to errors in the development, implementation and application of such approaches)
- Outsourcing/insourcing risk (risks connected with outsourcing banking operations, reintegrating previously outsourced operations, or insourcing banking operations)
- Data protection risk (risks arising from data processing that could lead to physical, tangible or intangible damage)
- Securities risk arising in connection with the Austrian *Wertpapieraufsichtsgesetz* (Securities Supervision Act), i.e. risks arising from the provision of securities-related services

The Group identifies and monitors such potential risks, and uses equity to hedge them, responding to negative developments at an early stage.

8.10 Risk buffer

To address unquantified risks which the risk inventory has determined should be given equity cover when the risk-bearing capacity is computed, the Group maintains a risk buffer which is calculated on the basis of the quantified risks. The risk buffer is treated as an exposure class forming part of the Bank's aggregate risk in the total risk-bearing capacity calculation, and is broken down into model risk, reputational risk and other non-quantified risks. The more advanced and accurate risk measurement processes are, and the smaller the proportion of non-quantified risks, the smaller the capital buffer can be.

8.11 Latent legal risks

It is standard practice to recognise provisions for litigation in which the outcome or any potential losses can be reliably predicted. In such cases, provisions are recognised at a level deemed appropriate in the circumstances, and in accordance with the applicable accounting principles.

9 NOTES TO THE STATEMENT OF CASH FLOWS

Accounting policies

At the HYPO NOE Group, the cash flows reported in the consolidated statement of cash flows, in accordance with IAS 7, are presented using the indirect method. “Cash flows from investing activities” and “Cash flows from financing activities” are calculated using the direct method.

“Cash flows from **operating activities”** mainly relate to cash inflows and outflows from “Financial assets – AC”, “Financial assets – mandatorily FVTPL”, “Financial assets – FVOCI” and “Financial liabilities – AC”.

When reconciling cash flows with the “Profit for the year” before non-controlling interests, non-cash items are removed. These comprise depreciation and amortisation, impairment and write-ups of property, plant and equipment, intangible assets and investment property, and allocations to and reversals of provisions and risk provisions, as well as net measurement gains or losses on financial assets and liabilities.

The HYPO NOE Group’s interest income and interest expense are eliminated from “Profit for the year” by means of the “Adjustments for interest income and expense” item; the amounts for interest income and interest expense are replaced by the actual interest paid and received, which are recognised under “Cash flows from operating activities”.

“Cash flows from **investing activities**” largely concern cash inflows and outflows from equity investments (accounted for using the equity method/FVOCI/non-consolidated subsidiaries and associates included in other assets) and property, plant and equipment

“Cash flows from **financing activities**” are made up of dividends paid to owners of the parent and repayments of lease liabilities, in accordance with paragraph 50a IFRS 16.

“**Cash and cash equivalents**” consists of cash on hand, demand deposits and balances at central banks repayable on demand. This item corresponds to “Cash and balances at central banks” in the statement of financial position.

The following table shows changes in liabilities arising from financing activities.

EUR ’000	1 Jan. 2024	Cash	Non-cash	31 Dec. 2024
Lease liabilities	900	-544	1,856	2,212
Liabilities from financing activities	**900**	**-544**	**1,856**	**2,212**

EUR ’000	1 Jan. 2023	Cash	Non-cash	31 Dec. 2023
Lease liabilities	1,092	-363	171	900
Liabilities from financing activities	**1,092**	**-363**	**171**	**900**

10 GROUP STRUCTURE AND RELATED-PARTY RELATIONSHIPS

10.1 Scope of consolidation

The scope of consolidation of the HYPO NOE Group includes all subsidiaries that are directly or indirectly controlled by the parent and are material to presentation of the Group's assets, finances and earnings. The scope of consolidation is regularly reviewed. Besides the parent, HYPO NOE Landesbank für Niederösterreich und Wien AG, the Group comprises 50 Austrian subsidiaries (31 Dec. 2023: 51) in which the parent meets the criteria for control as specified by IFRS 10. A total of 17 companies are accounted for using the equity method (31 Dec. 2023: 13).

Accounting policies

Where voting rights are seen as conclusive in judging whether control exists, the HYPO NOE Group is normally assumed to control an investee if it directly or indirectly holds or controls more than half of the voting rights. Besides voting rights, other rights and de facto circumstances are taken into account. Where the Group does not control a majority of the voting rights but has the de facto ability to direct relevant activities, the Group is also assumed to control the entity concerned.

All material intra-Group transactions are eliminated on consolidation. The HYPO NOE Group does not apply proportionate consolidation, as it does not hold any interests in joint operations.

Joint ventures (IFRS 11) and associates (IAS 28) are accounted for in the consolidated statements using the equity method. The first step towards determining whether there is joint control is to ascertain who exercises control over the relevant activities. Joint control exists if such control is exercised by two or more parties on a contractual basis. Associates are entities over which the HYPO NOE Group directly or indirectly has significant influence. Significant influence over an entity usually exists if the Group holds at least 20% of the voting rights. Besides the extent of the voting rights, the Group also takes account of other factors which indicate that significant influence is exercised. These include representation of the Bank on the management or supervisory bodies of the investee, or a requirement for participation in key decisions. In such cases, the question as to whether there is significant influence is considered even if the Group holds less than 20% of the voting rights.

Changes in the scope of consolidation

Company name	Included in consolidation as at 31 Dec. 2024	Included in consolidation as at 31 Dec. 2023	Date of change	Reason
NÖ HYPO LEASING AGILITAS Grundstücksvermietung Gesellschaft m.b.H. in Liqu.	n/a	Consolidated	15 Jun. 2024	Liquidation
NÖ. HYPO LEASING STRUCTOR Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	n/a	Consolidated	15 Jun. 2024	Liquidation
Castellum Schallaburg Grundstückvermietungs Gesellschaft m.b.H.	Consolidated	n/a	1 Jul. 2024	Change
EH Solar Contracting Solutions GmbH	Equity method	n/a	25 Sep. 2024	Formation
Gebau-Niobau Gemeinnützige Baugesellschaft m.b.H.	Equity method	n/a	18 Dec. 2024	Change
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Equity method	n/a	18 Dec. 2024	Change
Gebau-Niobau Gemeinnützige Baugesellschaft m.b.H.	Equity method	n/a	18 Dec. 2024	Change

Information on net gains or losses on deconsolidation is contained in section 5.2 Net other operating income.

EWU Wohnbau Unternehmensbeteiligungs-GmbH

The disposal of the three non-profit investments of EWU Wohnbau Unternehmensbeteiligungs-GmbH (EWU), decided in mid-2024, was completed at the end of 2024. The interests and shares in these companies – "Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H., GEBAU-NIOBAU Gemeinnützige Baugesellschaft m.b.H., and Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft – were sold to the EWU shareholders, their wholly owned subsidiaries, or associates in accordance with the purchase and assignment agreement dated 18 December 2024. The liquidation of EWU itself is still scheduled to take place in 2025.

10.2 Consolidated subsidiaries

The following consolidated, directly or indirectly held Group companies were included in the IFRS consolidated financial statements of HYPO NOE Landesbank as at 31 December 2024:

Company name	Domicile	Interest	of which indirect
HYPO NOE Landesbank für Niederösterreich und Wien AG	St. Pölten		
Adoria Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	St. Pölten	51.00%	26.00%
ALARIS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	75.00%
ARTES Grundstückvermietungs GmbH	St. Pölten	100.00%	100.00%
Benkerwiese Verwaltungs- und Verwertungsgesellschaft m.b.H.	St. Pölten	100.00%	100.00%
BSZ Eisenstadt Immobilien GmbH	St. Pölten	100.00%	100.00%
CALCULATOR Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	75.00%
CALLIDUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
Castellum Schallaburg Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
CLIVUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
COMITAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
CONATUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	51.00%	26.00%
CURIA Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	75.00%
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	St. Pölten	51.00%	51.00%
FAVIA Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
FORIS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	51.00%	26.00%
HBV Beteiligungs-GmbH	St. Pölten	100.00%	-
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	66.67%	66.67%
HYPO Alpha Immobilienerrichtungs- und Verwertungs GmbH	St. Pölten	100.00%	100.00%
HYPO Beta Immobilienerrichtungs- und Verwertungs GmbH	St. Pölten	100.00%	100.00%
HYPO Gamma Immobilienerrichtungs- und Verwertungs GmbH	St. Pölten	100.00%	100.00%
HYPO Niederösterreich-Immobilienleasinggesellschaft m.b.H.	St. Pölten	100.00%	100.00%
HYPO Niederösterreichische Liegenschaft GmbH	St. Pölten	100.00%	100.00%
HYPO Officium GmbH	St. Pölten	100.00%	-
HYPO NOE Leasing GmbH	St. Pölten	100.00%	100.00%
HYPO Omega Holding GmbH	St. Pölten	100.00%	-
HYPO-REAL 93 Mobilien-Leasinggesellschaft m.b.H.	St. Pölten	100.00%	100.00%
Landeskrankenhaus Tulln-Immobilienvermietung Gesellschaft m.b.H.	St. Pölten	100.00%	56.42%
LITUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	51.00%	26.00%
METIS Grundstückverwaltungs GmbH	St. Pölten	100.00%	100.00%
NEUROM Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
NÖ. HYPO LEASING FIRMITAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
NÖ. HYPO LEASING GERUSIA Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	75.00%
NÖ. HYPO LEASING Landeskliniken Equipment GmbH	St. Pölten	100.00%	100.00%
NÖ. HYPO LEASING MEATUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	75.00%
NÖ. HYPO LEASING MENTIO Grundstücksvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
NÖ. HYPO LEASING URBANITAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
NÖ. Verwaltungszentrum - Verwertungsgesellschaft m.b.H.	St. Pölten	100.00%	100.00%
PINUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
Sana Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
SATORIA Grundstückvermietung GmbH	St. Pölten	100.00%	100.00%
Strategic Equity Beteiligungen GmbH	St. Pölten	100.00%	-
Treisma Grundstücksverwaltungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
Unternehmens-Verwaltungs- und Verwertungsgesellschaft m.b.H.	St. Pölten	100.00%	100.00%
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	51.00%	51.00%
VESCUM Grundstückvermietungs GmbH	St. Pölten	100.00%	100.00%
VIA-Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
VIRTUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%
VITALITAS Grundstückverwaltung GmbH	St. Pölten	100.00%	100.00%
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	65.00%	65.00%
ZELUS Grundstückvermietungs Gesellschaft m.b.H.	St. Pölten	100.00%	100.00%

10.3 Investments accounted for using the equity method

Accounting policies

Investments in associates and arrangements where there is joint control are recognised at acquisition cost and are included in the consolidated statement of financial position at the date on which significant influence is obtained. The pro rata carrying amounts of changes in equity are adjusted in subsequent periods.

The Group ceases to use equity method accounting from the point at which the investment no longer represents an associate or joint venture, or must be classified as held for sale in accordance with IFRS 5.

Exchange differences arising from investments accounted for using the equity method are reported as part of consolidated equity, in the currency translation reserve.

Investments accounted for using the equity method were as follows.

EUR '000	31 Dec. 2024	31 Dec. 2023
Banks	8,765	7,371
Non-banks	26,636	20,457
Total	**35,401**	**27,828**

31 Dec. 2024, EUR '000	Domicile	Interest	of which indirect	Carrying amount as at 31 Dec. 2024	Profit or loss from continuing operations, 2024	Segment/ Corporate Center	Reporting date
Joint ventures				**11,213**	**2,346**		
Palatin Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	50.00%	50.00%	38	3	Public Sector	31 Dec. 2024
EH Solar Contracting Solutions GmbH	St. Pölten	50.00%	50.00%	265	-2	Public Sector	31 Dec. 2024
Niederösterreichische Vorsorgekasse AG	St. Pölten	49.00%	-	8,765	1,394	Treasury & ALM	31 Dec. 2024
PPP Campus AM + SEEA GmbH	St. Pölten	50.00%	50.00%	17	1	Public Sector	31 Dec. 2024
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	50.00%	50.00%	1,502	432	Public Sector	31 Dec. 2024
PPP Campus RAP + LGG GmbH	St. Pölten	45.00%	45.00%	16	1	Public Sector	31 Dec. 2024
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	45.00%	45.00%	609	517	Public Sector	31 Dec. 2024
Associates				**24,188**	**3,112**		
EWU Wohnbau Unternehmensbeteiligungs-GmbH	St. Pölten	48.00%	-	2,511	2,279	Real Estate	31 Dec. 2024
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Mödling	47.56%	47.56%	795	-	Real Estate	31 Dec. 2024
"Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H.	Mödling	47.96%	47.96%	3,485	-	Real Estate	31 Dec. 2024
Gebau-Niobau Gemeinnützige Baugesellschaft m.b.H.	Mödling	45.67%	45.67%	542	-	Real Estate	31 Dec. 2024
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m.b.H.	Korneuburg	32.50%	-	3,370	869	Public Sector	31 Dec. 2024
Hotel- und Sportstätten- Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	45.41%	45.41%	657	11	Public Sector	31 Dec. 2024
NÖ. Landeshauptstadt - Planungsgesellschaft m.b.H.	St. Pölten	39.00%	39.00%	307	75	Public Sector	31 Dec. 2024
NOE Immobilien Development GmbH*	St. Pölten	48.00%	48.00%	10,734	647	Real Estate	30 Sep. 2024
VIVITliving GmbH*	St. Pölten	24.50%	24.50%	1,514	-819	Real Estate	30 Sep. 2024
HYPO NOE Versicherungsmakler GmbH*	St. Pölten	48.00%	-	273	50	Retail and Corporate	30 Sep. 2024
Total				**35,401**	**5,458**		

*Due to the complexity of the processes involved in preparing the financial statements, combined with the need for timely financial reporting, simultaneous preparation of statements with the same reporting date as the consolidated financial statements is unfeasible in practice. In accordance with paragraph 34 IAS 28, adjustments were made for the effects of significant transactions or other events that occurred between the reporting date of an investment and that of the consolidated statements.

31 Dec. 2023, EUR '000	Domicile	Interest	of which indirect	Carrying amount as at 31 Dec. 2023	Profit or loss from continuing operations, 2023	Segment/ Corporate Center	Reporting date
Joint ventures				**8,681**	**1,955**		
Palatin Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	50.00%	50.00%	55	-10	Public Sector	31 Dec. 2023
NÖ. HYPO Leasing und Raiffeisen-Immobilien-Leasing Traisenhaus GesmbH & Co OG	St. Pölten	-	-	-	30	Public Sector	-
Niederösterreichische Vorsorgekasse AG	St. Pölten	49.00%	-	7,371	1,460	Treasury & ALM	31 Dec. 2023
PPP Campus AM + SEEA GmbH	St. Pölten	50.00%	50.00%	17	1	Public Sector	31 Dec. 2023
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	50.00%	50.00%	1,130	380	Public Sector	31 Dec. 2023
PPP Campus RAP + LGG GmbH	St. Pölten	45.00%	45.00%	15	1	Public Sector	31 Dec. 2023
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	45.00%	45.00%	93	93	Public Sector	31 Dec. 2023
Associates				**19,147**	**-6,385**		
EWU Wohnbau Unternehmensbeteiligungs-GmbH	St. Pölten	48.00%	-	2,408	153	Real Estate	31 Dec. 2023
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m.b.H.	Korneuburg	32.50%	-	3,218	881	Public Sector	31 Dec. 2023
Hotel- und Sportstätten- Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	45.41%	45.41%	646	5	Public Sector	31 Dec. 2023
NÖ. Landeshauptstadt - Planungsgesellschaft m.b.H.	St. Pölten	39.00%	39.00%	232	-70	Public Sector	31 Dec. 2023
NOE Immobilien Development GmbH*	St. Pölten	48.00%	48.00%	10,087	-7,300	Real Estate	30 Sep. 2023
VIVITliving GmbH	St. Pölten	24.50%	24.50%	2,333	-97	Real Estate	31 Dec. 2023
HYPO NOE Versicherungsmakler GmbH*	St. Pölten	48.00%	-	223	43	Retail and Corporate	30 Sep. 2023
Total				**27,828**	**-4,430**		

*Due to the complexity of the processes involved in preparing the financial statements, combined with the need for timely financial reporting, simultaneous preparation with the same reporting date as the consolidated financial statements is unfeasible in practice. In accordance with paragraph 34 IAS 28, adjustments were made for the effects of significant transactions or other events that occurred between the reporting date of an investment and that of the consolidated statements.

The profit or loss from continuing operations shown in the table corresponds to total comprehensive income in accordance with paragraph B16(d) IFRS 12.

No losses were recognised in profit or loss in either the current or the previous reporting period. There was no increase in cumulative losses during the period under review (2023: decrease in cumulative losses of EUR 94thsd).

Detailed disclosures on material associates and joint ventures accounted for using the equity method

	Niederösterreichische Vorsorgekasse AG		NOE Immobilien Development GmbH (consolidated financial statements)*	
Percentage holding	**49.00%**	**49.00%**	**48.00%**	**48.00%**
EUR '000 as at reporting date	**31 Dec. 2024**	**31 Dec. 2023**	**30 Sep. 2024**	**30 Sep, 2023**
Non-current assets	15,707	9,931	118,561	119,758
Current assets	5,105	7,003	5,960	12,450
Cash and cash equivalents	*1,201*	*153*	*4,417*	*9,797*
Non-current liabilities	-109	-295	-68,886	-58,810
Non-current financial liabilities	-	-	*-68,548*	*-58,464*
Current liabilities	-2,815	-1,597	-12,019	-29,125
Current financial liabilities	*-8*	*-8*	-	-
Net assets (100%)	**17,888**	**15,042**	**43,617**	**44,274**
Group share of net assets	**8,765**	**7,371**	**20,936**	**21,251**
Impairment gains/losses	-	-	-10,202	-11,165
Carrying amount of interests in associates	**8,765**	**7,371**	**10,734**	**10,087**
EUR '000 – profit/loss as basis for inclusion in annual report	**2024**	**2023**	**Q1-Q3 2024**	**Q1-Q3 2023**
Interest income	914	568	36	-
Interest expense	-	-	-4,325	-3,512
Other income	5,885	5,508	34,501	78,207
Operating expense	-2,956	-2,163	-30,872	-72,467
Depreciation, amortisation and impairment	*-14*	*-22*	*-595*	*-968*
Profit before tax	**3,842**	**3,913**	**-660**	**2,228**
Income tax expense	-997	-933	3	-380
Profit for the year (100%)	**2,846**	**2,980**	**-657**	**1,848**
Group share of profit/loss	**1,394**	**1,460**	**-315**	**887**
Impairment gains/losses	**-**	**-**	**963**	**-8,188**

*In accordance with paragraph 34 IAS 28, adjustments were made for the effects of significant transactions or other events that occurred between the reporting date of an investment and that of the consolidated statements.

Estimation uncertainties and judgements

VIVITliving GmbH

Application of the equity method resulted in a positive equity valuation of EUR 42thsd for VIVITliving GmbH as at 31 December 2024. Impairment testing indicated a need to recognise impairment losses of EUR 777thsd on VIVITliving GmbH's investments accounted for using the equity method as at 31 December 2024. This was primarily due to the lower fair value of properties as identified by external expert opinions.

Niederösterreichische Vorsorgekasse AG (NÖVK)

Niederösterreichische Vorsorgekasse AG (NÖVK) is a separate financial services provider, and is the employee benefit fund that manages employees' termination benefit entitlements. Employers pay statutory contributions on behalf of employees. The manner in which the management board is appointed and the requirement for unanimous resolutions mean that the company is classified as being under joint control.

For the purposes of impairment testing in accordance with IAS 36, the value in use of NÖVK was calculated using the dividend discount model (DDM). In applying the DDM – a form of discounted cash flow method – future expected dividends

are discounted using the cost of equity. The present value of the financial surpluses calculated in this way represents the fair value.

In order to calculate the present value of NÖVK's expected dividends, the distributable amounts budgeted by its management were discounted, using the discount rate. The budgeting of the distributable amounts took account of the statutory requirements such as the own funds requirement and the allocations to the capital guarantee reserve.

The discount rate employed for NÖVK corresponds to the pre-tax cost of equity. It is derived from the capital asset pricing model (CAPM), and has the following components:

- The risk-free rate of interest (the 30-year spot rate calculated in accordance with the Svensson method, using the parameters published by the Deutsche Bundesbank); as well as
- a market risk premium based on:
  - the implicit market risk premium for Austria (ATX Prime); and
  - the beta factor (drawn from the parameters of listed peers).

As of 31 December 2024 this was 10.34% (year-end 2023: 11.37%).

Besides the detailed budgeting phase, the time horizon applied to measurement consists of the rough budgeting and pension phases.

The time horizon of the detailed budgeting phase is five years, matching that of the NÖVK management's medium-term planning. The planned average annual post-tax profit growth rate (compound annual growth rate [CAGR]) during the detailed budgeting phase is 5.8% (2023: 36.2%). This reflects the above-average growth rate due to the low base in 2022.

To allow for reliably forecastable special effects, a further five years (rough budgeting phase) were added for impairment testing purposes. One such special effect would be attainment of the NÖVK management's target for excess cover of the maximum own funds requirement. The CAGR in the rough budgeting phase is -2.8% (2023: -0.9%).

The rough budgeting phase is followed by the pension phase, with a long-term growth rate of 2% (2023: 2%), which is equal to the ECB's medium-term inflation target.

%	31 Dec. 2024	31 Dec. 2023
NÖVK: key assumptions		
Pre-tax discount rate (cost of equity)	10.34%	11.37%
CAGR in the detailed budgeting phase	5.81%	36.20%
CAGR in the rough budgeting phase	-2.83%	-0.90%
Long-term growth rate in the pension phase	2.00%	2.00%

In 2024, both performance and profit for the year were above budget in spite of the continued highly challenging geopolitical environment due to the Ukraine war, Middle East conflict and the shifting balance of political power. Medium-term budgeting takes account of the risks arising from the geopolitical environment and the inflation expectations implicit in the performance expectations of the collective investment fund (CIF), including their impact on the Company's expenses and the CIF's contributions. Cessation of the interbank VAT exemption was also taken into account. NÖVK expects results to continue to improve in subsequent periods, provided there are no massive external disruptions such as the spread of the Ukraine war or the Middle East conflict to other countries, or extreme, wide area impacts of climate change.

Impairment testing did not indicate any need to recognise impairment losses on the fund's investments accounted for using the equity method as at 31 December 2024.

Change in value in use, EUR '000 **Sensitivity analysis**	31 Dec. 2024	31 Dec. 2023
50 bp increase in pre-tax discount rate	-924	-655
50 bp decrease in pre-tax discount rate	1,046	732
1 bp increase in net margin as percentage of accrued benefits after the detailed budgeting phase	501	399
1 bp decrease in net margin as percentage of accrued benefits after the detailed budgeting phase	-750	-399

NOE Immobilien Development GmbH (NID)

NOE Immobilien Development GmbH (NID) specialises in property development, housing construction and neighbourhood development, with a focus on Lower Austria and Vienna. It mainly invests in intergenerational housing schemes forming part of municipal urban development projects. The HYPO NOE Group's significant influence over the company is exercised by means of voting rights and the appointment of members of the Group's key management to supervisory board positions.

The recoverable amount of the investment in NID was calculated for the purpose of impairment testing in accordance with IAS 36. The recoverable amount was measured using the discounted cash flow (DCF) approach, in line with the gross method (WACC). Under the WACC approach, the fair value of total capital (enterprise value) is arrived at by discounting free cash flow using the weighted average cost of capital (WACC), a mixed rate comprising the cost of equity and borrowing costs. The fair value of equity (equity value) is calculated by deducting the fair value of interest-bearing debt from that of total capital.

In order to calculate the present value of the cash flows, NID's free cash flow is determined on the basis of management's integrated corporate budget and discounted using the WACC. With regard to volatilities in the market environment, corresponding free cash flow scenarios were determined. When calculating the WACC for NID, the cost of equity is determined using the CAPM (see description in relation to NÖVK, above), while borrowing costs are arrived at by reconciling the median credit ratings of peer group members with the yield curve (for 30-year maturity) of European corporate bonds corresponding to this rating. The benchmark for the capital structure realisable within the budgeting period is set by the median leverage ratio of the peer groups at fair value, and remains constant over the entire time horizon. NID's pre-tax discount rate (WACC) as at 31 December 2024 was 7.98% (31 Dec. 2023: 8.02%).

The time horizon of the medium-term budget drawn up by NID's management is greater than five years, as account must be taken of special factors related to the performance of property before a long-term profit forecast can be made. An example of these is the adjustment for funds tied up in regulatory provisions for any warranty claims after apartment handovers. The CAGR of EBIT during the 2024-2032 budgeting phase is 3.68% (2023: 2.58%), and that in the subsequent pension phase is 0% (2023: 0%).

% **NID: key assumptions**	31 Dec. 2024	31 Dec. 2023
Pre-tax discount rate (WACC)	7.98%	8.02%
CAGR in the budgeting phase	3.68%	2.58%
Long-term growth rate in the pension phase	0.00%	0.00%

The current economic changes in the real estate market, whose origins can be traced back to administrative delays (Covid-19) as well as significant uncertainties in the supply of construction materials (energy crisis and Ukraine crisis), particularly affecting the residential asset class, have been comprehensively taken into account, particularly in terms of economic planning and evaluation of projects within the corporate budget.

To address the fluctuations in construction prices and borrowing costs as well as inflationary developments, these factors were adjusted and incorporated into project calculations and the statement of profit and loss during the initial budget preparation, medium-term budgeting and liquidity planning.

Application of the equity method resulted in a negative equity valuation of EUR 316thsd for NID as at 31 December 2024. Based on the impairment test, the need for recognition of an impairment gain of EUR 963thsd in the equity-method

valuation of NID as at 31 December 2024 was identified. This is due to a lower discount rate and the negative free cash flow in 2023, which was not fully reflected in an increase in net debt as at 31 December 2023.

Change in value in use, EUR '000 **Sensitivity analysis**	31 Dec. 2024	31 Dec. 2023
25 bp increase in pre-tax discount rate	-1,294	-1,388
25 bp decrease in pre-tax discount rate	1,355	1,451

10.4 Disclosures on related-party relationships

Accounting policies

The State of Lower Austria holds an indirect interest of 70.49% in HYPO NOE Landesbank via NÖ Landes-Beteiligungsholding GmbH, and an indirect interest of 29.51% via NÖ BET GmbH. The State is therefore included under "Parent companies" in the table below. Further information regarding key management personnel is presented in Note 5.3.2 Staff costs.

The figures for "Identified staff" include the following:

- The Management and Supervisory boards of HYPO NOE Landesbank
- Chief executives of material subsidiaries
- The key management of HYPO NOE Landesbank
- The chief executives of NÖ Landes-Beteiligungsholding GmbH and NÖ BET GmbH

Estimation uncertainties and judgements

The transfer prices between the HYPO NOE Group and related parties are arm's length prices. The State of Lower Austria's guarantees of loans and advances extended to third parties by HYPO NOE Landesbank, listed in the table below, are likewise all concluded on market terms.

31 Dec. 2024 EUR '000	Parent companies	Non-consolidated subsidiaries	Equity method associates	Joint ventures	Other related parties	Identified staff
Open balances						
Selected financial assets	**2,495,516**	**121,271**	**475,466**	**17,820**	**1,863**	**2,676**
Equity instruments	-	81	18,424	9,117	178	-
Bonds	37,903	-	-	-	-	-
Loans	2,457,613	121,190	457,042	8,702	1,685	2,676
Selected financial liabilities	**160,575**	**679**	**96,476**	**1,987**	**19,632**	**5,304**
Deposits	160,575	679	96,476	1,987	19,118	4,694
Bonds in issue	-	-	-	-	514	610
Nominal value of loan commitments, financial guarantees and other commitments	**229,965**	**27,558**	**33,613**	**-**	**672**	**259**
Loan commitments, financial guarantees and other commitments received	**2,852,633**	**-**	**-**	**-**	**-**	**-**
Nominal value of derivatives	**692,992**	**85,000**	**-**	**-**	**-**	**-**
Current period						
Interest income	108,039	5,536	15,835	349	74	75
Interest expense	-8,857	-1,732	-1,549	-2	-269	-196
Dividend income	-	-	2,893	-	-	-
Fee and commission income	2,443	2	375	4	20	1
Profit or loss from the derecognition of financial assets and liabilities not measured as at fair value through profit or loss	-	-	1	-	-	-

31 Dec. 2023 EUR '000	Parent companies	Non-consolidated subsidiaries	Equity method associates	Joint ventures	Other related parties	Identified staff
Open balances						
Selected financial assets	**2,438,706**	**130,686**	**457,739**	**12,220**	**2,817**	**2,329**
Equity instruments	-	91	18,291	7,455	229	-
Bonds	35,709	-	-	-	-	-
Loans	2,402,997	130,595	439,448	4,765	2,588	2,329
Selected financial liabilities	**116,345**	**513**	**54,858**	**2,174**	**32,256**	**3,889**
Deposits	116,345	513	54,858	2,174	31,742	3,278
Bonds in issue	-	-	-	-	515	611
Nominal value of loan commitments, financial guarantees and other commitments	**358,670**	**33,457**	**49,920**	**100**	**592**	**196**
Loan commitments, financial guarantees and other commitments received	**2,951,626**	**-**	**-**	**-**	**-**	**-**
Nominal value of derivatives	**745,039**	**85,000**	**-**	**-**	**-**	**-**
Current period						
Interest income	84,750	4,815	13,004	353	128	52
Interest expense	-8,015	-1,351	-175	-	-245	-92
Dividend income	-	-	697	-	-	-
Fee and commission income	764	2	228	7	19	-
Profit or loss from the derecognition of financial assets and liabilities not measured as at fair value through profit or loss	-	-	-	-	-	-

Loans, advances and guarantees in accordance with section 237(1)(3) Austrian Business Code

The table below shows the loans, advances and guarantees extended to officers of HYPO NOE Group companies as at the end of the reporting period. These were furnished with customary banking collateral. The usual terms for officers were applied.

EUR '000	1 Jan. 2024	Additions	Repayment/other change	31 Dec. 2024
Management Board	773	-	-252	521
Supervisory Board	387	85	-26	446
Total	**1,161**	**85**	**-278**	**968**

EUR '000	1 Jan. 2023	Additions	Repayment/other change	31 Dec. 2023
Management Board	274	512	-12	773
Supervisory Board	769	32	-413	387
Total	**1,043**	**543**	**-426**	**1,161**

11 EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period.

12 GOVERNING BODIES OF HYPO NOE LANDESBANK

The following persons were members of the Management and Supervisory boards during the reporting period:

Management Board

Wolfgang Viehauser, Management Board Member Markets and Speaker of the Board
Udo Birkner, Management Board Member Finance, Risk & Operations

Supervisory Board

Günther Ofner, Chairperson
Michael Lentsch, Deputy Chairperson
Sabina Fitz-Becha
Birgit Kuras
Johann Penz
Ulrike Prommer
Karl Schlögl
Hubert Schultes

Delegated by the Works Council

Franz Gyöngyösi
Claudia Mikes
Rainer Gutleder
Gabriele Monk

Federal commissioners

Ben-Benedict Hruby, Federal Ministry of Finance
Josef Dorfinger, Federal Ministry of Finance

Supervisory commissioners

Georg Bartmann, office of the State of Lower Austria
Peter Neurauter, office of the State of Lower Austria

St. Pölten, 5 March 2025
The Management Board

DI Wolfgang Viehauser, MSc
Management Board Members Markets
and Speaker of the Board

MMag. Dr. Udo Birkner, MBA (LBS)
Management Board Member Finance,
Risk & Operations

ADDITIONAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2024
IN ACCORDANCE WITH IFRS
HYPO NOE GROUP

Part I: HYPO NOE GROUP ANNUAL REPORT 8

GROUP OPERATIONAL AND FINANCIAL REVIEW 9

CONSOLIDATED FINANCIAL STATEMENTS 169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 175

ADDITIONAL INFORMATION 304

1 DECLARATION BY THE COMPANY'S LEGAL REPRESENTATIVES 305
2 AUDITORS' REPORT 306
3 REPORT OF THE SUPERVISORY BOARD 312

1 DECLARATION BY THE COMPANY'S LEGAL REPRESENTATIVES

We hereby confirm that to the best of our knowledge the 2024 consolidated financial statements of the HYPO NOE Group give a true and fair view of the Group's assets, finances and earnings, in conformity with the relevant accounting standards, and that the Group operational and financial review presents the course of the Group's business, and its results and financial condition in such a manner as to give a true and fair view of the Group's assets, finances and earnings, and describes the principal risks and uncertainties to which the Group is exposed.

St. Pölten, 5 March 2025
The Management Board

DI Wolfgang Viehauser, MSc
Management Board Members Markets
and Speaker of the Board

responsible for

Sales Strategy, Digitalisation & Retail Banking
Marketing & Communication
Public Sector
Corporate Customers
Real Estate Customers
Treasury & ALM
Press Spokesperson

MMag. Dr. Udo Birkner, MBA (LBS)
Management Board Member Finance,
Risk & Operations

responsible for

Group General Secretariat HR & Law
Compliance, AML & Regulatory
Finance
Risk
Operations/Organisation & IT
Internal Audit

2 AUDITORS' REPORT

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of HYPO NOE Landesbank für Niederösterreich und Wien AG, Sankt Pölten, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Financial Position as at 31 December 2024, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion the consolidated financial statements comply with the legal requirements and to the maximum extent possible present fairly the assets and finances of the Group as at 31 December 2024, and its earnings and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU and the additional requirements of section 245a UGB (Austrian Business Code) and section 59a BWG (Austrian Banking Act).

Basis of opinion

We conducted our audit in accordance with Regulation (EU) No 537/2014 ("Audit Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' responsibility for audit of the consolidated financial statements" section of our report. We are independent of the audited Group in conformity with Austrian company and banking law, and the professional regulations, and have fulfilled our other professional responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained up to the date of this auditors' report is sufficient and appropriate to provide a basis for our audit opinion at that date.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in conjunction with our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion thereon.

Valuation of loans reported under "Financial assets – AC" in the statement of financial position

The Management Board explains the approach to the recognition of risk provisions in Note 4.5 Credit risk and risk provisions.

Risk to the financial statements

The loans reported net of risk provisions under the "Financial assets – AC" item in the consolidated statement of financial position stood at EUR 13bn.

As part of the oversight of this lending, the Group assesses whether loan loss provisions need to be recognised. This includes evaluating whether customers are able to meet their contractual repayment obligations in full.

Calculation of the risk provisions for individually significant loan losses is based on a scenario-weighted expected cash flow approach. The selection and weighting of the scenarios is generally based on the current status of collection of the receivables. Calculation of these risk provisions takes account of the collateral available.

Where loan losses are not individually significant the Group calculates an individual impairment allowance derived from statistically determined parameters. This risk provision is arrived at with reference to statistical loss given default rates.

Where loans are non-defaulted, a risk provision is also recognised for the expected credit loss (ECL), as required by IFRS 9. The 12-month ECL (Stage 1) is applied. In the event of a significant increase in credit risk (Stage 2) the ECL is calculated on the basis of the entire lifetime. Determination of the ECL depends on estimates and assumptions. These

include rating-based probabilities of default and losses given default, which take account of current and forward-looking information. The Group carried out an analysis aimed at taking reasonable account of the effect of current macroeconomic trends on the future operations of borrowers. In the light of this analysis, *inter alia* a portfolio-wide adjustment in the sense of qualitative staging (increase in the credit risk stage) is applied to selected industries, and the customers concerned are collectively transferred to Stage 2.

These loans include a portfolio of mortgage-backed subsidised homebuilding loans (SHLs) secured by a guarantee from the State of Lower Austria, as well as lending to the public sector. Due to the low default risk of this portfolio, a significant impairment risk is thereafter only recognised with respect to the rest of the lending portfolio. The risk for the financial statements arises from the fact that the determination of the risk provisions for loans other than those to the public sector and SHLs is heavily reliant on assumptions and estimates of default risk and future recoveries, which give rise to wide margins of discretion and estimation uncertainties regarding the amount of the risk provisions.

Our approach

When testing for impairment of loans other than public sector loans and SHLs, we carried out the following key audit procedures:

1. We analysed and assessed the existing documentation of the processes for risk provision oversight and recognition, in order to ascertain whether the procedures described therein are suitable to identify defaults and risk provisions. In addition, we carried out selected key controls relevant to the audit of the financial statements, assessed their design and implementation, and tested the effectiveness of these controls on a sample basis.

2. Using a sample of non-defaulting customers, we investigated whether there were loan loss indicators. The sampling was both random and risk-based, and took account of rating grades and changes. One focus was on the commercial residential property market.

3. In cases of individually significant loan losses, we assessed on a sample basis whether the judgments made with respect to the amount and timing of future payment streams were reasonable. Sample selection was partly random and partly risk-based. It also extended to recoveries from the realisation of collateral. Valuers were engaged to assess the estimates used in valuations of property held by defaulting customers on a sample basis.

4. In cases of individually insignificant or non-defaulted loans for which risk provisions are recognised on a statistical basis, we examined the Group's methodological documentation for its consistency with the requirements of IFRS 9. We also investigated the models and their mathematical functions in the light of internal validations, as well as the parameters employed in them, for their suitability for the recognition of adequate risk provisions. As part of our audit activities we enlisted the assistance of our financial mathematicians as expert advisers.

5. In the light of the analysis performed by the Group, we retraced the derivation and rationale of the collective manual stage transfers performed. We assessed the Group's analysis of the effects of current macroeconomic trends on selected industries as well as the case for, and appropriateness of the resultant manual stage transfers.

6. We verified the mathematical accuracy of the risk provisions by means of approximation tests.

Other information

The Company's legal representatives are responsible for the other information. This comprises all the information in the annual report apart from the consolidated financial statements, the Group operational and financial review, and the auditors' report.

Our opinion on the consolidated financial statements does not extend to this other information, and we do not provide any form of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether it contains any material inconsistencies with the consolidated financial statements or other information gained during our final audit or any other misstatement.

If we conclude on the basis of the other information obtained from work performed prior to the date of the auditors' report that this other information contains a material misstatement of fact, we are obliged to report thereon. We have nothing to report in this regard.

Responsibility of the Company's legal representatives and the Audit Committee for the consolidated financial statements

The Company's legal representatives are responsible for the preparation of the consolidated financial statements and for ensuring that these, to the maximum extent possible, present a true and fair view of the Group's assets, finances and earnings, in conformity with the IFRSs as applicable in the EU, as well as the additional requirements of sections 245a Austrian Business Code and 59a Austrian Commercial Code. The Company's legal representatives are also responsible for such internal controls as they deem necessary to permit the preparation of consolidated financial statements that are free from material misstatement due to fraud or error.

The Company's legal representatives are responsible, when preparing the consolidated financial statements, for assessing the Group's ability to continue as a going concern, for disclosing, where relevant, matters related to going concern, and applying the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to such action.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditors' responsibility for audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditors' report that includes our audit opinion. Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with the EU Audit Regulation and Austrian auditing standards (which require ISA compliance) will always detect a material misstatement if present. Misstatements may result from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Audit Regulation and Austrian standards, which require the application of the ISA, we exercise professional judgment and maintain a critical attitude throughout the audit.

Moreover:

1. We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we plan and perform audit procedures in response to those risks, and we obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of failure to detect material misstatements resulting from fraud is greater than that of overlooking misstatements due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

2. We obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.

3. We evaluate the appropriateness of the accounting policies applied and accounting estimates presented by the Company's legal representatives, and the related disclosures.

4. We draw conclusions as to the appropriateness of management's application of the going concern basis of accounting and, in the light of the audit evidence obtained, whether material uncertainty exists with regard to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention to the related disclosures in the consolidated financial statements in our audit report or, if these disclosures are inappropriate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or circumstances may cause the Group to cease to operate as a going concern.

5. We evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether those statements to the maximum extent possible render the underlying transactions and events in a manner that achieves fair presentation.

6. We plan and perform the audit of the consolidated financial statements so as to obtain sufficient appropriate audit evidence as to the financial information from the entities and business segments within the Group to serve as a basis for an audit opinion on the statements. We are responsible for the direction, supervision and review of the audit activities performed for the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

7. We exchange information with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant findings, including any marked deficiencies in the internal control system that we identify during our audit.

8. We also report to the Audit Committee that we have complied with the relevant professional conduct requirements in respect of our independence, that we will report any relationships and other matters that could be reasonably assumed to affect our independence and, where relevant, the related safeguards.

9. From the matters discussed with the Audit Committee, we determine those that were of most significance for the audit of the consolidated financial statements for the year under review, i.e. the key audit matters. We describe these matters in our auditors' report unless legislation or other legal regulations preclude public disclosure or, in very rare cases, we determine that a matter should not be included because the negative consequences of so doing could reasonably be expected to outweigh the benefits to the public interest of such disclosure.

Other legal requirements

Report on the Group operational and financial review

Austrian company law requires an audit of the Group operational and financial review to ascertain whether it is consistent with the consolidated financial statements and was prepared in accordance with the applicable legal requirements.

It is our responsibility to determine whether the non-financial statement contained in the Group operational and financial review has been drawn up, to read it and to assess whether this other information exhibits any material inconsistencies with the consolidated financial statements or with any other knowledge acquired during the audit, or any other material misstatements.

Under Austrian company law, the Company's legal representatives are responsible for the preparation of the Group operational and financial review.

We have conducted our audit in accordance with the professional standards applicable to the audit of group operational and financial reviews.

Opinion

In our opinion, the Group operational and financial review was drawn up in accordance with the applicable legal requirements, contains the relevant disclosures under section 243a Austrian Business Code, and is consistent with the consolidated financial statements.

Declaration

In the light of the knowledge gained in the course of the audit of the consolidated financial statements and of our understanding of the Group and its environment, we did not note any material misstatements in the Group operational and financial review.

Additional information in accordance with Article 10 Audit Regulation

We were appointed as auditors by the Annual General Meeting on 2 March 2023 and on 2 March 2023 were charged by the Supervisory Board with the audit of the Company's financial statements for the financial year ended 31 December 2024.

We have been the Company's auditors without interruption since the consolidated financial statements for the year ended 31 December 2022.

We hereby declare that the opinion expressed in the "Report on the consolidated financial statements" section of our report is consistent with our additional report to the Audit Committee pursuant to Article 11 Audit Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 paragraph 1 Audit Regulation) and maintained our independence from the audited company when conducting our audit.

Engagement partner

The engagement partner for the audit is Georg Blazek.

Vienna, 5 March 2025

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Executed with a qualified electronic signature

Georg Blazek

Austrian Chartered Accountant

3 REPORT OF THE SUPERVISORY BOARD

In 2024 the Supervisory Board comprised Günther Ofner, Michael Lentsch, Birgit Kuras, Sabina Fitz-Becha, Rainer Gutleder, Franz Gyöngyösi, Claudia Mikes, Gabriele Monk, Johann Penz, Ulrike Prommer, Karl Schlögl and Hubert Schultes. The Annual General Meeting (AGM) held on 3 March 2020 saw the election of the shareholder representatives for the period up to the end of the AGM that will rule on the discharge of the Board from liability in 2024. Due to the terms of office of the shareholder representatives, elections to the Supervisory Board will take place at the AGM on 13 March 2025.

In 2024 there were four plenary meetings of the Supervisory Board, four meetings of the Loan Committee and of the Audit Committee, two meetings of the Risk Committee and Remuneration Committee, and one meeting of the Nominations Committee. All the meetings complied with the legal regulations and the articles of association. The Supervisory Board was constantly kept up to date with the main issues discussed by the committees by the sitting chairperson.

In the course of their activities, the Supervisory Board and its committees closely monitored the Bank's business performance. As at 31 December 2024, the key macroeconomic trends reflected the consequences of the Covid-19 pandemic, the war in Ukraine and the Middle East conflict. Alongside the risks associated with the current interest rate environment, the primary risk factors are seen as persistently weak growth and economic uncertainty. As a result, the Group's risk management activities were more strongly focused on these influences and their impact on economic developments, and they were chiefly reflected by the standard parameters of the risk provisioning for the Bank's lending portfolios. For example, reports from the Risk Management Department were considered when evaluating the risk position. In addition, Internal Audit provided information on the viability of the business processes, while Compliance submitted activity reports and risk analyses. Regular reports on the effectiveness of the internal control system were also provided.

Consequently, in 2024 the Supervisory Board fulfilled the duties incumbent upon it by virtue of the law and the articles of association, and was kept regularly informed by the Management Board on the course of business and the state of the Bank's and the Group's affairs.

The accounts and records, the **2024 annual financial statements, and the operational and financial review** of HYPO NOE Landesbank für Niederösterreich und Wien AG have been audited by the independent auditors, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. As the audit did not give rise to any objections, and the statutory requirements were fully complied with, the auditors issued an unqualified audit certificate. The non-financial statement contained in the operational and financial review was subjected to a limited-assurance review by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which also gave rise to no objections. The Supervisory Board concurred with the audit findings, is in agreement with the recommendation of the Audit Committee and the annual financial statements for the year ended 31 December 2024, and the operational and financial review, and non-financial report, including the dividend recommendation, submitted to it by the Management Board, and hereby approves the 2024 annual financial statements in accordance with section 96(4) Austrian Companies Act.

The auditors, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, audited the **2024 consolidated financial statements** for compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as applicable in the EU, and the Group operational and financial review, for compliance with the Austrian Business Code. The audit gave rise to no objections, and the auditors found that the statutory requirements had been fully met. In the opinion of the auditors, the consolidated financial statements give a true and fair view of the assets and finances of the Group as at 31 December 2024, and of its earnings and cash flows for the year then ended, in accordance with IFRS as adopted in the EU, and the additional requirements of section 245a Austrian Business Code and section 59a Austrian Banking Act.

The auditors hereby confirm that the Group operational and financial review is consistent with the consolidated financial statements, such that the statutory requirements for exemption from the obligation to prepare consolidated financial statements according to Austrian law are fulfilled, and issue an unqualified audit certificate. The consolidated non-financial report contained in the Group operational and financial review was subjected to a limited-assurance review by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which gave rise to no objections. The Audit Committee and the Supervisory Board, in the presence of and with the assistance of the auditors, thoroughly examined the audit report, the 2024 consolidated financial statements, and the Group operational and financial review including the consolidated non-financial report, and concurred with the audit findings.

St. Pölten, 13 March 2025
The Supervisory Board

Günther Ofner
Chairman

LIST OF ABBREVIATIONS

ABGB	Allgemeines bürgerliches Gesetzbuch (Austrian Civil Code)
AC	amortised cost
AG	Aktiengesellschaft (public limited company)
ALM	Asset Liability Management
Art.	Article
AStV	Committee of Permanent Representatives
BaSAG	Bundesgesetz über die Sanierung und Abwicklung von Banken (Federal Act on the Recovery and Resolution of Banks)
BCBS	Basel Committee on Banking Supervision
BCM	Business continuity management
BMK	Bundesministerium für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie (Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology)
bn	billion
BWG	Bankwesengesetz (Banking Act)
CAPP	contingent additional purchase price
CCF	credit conversion factor
CCP	central counterparty
CDR	Commission Delegated Regulation (EU)
CDS	credit default swap
CHF	Swiss franc
CISO	Chief Information Security Officer
CRD	Capital Requirements Directive as amended
CRR	Capital Requirements Regulation as amended
CSA	credit support annex
CSC	current service cost
CTM	critical terms match
CVA	credit valuation adjustment
DBO	defined benefit obligation
DCF	discounted cash flow method
DORA	Digital Operational Resilience Act
DSCR	debt service coverage ratio
DVA	debt valuation adjustment
EAD	exposure at default
EAR	exposure at risk
EBA	European Banking Authority
ECB	European Central Bank
ECF	expected cash flow
ECL	expected credit loss
EFPA	European Financial Planning Association
EIR	effective interest rate
ESG	environmental, social, governance
ESRB	European Systemic Risk Board

ESRS	European Sustainability Reporting Standards
EU	European Union
EUR	euro
EUR ’000/EUR thsd	thousand euro
EUR m	million euro
EURIBOR	Euro Interbank Offered Rate
EWU	EWU Wohnbau Unternehmensbeteiligungs-GmbH
FATCA	Foreign Account Tax Compliance Act
FMA	Austrian Financial Market Authority
FM-GwG	Finanzmarkt-Geldwäschegesetz (Financial Markets Anti-Money Laundering Act)
FN	Firmenbuchnummer (company register number)
FV	fair value
FVO	fair value option
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss
FX	foreign exchange
GA	Gesundheitsausschuss (Health Committee)
GAR	green asset ratio
GmbH	Gesellschaft mit beschränkter Haftung (limited liability company)
GPP	general prior permission
GRI	Global Reporting Initiative
HETA	Heta Asset Resolution AG
HFT	held for trading
HQLA	high quality liquid assets
HSchG	Hinweisgeber:innenschutzsgesetz (Whistleblower Protection Act)
HTM	held to maturity
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
ICS	internal control system
IFRA	integrated finance and risk architecture
IFRS	International Financial Reporting Standards
IPRE	income-producing real estate
IRB	internal ratings-based
IRO	impact, risk and opportunity
ISDA	International Swaps and Derivatives Association
ISO	International Organization for Standardization
IT	information technology
KAF	Kärntner Ausgleichszahlungs-Fonds (Carinthian Compensation Payment Fund)
kWh	kilowatt hour
LCR	liquidity coverage ratio
LGD	loss given default
m	million
MiFID	Markets in Financial Instruments Directive

MREL	minimum requirement for own funds and eligible liabilities
MWh	megawatt hour
n/a	not applicable
NACE	Statistical Classification of Economic Activities in the European Community
NGFS	Network for Greening the Financial System
NID	NOE Immobilien Development GmbH
NÖ	Niederösterreich (Lower Austria)
No.	number
NPL	non-performing loan
NSFR	net stable funding ratio
OCI	other comprehensive income
OeKB	Oesterreichische Kontrollbank
OeNB	Oesterreichische Nationalbank (Austrian central bank)
OIB	Österreichisches Institut für Bautechnik (Austrian Institute for Building Technology)
OIS	overnight index swap
OLS	ordinary least squares
ÖNACE	Austrian Statistical Classification of Economic Activities
OpRisk	operational risk
OTC	over the counter
P&L	profit and loss
PD	probability of default
PiT	point in time
POCI	purchased or originated credit impaired
QI	qualified intermediary
RBC	risk-bearing capacity
RICO	Risk Management Committee
ROE	return on equity
RWA	risk weighted assets
S&P	Standard & Poor's
SME	small and medium-sized enterprises
SPPI	solely payments of principle and interest
SREP	supervisory review and evaluation process
TiGital	Accenture TiGital GmbH
TLTRO	targeted longer-term refinancing options
TSCR	total SREP capital requirements
TTC	through the cycle
UGB	Unternehmensgesetzbuch (Austrian Business Code)
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UTP	unlikely to pay
UZ 46	Austrian Ecolabel for Green Electricity
UZ 49	Austrian Ecolabel for Sustainable Financial Products
VaR	value at risk
WAG	Wertpapieraufsichtsgesetz (Securities Supervision Act)

WIFO	Austrian Institute of Economic Research
YTD	year-to-date

PUBLICATION DETAILS

Publisher and proprietor: HYPO NOE Landesbank für Niederösterreich und Wien AG, Hypogasse 1, 3100 St. Pölten

Editorial content: HYPO NOE Landesbank für Niederösterreich und Wien AG

Copy deadline: Vienna, 5 March 2025

Place of production: Hypogasse 1, 3100 St. Pölten

Website: en.hyponoe.at

Production: produced internally using the insightsoftware CDM editing system

Printed by: HYPO NOE Landesbank für Niederösterreich und Wien AG

English translation: Jon O'Shea/Rob Perry, Fox Coffey KG, firma@foxcof.co.at,

Enquiries to landesbank@hyponoe.at

Website: https://en.hyponoe.at/

Investor Relations: invorstorrelations@hyponoe.at

Tel. +43 (0)590 9100

Cover and interleaves: Josef Bollwein (St. Pölten)
Thomas Berwein (Tulln)
Manuela Mörzinger (HYPO NOE Ballon)

Important information

The greatest possible care has been taken in producing this report. 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 the report 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 report is definitive. The English version is a translation of the German report. The European Single Electronic Format (ESEF) publication corresponds to the official version of the report.

This report does not represent a recommendation to buy or sell, or subscribe to securities, or a solicitation to make an offer to purchase securities. HYPO NOE Landesbank für Niederösterreich und Wien AG accepts no liability under any circumstances for losses or damages of any kind arising in connection with the use of this report.