

## HYPO NOE Group remains resilient despite a challenging 2025 environment

### Highlights 2025

- Profit before tax at EUR 33.4m (vs. 2024: EUR 82.2m)
- Core earnings showed a divergent pattern - net interest income EUR 159.8m (-13.1%) and net fee and commission income EUR 21.5m (+7.1%) year-on-year (vs. 2024: EUR 183.9m and EUR 20.1m, respectively)
- Administrative expenses amounted to EUR 123.4m, above the prior year level (2024: EUR 111.1m), the cost/income ratio based on the operating result increased to 60.09% (2024: 51.72%)
- The NPL ratio stood at 2.96% as at 31 Dec. 2025, broadly in line with the prior year (31 Dec. 2024: 2.94%), while the NPL coverage ratio declined slightly to 87.8% (31 Dec. 2024: 89.1%)
- Strong CET1 ratio of 18.31% as at 31 Dec. 2025 (31 Dec. 2024: 20.32%), including a first-time application effect of approx. 1.4ppts under CRR III

### Core earnings with a declining development

On 6 March 2026, HYPO NOE Group reported its results for the 2025 financial year. Against the backdrop of a challenging macroeconomic environment, **core earnings** amounted to EUR 181.3m, which was below the exceptionally strong prior- level of the previous year (2024: EUR 204.0m). **Profit before tax** decreased to EUR 33.4m, down from EUR 82.2m in 2024, not least due to the increase in the ongoing stability levy and the additional one-off payment to the stability levy payment, which was approved by the Austrian parliament in early March.

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*“Our customers are at the heart of everything we do - whether they receive personal advice in our branches, make use of our modern digital services, or engage with us directly on site. The numerous awards we received, including first place in the “Overall Satisfaction” and “Trust” categories in Forbes’ World’s Best Banks ranking, clearly affirm our strategic direction. Throughout 2025, we continued to pursue this course with consistency: we are seizing the early signs of recovery in the economy and the property market, supporting private individuals, businesses and the public sector with bespoke solutions, and investing purposefully in our local presence, as demonstrated by the newly redesigned branch in Kremser Gasse in St Pölten. By combining close customer relationships, forward-looking action and reliability, we are strengthening our position as a strong financial partner in the region.”*

### Wolfgang Viehauser

Management Board Member Markets and Speaker of the Board

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Compared to the same period last year, **net interest income** amounted to EUR 159.8m, a year-on-year decrease of 13.1% (vs. 2024: EUR 183.9m), primarily reflecting a reduction in earnings from maturity transformation. However, **net fee and commission income** increased by 7.1% to EUR 21.5m, mainly due to higher

commissions in the securities and insurance business (vs. 2024: EUR 20.1m). **Administrative expenses** increased to EUR 123.4m compared with EUR 111.1m in the previous year, reflecting inflation-related cost developments as well as the effects of the increased stability levy. Despite these factors, the **operating result** remained robust at EUR 73.3m, supported by positive contributions from all customer segments (vs. 2024: EUR 105.8m). The **cost/income ratio**<sup>1</sup> (**CIR**) stood at 60.09%, broadly within the defined target range (2024: 51.72%). The **net result** for the reporting period was significantly lower than in 2024, amounting to EUR 21.9m compared with EUR 64.2m in the previous year, reflecting the effects of the challenging market environment.

### Risk provisions and credit risk development

During the period under review, **net losses on risk provisions** (ECL) totalled EUR -39.8m (2024: EUR -23.6m), reflecting the market conditions modelled in accordance with IFRS 9. The continued challenges in the commercial real estate development sector were a key driver of this development, and conservative provisions have been made for expected future losses from corresponding exposures as part of risk provisioning. At the end of 2025, ECL provisions in the performing loan portfolio (Stage 1 and 2) amounted to EUR 24.1m, equivalent to 51 basis points in relation to risk-weighted assets (RWA) (31 Dec. 2024: EUR 29.9m or 70 bps, respectively). At 87.8%, the **NPL coverage ratio** at the end of the reporting period stood slightly below the previous year's level (31 Dec. 2024 89.1%), and remains robust compared to the market. The most recently published EU average<sup>2</sup> stood at 41.0%.

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*"Despite a demanding economic environment and a significant increase in bank levies, the HYPO NOE Group once again demonstrated its structural strength in 2025. Our business model remains robust, broadly diversified and consistently effective, even in more difficult operating conditions. Our clear strategic focus, combined with prudent risk management and strong operational discipline, reinforces our long-term resilience. This enables us to continue providing our customers with stability, reliability and lasting security."*

### Udo Birkner

Management Board Member Finance, Risk & Operations

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### Resilient capital and risk profile

At the end of the reporting period, HYPO NOE Group reported a **Common Equity Tier 1 (CET1) ratio** of 18.31% (2024: 20.32%), which included the effect of the first-time application of CRR III, amounting to approximately 1.4 percentage points. Capitalisation thus remained well above regulatory requirements, standing at around 5 percentage points above the regulatory minimum requirement including SREP, and close to 9.5 percentage points above the CET1 minimum requirement as at 31 December 2025.

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<sup>1</sup> Operating expenses/operating income

<sup>2</sup> Source: European Banking Authority (EBA), EBA Risk Dashboard | Most recently available statistics: as of Sep. 2025 on 16 Feb. 2026

The Group's **non-performing loan (NPL) ratio** stood at 2.96% as at 31 December 2025, which is broadly in line with the previous year's level (31 December 2024: 2.94%). This reflects the Group's continued robust risk profile.

### Successful refinancing programme in 2025

As at 31 December 2025, the liabilities side of the balance sheet showed a 3.4% increase in **financial liabilities - AC**, amounting to EUR 15.3bn (vs. 31 December 2024: EUR 14.8bn). This increase was primarily driven by issuance activity in the 2025 financial year and the positive growth of **customer deposits**. The latter increased by EUR 192.9m or 3.4%, to reach EUR 5.9bn, leaving their share of the total refinancing mix unchanged at 38.3%. Three benchmark bonds were issued during the year: a green senior preferred bond, and one public sector and one mortgage covered bond issue. The latter was partly used to pre-finance the refinancing requirements for 2026. Thanks to sustained high investor demand, HYPO NOE Landesbank's refinancing programme for 2025 was implemented as planned once again.

### Outlook

The economic environment in the 2026 financial year will once again be characterised by a variety of challenges. Ongoing geopolitical uncertainties, moderate growth, sectoral adjustments and continued pressures in the real estate market will weigh on the financial industry. However, the HYPO NOE Group has proven resilient in this environment, benefiting from its clear regional focus and low-risk, long-term business approach. Recent signs of stabilisation in residential construction, a more predictable interest rate environment, and a cautious increase in demand from private customers point to a gradual recovery. The HYPO NOE Group continues to address the elevated risks in the real estate sector through conservative, model-compliant risk provisioning, supported by its solid capital base and the stabilising influence of its public sector and co-operative housing association customer segments.

The HYPO NOE Group's strategy remains centred on organic growth in its core business, maintaining a strong regional presence, and consistently developing digital solutions. Against the backdrop of a challenging cost and competitive environment, efficiency gains and process optimisation are becoming increasingly important. With the implementation of key regulatory requirements, including CRR III and the Capital Buffer Regulation, now complete, an important milestone has been reached, providing stable and reliable conditions for future business planning. As the Group's long-term, 100% owner, the State of Lower Austria continues to support the consistent implementation of this risk-aware, sustainable growth strategy.

### Moody's assigns first time 'A2' rating to HYPO NOE Landesbank - outlook stable

On 2 March 2026, Moody's assigned HYPO NOE Landesbank first time long-term 'A2' ratings for deposits, senior unsecured debt and the issuer rating. The outlooks are stable. Moody's also assigned 'A1/P-1' Counterparty Risk Ratings and a 'baa1' Baseline Credit Assessment. The agency highlights HYPO NOE Landesbank's substantial share of low-risk public-sector and non-profit housing exposures, its strong capitalisation and its solid liquidity position. The stable outlook reflects expectations that HYPO NOE Landesbank's fundamental credit strength and liability structure will remain resilient over the outlook horizon. As Moody's does not incorporate affiliate support from the State of Lower Austria into its methodology, the 'baa1' adjusted BCA is aligned with the BCA, representing a fully standalone assessment of creditworthiness - a methodological approach that differs from the GRE frameworks applied by other credit rating agencies.

The complete Annual Report 2025 is available to download at [ir.hyponoe.at/en](https://ir.hyponoe.at/en).

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#### **HYPO NOE Landesbank für Niederösterreich und Wien AG**

HYPO NOE Landesbank is the largest and oldest-established of Austria's state mortgage banks<sup>1</sup>, and has served as a dependable commercial bank, stable state bank and specialist mortgage bank for more than 130 years. Based on the foundations of its strong position in the capital region of Lower Austria and Vienna, the Bank operates primarily in Austria and Germany, as well as in selected markets in the European Union.

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<sup>1</sup> By total assets (2024 consolidated financial statements) and date of establishment