

## HYPO NOE Group delivers solid start to financial year 2026

### Highlights Q1 2026

- Robust operating profit of EUR 21.8m (Q1 2025: EUR 23.3m)
- Resilient core earnings as a basis - net interest income of EUR 40.9m up +2.3% and net fee and commission income of EUR 6.4m up +5.2% year-on-year (Q1 2025: EUR 40.0m and EUR 6.1m, respectively)
- Administrative expenses stood at EUR 31.2m, above the prior year level (Q1 2025: EUR 30.2m), partly due to the continued increase in the stability levy; the CIR based on operating result stands at 54.65%, which remained comfortably within the target range (Q1 2025: 52.49%)
- The NPL ratio remained stable at 2.93% as at 31 Mar. 2026 despite a persistently challenging macroeconomic environment (31 Dec. 2025: 2.96%), the NPL coverage ratio remained broadly unchanged at a solid level of 87.7% (31 Dec. 2025: 87.8%)
- Strong CET1 ratio of 18.19% as at 31 Mar. 2026 - pro-forma-figure including interim result: 18.40% (31 Dec. 2025: 18.31%)

### The start of 2026 has been successful despite the continued challenging environment

As reported on 12 May 2026, HYPO NOE Group made a solid start to the 2026 financial year, supported by a robust **operating profit** (before risk costs) of EUR 21.8m (Q1 2025: EUR 23.3m) and resilient **core earnings** of EUR 47.3m (+2.7% vs. Q1 2025: EUR 46.1m). Individual income components developed favourably: **Net interest income** rose by +2.3% to EUR 40.9m (Q1 2025: EUR 40.0m), while **net fee and commission income** increased by +5.2% to EUR 6.4m (Q1 2025: EUR 6.1m).

**Administrative expenses** amounted to EUR 31.2m, exceeding the prior-year level also due to the higher stability levy (Q1 2025: EUR 30.2m). The **cost/income ratio<sup>1</sup> (CIR)** remained comfortably within the target range at 54.65% (Q1 2025: 52.49%). The **net result** increased to EUR 12.9m (Q1 2025: EUR 6.4m), which underlines the resilience of the Group's business model with its regional focus on the core markets of Austria and Germany.

### Continuation of prudent provisioning policy - with emerging signs of stabilisation

In the period under review, **net losses on risk provisions (ECL)** amounted to EUR -5.6m, reflecting the Group's continued prudent and forward-looking provisioning approach (Q1 2025: EUR -15.1m). Provisions in the performing loan portfolio (Stage 1 and 2) totalled EUR 23.6m as at the end of Q1 2026, which in relation to risk-weighted assets (RWA) corresponds to a still solid level of 49 bps (31 Dec. 2025: EUR 24.1m or 51 bps, respectively). The NPL coverage ratio stood at a solid and broadly unchanged level of 87.7% at the end of the reporting period (31 Dec. 2025: 87.8%), significantly exceeding the most recent EU average<sup>2</sup> of 41.4%.

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

<sup>2</sup> Source: European Banking Authority (EBA), EBA Risk Dashboard | Most recently available statistics : as of Dec. 2025 on 27 Apr. 2026

### Resilient capital and risk profile

At the end of the reporting period, HYPO NOE Group once again reported a well above-average **Common Equity Tier 1 (CET1) ratio** of 18.19%. Adjusted for the result of the first three months, the Group's CET1 ratio amounts to 18.40% on a pro forma basis (31 Dec. 2025: 18.31%). As a result, HYPO NOE Group's capitalisation remained comfortably above the target level and, as at 31 Mar 2026, exceeded the overall regulatory requirement including SREP of 13.23% by a good 5 percentage points. Compared with the CET1 minimum ratio of 8.99%, this corresponds to a considerable capital buffer of just under 9.5 percentage points.

The Group's **non-performing loan (NPL) ratio** remained stable at 2.93% as at 31 Mar. 2026, despite a persistently challenging macroeconomic environment (31 Dec. 2025: 2.96%). In light of the Group's prudent provisioning policy, consistent restructuring management and its overall low-risk business model with a focus on infrastructure and residential housing, the NPL ratio continues to remain at an acceptable long-term level.

### Solid balance sheet development with selective new lending

**Financial assets - AC** increased slightly by +0.6% to EUR 15.3bn as at 31 Mar. 2026 compared with year-end 2025 (31 Dec. 2025: EUR 15.2bn). Within financial assets, loans and advances rose marginally by +0.2% to EUR 13.4bn, while holdings of debt securities increased by +3.7% to EUR 2.0bn, reflecting the Group's balanced asset allocation. New lending amounted to approximately EUR 316m in Q1 2026 (Q1 2025: approximately EUR 409m). This development reflects the Group's continued selective and risk-aware lending approach in a persistently challenging market environment, consistent with its focus on quality and risk-adjusted returns.

As at 31 Mar. 2026, the liabilities side of the balance sheet was characterised by a -1.7% decline in **financial liabilities - AC** to EUR 15.0bn (31 Dec. 2025: EUR 15.3bn), mainly reflecting the scheduled repayments of issued debt securities. By contrast, **customer deposits** continued to develop positively, rising by +6.7% to EUR 6.2bn. Against the backdrop of the pre-funding activities at the end of 2025, no public issuance activity took place during the first quarter of 2026. Capital market activities for 2026 commenced in April with the issuance of a EUR 500m Green Senior Preferred benchmark bond, thereby successfully continuing HYPO NOE Landesbank's disciplined refinancing strategy.

### Outlook

Against challenging macroeconomic conditions, the HYPO NOE Group's business model, which focuses on low-risk infrastructure and residential housing finance, proved its worth again in the first quarter of 2026. Despite continued subdued macroeconomic expectations for the core markets of Austria and Germany, along with ongoing uncertainties - particularly of a geopolitical nature - the Group made a valuable contribution to the sustainable implementation of its strategy during the first quarter of 2026. Against this backdrop, the outlook for the 2026 financial year remains characterised by caution and restraint, with the diversified and conservative business model forming a key foundation for continued stability.

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

The complete Results Announcement for the Quarter ended 31 March 2026 is available to download at [ir.hyponoe.at/en](https://ir.hyponoe.at/en).

---

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

HYPO NOE Landesbank is the largest and oldest-established of Austria's state mortgage 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.

**For further information, please contact the Investor Relations team:**

☎ +43 590 910 4444 | [investorrelations@hyponoe.at](mailto:investorrelations@hyponoe.at) | [ir.hyponoe.at/en](https://ir.hyponoe.at/en)

---

<sup>1</sup> By total assets (2025 consolidated financial statements) and date of establishment