SEMI-ANNUAL FINANCIAL REPORT **2026**

HYPO NOE

CURRENT RATINGS

Credit ratings	
Moody's issuer rating	A2/P-1 (stable)
Moody's mortgage and public-sector covered bond rating	Aa1

Sustainability ratings	
ISS ESG	C Prime status
Sustainalytics	17.6 (Low Risk)

GROUP FINANCIAL HIGHLIGHTS

EUR '000

Consolidated statement of comprehensive income	H1 2026	H1 2025
Net interest income	80,803	82,242
Administrative expenses	-64,113	-62,531
Impairment losses/gains on financial assets – IFRS 9 ECL	-13,281	-23,142
Profit before tax	**22,370**	**25,014**
Income tax expense	-4,414	-4,937
Profit for the period	**17,956**	**20,077**
Return on equity before tax	4.97%	5.64%
Return on equity after tax	3.99%	4.52%
Return on assets	0.22%	0.23%
Cost/income ratio	60.31%	55.02%
Consolidated statement of financial position	**30 Jun. 2026**	**31 Dec. 2025**
Total assets	16,812,939	16,695,066
Financial assets – AC	15,511,762	15,226,633
Financial liabilities – AC	15,381,332	15,265,871
Equity (incl. non-controlling interests)	910,763	904,089
Non-performing loan (NPL) ratio	2.84%	2.96%
Regulatory indicators	**30 Jun. 2026**	**31 Dec. 2025**
Eligible Tier 1 capital	866,504	866,896
Total eligible capital	866,504	866,896
Minimum capital requirement (Pillar I)	372,483	378,794
Excess equity	494,021	488,102
Total risk exposure amount in accordance with Art. 92(3) CRR	4,656,033	4,734,931
Tier 1 capital ratio in accordance with Art. 92(2)(b) CRR	18.61%	18.31%
Total capital ratio in accordance with Art. 92(2)(c) CRR	18.61%	18.31%
Leverage ratio in accordance with Art. 92(2)(d) CRR	5.12%	5.22%
Liquidity coverage ratio	254.10%	206.26%
Net stable funding ratio	117.39%	119.69%
Operational resources	**30 Jun. 2026**	**31 Dec. 2025**
Employees at end of reporting period	605	623
Branches	26	26

The intrayear indicators are annualised on a daily basis.

FOREWORD BY THE MANAGEMENT BOARD

Reliability, stability and close customer relationships have defined HYPO NOE Landesbank for many years. And in 2026 we were again named one of Austria's top banks – the highlight being our first place in the Trustworthiness and Customer Service categories in the internationally respected Forbes World's Best Banks ranking.

The challenging environment we are currently facing underlines just how important our customers' trust is, alongside a stable business model and our clear strategic focus. During the reporting period, economic performance in Europe and the rest of the world was shaped by geopolitical uncertainties. Although we were still seeing a clear upward trend in the domestic economy at the beginning of the year, the conflict in the Middle East and the blockade of the Strait of Hormuz highlighted just how quickly the global economy can again come under significant pressure. In addition, the pressure on Austria's public sector to cut spending increasingly made itself felt and many public investment projects have been put on hold beyond the end of this year. That said, in spite of these testing conditions, Austria is expected to record modest economic growth of around 0.6% in 2026.

Against this difficult backdrop, the HYPO NOE Group still reported stable earnings, with profit before tax reaching EUR 22.4m in the first half of 2026. Net interest income stood at EUR 80.8m, while net fee and commission income jumped by 9.6% to EUR 12.2m, thanks mainly to the securities business. The NPL ratio was 2.84% at the end of June 2026.

Financing for projects that generate added value for local communities remains a core element of the Group's financing operations. A good example is the Bildungscampus Nordwestbahnhof school campus in Vienna, which is currently being developed under a public-private partnership (PPP) by our subsidiary HYPO NOE Leasing in cooperation with STRABAG Real Estate and Caverion. From the 2028/2029 academic year onwards, the campus will provide places for around 1,600 schoolchildren, making a vital contribution to ensuring the availability of modern education infrastructure as well as sustainable urban development.

Besides creating bespoke financing solutions for the public sector, during the first half we also teamed up with artificial intelligence specialist 506.ai to launch a new AI solution – designed specifically for Austrian local authorities, it simplifies their day-to-day administrative activities considerably. 38 local authorities are currently using the platform.

For us, digitalisation and innovation are not simply abstract topics for the future – they are practical approaches that generate tangible added value for our customers' finances and everyday lives. These solutions are increasingly playing a part in day-to-day working life. And one of them has earned international recognition: developed entirely in-house by our Strategic Risk Management Department, the application was named Best Inhouse Credit Risk Technology at the renowned Risk.net Risk Technology Awards 2026. It provides automated, web-based credit-risk data preparation, while also enhancing transparency and supporting informed decision-making. This achievement clearly underlines the high-level innovative capabilities, data expertise and professional excellence within the Group.

HYPO NOE Landesbank was also named a Leading Employer for the sixth time – achieving second place in St. Pölten and ranking ninth in Lower Austria. A reflection of the efforts we are making, this level of acknowledgement is an incentive to carry on serving as an attractive employer as well as creating the best possible work environment for our employees.

Not least because they deserve our special thanks. Their dedication day in and day out, their expertise and their commitment are the foundation of the Bank's success. They play a decisive part in ensuring that the HYPO NOE Group remains a strong, reliable partner for its customers and partners, as well as our owner, the State of Lower Austria.

Together, we are working to maintain the Bank's consistent focus on continued growth, proximity to our customers, digitalisation and efficiency. Our strong regional roots, solid capital base and clear strategic focus will lay the basis for the Group's successful performance in the second half of the year and, above all, help us to remain a dependable financial partner for people, businesses and projects in the region.

Wolfgang Viehauser and Udo Birkner

GROUP OPERATIONAL AND FINANCIAL REVIEW

FOR THE SIX MONTHS ENDED 30 JUNE 2026 IN ACCORDANCE WITH IFRS

HYPO NOE GROUP

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1 ECONOMIC CLIMATE

1.1 Global economic and financial market trends

As 2026 began, there was cautious optimism that economic momentum in the eurozone would pick up. Previous fears regarding the impact of US trade policy measures receded in the wake of the Supreme Court's ruling that the tariffs announced on "Liberation Day" were unlawful. Additionally, planned investments in Europe, particularly in the defence sector and through the German infrastructure fund, prompted upward adjustments in growth expectations. In terms of monetary policy, a change in course was not initially anticipated, given that inflation was close to or slightly below the ECB's 2% target.

This sentiment was later overshadowed by a number of unexpected geopolitical developments, which had a noticeable impact on inflation, the economy and capital markets, primarily as a result of higher energy prices.

1.1.1 Economy and inflation

Due to an escalation in the Middle East, energy-price increases weighed heavily on economic performance in the eurozone in the first half of 2026. The oil price rose temporarily from around USD 60 to 65 to as much as USD 120 a barrel, also as a result of the de facto closure of the Strait of Hormuz. This increase triggered a rise in gas prices of more than 100%. Toward the end of the reporting period, oil prices fell back to USD 71.50 per barrel, approaching pre-crisis levels.

Overall, the economic environment was shaped by the pressures associated with the conflict with Iran. Persistently high levels of investment in the field of artificial intelligence, on the other hand, had a positive effect, especially in the USA. Major US tech companies are continuing to invest substantial sums in the corresponding infrastructure and applications, which has created a significant driver of growth. In Europe, the investment trend in this area is much weaker. Owing to the European economies' high dependency on energy imports, the negative effects of energy price developments were the predominant factor.

As a result, economic growth remained weak in Europe. Eurostat revised GDP growth for the first quarter from 0.1% to a contraction of 0.2%, largely influenced by a one-time effect in Ireland (down 12.1%). Ireland is a relatively small economy, but many international pharmaceutical and IT companies have their production facilities and headquarters in the country. This regularly leads to strong fluctuations in GDP reporting – both upward and, as seen in the first quarter, downward. At the same time, the economic environment in the eurozone visibly deteriorated. While activity in the industrial sector remained relatively stable, there was an appreciable worsening of sentiment in the services sector. Consumer confidence among private households also declined.

Energy prices were the main driver of inflation. After a solid start to the year, headline inflation in the euro area rose from 1.7% in January to 3.2% in May. Reflecting the subsequent drop in energy prices, inflation dropped back to 2.8% in June. Core inflation was more stable and stood at 2.4% in June compared with 2.6% in May.

1.1.2 Monetary policy

Having initially adopted a wait-and-see stance, the ECB responded to rising inflationary pressures by tightening monetary policy. In June, the deposit rate was raised by 25 basis points to 2.25%. Capital markets anticipated further rate moves at an early stage, which was reflected in the development of short-term rates in particular. In parallel with the rate decision, the ECB pressed ahead with its policy of balance-sheet reduction. As it progressively tapered its securities portfolio, excess liquidity in the European financial system continued to be squeezed out, with the central bank's regular refinancing instruments becoming more important once again as a result.

Across major economies, monetary policy diverged noticeably. The US Federal Reserve kept its key interest rate unchanged in the first half of 2026 at the level seen at the end of 2025 and, given persistently elevated inflation rates and ongoing uncertainties, maintained a cautious, data-dependent stance. Within the Federal Open Market Committee (FOMC), however, expectations shifted during the first half toward a more restrictive course, meaning that additional rate moves in the remainder of this year increasingly came into focus for market participants.

1.1.3 Geopolitical situation

Geopolitical developments in the Middle East were the main headwind during the first half of the year. At the end of February, the USA and Israel attacked Iran, which had an immediate impact on both energy supply and energy prices. As a central transport route, the Strait of Hormuz was used as a geopolitical lever, leading to significant supply risks on the energy market. A temporary ceasefire was subsequently brokered with Pakistan in the role of mediator, but was yet to bring lasting stabilisation by the end of the reporting period.

Geopolitical uncertainty in the Middle East extended beyond the conflict with Iran. In the Gaza conflict, the ceasefire in place at the beginning of the reporting period proved fragile. Despite some progress, the situation remained unresolved until the end of the first half of the year, as military activities continued and central issues relating to disarmament, reconstruction and political stabilisation were still to be settled. The situation in Lebanon was also shaped by intermittent escalations, which posed additional threats to stability in the region. Several temporary ceasefires were put in place during the first half of the year and a broader framework for de-escalation was agreed at the end of June, the viability of which remained uncertain at the end of the reporting period.

Significant geopolitical uncertainties also persisted outside the Middle East. The war in Ukraine continued into the first half of 2026. Although diplomatic initiatives at the beginning of the year temporarily raised hopes of progress, no sustainable breakthrough was achieved. At the same time, tensions in the Indo-Pacific remained elevated. China's increasing military and maritime presence around Taiwan and in the South China Sea underline the ongoing geopolitical risks in this strategically important region. Overall, the global geopolitical situation was characterised by a high degree of uncertainty across several conflict zones.

1.1.4 Capital market developments

Financial markets had a palpable reaction to the shift in underlying conditions. On the money market, the 6-month Euribor rose from 2.1% in February to 2.64% in June. The two-year euro swap rate increased from around 2.25% to just under 3.0% over the same period, and stood at around 2.70% at the end of the first half of the year. Despite heightened uncertainty, equity markets proved relatively robust. While US equity indices continued their upward trend and reached new highs, European markets largely moved sideways, at pre-crisis levels.

On the foreign exchange market, the US dollar appreciated significantly over the course of the year. The EUR/USD exchange rate fell from over 1.20 at the beginning of the year to below 1.14 at the end of the first half, reflecting multiple factors. On the one hand, the US currency benefited from the low energy dependency of the USA, which itself acts as an exporter of oil and gas. On the other, strong investment momentum in the tech and AI sector fuelled growth. In addition, attempts by the US administration to exert greater influence on monetary policy have so far had no effect. New Fed Chair Kevin Warsh, appointed in May, did not signal any intention to cut rates at his first monetary policy meeting in June. His statements were interpreted by the market as moderately restrictive. Overall, these factors contributed to the strength of the US dollar.

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

1.2.1 Austria and Germany

After the recessionary environment of previous years, a slight economic recovery began in 2025. Ultimately failing to gain traction, it faltered in the first half of 2026. The Austrian economy initially entered the year somewhat stronger than expected, but was increasingly weighed down by rising energy prices and the resulting increase in inflation. For 2026 as a whole, growth of around 0.6% is expected for Austria and 0.8% for Germany.

Overall, economic momentum remained muted. Contributory factors included sluggish private consumption (2025: up 0.7%) due to inflation, volatile export growth (2025: up 1.5%), and the continued weakness of the industrial sector. The underlying causes are multi-faceted, but can be traced in particular to weak foreign demand – especially from Germany – structural competitive disadvantages, sharply higher unit labour costs (up 30% since 2019), as well as geopolitical uncertainties and trade barriers. Business and household sentiment remained on the weak side. Leading indicators pointed to a deterioration in expectations, which – amid geopolitical developments – also extended to the services sector. At the same time, unemployment stood at 7.4% in 2025, with the rate seen as likely to remain unchanged in 2026.

Inflation was volatile in the period under review. Following on from a full-year figure of 3.6% for 2025, the rate fell to around 2% at the beginning of 2026, but rose again to 3.2% by June. On the demand side, consumer activity remained anaemic. Real disposable income fell by 1.5% in 2025, while consumer spending increased only moderately, by 0.7%. Though it declined from 11.4% to 10%, the savings rate remained at an elevated level.

Public finances continued to face consolidation pressures. The EU deficit procedure initiated in 2025 and the reactivation of Austria's Stability Pact limited fiscal room for manoeuvre. The goal of reducing the budget deficit to 4.2% in 2025 was achieved. In April 2026, an additional consolidation package amounting to roughly EUR 2.5 billion (0.5% of GDP) was adopted, comprising both relief measures for non-wage labour costs and increases in certain taxes.

The real estate and construction sector remained lacklustre. After price declines in both 2023 and 2024, 2025 saw slight increases, with prices at the beginning of 2026 only marginally below their 2022 peak. Residential construction investment has fallen by around 20% since early 2022 and continued to decline in 2025 (down 5.2%; 2026F: down 1.3%). The main drivers were higher construction costs (up 5.6%) and increased financing costs. Multi-storey residential construction was particularly affected, while single-family and two-family housing showed signs of slight stabilisation more recently.

1.2.2 Federal states

Economic developments in the first half of 2026 also varied significantly from region to region. Vienna and Tyrol continued to deliver strong growth, while the economically weaker and more industry-oriented regions of Carinthia and Upper Austria lagged behind. Weak export demand had a particularly negative impact on the metal-processing industry as well as on mechanical engineering and vehicle manufacturing. In the construction sector, order backlogs showed a slight improvement at the beginning of 2026 in almost all federal states, with the exception of Burgenland.

Austrian regional authorities' financial situation remained strained. Inflation-driven additional expenditure and a high burden from levies had a negative impact, even though revenue shares from January to May 2026 were 7-9% above the previous year's level. For 2025, around 45% of municipalities nationwide were expected to post a negative free financial margin without countermeasures. At the same time, the aggregated net financing deficits of the federal states rose to around EUR 6 billion (up 100% compared with 2023), while total debt increased to approximately EUR 38.3 billion (up 24.8%).

1.3 Banking sector trends in the eurozone

In the first half of 2026, the banking sector in the European Union continued to face a challenging overall economic environment. Geopolitical tensions, subdued economic activity and higher inflation resulting from rising energy prices were the defining factors.

Overall, the banking sector remained stable against this backdrop. Austrian credit institutions have maintained their solid capitalisation. As at 31 December 2025, the average Common Equity Tier 1 (CET1) ratio was 19.0%. At the same time, the non-performing loan ratio stabilised at around 3%. Despite this robust overall starting position, the supervisory authorities warned of increased risks, particularly in the area of commercial real estate financing, and a corresponding need for monitoring.

A similar picture can be observed at the European level. Financial institutions' capital ratios remain at a high level and provide a resilient basis for mastering the current situation. At the same time, structural adjustment processes continued during the reporting period. These include, among other things, increasing digitalisation and heavier use of AI-based applications, especially in internal processes such as fraud prevention, credit risk assessment and automation. In parallel, multi-channel models that combine classic branch structures with digital offerings are now firmly established as the dominant business model in European retail banking.

Overall, the structural development of the banking sector continued to be characterised by consolidation tendencies. In several European countries – especially in Italy and the Nordic states – market concentration progressed further. In Austria, by contrast, the sector remained relatively stable, ongoing mergers in the cooperative sector notwithstanding. At the same time, there were individual larger cross-border transactions at the European level, for example between Western European institutions and in Central and Eastern Europe. This points to increasing integration of the European banking market in the medium term.

2 COMPANY PROFILE

This HYPO NOE Group report 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. Wholly owned subsidiary HYPO NOE Leasing, which specialises in real estate leasing to public sector clients and has extensive experience of budget-efficient financing solutions for social infrastructure, enables the Group to concentrate specifically on serving large federal government, state government and local authority clients.

HYPO NOE Landesbank is one of Austria's leading covered bond issuers and is a regular participant on the capital markets through the issuance of secured and unsecured benchmark bonds. Thanks to the solid foundations provided by customer deposits, and its increasingly close cooperation with development banks, the Bank can also look to diversify its sources of refinancing. It currently has a solid A2 rating with a stable outlook from Moody's, which has also kept its ratings on the Bank's public sector and mortgage cover pools 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 HYPO NOE Landesbank 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.

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

3 FINANCIAL REVIEW

3.1 Highlights

- "Profit before tax" of EUR 22.4m (H1 2025: EUR 25.0m)
- "Net interest income" at EUR 80.8m (H1 2025: EUR 82.2m)
- "Administrative expenses" up slightly year on year, by 2.53%, to EUR 64.1m (H1 2025: EUR 62.5m)
- Positive trend in the NPL ratio compared with the previous year – down to 2.84% (31 Dec. 2025: 2.96%)
- "Net fee and commission income" higher year on year, at EUR 12.2m (H1 2025: EUR 11.1m)
- CIR of 60.31% (H1 2025: 55.02%)
- EUR 500m green senior preferred benchmark bond issue
- CET1 ratio at 18.61% (31 Dec. 2025: 18.31%)

3.2 Earnings performance

		Q2 2026	Q4 2025	Q2 2025	Q4 2024
Return on equity before tax	Profit before tax/avg. consolidated equity	4.97%	3.73%	5.64%	9.45%
Return on equity after tax	Profit for the year/avg. consolidated equity	3.99%	2.49%	4.52%	7.41%
Return on assets	Profit for the year/total assets	0.22%	0.13%	0.23%	0.39%
Cost/income ratio	Operating expenses/operating income	60.31%	60.09%	55.02%	51.72%
NPL ratio	Carrying amounts of non-performing financial assets – AC (excl. banks)/financial assets – AC (excl. banks)	2.84%	2.96%	2.88%	2.94%

The HYPO NOE Group reported "Profit before tax" of EUR 22.4m (H1 2025: EUR 25.0m) and a return on equity (ROE) before tax of 4.97% (H1 2025: 5.64%) in the first half of 2026.

While "Net interest income" was lower year on year, at EUR 80.8m (H1 2025: EUR 82.2m), "Net fee and commission income" rose by 9.58% to EUR 12.2m, compared with EUR 11.1m in the same period a year earlier. This was mainly accounted for by fees and commissions in the securities business.

"Administrative expenses" increased to EUR 64.1m (H1 2025: EUR 62.5m).

Adjusted for exceptional and non-recurring earnings components, the cost/income ratio based on operating profit was 60.31% (H1 2025: 55.02%).

3.3 Balance sheet movements

Austria's largest and oldest-established state mortgage bank, 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.

"Financial assets – AC" were higher compared with year-end 2025, at EUR 15.5bn (31 Dec. 2025: EUR 15.2bn), which again reflected the high quality of assets on the HYPO NOE Group's balance sheet as at the end of the reporting period. Since the start of 2026, the Group has extended new loans amounting to around EUR 701m (H1 2025: EUR 812m), providing important funding primarily for infrastructure projects, housing construction and corporate finance.

"Financial liabilities – AC" increased to EUR 15.4bn as at 30 June 2026 (31 Dec. 2025: EUR 15.3bn), primarily as a result of rising customer deposits. In light of the forward coverage measure implemented at the end of 2025, no public issues were carried out in the first quarter of 2026. The Group resumed its capital market activities in April 2026, successfully

placing a EUR 500m green senior preferred benchmark bond. A housing construction bond and an unsecured retail bond were also issued during the period under review, as HYPO NOE Landesbank continued the systematic implementation of its refinancing strategy during the first half.

In spite of the persistently challenging economic climate, the HYPO NOE Group reported positive performance in terms of non-performing loans in the first six months of 2026, The Group's NPL ratio was 2.84% at 30 June 2026 (31 Dec. 2025: 2.96%). Although additional defaults were recorded due to the tense economic situation, the systematic approach of the Intensive Care Management Department led to a fall in the NPL ratio during the reporting period.

Total risk provisions (Stages 1-3 and purchased or originated credit impaired [POCI]) grew to EUR 122.4m (31 Dec. 2025: EUR 116.3m). Risk provisioning was again primarily influenced by the structured management of non-performing loans and associated provisioning in the first half. The fall in risk provisions for performing loans (Stages 1 and 2) to EUR 21.2m (31 Dec. 2025: EUR 24.2m) was mainly attributable to the updated risk parameters and ratings as at the reporting date.

3.4 Segment performance

The HYPO NOE Group held its own in the first half of 2026 in the face of a challenging economic and global political environment, recording "Profit before tax" of EUR 22.4m during the reporting period. This result emphasised the Group's operational resilience, as well as the stable underlying structure provided by its business model. The operating segments contributed to overall earnings performance to varying degrees.

3.4.1 Public Sector segment

Pre-tax profit in the Public Sector segment was down only slightly year on year in the reporting period, to EUR 12.1m (H1 2025: EUR 12.4m). The stable earnings contribution by this low-risk segment was all the more impressive in view of intensified competition and the resulting pressure on margins.

Net fee and commission income increased year on year, reaching EUR 2.1m (H1 2025: EUR 1.9m) – this was driven primarily by higher earnings from services related to loan management.

Designing custom financing solutions for state governments, local and regional authorities, and public agencies remains one of the core pillars of the HYPO NOE Group's business strategy. During the first half of 2026, the Group provided effective support for the sale of subsidised homebuilding loans from the State of Lower Austria, in the form of a bidding platform. This transaction was closed in July, after the reporting date.

The substantial rise in the financial stability contribution – part of the Austrian federal government's budget consolidation package – had a major impact. Owing to the high-volume, but also lower-margin business model, the contribution had a noticeable effect on Public Sector's earnings.

As a result of the segment's traditionally low-risk nature, impairment gains on financial assets – IFRS 9 ECL remained extremely low.

3.4.2 Real Estate segment

The Real Estate segment recorded profit before tax of EUR 3.3m in the first six months of 2026. This represented an improvement in earnings following the loss reported due to market volatility in the comparative period (H1 2025: loss of EUR 5.6m).

Market conditions for commercial and real estate development projects remained challenging during the period under review. Nevertheless, there were discernible signs of stabilisation, which were also reflected in the segment's earnings. Impairment losses/gains on financial assets – IFRS 9 ECL and net gains or losses on financial assets and liabilities continued to be affected by impairments and direct write-offs, although losses were considerably lower than in the same period a year earlier.

The year-on-year growth in segment assets was accounted for by the non-profit and subsidised housing business. By contrast, selective financing for commercial and real estate development projects in the current portfolio continued, without increasing the financing volume. The stronger focus on non-profit housing, which is characterised by a low-risk profile but also by lower margins, had a corresponding influence on the segment's earnings structure.

Earnings from investments reflected the persistently challenging situation on the real estate market. An impairment loss of EUR 0.3m was recognised on the investment in VIVITliving GmbH during the reporting period. NOE Immobilien Development GmbH made a stable contribution to earnings, of EUR 1.6m, although this was down on the first half of 2025.

The sizeable increase in the financial stability contribution also pushed up administrative expenses in the Real Estate segment. This had a marked impact on profitability in the non-profit and subsidised housing business, owing to the effect of competition on the margin structure.

3.4.3 Retail and Corporate Customers segment

Profit before tax in the Retail and Corporate Customers segment stood at EUR 4.7m in the first half of 2026, which was lower than in the same period a year earlier (H1 2025: EUR 9.7m).

In operational terms, the segment put in another positive performance. Net interest income rose year on year once again, highlighting the segment's growth trajectory. Deposits were also higher than in the first half of 2025. Continued diversification of the refinancing base is a key consideration for the HYPO NOE Group, in order to maintain a stable liquidity position in the long term.

At EUR 9.1m (H1 2025: EUR 8.6m), Retail and Corporate Customers accounted for the largest share of Group “Net fee and commission income”. This growth compared with the first six months of 2025 underlines the effectiveness of sales activities aimed at strengthening revenue sources that are independent of interest rates.

However, increased expenses from direct write-offs, recognised in net gains or losses on financial assets and liabilities, and the higher net loss reported under impairment gains/losses on financial assets – IFRS 9 ECL had a negative impact on the segment's results. This was mainly attributable to the corporate customers business and the continuing challenges posed by the economic environment.

3.4.4 Treasury & ALM segment

The Treasury & ALM segment reported a pre-tax profit of EUR 4.6m during the reporting period, which was down on the EUR 7.1m recorded in the first half of 2025. In line with the budget, there was a slight year-on-year decline in the contribution from interest maturity transformation.

Net losses on hedges, carried under net gains or losses on financial assets and liabilities, remained stable during the first half of 2026, at EUR 0.2m; by contrast, positive movements in hedges had been reported in the comparative period (H1 2025: gains of EUR 1.6m). Additionally, net gains or losses on financial assets and liabilities included gains on currency valuations for derivatives amounting to EUR 1.2m (H1 2025: losses of EUR 2.1m). These currency valuations are largely offset by opposing currency valuations recognised in other operating income, which mainly explains the difference in other operating income compared to the first half of 2025.

The HYPO NOE Group’s capital market refinancing activities during the reporting period went successfully. After bringing forward a benchmark refinancing issue to the end of 2025, the Group did not place any public benchmark issues during the first quarter of 2026. In spite of some highly volatile phases on the market, HYPO NOE Landesbank successfully issued a EUR 500m green senior preferred benchmark bond in April 2026. The oversubscribed order books and the widely diversified investor base – which extended outside Austria – underscored the capital market’s continued confidence in HYPO NOE Landesbank's long-term focus, as well as the Bank’s strong international position.

3.5 Equity

Consolidated eligible capital in accordance with the CRR/CRD as amended was EUR 866.5m as at 30 June 2026 (31 Dec. 2025: EUR 866.9m).

Excess equity excluding buffers stood at EUR 494.0m at the end of the reporting period (31 Dec. 2025: EUR 488.1m), compared with a capital requirement of EUR 372.5m (31 Dec. 2025: EUR 378.8m).

The Group’s capital ratios stood at 18.61% as at 30 June 2026 (31 Dec. 2025: 18.31%) and are composed entirely of CET1. After adjustment for first-half earnings and the prorating of scheduled dividends, the pro forma CET1 ratio would have been 18.77%.

No new or amended regulations came into force in the first six months of 2026 that will affect the HYPO NOE Group's eligible capital or capital requirement.

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 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 9.1 Scope of consolidation.

HYPO NOE Landesbank has operated a branch office at Wipplingerstrasse 2-4, 1010 Vienna since 2008.

The Bank had 26 branches in Lower Austria and Vienna as at 30 June 2026 (31 Dec. 2025: 26).

6 GROUP OUTLOOK

6.1 Economic environment

2026 still looks set to be a transitional year, with the economic environment brightening only gradually in the course of the second half. In the near term, much will depend on whether the fragile ceasefire between the USA and Iran transitions into a resilient peace agreement and the Strait of Hormuz can be fully reopened. Only then can it be assumed that the prices for energy resources will remain at their lower, pre-conflict levels. Regardless of this, political and geopolitical uncertainty may persist. Even so, as things currently stand, there are some indications of a moderate improvement in the economic situation in the eurozone over the remainder of this year. European industry, which has put in a relatively robust showing during a challenging first half, could make a modest contribution to economic growth once again. The services sector, too, could gradually recover from the pressures caused by developments in the Middle East. And there are still reasons to expect a gradual upturn in growth – mainly as a result of infrastructure and defence expenditure.

Despite the latest drop in oil prices, eurozone inflation could still hover around 3.0% for several months, before trending downwards more sharply next year – from March onwards, according to external forecasts – towards the 2% mark. In view of these factors, the ECB is seen as potentially raising interest rates by a further 25 basis points in September, although uncertainty surrounding this move has risen again in recent weeks. Another rate hike appears to have already been priced in on the bond markets. Yields on medium- and longer-term maturities are expected to rise somewhat by the end of this year, while yields on ten-year interest rate swaps are predicted to reach between 3.0% and 3.2%. Persistently high budget deficits and government debt in many industrialised countries, as well as increased bond issuance by sovereigns and corporates, are having a particularly negative impact.

The subdued recovery in the HYPO NOE Group's two core markets has continued in 2026. Real GDP growth in Austria is forecast at a modest 0.6%, while Germany is expected to again report comparatively weak growth, of around 0.8%. There is still a substantial degree of uncertainty surrounding these estimates. Geopolitical conflicts – above all between the USA and Iran, as well as the Russia-Ukraine war – and their impact on energy prices, inflation, as well as businesses' and private households' behaviour will have a significant influence on economic performance. The anticipated recovery in Austria will mainly be driven by private consumption (up 0.6%) and tentative export growth (up 1.3% yoy). At the same time, a combination of structural adjustments, higher energy and wage costs, subdued demand from Austria's main export market, Germany, as well as intensifying competition – particularly from China – are delaying a more robust recovery in exports.

The situation in the real estate and construction sector continues to be a burden on the economy. Housing investment in Austria is expected to drop once again in 2026 – by 1.3% – and reach its low point, before rebounding in 2027 with modest growth of 0.8%. Investment in civil engineering could also contract slightly for the first time in 2026, by 1.6%. In terms of corporate demand for loans, the picture is brighter: since bottoming out in the third quarter of 2025, demand has gone on to show a moderate upward trend. In light of rising defence expenditure, this trajectory could continue over the course of 2026, with an increase of 2.7%.

Despite sluggish economic growth, Austria's unemployment rate is expected to remain stable at 7.4% in 2026, ahead of a slight decline in 2027. In spite of continuing volatility, inflation in Austria is expected to fall from 3.6% to 3.2% this year. This should be supported by measures aimed at reducing energy prices, including a reduction in the electricity levy. However, there is still a risk that inflation will go up again if the Middle East conflict escalates. As a consequence, the geopolitical situation will continue to have a decisive impact on economic operators. The resultant dampening effect on consumption could mean that the savings rate remains high at around 10%.

Public finances will continue to face heightened consolidation pressure in 2026. This is due to the return to the European Stability and Growth Pact, inflation-related spending increases, demographic challenges in health, care and education, higher interest costs and the ongoing EU deficit procedure. All of these factors are significantly restricting budgetary leeway. Public construction investment may be delayed or scaled back as a result. Although Austria's budget deficit is projected to improve minimally in 2026 – to 4.1% of GDP, down from 4.2% in 2025 – it will remain significantly above the Maastricht threshold. At the same time, the national debt ratio is forecast to rise from 81.5% to around 84.2% of GDP.

The tendency towards consolidation in the Austrian banking sector remains negligible. Apart from the regular mergers of local primary banks, no major consolidation activity is expected in the current financial year. Elsewhere in Europe, though, the trend towards structural mergers remains pronounced. Several countries' banking markets are becoming more concentrated due to local mergers or acquisitions. In parallel, the likelihood of cross-border transactions in the West European large-bank segment has grown considerably compared to recent years. This points to a continued increase in integration in the European banking market in the medium term.

6.2 Outlook for Group performance

Economic conditions will remain challenging throughout the rest of 2026. Geopolitical uncertainty, a subdued economic environment, growing pressure on costs, as well as a real-estate market that is yet to fully recover are continuing to define the situation in the Austrian banking sector. There are, though, initial indications of stabilisation in some market segments. In view of this, the HYPO NOE Group expects to continue its solid performance. The first-half results underlined the resilience of the business model, as well as the Group's ability to maintain its operating stability under challenging conditions.

Developments in the real estate sector are likely to be defined by gradual stabilisation during the rest of the year, although market conditions will continue to present a challenge for commercial developers and real estate development projects. The Group has responded to the current uncertainty through consistently risk-aware business policies, conservative lending and continual, risk-focused management of the loan portfolio. As in the past, this is underpinned by robust capitalisation and the diversified business model. The Group's strong position in financing for public sector and government-linked customers as well as in non-profit housing also plays a major role in ensuring the stability of the business model.

While the economic recovery remains muted, the growth in new lending is expected to remain solid. The Group's business policies continue to be centred on value retention, sustainability and careful risk management. The focus is on financing for hard and social infrastructure, non-profit and private housing development, as well as finance for selected properties

and companies. At the same time, the Group remains true to its long-term, low-risk business orientation and sees no reason to depart from its established lending standards. The HYPO NOE Group's role as a reliable partner to the public sector has been illustrated in the current financial year, including through its repeated support for the State of Lower Austria with the sale of subsidised homebuilding loans.

Sustainability remains a key component of the Group's long-term strategy. For many years now, the HYPO NOE Group has consistently adhered to social, environmental and regional principles. A formal sustainability programme was established as long ago as 2013 within the framework of the Group's corporate social responsibility efforts. Going forward, the Group will continue to align its activities with environmental, social and regional considerations in order to live up to the expectations of customers, the public, capital markets and other key stakeholders.

The refinancing strategy remains a vital strategic pillar for the Group's development, and HYPO NOE Landesbank has continued its successful capital market activities in 2026. The Bank's return to the senior preferred market in the first half with a green benchmark issue – despite periods of pronounced market volatility – was particularly noteworthy. In addition, harmonisation of the rating strategy was successfully completed. In future, the Group's capital market communications will be based on a uniform rating approach using Moody's ratings, which will further enhance transparency, comparability and efficiency. These developments underscore institutional investors' confidence in HYPO NOE Landesbank's creditworthiness and long-term refinancing capabilities. Sustainable bonds continue to serve as an integral component of the Bank's capital-market strategy.

The extension of the financial stability contribution as part of the Austrian federal government's budget consolidation package continues to weigh on the country's banking sector. The resulting additional financial burden has cut operating profit while also increasing the pressure to manage costs and achieve the necessary efficiency gains. Additionally, inflation-related cost increases from recent years continue to weigh on the cost base. However, thanks to its stable operating earnings base, strong position on the capital markets and its diversified business model, the HYPO NOE Group believes it is well placed to continue pursuing its strategic priorities under these conditions.

Efficiency, digitalisation and process optimisation remain key action areas. The HYPO NOE Group will press ahead with initiatives aimed at standardisation, automation and digital advancement, in order to continuously optimise processes, stabilise the cost base sustainably, and bolster long-term competitiveness.

The dedication of the HYPO NOE Group’s employees and the Group’s strong capitalisation remain essential for its continued success going forward. Building on its reliable business policies, strong regional roots and clear strategic focus, the Group is ideally equipped to overcome the challenges that lie ahead. Against this background, Management is approaching the remainder of 2026 with cautious optimism and sees the HYPO NOE Group as well positioned to continue its path of risk-aware, sustainable growth in spite of the continued demanding economic conditions.

St. Pölten, 6 August 2026

The Management Board

Wolfgang Viehauser
Management Board Member Markets and Speaker of the Board

Udo Birkner
Management Board Member Finance, Risk & Operations

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1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Gains/losses

EUR '000	Notes	H1 2026	H1 2025
Interest and similar income measured using the effective interest method		242,068	254,036
Interest and similar income not measured using the effective interest method		32,505	37,057
Interest and similar expense		-193,850	-208,950
Dividend income		81	99
Net interest income	**4.1.1**	**80,803**	**82,242**
Fee and commission income		13,361	12,193
Fee and commission expense		-1,170	-1,068
Net fee and commission income	**5.1**	**12,191**	**11,125**
Net measurement gains or losses		-945	1,447
Net gains or losses on derecognition of financial assets		-973	434
Net gains or losses on financial assets and liabilities	**4.1.2**	**-1,918**	**1,881**
Other operating income	5.2	6,823	13,241
Other operating expense	5.2	-1,312	-1,352
Administrative expenses	5.3	-64,113	-62,531
Impairment losses on financial assets – IFRS 9 ECL	4.4.4	-13,281	-23,142
Net gains or losses on investments accounted for using the equity method	9.2	3,178	3,549
Profit before tax		**22,370**	**25,014**
Income tax expense	7.1	-4,414	-4,937
Profit for the period		**17,956**	**20,077**
Non-controlling interests	3.2	-123	-250
Profit attributable to owners of the parent		**17,832**	**19,827**

Other comprehensive income

EUR '000	Notes	H1 2026	H1 2025
Profit for the period		**17,956**	**20,077**
Changes in valuation that will not be reclassified to profit or loss		**-1**	**84**
Equity instruments – FVOCI		-1	84
Changes in valuation that will be reclassified subsequently to profit or loss		**144**	**236**
Debt instruments – FVOCI		48	388
Hedges (hedge accounting)	4.5.2	96	-152
Other comprehensive income		**143**	**320**
Total comprehensive income		**18,099**	**20,397**
Non-controlling interests	3.2	-123	-250
Comprehensive income attributable to owners of the parent		**17,975**	**20,147**

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

EUR '000	Notes	30 Jun. 2026	31 Dec. 2025
Cash and balances at central banks	4.2	614,880	711,800
Financial assets – HFT	4.2	89,361	96,743
Financial assets – mandatorily FVTPL	4.2	80,477	58,765
Financial assets – FVOCI	4.2	124,127	141,571
Financial assets – AC	4.2	15,511,762	15,226,633
Positive fair value of hedges (hedge accounting)	4.5.2	229,966	300,900
Investments accounted for using the equity method	9.2	37,953	35,925
Investment property		19,128	19,647
Intangible assets		884	977
Property, plant and equipment		61,737	61,229
Current tax assets	7.2	11,640	9,122
Deferred tax assets	7.2	431	605
Other assets	6.1	30,594	31,149
Total assets		**16,812,939**	**16,695,066**

Liabilities

EUR '000	Notes	30 Jun. 2026	31 Dec. 2025
Financial liabilities – HFT	4.3	78,189	85,088
Financial liabilities – FVO	4.3	6,275	6,168
Financial liabilities – AC	4.3	15,381,332	15,265,871
Negative fair value of hedges (hedge accounting)	4.5.2	287,765	296,328
Provisions		24,097	25,324
Current tax liabilities	7.3	540	6
Deferred tax liabilities	7.3	35,930	33,355
Other liabilities	6.1	88,047	78,839
Equity	**3.1**	**910,763**	**904,089**
Equity attributable to owners of the parent	3.1	904,366	896,391
Non-controlling interests	3.2	6,398	7,698
Total equity and liabilities		**16,812,939**	**16,695,066**

3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	1 Jan. 2026	Profit for the period	Dividends paid	Other comprehensive income	30 Jun. 2026
Share capital	51,981	-	-	-	51,981
Capital reserves	191,824	-	-	-	191,824
Retained earnings	651,654	17,832	-10,000	-	659,486
Other reserves composed of:	**932**	**-**	**-**	**143**	**1,075**
Actuarial gains and losses	-758	-	-	-	-758
Debt instruments – FVOCI	1,111	-	-	48	1,159
Equity instruments – FVOCI	856	-	-	-1	855
Hedges (hedge accounting)	-276	-	-	96	-180
Equity attributable to owners of the parent	**896,391**	**17,832**	**-10,000**	**143**	**904,366**
Non-controlling interests	7,698	123	-1,424	-	6,398
Equity	**904,089**	**17,956**	**-11,424**	**143**	**910,763**

EUR '000	1 Jan. 2025	Profit for the period	Dividends paid	Other comprehensive income	30 Jun. 2025
Share capital	51,981	-	-	-	51,981
Capital reserves	191,824	-	-	-	191,824
Retained earnings	639,707	19,827	-10,000	-	649,534
Other reserves composed of:	**-922**	**-**	**-**	**320**	**-602**
Actuarial gains and losses	-1,306	-	-	-	-1,306
Debt instruments – FVOCI	-152	-	-	388	237
Equity instruments – FVOCI	668	-	-	84	752
Hedges (hedge accounting)	-132	-	-	-152	-285
Equity attributable to owners of the parent	**882,589**	**19,827**	**-10,000**	**320**	**892,737**
Non-controlling interests	7,302	250	-	-	7,552
Equity	**889,892**	**20,077**	**-10,000**	**320**	**900,289**

4 CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	Notes	30 Jun. 2026	30 Jun. 2025
Cash and cash equivalents at end of previous period	**4.2**	**711,800**	**753,541**
Profit for the period		**17,956**	**20,077**
Adjustments for interest income and expense	4.1.1	-80,803	-82,242
Non-cash items from operating activities		**16,097**	**16,512**
Depreciation, amortisation, impairment and write-ups on investment property, intangible assets and property, plant and equipment		1,556	2,534
Allocations to and reversals of provisions and risk provisions	4.4.4	13,283	18,964
Net measurement gains or losses on financial assets and liabilities	4.1.2	2,082	-1,348
Other adjustments		-824	-3,639
Changes in assets and liabilities arising from operating activities		**-90,513**	**855,480**
Financial assets – AC		-285,304	-332,961
Financial assets – mandatorily FVTPL		-21,027	3,349
Financial assets – FVOCI		15,000	30,800
Other operating assets		77,424	96,395
Financial liabilities – AC		115,046	1,027,542
Other operating liabilities		8,348	30,354
Payments for taxes, interest and dividends		**53,305**	**58,710**
Income tax paid		-3,072	-6,463
Interest received		318,387	332,127
Interest paid		-263,317	-269,331
Dividends on FVOCI investments received	4.1.1	81	99
Dividends on investments accounted for using the equity method received		1,179	2,278
Dividends from non-consolidated subsidiaries and associates received		46	-
Cash flows from operating activities		**-83,959**	**868,537**
Proceeds from sale/redemption of:		**33**	**4**
Equity investments (accounted for using the equity method/FVOCI/non-consolidated subsidiaries and associates included in other assets)		25	4
Property, plant and equipment, intangible assets and investment property		8	-
Purchase of:		**-1,248**	**-3,188**
Equity investments (accounted for using the equity method/FVOCI/non-consolidated subsidiaries and associates included in other assets)		-139	-
Property, plant and equipment, intangible assets and investment property		-1,109	-3,188
Cash flows from investing activities		**-1,215**	**-3,184**
Dividends paid		**-10,000**	**-10,000**
Repayment of lease liabilities		**-323**	**-340**
Outflows to non-controlling interests (minority interests)		**-1,424**	**-**
Cash flows from financing activities		**-11,747**	**-10,340**
Effects of exchange rate changes		**-**	**2**
Net increase/decrease in cash and cash equivalents		**-96,921**	**855,014**
Cash and cash equivalents at end of period		**614,880**	**1,608,555**

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1 GENERAL INFORMATION

1.1 Accounting policies

The condensed consolidated financial statements of HYPO NOE Landesbank für Niederösterreich und Wien AG (the HYPO NOE Group) as at 30 June 2026 were drawn up in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB), as well as the interpretations thereof issued by the Standing Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRS IC).

These consolidated financial statements have been prepared in accordance with the IFRS/IAS standards and interpretations thereof adopted and published by the European Union, and applicable to the business activities of the HYPO NOE Group.

The condensed consolidated financial statements are subject to IAS 34 Interim Financial Reporting. Essentially the same accounting policies were applied as those applied as at 31 December 2025 while taking account of new standards which are mandatory for financial years beginning on or after 1 January 2026.

The consolidated financial statements do not contain all of the information required for full annual financial statements, and should therefore be read in conjunction with the annual financial statements as at 31 December 2025. The interim consolidated financial statements were neither subjected to a full audit nor were they reviewed by independent auditors.

1.2 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 value in use
- 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.

1.3 New and amended regulations

New and amended standards	Applicable from	Effect
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 Jan. 2026	Immaterial
Contracts for Renewable Energy – Amendments to IFRS 9 and IFRS 7	1 Jan. 2026	Immaterial
Annual Improvements to IFRS Accounting Standards – Volume 11	1 Jan. 2026	None

New and amended standards adopted but not yet applied		
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
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan. 2027 *	None
New standard: IFRS 20 Regulatory Assets and Regulatory Liabilities	1 Jan. 2029 *	None
Amendment to IAS 21: Translation to a Hyperinflationary Presentation Currency	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. In addition, income and expenses must also be allocated to the operating, investing and financing categories. IFRS 18 also includes regulations on the aggregation and disaggregation of material items. In addition, the IASB will 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 standard is mandatory for annual reporting periods beginning on or after 1 January 2027. The Group will implement IFRS 18 with effect from 1 January 2027, with the 2026 financial year serving as the comparative period.

As of 31 December 2025, the analysis of qualitative impacts had been largely completed and the necessary process adjustments initiated. In addition, technical implementation has begun in preparation for integration into day-to-day operations. The HYPO NOE Group assumes that first-time application of IFRS 18 will have material effects on its financial reporting. The quantitative effects on line items in the financial statements cannot be reliably estimated at this time.

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 Note 1.1 Accounting policies.

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. maturity transformation), and imputed refinancing costs (liquidity costs) are directly allocated to assets and liabilities. The resulting costs and income from liquidity and 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 the volume of business in the operating segment concerned. 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 for the year 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 9.2 Investments accounted for using the equity method.

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 30 June 2026, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Group
Net interest income	19,824	25,055	27,321	9,543	-940	80,803
Net fee and commission income	2,093	794	9,110	140	53	12,191
Net gains or losses on financial assets and liabilities	-372	-1,016	-1,912	965	417	-1,918
Net other operating income	1,740	585	1,226	1,439	520	5,510
Net gains or losses on investments accounted for using the equity method	624	1,282	65	1,204	3	3,178
Administrative expenses	-11,887	-12,910	-28,230	-8,698	-2,388	-64,113
Impairment losses/gains on financial assets – IFRS 9 ECL	103	-10,531	-2,858	2	4	-13,281
Profit/loss before tax	**12,125**	**3,259**	**4,723**	**4,596**	**-2,332**	**22,370**
Income tax expense						-4,414
Profit for the period						**17,956**
Segment assets	**6,760,332**	**4,061,824**	**2,626,058**	**3,202,061**	**162,664**	**16,812,939**
Segment liabilities	**2,224,724**	**493,750**	**3,008,389**	**10,080,282**	**1,005,794**	**16,812,939**

Segmental analysis as at 30 June 2025, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Group
Net interest income	20,187	27,064	25,416	10,569	-993	82,242
Net fee and commission income	1,885	682	8,601	-58	15	11,125
Net gains or losses on financial assets and liabilities	-335	1,505	404	-419	726	1,881
Net other operating income	2,149	616	441	5,081	3,602	11,890
Net gains or losses on investments accounted for using the equity method	706	2,132	47	664	-	3,549
Administrative expenses	-12,273	-12,371	-27,201	-8,719	-1,967	-62,531
Impairment losses/gains on financial assets – IFRS 9 ECL	42	-25,204	2,034	-13	-2	-23,142
Profit before tax	**12,361**	**-5,576**	**9,742**	**7,106**	**1,381**	**25,014**
Income tax expense						-4,937
Profit for the period						**20,077**
Segment assets	**6,777,484**	**3,907,605**	**2,430,879**	**4,096,876**	**154,557**	**17,367,402**
Segment liabilities	**2,334,253**	**447,184**	**2,928,970**	**10,615,557**	**1,041,439**	**17,367,402**

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 the HYPO NOE Group is the 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 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 business relationship with a major 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, resulted in net interest income of EUR 13.4m in

the first half of 2026. Of this amount, EUR 5.8m was generated from direct business relationships with the customer, EUR 2.8m from direct business relationships with allocable group members, and EUR 4.7m 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 for 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, retail customers and 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 subsidised 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, and VIVITliving GmbH, both of which are accounted for using the equity method.

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 for retail customers consists of 'finance and housing', 'saving and investment', and 'accounts and cards' lines, and covers the full range of conventional 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. The advantage of close cooperation with the State of Lower Austria is that it enables the Group to offer one-stop consultation on loans and subsidies, which ensures sound advice as well as rapid processing.

With retail customers, the strategic focus is on the core product of 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 sustained and profitable expansion of the Bank's business in its core market of Lower Austria and Vienna, as well as in its home market of Austria and 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 a unit specialising in large corporates in Austria and abroad. Another specialist team in the segment is responsible for structured finance and product solutions, and concentrates on consultation for subsidies, export and foreign trade finance, as well as advice on payment

transactions. In line with the strong focus on customer service, proactive cross-selling – especially in payment transactions – has resulted in steady increases in net fee and commission income.

The insurance brokerage business of HYPO NOE Versicherungsservice GmbH (HVM), a segment investment accounted for using the equity method, also forms part of Retail and Corporate Customers.

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 diversify the portfolio.

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 fosters 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 within Europe, although in recent years there has been growing interest from certain countries outside the continent.

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 includes activities and ancillary banking services that are not attributable to any other segment, and do not constitute separate reportable segments on materiality grounds. This segment is also used for elimination of intra-Group income and expenses that are not attributable to any other segment and primarily relate to ancillary services provided by Corporate Center. This presentation reflects the Group's management view as applied by the Management Board.

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, provided that this was not considered in pricing.
- Changes in a legal-risk provision for potentially contentious negative interest collected on corporate loans (only in the comparative period).

Net interest income in the Corporate Center segment in the first half of 2026 included a charge of EUR 0.3m (H1 2025: charge of EUR 0.6m) 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 0.4m (H1 2025: EUR 0.7m). These were attributable to measurement of the HETA contingent additional purchase price. Details can be found in Note 4.6 Fair value disclosures.

Net other operating income and administrative expenses in the Corporate Center segment 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.

Other operating income for the first half of 2026 includes a positive effect on earnings from an impairment gain recognised on a Group property. The same item includes compensation for the services of the Retail and Corporate Customers segment in connection with internal customers, recognised as an expense of EUR 0.8m (H1 2025: expense of EUR 0.4m). Corporate Center's net other operating income in the first half of 2025 also included, for the final time, reversal of the remaining provision for negative interest on corporate loans.

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

EUR '000	30 Jun. 2026	31 Dec. 2025
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	1,075	932
Retained earnings	659,486	651,654
Equity attributable to owners of the parent	**904,366**	**896,391**
Non-controlling interests	6,398	7,698
Equity	**910,763**	**904,089**

3.2 Non-controlling interests

The table below provides an overview of the share of earnings attributable to non-controlling interests.

EUR '000	Profit and loss attributable to non-controlling interests H1 2026	Non-controlling interests – net assets H1 2026
FORIS Grundstückvermietungs Gesellschaft m.b.H.	3	913
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	95	2,823
LITUS Grundstückvermietungs Gesellschaft m.b.H.	-	1,375
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	19	1,141
Adoria Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	-	-
CONATUS Grundstückvermietungs Gesellschaft m.b.H. in Liqu	29	-206
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H. in Liqu.	-101	6
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	78	347
Non-controlling interests	**123**	**6,398**

EUR '000	Profit and loss attributable to non-controlling interests H1 2025	Non-controlling interests – net assets H1 2025
FORIS Grundstückvermietungs Gesellschaft m.b.H.	2	907
VALET-Grundstückverwaltungs Gesellschaft m.b.H.	184	2,628
LITUS Grundstückvermietungs Gesellschaft m.b.H.	4	1,379
VOLUNTAS Grundstückvermietungs Gesellschaft m.b.H.	24	1,096
Adoria Grundstückvermietungs Gesellschaft m.b.H. in Liqu.	-1	100
CONATUS Grundstückvermietungs Gesellschaft m.b.H.	-1	-204
Esquilin Grundstücksverwaltungs Gesellschaft m.b.H.	-13	1,400
HOSPES-Grundstückverwaltungs Gesellschaft m.b.H.	51	247
Non-controlling interests	**250**	**7,552**

3.3 Reconciliation of equity

EUR '000	30 Jun. 2026	31 Dec. 2025
Equity according to IFRS financial statements	**910,763**	**904,089**
Divergence in scope of consolidation (accounting vs. regulatory treatment)	2,149	2,625
Equity according to FINREP template 51	**912,912**	**906,713**
Deferred taxes on untaxed reserves	-	-3,591
Adjustments to CET1 capital (prudential filters)	-346	-390
Intangible assets	-884	-977
Prudential backstop: insufficient coverage of non-performing exposures	-21,282	-17,161
Ineligible minority interests	-6,398	-7,698
Intra-year change in revaluation surplus, profit and dividend	-17,500	-10,000
Eligible capital	**866,504**	**866,896**

3.4 Consolidated own funds and regulatory own funds requirement

Under Regulation (EU) No 575/2013 (Capital Requirements Regulation [CRR]), related EBA delegated regulations, as well as Directive 2013/36/EU (Capital Requirements Directive [CRD]), which is currently being transposed into Austrian law, banks' consolidated own funds and regulatory own funds requirements must be determined in accordance with IFRS, as well as in accordance with 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 III 30 Jun. 2026	CRR III 31 Dec. 2025
Total eligible capital	**866,504**	**866,896**
Tier 1 capital	**866,504**	**866,896**
Common Equity Tier 1 (CET1) capital	**866,504**	**866,896**
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	752,469	752,469
Retained earnings	633,375	633,375
Other reserves	107,258	107,258
Accumulated comprehensive income	11,836	11,836
Adjustments to CET1 capital	-22,512	-22,119
Adjustments to CET1 capital (prudential filters)	-346	-390
Intangible assets	-884	-977
Prudential backstop: insufficient coverage of non-performing exposures	-21,282	-17,161
Other foreseeable tax liabilities	-	-3,591
Additional Tier 1 (AT1) capital	**-**	**-**
Supplementary capital (Tier II)	**-**	**-**
Minimum capital requirements	**372,483**	**378,794**
Excess capital	**494,021**	**488,102**

Equity ratios	30 Jun. 2026	31 Dec. 2025
Tier 1 capital ratio in accordance with Art. 92(2)(b) CRR	18.61%	18.31%
Total capital ratio in accordance with Art. 92(2)(c) CRR	18.61%	18.31%
Own funds requirement incl. all buffer requirements	13.19%	13.20%
Minimum requirement in accordance with CRR	8.00%	8.00%
Capital conservation buffer	2.50%	2.50%
Countercyclical capital buffer	0.27%	0.27%
Systemic risk buffer	0.72%	0.73%
SREP capital requirement	1.70%	1.70%

Leverage ratio	30 Jun. 2026	31 Dec. 2025
Total leverage ratio exposure	16,926,674	16,621,723
Leverage ratio in accordance with Art. 92(2)(d) CRR	**5.12%**	**5.22%**
Leverage ratio requirement (Pillar 1)	3.00%	3.00%

After adjustment for first-half earnings and the prorating of scheduled dividends, the pro forma CET1 ratio would have been 18.77%.

The changes in the risk-weighted exposures for credit risk and for other types of risk were as follows:

EUR '000	CRR III 30 Jun. 2026	CRR III 31 Dec. 2025
Risk-weighted exposures – credit risk	4,315,393	4,390,965
Foreign exchange risk exposure	-	-
Operational risk exposure	325,561	325,561
Credit valuation adjustment (CVA) risk exposure	15,079	18,404
Total risk exposure amount	**4,656,033**	**4,734,931**

4 FINANCIAL INSTRUMENTS AND CREDIT RISK

4.1 Influence of financial instruments on the statement of profit or loss

4.1.1 Net interest income

EUR '000	H1 2026	H1 2025
Interest and similar income measured using the effective interest method	**242,068**	**254,036**
Financial assets – FVOCI	2,157	2,651
Financial assets – AC	206,350	210,629
Current finance lease income	33,560	40,756
Interest and similar income not measured using the effective interest method	**32,505**	**37,057**
Financial assets and liabilities – HFT	7,763	9,477
Financial assets – mandatorily FVTPL	622	662
Hedges	23,266	26,050
Other interest and similar income	854	869
Interest and similar expense	**-193,850**	**-208,950**
Financial assets and liabilities – HFT	-7,142	-8,489
Financial liabilities – AC	-147,013	-148,033
Hedges	-39,618	-52,399
Other interest and similar expense	-54	-
Lease liabilities in accordance with IFRS 16	-24	-28
Dividend income	**81**	**99**
Net interest income	**80,803**	**82,242**

4.1.2 Net gains or losses on financial assets and liabilities

EUR '000	H1 2026	H1 2025
Net gains or losses on:	**-945**	**1,447**
Disposal	**51**	**604**
Financial assets – AC	51	604
Measurement	**-835**	**-787**
Financial assets and liabilities – AC	-2,135	421
Net gains or losses due to non-substantial modification	9	-72
Direct write-offs/receipts from written-off assets	-2,121	397
Net gains or losses on derecognition of assets	-23	95
Financial assets – mandatorily FVTPL	685	1,544
Financial assets and liabilities – HFT	722	-2,566
Financial assets and liabilities – FVO	-107	-186
Hedging relationships	**-161**	**1,630**
Net gains or losses on hedged transactions (fair value hedges)	14,525	-57,641
Net gains or losses on hedges (fair value hedges)	-14,686	59,272
Net gains or losses on derecognition of financial assets	**-973**	**434**
Financial assets – AC	-973	434
Net gains or losses on financial assets and liabilities	**-1,918**	**1,881**

The **net measurement gain on "Financial assets – mandatorily FVTPL"** includes the change in the HETA contingent additional purchase price. Details are provided in Note 4.6 Fair value disclosures.

The **"Direct write-offs/receipts from written-off assets"** item is influenced to a significant extent by direct write-offs in relation to the restructuring of a corporate customer. Due to the rapid implementation of the restructuring, the write-off was recognised in the first half of 2026.

The contractual outstanding amount of written-off financial assets subject to **execution measures** as at 30 June 2026 was EUR 75,670thsd (31 Dec. 2025: EUR 74,499thsd).

Detailed disclosures: non-substantial modifications

	H1 2026				H1 2025			
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	15	-6	-	9	-73	1	-	-72

	30 Jun. 2026				30 Jun. 2025			
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	12,037	4,923	-	16,960	60,515	4,514	113	65,142

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 125thsd as at 30 June 2026 (30 Jun. 2025: EUR 453thsd).

4.2 Financial assets

The following table shows the HYPO NOE Group's financial assets classified according to paragraph 6 IFRS 7:

EUR '000	30 Jun. 2026	31 Dec. 2025
Cash and balances at central banks	**614,880**	**711,800**
Cash on hand incl. demand deposits	21,902	16,667
Balances at central banks	592,978	695,133
Financial assets – HFT	**89,361**	**96,743**
Positive fair value of interest rate derivatives	39,700	47,360
Positive fair value of foreign exchange derivatives	49,661	49,383
Financial assets – mandatorily FVTPL	**80,477**	**58,765**
Loans	78,556	56,633
General governments	31,114	30,646
Other financial corporations	365	473
Non-financial corporations	41,297	18,599
Households	5,781	6,915
Bonds	1,921	2,133
General governments	1,921	2,133
Financial assets – FVOCI	**124,127**	**141,571**
Bonds	121,439	138,987
General governments	64,542	80,966
Banks	53,860	54,904
Other financial corporations	3,037	3,116
Equity instruments	2,688	2,584
Other financial corporations	1,713	1,562
Non-financial corporations	932	980
Financial assets – AC	**15,511,762**	**15,226,633**
Loans	13,408,974	13,331,569
General governments	4,194,859	4,153,238
Banks	181,393	176,083
Other financial corporations	144,421	135,815
Non-financial corporations	6,104,763	6,152,803
Households	2,783,539	2,713,629
Bonds	2,102,788	1,895,065
General governments	809,380	683,739
Banks	1,104,550	1,015,113
Other financial corporations	150,347	158,068
Non-financial corporations	38,510	38,145
Total	**16,420,606**	**16,235,513**

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.

At the HYPO NOE Group, transferred financial assets that are not derecognised mainly relate to loans, as well as pension and securities-lending transactions. However, none of these assets were pension or securities-lending transactions as at 30 June 2026.

The carrying amounts of financial assets that were transferred are shown in the table below.

EUR '000	30 Jun. 2026 Transferred assets	30 Jun. 2026 Related liabilities	31 Dec. 2025 Transferred assets	31 Dec. 2025 Related liabilities
Financial assets – AC	**77,139**	**77,139**	**76,861**	**76,861**
Loans	77,139	77,139	76,861	76,861
Total	**77,139**	**77,139**	**76,861**	**76,861**

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).

4.3 Financial liabilities

4.3.1 Financial liabilities by financial instrument class

The HYPO NOE Group's financial liabilities, broken down into financial instrument classes, in accordance with paragraph 6 IFRS 7, are presented in the table below:

EUR '000	30 Jun. 2026	31 Dec. 2025
Financial liabilities – HFT	**78,189**	**85,088**
Negative fair value of interest rate derivatives	30,861	37,348
Negative fair value of foreign exchange derivatives	47,328	47,740
Financial liabilities – FVO	**6,275**	**6,168**
Other financial liabilities	6,275	6,168
Financial liabilities – AC	**15,381,332**	**15,265,871**
Savings and savings-equivalent deposits	1,670,772	1,660,688
Deposits	4,937,796	4,191,227
Banks	1,880,986	1,578,122
General governments	1,326,824	938,883
Other financial corporations	152,483	239,180
Non-financial corporations	927,985	816,878
Households	649,518	618,165
Bonds in issue	8,771,933	9,413,956
Covered bonds	2,499,351	3,022,505
Municipal bonds	3,722,072	3,807,457
Other bonds	2,550,510	2,583,993
Other financial liabilities	831	-
Total	**15,465,796**	**15,357,127**

"Financial liabilities – FVO" comprises a liability related to the HETA contingent additional purchase price. Details can be found in Note 4.6.2 Fair value hierarchy: Level 3 disclosures.

4.3.2 Off-balance-sheet transactions and contingent liabilities

EUR '000	30 Jun. 2026	31 Dec. 2025
Guarantees and financial guarantee contracts	37,315	70,849
Liabilities arising from other guarantees	37,006	-
Contingent liabilities	**74,321**	**70,849**
Unutilised facilities	**1,194,950**	**941,069**
Off-balance-sheet transactions	**1,269,271**	**1,011,917**

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 regarding utilisation and the maturity date. The amount disclosed for unutilised credit facilities includes amounts listed in Note 9.3 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

The June 2024 referral by the Austrian Federal Finance Court (BFG) to the European Court of Justice (ECJ) for a preliminary ruling on whether the VAT exemption for interbank services ("interbank exemption"), applicable until 31 December 2024, constituted prohibited state aid was rejected by the ECJ in early May 2025 on the grounds that the referral was manifestly inadmissible. The BFG submitted a new referral for a preliminary ruling at the end of May 2025, in a renewed attempt to have the ECJ examine this question.

As justification for the relevance of the submitted matter to the ECJ's ruling, the second referral states that while there is no dispute between the complainant bank and the Austrian tax authorities for large corporations regarding the tax exemption pursuant to the previous version of section 6(1)(28) final sentence of the Austrian Umsatzsteuergesetz (Value Added Tax Act), the BFG is obliged under section 279(1) of the Bundesabgabenordnung (Federal Tax Code) to initiate official proceedings to determine whether the tax exemption violates Union law.

The ECJ carried out a substantive review of the second referral for a preliminary ruling and determined that the VAT exemption constituted state aid (Rs Schoger II, C-360/25). However, the statement issued in autumn 2024 by the Austrian federal government as well as the opinions of expert authors (e.g. Haunold, Steuer- und WirtschaftsKartei [SWK] issue 20/21 of 20 July 2025) cast justified doubts on the view that the tax exemption constituted illegal aid within the meaning of Article 107(1) Treaty on the Functioning of the European Union (TFEU). Consequently, it is now up to the EU Commission, as the final arbiter, to make a conclusive decision as to whether the tax exemption is a form of state aid and whether it is compatible with EU's internal market rules.

The Group's internal calculations – based on the assumption that, contrary to the legal view above, claims are submitted for recovery of the unpaid taxes – suggest potential impending losses of up to EUR 2.5m. This range of potential losses reflects, among other factors, 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.

Application fees

The Group has carried out an internal analysis of the potential financial effects of multiple Austrian Supreme Court decisions that would oblige the individual banks charged with breaching regulations to repay various one-off loan application and other fees. Based on this analysis, it was determined that a potential obligation to repay such fees could apply for the relevant limitation period, even though there is currently no legal obligation to make repayments, nor does

the analysis suggest that there is a very strong probability of a cash outflow. In view of this conclusion, the recognition of a provision was not necessary as at the end of the reporting period. Estimated using a range-based model, the potential financial impacts are subject to a variety of uncertainties, including with regard to the length of the limitation period, the product structures concerned, and assumptions regarding any settlements reached. Taking these uncertainties into account, the potential repayment obligation was between approximately EUR 4m and around EUR 50m as at the end of the reporting period.

4.4 Credit risk and risk provisions

4.4.1 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 exchange 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. Due to the HYPO NOE Group's high standards with regard to socially responsible and sustainable business practices, material aspects of sustainability risk are already taken into consideration in its lending processes, and these will continue to be refined. In addition, aspects of sustainability relevant to credit risk are 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, using an appropriate reporting system, coordinated limits, suitable measurement techniques 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 (counterparty risk, replacement risk and issuer risk)

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 with 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 counterparty 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.

Risk concentrations

At 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 activities, 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 on finance for social and public infrastructure, and for subsidised secured home loans.

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 Group total assets, as well as confining foreign lending operations (in the Public Finance, Real Estate Project Finance and Corporate Customers control units) to 8% of the Group's total 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.

Current credit risk situation

The Group's loan and investment portfolio is largely made up 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.

A key performance measure for banks, alongside financial assets in default, is the non-performing loan (NPL) ratio. The Group's NPL ratio was 2.84% at 30 June 2026 (31 Dec. 2025: 2.96%). NPL coverage for the Group – defined as total Stage 3 risk provisions, taking account of collaterals, divided by the sum of the gross carrying amounts of NPLs – was 87.37% at 30 June 2026 (31 Dec. 2025: 87.33%).

Effects of ongoing crises

The volume of loans subject to forbearance in the performing rating grades has fallen since the beginning of the year. This mainly reflects a reduction in the portfolio resulting from repayments as well as the sustained stabilisation of customer exposures.

Thanks to the continued systematic management of non-performing loans by Intensive Care Management, the legacy NPL portfolio was reduced in the first half. Although there were again some substantial new additions to the NPL portfolio, the NPL ratio remained stable at below 3%. This underlines the effectiveness of the measures taken.

The crisis in the Austrian and German real estate markets, which has taken hold in recent years, has led to significant corrections in property values, especially in the commercial real estate financing segment. However, there were signs of broad-based stabilisation in both markets in the first half of 2026. Some segments and exposures remained under pressure, but on the whole, market development was characterised by consolidation and, in some cases, rising property values.

Investment risk

Investment risk is the risk of a partial or total loss of the value of investments (ceding of equity to third parties). Such 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.

Customer foreign exchange risk (foreign-currency-induced credit risk)

Customer foreign exchange risk (foreign-currency-induced credit risk) arises where a loan has been extended to a customer 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.

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 counterparties' parameter ratings (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 calculated residual value of a leased asset. Operating Credit Risk Management regularly monitors residual value risk exposures and, above all, 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 agreed 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 environmental (E), social (S) and governance (G) events or circumstances which, if they occur, will have or can have material negative impacts on the value of an investment. See Note 8.8 Sustainability risks for further information on environmental risks.

4.4.2 Risk provisions

In principle, when recognising risk provisions, essentially the same accounting policies and approaches to estimation uncertainty and judgements were applied as described in the notes to the 2025 annual financial statements. Updates and refinements are described below.

Low credit risk exemption

The HYPO NOE Group makes use of the option of applying the low credit risk exemption provided for in paragraph 5.5.10 of IFRS 9. Under the exemption, it is assumed that the credit risk on financial instruments with a low default risk as at the reporting date has not increased significantly since initial recognition. On its rating master scale, the Group defines instruments in rating class 1 as having a low default risk.

Estimation uncertainties and judgements

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.

In the case of the quantitative indicator, 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.

	30 Jun. 2026			31 Dec. 2025		
	Min.	Max.	Median	Min.	Max.	Median
All	131%	375%	174%	131%	375%	174%
Retail	143%	225%	159%	143%	225%	159%
Corporate	141%	229%	191%	141%	228%	191%
Institutions	131%	225%	165%	131%	225%	165%
Sovereign	157%	375%	262%	157%	375%	262%

The 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 segment are also considered when assessing whether a stage transfer is necessary. As at the end of the first half of 2026, the key macroeconomic developments reflected continuing geopolitical tensions as a result of the war in Ukraine and the escalation of the Middle East conflict. Above all, persistently weak economic growth, increased economic-policy and geopolitical uncertainty as well as the resulting energy-related and inflation risks were the primary risk factors. 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.

Collective qualitative staging measures as at 30 Jun. 2026, EUR '000 **Measures related to**	Exposure	Cumulative impairment losses before measures	Cumulative impairment losses after measures
Recalibration of the asset-based model	1,231,155	2,246	6,581
CHF-denominated loans and loans with repayment vehicles	35,856	249	268
Macroeconomic risk drivers – industries	7,808	113	177
Total	**1,274,819**	**2,608**	**7,026**

Collective qualitative staging measures as at 31 Dec. 2025, EUR '000 **Measures related to**	Exposure	Cumulative impairment losses before measures	Cumulative impairment losses after measures
Recalibration of the asset-based model	1,364,001	4,199	8,053
CHF-denominated loans and loans with repayment vehicles	38,738	327	339
Macroeconomic risk drivers – industries	8,004	29	85
Total	**1,410,743**	**4,555**	**8,477**

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.
- Additions to assets (fresh money or bridging loans) leading to a significant increase in exposure from the uncollateralised portion, where intensive care is still in the initial stages, meaning that there is a high degree of uncertainty regarding a cure.
- In special cases, substantial modification of a Stage 3 financial asset, when this is due to a material rating discount and recognition of a modified, impaired financial instrument (originated credit-impaired).

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.

Measurement parameters

Point in time (PiT) PD curves

PiT adjustment enables current and expected macroeconomic developments to be taken into account when calculating probability of default. In addition to the baseline scenario, an upside and downside alternative scenario were considered when estimating the final PiT PD as at 30 June 2026. The three PD scenarios are weighted to produce the overall PiT PD curves for the retail and corporate 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 an equal weighting. However, if available information is not adequately reflected in the forecasts, the weighting is reviewed to determine whether an adjustment is necessary, and, if so, the adjustment is made. The following weightings were defined for the three PD scenarios as at 30 June 2026: baseline scenario 50%, upside scenario 25%, downside scenario 25% (31 Dec. 2025: baseline scenario 50%, upside scenario 25%, downside scenario 25%).

The tables below provide a comparison of the forecasting sources selected and the macroeconomic indicators applied by the HYPO NOE Group as at 30 June 2026 and 31 December 2025.

30 Jun. 2026	Forecasts		
	Years	OeNB	Fitch
GDP	2026	0.6	1.3
	2027	1.1	1.4
	2028	1.2	1.6
Private consumption	2026	0.5	1.5
	2027	1.0	1.6
	2028	0.8	1.8
Exports	2026	1.3	1.2
	2027	2.1	2.0
	2028	2.8	2.2

30 Jun. 2026	HYPO NOE inputs		
	Years	OeNB	Fitch
GDP	2026	0.6	1.3
	2027	1.1	1.4
	2028	1.2	1.6
Private consumption	2026	0.5	1.5
	2027	1.0	1.6
	2028	0.8	1.8
Exports	2026	1.3	1.2
	2027	2.1	2.0
	2028	2.8	2.2

31 Dec. 2025	Forecasts		
	Years	OeNB	Fitch
GDP	2026	0.8	1.3
	2027	1.1	1.4
	2028	1.0	1.6
Private consumption	2026	0.7	1.5
	2027	1.4	1.6
	2028	1.0	1.8
Exports	2026	0.4	1.2
	2027	2.1	2.0
	2028	2.2	2.2

31 Dec. 2025	HYPO NOE inputs		
	Years	OeNB	Fitch
GDP	2026	0.8	1.3
	2027	1.1	1.4
	2028	1.0	1.6
Private consumption	2026	0.7	1.5
	2027	1.4	1.6
	2028	1.0	1.8
Exports	2026	0.4	1.2
	2027	2.1	2.0
	2028	2.2	2.2

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 PD 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%	0.02%	
1D	0.04%	0.03%	
1E	0.05%	0.03%	
2A	0.07%	0.04%	
2B	0.11%	0.06%	
2C	0.16%	0.09%	0.16%
2D	0.24%	0.14%	0.24%
2E	0.35%	0.22%	0.36%
3A	0.53%	0.39%	0.54%
3B	0.80%	0.66%	0.81%
3C	1.20%	1.02%	1.21%
3D	1.79%	1.56%	1.82%
3E	2.69%	2.42%	2.73%
4A	4.04%	3.75%	4.09%
4B	6.05%	6.28%	6.12%
4C	9.08%	10.54%	9.17%
4D	13.62%	17.67%	13.74%
4E	20.44%	29.67%	20.58%

4.4.3 Detailed information on risk provisions

Gross carrying amount/nominal amount by rating class

	30 Jun. 2026					31 Dec. 2025				
EUR '000	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances at central banks	**614,886**	**-**	**-**	**-**	**614,886**	**711,804**	**-**	**-**	**-**	**711,804**
Financial assets – AC	**13,303,873**	**1,921,937**	**404,235**	**2,545**	**15,632,590**	**12,666,145**	**2,256,292**	**416,085**	**2,628**	**15,341,150**
Loans	11,228,741	1,890,868	404,235	2,545	13,526,390	10,805,810	2,218,015	416,085	2,628	13,442,538
Rating class 1	5,583,870	7,366	-	-	5,591,236	5,590,050	8,315	-	-	5,598,365
Rating class 2	4,195,457	1,003,288	-	-	5,198,744	3,746,962	1,000,467	-	-	4,747,430
Rating class 3	1,421,604	716,234	-	-	2,137,838	1,431,684	1,007,696	-	-	2,439,380
Rating class 4	27,811	163,981	-	-	191,792	37,113	201,538	-	-	238,651
Rating class 5	-	-	404,235	2,545	406,780	-	-	416,085	2,628	418,713
Bonds	2,075,132	31,069	-	-	2,106,200	1,860,335	38,277	-	-	1,898,612
Rating class 1	1,516,293	-	-	-	1,516,293	1,352,792	-	-	-	1,352,792
Rating class 2	558,747	-	-	-	558,747	503,513	6,419	-	-	509,932
Rating class 3	92	31,069	-	-	31,160	4,029	31,858	-	-	35,888
Financial assets – FVOCI	**119,946**	**-**	**-**	**-**	**119,946**	**137,557**	**-**	**-**	**-**	**137,557**
Bonds	119,946	-	-	-	119,946	137,557	-	-	-	137,557
Rating class 1	103,008	-	-	-	103,008	116,590	-	-	-	116,590
Rating class 2	16,938	-	-	-	16,938	20,967	-	-	-	20,967
Off-balance-sheet transactions	**1,149,575**	**116,938**	**2,758**	**-**	**1,269,271**	**860,209**	**148,816**	**2,892**	**-**	**1,011,917**
Rating class 1	571,281	-	-	-	571,281	357,212	-	-	-	357,212
Rating class 2	291,278	38,520	-	-	329,798	224,093	79,012	-	-	303,105
Rating class 3	282,251	74,579	-	-	356,830	278,020	63,735	-	-	341,755
Rating class 4	4,765	3,839	-	-	8,604	884	6,069	-	-	6,953
Rating class 5	-	-	2,758	-	2,758	-	-	2,892	-	2,892
Trade receivables	**-**	**324**	**-**	**-**	**324**	**-**	**406**	**-**	**-**	**406**
Total	**15,188,281**	**2,039,198**	**406,992**	**2,545**	**17,637,017**	**14,375,715**	**2,405,515**	**418,977**	**2,628**	**17,202,835**

Risk provisions by rating class

	30 Jun. 2026					31 Dec. 2025				
EUR '000	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and balances at central banks	**-7**	**-**	**-**	**-**	**-7**	**-4**	**-**	**-**	**-**	**-4**
Financial assets – AC	**-2,738**	**-17,671**	**-100,627**	**208**	**-120,828**	**-2,725**	**-20,716**	**-91,275**	**200**	**-114,517**
Loans	-2,559	-14,437	-100,627	208	-117,415	-2,543	-17,351	-91,275	200	-110,970
Rating class 1	-25	-	-	-	-25	-104	-1	-	-	-104
Rating class 2	-566	-1,953	-	-	-2,519	-400	-1,798	-	-	-2,198
Rating class 3	-1,788	-7,554	-	-	-9,343	-1,767	-8,894	-	-	-10,661
Rating class 4	-180	-4,930	-	-	-5,109	-272	-6,658	-	-	-6,931
Rating class 5	-	-	-100,627	208	-100,419	-	-	-91,275	200	-91,076
Bonds	-179	-3,234	-	-	-3,413	-182	-3,365	-	-	-3,547
Rating class 1	-75	-	-	-	-75	-73	-	-	-	-73
Rating class 2	-103	-	-	-	-103	-105	-3	-	-	-108
Rating class 3	-	-3,234	-	-	-3,234	-5	-3,362	-	-	-3,366
Financial assets – FVOCI	**-12**	**-**	**-**	**-**	**-12**	**-13**	**-**	**-**	**-**	**-13**
Bonds	-12	-	-	-	-12	-13	-	-	-	-13
Rating class 1	-3	-	-	-	-3	-4	-	-	-	-4
Rating class 2	-9	-	-	-	-9	-9	-	-	-	-9
Off-balance-sheet transactions	**-330**	**-400**	**-774**	**-**	**-1,504**	**-296**	**-395**	**-1,095**	**-**	**-1,786**
Rating class 1	-	-	-	-	-	-	-	-	-	-
Rating class 2	-65	-56	-	-	-121	-41	-73	-	-	-115
Rating class 3	-228	-309	-	-	-537	-250	-245	-	-	-495
Rating class 4	-37	-35	-	-	-72	-4	-77	-	-	-81
Rating class 5	-	-	-774	-	-774	-	-	-1,095	-	-1,095
Trade receivables	**-**	**-5**	**-**	**-**	**-5**	**-**	**-9**	**-**	**-**	**-9**
Total	**-3,087**	**-18,076**	**-101,401**	**208**	**-122,356**	**-3,037**	**-21,120**	**-92,370**	**200**	**-116,328**

Scenarios and sensitivities

The HYPO NOE Group analyses and takes account of a range of scenarios in order to transparently present uncertainty arising from the use of forecasts and statistical models when estimating PD. The results yielded by the various scenarios as at 30 June 2026 and 31 December 2025 are shown below. Descriptions of the scenarios can be found in the 'Measurement parameters' section of Note 4.4.2 Risk provisions, above.

30 Jun. 2026, EUR '000	Upside	Baseline	Downside
Risk provisions generated by the fully automated process (Stage 1 and Stage 2)	19,074	21,145	23,542

31 Dec. 2025, EUR '000	Upside	Baseline	Downside
Risk provisions generated by the fully automated process (Stage 1 and Stage 2)	21,806	24,129	26,818

The current crises have increased the uncertainty associated with estimating anticipated credit losses. Supplementary sensitivity analyses were carried out to reflect the elevated level of uncertainty in the estimation process. These analyses quantify the effects of a 25% relative increase in all unsecured losses given default (31 Dec. 2025: 25%). In addition, for collateralised loan receivables, a relative increase of 92% in losses given default for exposures secured by residential and commercial real estate, excluding IPRE (31 Dec. 2025: 85%), as well as a 39% increase in IPRE lending (31 Dec. 2025: 37%) are assumed. The effects of the measures outlined above on risk provisions as at 30 June 2026 are shown in the table below.

30 Jun. 2026, 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)	1,605	8,670

31 Dec. 2025, 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)	1,659	9,670

4.4.4 Detailed information on impairment losses/gains – IFRS 9, ECL

The following table shows the changes in risk provisions in 2026 and the breakdown of the changes by statement of profit or loss items.

EUR '000	Changes in risk provisions, 2026	Impairment losses/gains on financial assets – IFRS 9 ECL	Interest and similar expense	Not recognised through profit or loss	Changes in risk provisions, 2025
Risk provisions at start of reporting period	**-116,328**				**-117,341**
Increase due to origination and purchase	-2,249	-2,249	-	-	-4,558
Reduction due to derecognition and substantial modification	3,114	3,114	-	-	4,250
Utilisation of risk provisions	9,276	-	-	9,276	45,030
Allocations and reversals due to changes in credit risk	-16,171	-14,149	-2,022	-	-43,700
Cash and balances at central banks, and trade receivables	1	1	-	-	-9
Risk provisions at end of reporting period	**-122,356**	**-13,281**	**-2,022**	**9,276**	**-116,328**

Stage 1 impairment losses/gains

EUR '000	1 Jan. 2026	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2026
Cash and balances at central banks	**-4**	**-**	**-**	**-3**	**-**	**-7**
Financial assets – AC	**-2,725**	**-802**	**188**	**601**	**-**	**-2,738**
Loans	-2,543	-781	186	579	-	-2,559
General governments	-5	-1	1	-	-	-5
Other financial corporations	-7	-	-	-1	-	-8
Non-financial corporations	-1,203	-427	135	264	-	-1,230
Households	-1,328	-353	49	316	-	-1,316
Bonds	-182	-21	2	22	-	-179
Banks	-151	-19	1	17	-1	-153
General governments	-2	-	-	-	-	-2
Other financial corporations	-19	-2	-	1	2	-18
Non-financial corporations	-10	-	-	5	-	-5
Financial assets – FVOCI	**-13**	**-**	**-**	**1**	**-**	**-12**
Bonds	-13	-	-	1	-	-12
Banks	-13	-	-	1	-	-12
Other financial corporations	-	-	-	-	-	-
Off-balance-sheet transactions	**-296**	**-253**	**73**	**146**	**-**	**-330**
Loan commitments and financial guarantee contracts	-296	-253	73	146	-	-330
Total	**-3,037**	**-1,055**	**261**	**745**	**-**	**-3,087**

EUR '000	1 Jan. 2025	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2025
Cash and balances at central banks	**-3**	**-**	**1**	**-5**	**-**	**-7**
Financial assets – AC	**-2,256**	**-733**	**260**	**-1,319**	**-**	**-4,048**
Loans	-2,065	-715	258	-1,325	-	-3,847
Banks	-	-	-	-	-	-
General governments	-8	-1	1	-	-	-8
Other financial corporations	-2	-4	-	-15	-5	-25
Non-financial corporations	-738	-523	218	-1,286	5	-2,324
Households	-1,318	-188	39	-24	-	-1,490
Bonds	-191	-18	2	6	-	-201
Banks	-148	-14	2	-	-1	-162
General governments	-3	-	-	-	-	-3
Other financial corporations	-32	-2	-	13	-	-21
Non-financial corporations	-9	-2	-	-7	2	-16
Financial assets – FVOCI	**-14**	**-1**	**1**	**1**	**-**	**-13**
Bonds	-14	-1	1	1	-	-13
Banks	-14	-1	1	-	-	-13
General governments	-	-	-	-	-	-
Other financial corporations	-1	-	-	-	-	-
Off-balance-sheet transactions	**-150**	**-282**	**35**	**59**	**-**	**-338**
Loan commitments and financial guarantee contracts	-150	-282	35	59	-	-338
Total	**-2,423**	**-1,016**	**297**	**-1,265**	**-**	**-4,406**

The decrease in risk provisions resulting from transfers from Stages 2 and 3 to Stage 1 amounted to EUR 158thsd (30 Jun. 2025: decrease of EUR 1,777thsd).

Stage 2 impairment losses/gains

EUR '000	1 Jan. 2026	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2026
Financial assets – AC	**-20,716**	**-1,121**	**2,477**	**1,689**	**-**	**-17,671**
Loans	-17,351	-1,121	2,477	1,559	-	-14,437
General governments	-73	-	-	60	-	-13
Other financial corporations	-69	-	-	-6	5	-70
Non-financial corporations	-10,485	-1,065	2,297	111	-5	-9,147
Households	-6,724	-56	180	1,393	-	-5,207
Bonds	-3,365	-	-	131	-	-3,234
Banks	-3	-	-	3	-	-
Other financial corporations	-3,362	-	-	128	-	-3,234
Non-financial corporations	-	-	-	-	-	-
Financial assets – FVOCI	**-**	**-**	**-**	**-**	**-**	**-**
Bonds	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-
Trade receivables	**-9**	**-5**	**9**	**-**	**-**	**-5**
Off-balance-sheet transactions	**-395**	**-72**	**31**	**36**	**-**	**-400**
Loan commitments and financial guarantee contracts	-395	-72	31	36	-	-400
Total	**-21,120**	**-1,198**	**2,517**	**1,725**	**-**	**-18,076**

EUR '000	1 Jan. 2025	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2025
Financial assets – AC	**-26,658**	**-1,717**	**1,554**	**9,086**	**-**	**-17,735**
Loans	-22,816	-1,632	1,554	8,972	-	-13,922
General governments	-23	-	-	-42	-	-65
Other financial corporations	-125	-	10	84	4	-26
Non-financial corporations	-14,892	-1,569	1,341	8,920	-4	-6,204
Households	-7,776	-64	203	10	-	-7,627
Bonds	-3,843	-84	-	114	-	-3,813
Banks	-	-84	-	80	-	-5
Other financial corporations	-3,687	-	-	-64	-	-3,751
Non-financial corporations	-156	-	-	99	-	-57
Financial assets – FVOCI	**-**	**-**	**-**	**-3**	**-**	**-3**
Bonds	-	-	-	-3	-	-3
Other financial corporations	-	-	-	-	-3	-3
Trade receivables	**-1**	**-4**	**1**	**-**	**-**	**-4**
Off-balance-sheet transactions	**-1,038**	**-127**	**29**	**834**	**-**	**-302**
Loan commitments and financial guarantee contracts	-1,038	-127	29	834	-	-302
Total	**-27,698**	**-1,848**	**1,584**	**9,917**	**-**	**-18,043**

The decrease in risk provisions resulting from transfers from Stages 1 and 3 to Stage 2 amounted to EUR 392thsd (30 Jun. 2025: decrease of EUR 220thsd).

Stage 3 impairment losses/gains

EUR '000	1 Jan. 2026	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2026
Financial assets – AC	**-91,275**	**-**	**9,592**	**-18,944**	**-**	**-100,627**
Loans	-91,275	-	9,592	-18,944	-	-100,627
Other financial corporations	-2,747	-	826	-2,334	-	-4,256
Non-financial corporations	-82,845	-	8,190	-14,098	-	-88,753
Households	-5,683	-	577	-2,511	-	-7,618
Off-balance-sheet transactions	**-1,095**	**-**	**29**	**292**	**-**	**-774**
Loan commitments and financial guarantee contracts	-1,095	-	29	292	-	-774
Total	**-92,370**	**-**	**9,621**	**-18,652**	**-**	**-101,401**

EUR '000	1 Jan. 2025	Origination and purchase	Derecognition/ utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2025
Financial assets – AC	**-86,114**	**-**	**34,784**	**-29,437**	**-**	**-80,766**
Loans	-86,114	-	34,784	-29,437	-	-80,766
Other financial corporations	-9,961	-	8,994	-10,729	-	-11,696
Non-financial corporations	-70,172	-	25,576	-19,034	-	-63,630
Households	-5,980	-	214	326	-	-5,440
Off-balance-sheet transactions	**-1,174**	**-**	**7**	**-248**	**-**	**-1,414**
Loan commitments and financial guarantee contracts	-1,174	-	7	-248	-	-1,414
Total	**-87,287**	**-**	**34,791**	**-29,685**	**-**	**-82,181**

The decrease in risk provisions resulting from transfers from Stages 1 and 2 to Stage 3 amounted to EUR 529thsd (30 Jun. 2025: decrease of EUR 1,786thsd).

Impairment losses/gains on POCI assets

The following table shows the changes in the loss allowances for expected losses on purchased or originated credit-impaired financial assets. These loss allowances are measured at amounts equal to the lifetime expected credit losses.

EUR '000	1 Jan. 2026	Origination and purchase	Derecognition /utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2026
Financial assets – AC	**200**	**-**	**-**	**8**	**-**	**208**
Loans	200	-	-	8	-	208
Other financial corporations	6	-	-	-	-	7
Non-financial corporations	193	-	-	8	-	201
Total	**200**	**-**	**-**	**8**	**-**	**208**

EUR '000	1 Jan. 2025	Origination and purchase	Derecognition /utilisation	Change in credit risk	Foreign exchange and other changes	30 Jun. 2025
Financial assets – AC	**67**	**-**	**-**	**20**	**-**	**86**
Loans	67	-	-	20	-	86
Other financial corporations	6	-	-	-	-	6
Non-financial corporations	61	-	-	19	-	80
Total	**67**	**-**	**-**	**20**	**-**	**86**

4.5 Derivatives and hedge accounting

4.5.1 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 30 June 2026.

	30 Jun. 2026			31 Dec. 2025		
	Carrying amount		Nominal value	Carrying amount		Nominal value
EUR '000	Assets	Liabilities		Assets	Liabilities	
Financial assets and liabilities – HFT	**89,361**	**78,189**	**2,314,922**	**96,743**	**85,088**	**2,351,657**
Interest rate derivatives	39,700	30,861	1,846,556	47,360	37,348	1,938,178
Foreign exchange derivatives	49,661	47,328	468,366	49,383	47,740	413,479
Positive and negative fair value of hedges (hedge accounting)	**229,966**	**287,765**	**11,695,584**	**300,900**	**296,328**	**11,878,295**
Interest rate derivatives	226,682	279,888	11,569,488	296,928	288,154	11,754,042
Foreign exchange derivatives	3,284	7,877	126,096	3,972	8,173	124,253

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).

	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
30 Jun. 2026				Not offset		
EUR '000	(a)	(b)	(c)=(a)+(b)	(d)(i)	(d)(ii)	(e)=(c)+(d)
Assets						
Financial assets – HFT	89,361	-	89,361	-917	-625	87,819
Positive fair value of hedges (hedge accounting)	229,966	-	229,966	-187,476	-25,367	17,124
Total assets	**319,327**	**-**	**319,327**	**-188,393**	**-25,991**	**104,943**
Liabilities						
Financial liabilities – HFT	78,189	-	78,189	-917	-63,588	13,684
Financial liabilities – FVO	6,275	-	6,275	-	-	6,275
Negative fair value of hedges (hedge accounting)	287,765	-	287,765	-187,476	-89,895	10,394
Total liabilities	**372,229**	**-**	**372,229**	**-188,393**	**-153,483**	**30,354**

31 Dec. 2025	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	96,743	-	96,743	-1,145	-600	94,998
Positive fair value of hedges (hedge accounting)	300,900	-	300,900	-170,232	-69,813	60,855
Total assets	**397,642**	**-**	**397,642**	**-171,376**	**-70,413**	**155,853**
Liabilities						
Financial liabilities – HFT	85,088	-	85,088	-1,145	-68,726	15,217
Financial liabilities – FVO	6,168	-	6,168	-	-	6,168
Negative fair value of hedges (hedge accounting)	296,328	-	296,328	-170,232	-114,374	11,721
Total liabilities	**387,584**	**-**	**387,584**	**-171,376**	**-183,101**	**33,107**

4.5.2 Detailed information on hedge accounting

	H1 2026			H1 2025		
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	**-352**	**304**	**-48**	**-1,575**	**1,532**	**-43**
Bonds	-352	304	-48	-1,575	1,532	-43
Financial assets – AC	**10,288**	**-11,835**	**-1,547**	**-44,915**	**45,310**	**395**
Loans	6,636	-7,480	-844	-42,538	42,703	165
Bonds	3,653	-4,355	-703	-2,377	2,608	231
Liabilities						
Financial liabilities – AC	**4,588**	**-3,155**	**1,434**	**-11,151**	**12,429**	**1,278**
Deposits	-141	153	13	646	-667	-21
Bonds in issue	4,729	-3,308	1,421	-11,797	13,097	1,299
Total	**14,525**	**-14,686**	**-161**	**-57,641**	**59,272**	**1,630**

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	30 Jun. 2026	31 Dec. 2025
Assets	**215,255**	**230,068**
Financial assets – FVOCI	219	144
Financial assets – AC	215,037	229,923
Liabilities	**14,711**	**70,832**
Financial liabilities – AC	14,711	70,832
Total	**229,966**	**300,900**

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	30 Jun. 2026	31 Dec. 2025
Assets	**80,867**	**90,014**
Financial assets – FVOCI	4,011	6,470
Financial assets – AC	76,856	83,544
Liabilities	**206,898**	**206,313**
Financial liabilities – AC	206,898	206,313
Total	**287,765**	**296,328**

4.6 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

On 31 December 2021 HETA exited the resolution regime implemented under the Federal Act on the Recovery and Resolution of Banks. The company has been under resolution in accordance with the Aktiengesetz (Austrian Companies Act) since 1 January 2022. The HYPO NOE Group has no direct exposures to HETA, but holds receivables under a Kärntner Ausgleichszahlungsfonds (Carinthian Compensation Payment Fund, KAF) debtor warrant, which is regularly remeasured.

The main pillars of the valuation have remained largely identical to those applied as at 31 December 2025. The regular update of the market parameters for the valuation (interest and liquidity costs) was carried out as at 30 June 2025.

4.6.1 Fair value hierarchy

The table below summarises the fair value hierarchies of all the financial instruments held by the HYPO NOE Group.

30 Jun. 2026 EUR '000	Carrying amount	Fair value	Fair value measurement		
			Level 1	Level 2	Level 3
Assets					
Cash and balances at central banks	614,880	614,880	592,978	21,902	-
Financial assets – HFT	89,361	89,361	-	55,335	34,026
Financial assets – mandatorily FVTPL	80,477	80,477	-	1,921	78,556
Financial assets – FVOCI	124,127	124,127	116,438	5,001	2,688
Financial assets – AC	15,511,762	15,525,958	1,946,072	82,182	13,497,703
Positive fair value of hedges (hedge accounting)	229,966	229,966	-	229,966	-
Total assets	**16,650,573**	**16,664,769**	**2,655,489**	**396,307**	**13,612,973**
Liabilities					
Financial liabilities – HFT	78,189	78,189	-	77,938	251
Financial liabilities – FVO	6,275	6,275	-	-	6,275
Financial liabilities – AC	15,381,332	15,221,845	519,031	8,175,617	6,527,197
Negative fair value of hedges (hedge accounting)	287,765	287,765	-	287,765	-
Total liabilities	**15,753,561**	**15,594,074**	**519,031**	**8,541,320**	**6,533,724**

30 Jun. 2025 EUR '000	Carrying amount	Fair value	Fair value measurement		
			Level 1	Level 2	Level 3
Assets					
Cash and balances at central banks	1,608,555	1,608,555	1,589,046	19,509	-
Financial assets – HFT	146,853	146,853	-	92,401	54,453
Financial assets – mandatorily FVTPL	66,337	66,337	-	7,403	58,934
Financial assets – FVOCI	173,422	173,422	165,945	5,024	2,453
Financial assets – AC	14,963,177	14,800,345	1,700,925	80,319	13,019,100
Positive fair value of hedges (hedge accounting)	241,060	241,060	-	241,060	-
Total assets	**17,199,404**	**17,036,571**	**3,455,916**	**445,715**	**13,134,940**
Liabilities					
Financial liabilities – HFT	134,698	134,698	-	134,598	100
Financial liabilities – FVO	6,025	6,025	-	-	6,025
Financial liabilities – AC	15,791,073	15,556,001	1,009,549	8,175,338	6,371,114
Negative fair value of hedges (hedge accounting)	313,632	313,632	-	313,632	-
Total liabilities	**16,245,428**	**16,010,355**	**1,009,549**	**8,623,567**	**6,377,239**

There were no transfers of financial instruments between the different levels of the fair value hierarchy in the first half of 2026.

4.6.2 Fair value hierarchy: Level 3 disclosures

EUR '000	1 Jan. 2026	Gains/losses		Pur-chases	Sales	Transfers to/from Level 3	30 Jun. 2026	Unrealised gains or losses recognised in profit or loss as at 30 Jun. 2026
		Recog-nised in profit or loss	Not recog-nised in profit or loss					
Assets								
Financial assets – HFT	42,491	-8,465	-	-	-	-	34,026	-7,936
Financial assets – mandatorily FVTPL	56,633	683	-	24,166	-2,926	-	78,556	716
Financial assets – FVOCI	2,584	-	-1	104	-	-	2,688	-
Total assets	**101,708**	**-7,782**	**-1**	**24,271**	**-2,926**	**-**	**115,270**	**-7,220**
Liabilities								
Financial liabilities – HFT	118	134	-	-	-	-	251	-260
Financial liabilities – FVO	6,168	107	-	-	-	-	6,275	107
Total liabilities	**6,286**	**241**	**-**	**-**	**-**	**-**	**6,526**	**-153**

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. 2025	Gains/losses		Pur-chases	Sales	Transfers to/from Level 3	30 Jun. 2025	Unrealised gains or losses recognised in profit or loss as at 30 Jun. 2025
		Recog-nised in profit or loss	Not recog-nised in profit or loss					
Assets								
Financial assets – HFT	60,823	-6,371	-	-	-	-	54,453	-7,048
Financial assets – mandatorily FVTPL	60,518	1,502	-	-	-3,085	-	58,934	1,492
Financial assets – FVOCI	2,344	4	-6	-	-4	-	2,453	-
Total assets	**123,685**	**-4,865**	**-6**	**-**	**-3,090**	**-**	**115,840**	**-5,556**
Liabilities								
Financial liabilities – HFT	571	-471	-	-	-	-	100	117
Financial liabilities – FVO	5,839	186	-	-	-	-	6,025	186
Total liabilities	**6,410**	**-285**	**-**	**-**	**-**	**-**	**6,125**	**303**

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 "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 (DCF) or adjusted net asset value (NAV) are used to determine fair value. This item is made up entirely of equity instruments assigned to Level 3.

30 Jun. 2026, EUR '000	Fair value	Fluctuation (VaR)	Measurement method	Inputs
Financial assets – HFT	34,026	100	Hybrid Hull-White model; DCF model	Global CDS spreads
Financial assets – mandatorily FVTPL (excl. HETA)	47,544	1,210	DCF model	Premiums for credit and liquidity risk
Financial assets – mandatorily FVTPL, Stage 3 (excl. HETA)	245	4	DCF model	Premiums for credit and liquidity risk
Financial assets – FVOCI	2,688	n/a	Adjusted NAV model; DCF model	Adjusted equity (for adjusted NAV model); WACC (for DCF model); cost of equity (for both models)
Total assets	**84,503**	**1,314**		
Financial liabilities – HFT	251	1	Hybrid Hull-White model; DCF model	Global CDS spreads
Total liabilities	**251**	**1**		

31 Dec. 2025, EUR '000	Fair value	Fluctuation (VaR)	Measurement method	Inputs
Financial assets – HFT	42,491	114	Hybrid Hull-White model; DCF model	Global CDS spreads
Financial assets – mandatorily FVTPL (excl. HETA)	26,114	659	DCF model	Premiums for credit and liquidity risk
Financial assets – mandatorily FVTPL, Stage 3 (excl. HETA)	277	5	DCF model	Premiums for credit and liquidity risk
Financial assets – FVOCI	2,584	n/a	Adjusted NAV model; DCF model	Adjusted equity (for adjusted NAV model); WACC (for DCF model); cost of equity (for both models)
Total assets	**71,466**	**778**		
Financial liabilities – HFT	118	1	Hybrid Hull-White model; DCF model	Global CDS spreads
Total liabilities	**118**	**1**		

Change in fair value, financial assets – FVOCI (equity instruments)

	30 Jun. 2026	31 Dec. 2025
10% increase in adjusted equity	264	254
10% decrease in adjusted equity	-264	-254
50 bp increase in cost of equity	-21	-20
50 bp decrease in cost of equity	24	23

5 ADDITIONAL NOTES TO THE STATEMENT OF PROFIT OR LOSS

5.1 Net fee and commission income

H1 2026, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Total
Fee and commission income	**2,157**	**809**	**9,798**	**560**	**36**	**13,361**
Securities and custody account business	13	-	3,587	491	-	4,091
Payment transactions	328	413	3,234	32	13	4,021
Foreign exchange, foreign notes and coins, and precious metals	12	8	90	13	-	123
Other services	1,819	-	2,007	23	52	3,902
Other fee and commission income	-15	388	880	1	-28	1,225
Fee and commission expense	**-63**	**-15**	**-688**	**-420**	**16**	**-1,170**
Securities and custody account business	-1	-	-15	-191	-	-207
Payment transactions	-32	-12	-651	-230	-1	-926
Other services	-	-	-4	-	-	-4
Other fee and commission expense	-30	-3	-17	-	17	-33
Total	**2,093**	**794**	**9,110**	**140**	**53**	**12,191**

H1 2025, EUR '000	Public Sector	Real Estate	Retail and Corporate Customers	Treasury & ALM	Corporate Center	Total
Fee and commission income	**1,951**	**707**	**9,187**	**332**	**15**	**12,193**
Securities and custody account business	14	-	3,137	268	-	3,419
Payment transactions	360	346	3,113	23	19	3,860
Foreign exchange, foreign notes and coins, and precious metals	17	7	109	11	-	143
Other services	1,587	-	2,080	30	3	3,701
Other fee and commission income	-27	354	749	1	-7	1,070
Fee and commission expense	**-66**	**-25**	**-586**	**-391**	**1**	**-1,068**
Securities and custody account business	-1	-	-5	-171	-	-177
Payment transactions	-33	-15	-565	-219	-1	-833
Other services	-	-	-5	-	-	-5
Other fee and commission expense	-32	-10	-11	-	1	-52
Total	**1,885**	**682**	**8,601**	**-58**	**15**	**11,125**

5.2 Net other operating income

EUR '000	H1 2026	H1 2025
Other operating income	**6,823**	**13,241**
Income from real estate services and property development	1,422	1,302
Gains on foreign currency translation	1,376	5,036
Gains on investment property	975	1,306
Write-ups on intangible and tangible assets	895	-
Income from extinguished liabilities	686	37
Other rental income	320	214
Income from early repayments	282	244
Gains on the reversal of provisions	-	4,171
Sundry other expenses	866	931
Other operating expenses	**-1,312**	**-1,352**
Losses on investment property	-538	-905
Other taxes	-167	-181
Losses on the disposal of intangible assets, property, plant and equipment, and other non-financial assets	-4	-
Sundry other expenses	-603	-266
Total	**5,510**	**11,890**

The change in "Gains on the reversal of provisions", reported under "Other operating income", was mainly accounted for by the reversal of the provision for legal risks related to negative interest.

5.3 Administrative expenses

Analysis of administrative expenses

EUR '000	H1 2026	H1 2025
Staff costs	**-35,977**	**-35,677**
Wages and salaries	-27,964	-27,787
Pensions and other employee benefit expenses	-8,012	-7,891
Other administrative expenses	**-26,003**	**-24,913**
Premises	-2,350	-2,133
Office and communication expenses	-732	-645
IT expenses	-9,716	-9,178
Legal and consultancy costs	-1,939	-1,667
Advertising and entertainment expenses	-2,190	-2,215
Other administrative expenses	-9,077	-9,076
Financial stability contribution	-5,483	-5,357
Allocation to deposit insurance fund	-300	-500
Depreciation, amortisation and impairment	**-2,133**	**-1,940**
Depreciation and amortisation	-2,133	-1,940
Intangible assets	-235	-155
Buildings used by Group companies	-764	-733
Equipment, fixtures and furnishings (incl. low value assets)	-878	-792
Right-of-use assets (IFRS 16)	-256	-261
Administrative expenses	**-64,113**	**-62,531**

	H1 2026	H1 2025
Average number of employees (excl. on statutory leave)	613	628

6 ADDITIONAL NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1 Other assets and liabilities

Accounting policies

Other assets and liabilities largely relate to other non-bank receivables and liabilities.

The HYPO NOE Group continues to hold electricity and gas supply contracts, with maturities until 31 December 2029, in order to hedge energy prices for its expected consumption.

Based on the consumption data and forecasts that were updated in the first half of 2026, all contractually agreed supply volumes will remain exclusively for the Group's own use. As a result, the contracts still meet the criteria for the own use exemption under paragraph 2.4 IFRS 9 and are recognised as executory contracts.

Other assets

EUR '000	30 Jun. 2026	31 Dec. 2025
Offset receivables (public loan management)	19,816	18,012
Accruals and deferrals, and contract assets in accordance with IFRS 15	6,061	6,147
Properties taken into possession	1,414	1,398
Other offset receivables	960	3,063
Non-consolidated subsidiaries and associates	361	455
Trade receivables	319	397
VAT and other tax credits (other than corporation tax)	294	857
Sundry other receivables	1,369	820
Other assets	**30,594**	**31,149**

At the end of the period under review, 'Properties taken into possession' included four properties which were acquired by Strategic Equity Beteiligungen GmbH as the highest bidder with the aim of subsequently reselling them. The carrying amount totalled EUR 1,414thsd (31 Dec. 2025: EUR 1,398thsd).

Other liabilities

EUR '000	30 Jun. 2026	31 Dec. 2025
SEPA clearing offset liabilities	31,960	5,344
Trade payables	28,230	39,076
VAT and other tax liabilities (other than corporation tax)	8,520	19,801
Employee liabilities	7,587	6,202
Other offset liabilities	5,154	2,237
Accruals and deferrals, and contract liabilities in accordance with IFRS 15	4,113	3,087
Lease liabilities in accordance with IFRS 16	1,861	1,704
Offset liabilities (public loan management)	250	513
Sundry other liabilities	372	875
Other liabilities	**88,047**	**78,839**

7 TAXES

7.1 Income tax

EUR '000	H1 2026	H1 2025
Current income tax	-1,708	319
Current income tax on previous years	-11	-727
Deferred income tax	-2,706	-5,256
Total	**-4,414**	**-4,937**

7.2 Tax assets

EUR '000	30 Jun. 2026	31 Dec. 2025
Current tax assets	11,640	9,122
Deferred tax assets	431	605
Total	**12,071**	**9,727**

7.3 Tax liabilities

EUR '000	30 Jun. 2026	31 Dec. 2025
Current tax liabilities	540	6
Deferred tax liabilities	35,930	33,355
Total	**36,470**	**33,361**

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 based on 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 achieving 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 maintaining a balanced relationship between risks and coverage capital. To this end, eligible risk coverage capital is 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 HYPO NOE Group's organisational structure provides for a clear separation of front and back office functions (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 that confers final approval. In line with the internal division of responsibilities, the unanimous approval of the front and back office functions is required 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.

All risks that the HYPO NOE Group is in a position to manage are subject to a Group-wide, uniform limit system, which is monitored continuously. 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, and can be found in a separate document posted on the Group's website at www.hyponoe.at. In addition, the disclosure report and technical reporting files are uploaded to the EBA's central digital platform (Pillar 3 data hub [P3DH]).

In line with the guidelines for product launches, the introduction of new lines of business or new products, and entry into new markets, requires an 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. The Group limits its exposures primarily to businesses 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 involves the identification, measurement, aggregation and analysis of all the risks assumed, assessment of the adequacy of economic capital in relation to the risk profile, as well as the use and ongoing refinement of appropriate risk management systems.

Maintenance of adequate risk-bearing capacity is monitored by two control loops:

- The economic gone concern control loop protects creditors against exposure to customer liquidation. Risks are measured at a high confidence level (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 Bank 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.

Standing at 49.2% as at 30 June 2026, the Group's utilisation of its risk-bearing capacity was lower compared with 31 December 2025 (54.3%). This reflected a decrease in internal interest rate risk.

8.2.1 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 regular review of the Group’s recovery plan for 2025, as required by the Act on the Recovery and Resolution of Banks, is currently in progress. It involves assessing selected indicators – including defined threshold values – and the defined escalation process, as well as updating recovery measures including overall restructuring capacity and the modelled scenarios.

8.2.2 Bank-wide stress test

Derived from an economic analysis, scenarios relevant to the HYPO NOE Group’s business model are generated as part of the Bank-wide internal stress testing. 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 are reported to the Management Board together with proposed countermeasures, and presented to the Risk Management Committee (RICO) and Risk Committee.

In addition, a reverse stress test is carried out annually, and stress testing may also take place on a case-by-case basis.

8.2.3 Minimum requirement for own funds and eligible liabilities (MREL)

As at 30 June 2026, the HYPO NOE Group was obliged to comply with the following mandatory minimum requirements for MREL:

- 5.91% of leverage ratio exposure, or
- 21.97% of total risk exposure

The Bank’s own funds and eligible liabilities are well above the minimum requirements established by the regulator.

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 General information

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
- Options risk (volatility risk)
- Trading book risk
- Basis risk
- Credit valuation adjustment (CVA) risk
- Concentration risk inherent in market risk
- Commodity price 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 (particularly 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 limits, as well as 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 made to control the liquidity reserve, 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 material 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 assessing market risks
- Specifying and regularly evaluating 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 risk and reward expectations into account
- Compliance with statutory regulations and legal 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 supervisory requirements (identifier for an outlier bank).

Monitoring and quantifying interest rate risk is the responsibility of an independent back office department, Strategic Risk Management. This involves scrutinising 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 expertise-based estimates. 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 in terms of its impact on earnings.

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 to 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,

and coordinates regularly with Strategic Risk Management on decisions that have a bearing on interest rate risk. Interest rate risk management measures are ultimately executed by the Treasury/Capital Market/FI/IR Department.

The HYPO NOE Group makes use of fair value hedges that qualify for hedge accounting 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. Interest rate swaps are normally used as risk management instruments. Alternatively, the Bank uses new investment and refinancing business as a means of managing structured fixed-interest risk positions.

Current interest risk situation: total banking book

The following table shows the results of the six risk scenarios modelled in accordance with the regulatory requirements and the performance indicator identifying an outlier bank as at 30 June 2026 and 31 December 2025.

Regulatory interest rate risk, total banking book, change in present value, EUR '000	30 Jun. 2026	31 Dec. 2025
Scenario I: EBA parallel up	-23,641	-80,047
Scenario II: EBA parallel down	20,670	18,964
Scenario III: EBA steepener	-27,860	-20,659
Scenario IV: EBA flattener	11,230	-15,650
Scenario V: EBA short rate up	-3,579	-44,734
Scenario VI: EBA short rate down	-5,735	9,755
Worst-case scenario	**-27,860**	**-80,047**
Worst case as percentage of equity	**3.22%**	**9.23%**

The period interest rate risk for the two parallel interest rate shocks is as follows:

Interest income risk by period, EUR '000	30 Jun. 2026	31 Dec. 2025
Scenario I: EBA parallel up	12,002	-5,956
Scenario II: EBA parallel down	-18,419	-5,270

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, a present-value and a period-based approach are applied. Credit spread risk mainly arises due to own investments of liquidity reserves. The IFRS fair value of loans is included in the measurement of credit spread risk.

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.

Credit spread, VaR (holding period of one year, confidence level of 99.9%), EUR '000	30 Jun. 2026	31 Dec. 2025
Total credit spread risk	-40,734	-34,991

Under the period-based approach, the effect of changes in risk premiums on net interest income is 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 0.1% 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	30 Jun. 2026	31 Dec. 2025
Total credit spread risk	-596	-571

8.4.4 Other market risks

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 30 June 2026 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 residual foreign exchange risk for all open currency positions is regularly measured and monitored, using a VaR approach based on exchange rate fluctuations over time.

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 as defined by Article 94 CRR, and the volume of business is limited accordingly. Daily observation is performed by the Strategic Risk Management Department. Nominal holdings are also monitored and limited, as are foreign currency, interest rate and credit spread risks. During the first half of 2026 there were no instances of positioning in the small trading book.

Volatility risks in the HYPO NOE Group chiefly arise from embedded upper and lower interest rate limits on loans and deposits. The management and oversight of these exposures forms part of the management of interest rate risk in the banking book.

Basis risks arise from different discount curves for hedged items and hedges, as well as from the requirement to recognise the foreign currency basis when measuring the hedging instrument, but not the underlying transaction. 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 are discounted using the risk-free interest curve, while hedged transactions are discounted using the Interbank Offered Rate (IBOR) interest curve, which includes the interbank liquidity spread as well as the risk-free rate. Risk over the term of the instrument is determined for all transactions subject to hedge accounting, and for stand-alone derivatives, using a VaR approach based on historic variations in the OIS spread.

FX basis risks arise when the FX basis components in the hedged transaction do not qualify for hedge accounting although they are included in the valuation of the hedge instrument. 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. The risk is limited and regularly monitored.

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 using customary methods (expected exposure arrived at by means of a Monte Carlo simulation, and probability of default according to CDS curves). Global CDS curves are applied according to rating and sector. The effects of the CVA and DVA are recognised in consolidated profit or loss. These effects are regularly analysed.

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 planning and implementation of the medium-to-long-term refinancing strategy (structural liquidity risk).

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, with a view to maintaining sufficient, cost-effective liquidity coverage at all times.

This gives rise to the following fundamental liquidity risk management objectives:

- Maintenance of a sufficient liquidity buffer, based on suitable stress tests and limit systems, to ensure 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 objectives define the central aspects of liquidity risk management at the HYPO NOE Group:

- 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
- Compliance with statutory regulations and legal 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, primarily in the course of its regular meetings and from RICO.

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 Bank 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.

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 30 June 2026 was over 52 weeks (31 Dec. 2025: >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 likewise 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 254.1% as at 30 June 2026 (31 Dec. 2025: 206.26%). The liquidity position (LP) key indicator is employed to monitor the Bank's liquidity reserve. Additionally, movements in deposits are monitored on a daily basis, with negative deviations from the budget limited by means of an indicator.

Besides economic capital, a maximum annual gap determined by the Group's risk appetite, as well as the regulatory structural liquidity ratio (net stable funding ratio [NSFR]) are measured and managed in order to monitor structural liquidity risk. The Group's NSFR stood at 117.39% at 30 June 2026 (31 Dec. 2025: 119.69%).

Besides various internal limits, early warning indicators are in place to identify impending critical liquidity situations as early as possible, so that the Bank can initiate timely countermeasures.

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, as well as standard repo transactions. Transactions with development banks are another source of refinancing.

HYPO NOE Landesbank continued its successful and long-running capital issuance programme in the first half of 2026, issuing a EUR 500m senior preferred green bond.

The Group's liquidity position is solid. The refinancing mix adopted – comprising current account and savings account deposits, fixed-term deposits from institutional customers, repo transactions and capital issues – ensures that this will remain the case over the long term. This broad-based refinancing portfolio is supplemented by sufficient marketable securities.

Throughout the period under review, the regulatory indicators designed to limit liquidity risk – the Basel III indicators, LCR, NSFR and additional liquidity monitoring metrics (AMM) – were tracked on the basis of the published standards and reported to the Austrian regulator. Where applicable, the minimum regulatory requirements were observed. Compliance with the statutory regulations in day-to-day operations is assured going forward by their integration into the Group's internal liquidity risk management arrangements and planning processes, as well as strict internal standards and operational control processes.

The primary instruments used by the HYPO NOE Group to manage and cover short-to-medium-term maturities are its available liquidity reserve, cash reserves and overnight investments. The Group draws a distinction between HQLA and other ECB or GC Pooling repoable collateral.

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.

At the HYPO NOE Group, operational risks are managed by means of 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 and improvement of 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 also 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.

Two indicators triggered early warnings: "Number of court cases" (mainly relating to loan application fees) and "Vulnerabilities in IT systems listed as unresolved". The units responsible for these aspects took the necessary steps to effectively address the resulting challenges.

During the introduction of instant transfers, new patterns of fraud in payment transactions emerged in the Austrian banking sector. The Group continuously analyses these developments. Specific fraud-prevention measures have been enhanced, in particular by means of organisational modifications as well as intensive awareness-raising initiatives targeting customers and employees.

The rollout of a new ICS tool and the related update of the ICS methodology continued in the first half of 2026.

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.

Modern banking operations are heavily dependent on efficient, interruption-free ICT systems, and, with DORA, also subject to specific regulations – as a consequence, ICT risk monitoring and management are increasingly important. This type of risk is addressed jointly by the Operations and Strategic Risk Management departments, as part of the coordination of their information security actions.

ICT risks are identified, assessed, mitigated and documented using a specialised risk management tool, in close consultation with the operator of the Group's computer centre. 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.

Against this background, the current operational risk situation is still characterised by increasingly complex conditions, primarily in connection with ongoing digitalisation and the growing reliance on stable ICT processes. These developments are continuously monitored and addressed within the existing operational risk management framework.

8.7 Reputational risk

Reputational risk is the danger of direct or indirect damage to the HYPO NOE 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 local communities. 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.

Effective business processes, coupled with sound risk monitoring and management, are seen as laying the foundations for meeting those expectations. The HYPO NOE Group’s Code of Conduct outlines the common values and principles shared by its employees. The 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 for 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. Due to this upstream review – and as expected – no financing projects that contravened the ethics guidelines were identified in the first six months of 2026.

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-related topics are integrated into the HYPO NOE Group's operations as routine activities in the various departments. The ESG Committee has overall responsibility for managing these topics, while a cross-departmental working group is responsible for the implementation of ESG-related aspects within the Group. At present, the focus is on implementing the EBA guidelines on ESG risks. The goal is to ensure that ESG aspects are sustainably embedded in the Company, in accordance with the regulatory requirements.

Further steps aimed at incorporating ESG risks into the risk management system were taken in the first half of 2026. The emphasis was on the integration of scenario analyses, climate transition planning and strategic management. The Group began drawing up a climate transition plan, on the basis of the current materiality assessment. In parallel, further progress was made on implementing the EBA's ESG scenario analysis guidelines, with a view to systematically analysing climate-related impacts on the loan portfolio and integrating them into risk-management processes. In this regard, the business-environment analysis was expanded to include short-term, medium-term and long-term ESG risk perspectives, while work also began on preparing a climate-resilience analysis. This was supplemented by the first-time application of a quantitative module to analyse physical climate risks, in order to generate quantitative findings to underpin the results of the materiality assessment.

Future disclosure obligations under Art. 449a CRR were also analysed, with a particular focus on the specific requirements for completing the reporting templates and the data availability required to do so.

8.9 Other risks

"Other risks" include the following types of risk:

- Business risk (the risk 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 related to the Group's basic focus and business development)
- Macroeconomic risk (potential losses resulting from exposure to macroeconomic risk factors)
- Concentration risk – encompasses 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. See also Note 4.3.2 Off-balance-sheet transactions and contingent liabilities.

9 GROUP STRUCTURE AND RELATED-PARTY RELATIONSHIPS

9.1 Scope of consolidation

All subsidiaries that are directly or indirectly controlled by the parent and are material to presentation of the Group's assets, finances and earnings are included in the scope of consolidation of the HYPO NOE Group. The scope of consolidation is regularly reviewed. Besides the parent, HYPO NOE Landesbank für Niederösterreich und Wien AG, the Group comprises 48 Austrian subsidiaries (31 Dec. 2025: 48) 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. 2025: 15).

Changes in the scope of

Company name	Included in consolidation as at 30 Jun. 2026	Included in consolidation as at 31 Dec. 2025	Date of change	Reason
PPP Campus NWB GmbH	Equity method	n/a	09.03.2026	Formation
PPP Campus NWB GmbH & Co KG	Equity method	n/a	23.03.2026	Formation

9.2 Investments accounted for using the equity method

9.2.1 General disclosures on investments accounted for using the equity method

30 Jun. 2026, EUR '000	Domicile	Interest	of which indirect	Carrying amount as at 30 Jun. 2026	Profit or loss from continuing operations, H1 2026	Segment/ Corporate Center	Reporting date
Joint ventures				**13,417**	**1,563**		
Palatin Grundstückverwaltungs Gesellschaft m.b.H. in Liqu.	St. Pölten	-	-	-	3	Public Sector	liquidated
EH Solar Contracting Solutions GmbH	St. Pölten	50.00%	50.00%	261	-	Public Sector	30 Jun. 2026
Niederösterreichische Vorsorgekasse AG	St. Pölten	49.00%	-	10,427	1,204	Treasury & ALM	30 Jun. 2026
PPP Campus AM + SEEA GmbH	St. Pölten	50.00%	50.00%	19	-	Public Sector	30 Jun. 2026
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	50.00%	50.00%	2,076	209	Public Sector	30 Jun. 2026
PPP Campus RAP + LGG GmbH	St. Pölten	45.00%	45.00%	17	-	Public Sector	30 Jun. 2026
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	45.00%	45.00%	601	163	Public Sector	30 Jun. 2026
PPP Campus NWB GmbH	St. Pölten	49.00%	49.00%	17	-	Public Sector	30 Jun. 2026
PPP Campus NWB GmbH & Co KG	St. Pölten	49.00%	49.00%	-	-17	Public Sector	30 Jun. 2026
Associates				**24,536**	**1,616**		
EWU Wohnbau Unternehmensbeteiligungs-GmbH in Liqu.	St. Pölten	-	-	-	3	Real Estate	liquidated
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Mödling	47.56%	47.56%	795	-	Real Estate	30 Jun. 2026
"Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H.	Mödling	47.96%	47.96%	3,485	-	Real Estate	30 Jun. 2026
Gebau-Niobau Gemeinnützige Baugesellschaft m.b.H.	Mödling	45.67%	45.67%	542	-	Real Estate	30 Jun. 2026
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m.b.H.	Korneuburg	32.50%	-	2,816	234	Public Sector	30 Jun. 2026
Hotel- und Sportstätten- Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	45.41%	45.41%	672	-	Public Sector	30 Jun. 2026
NÖ. Landeshauptstadt - Planungsgesellschaft m.b.H.	St. Pölten	39.00%	39.00%	381	32	Public Sector	30 Jun. 2026
NOE Immobilien Development GmbH*	St. Pölten	48.50%	48.00%	14,734	1,617	Real Estate	31 Mar. 2026
VIVITliving GmbH	St. Pölten	24.50%	24.50%	856	-335	Real Estate	30 Jun. 2026
HYPO NOE Versicherungsmakler GmbH	St. Pölten	48.00%	-	256	65	Retail and corporate	30 Jun. 2026
Total				**37,953**	**3,178**		

*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.

31 Dec. 2025, EUR '000	Domicile	Interest	of which indirect	Carrying amount as at 31 Dec. 2025	Profit or loss from continuing operations, H1 2025	Segment/ Corporate Center	Reporting date
Joint ventures				**12,349**	**1,018**		
Palatin Grundstückverwaltungs Gesellschaft m.b.H.	St. Pölten	50.00%	50.00%	-	-3	Public Sector	31 Dec. 2025
EH Solar Contracting Solutions GmbH	St. Pölten	50.00%	50.00%	261	-3	Public Sector	31 Dec. 2025
Niederösterreichische Vorsorgekasse AG	St. Pölten	49.00%	-	9,749	664	Treasury & ALM	31 Dec. 2025
PPP Campus AM + SEEA GmbH	St. Pölten	50.00%	50.00%	19	1	Public Sector	31 Dec. 2025
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	50.00%	50.00%	1,867	215	Public Sector	31 Dec. 2025
PPP Campus RAP + LGG GmbH	St. Pölten	45.00%	45.00%	17	-	Public Sector	31 Dec. 2025
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	45.00%	45.00%	438	143	Public Sector	31 Dec. 2025
PPP Campus NWB GmbH	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PPP Campus NWB GmbH & Co KG	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Associates				**23,576**	**2,531**		
EWU Wohnbau Unternehmensbeteiligungs-GmbH	St. Pölten	48.00%	-	-	254	Real Estate	31 Dec. 2025
Gemeinnützige Wohnungsgesellschaft "Austria" Aktiengesellschaft	Mödling	47.56%	47.56%	795	-	Real Estate	31 Dec. 2025
"Wohnungseigentümer" Gemeinnützige Wohnbaugesellschaft m.b.H.	Mödling	47.96%	47.96%	3,485	-	Real Estate	31 Dec. 2025
Gebau-Niobau Gemeinnützige Baugesellschaft m.b.H.	Mödling	45.67%	45.67%	542	-	Real Estate	31 Dec. 2025
Gemdat Niederösterreichische Gemeinde-Datenservice Gesellschaft m.b.H.	Korneuburg	32.50%	-	3,235	327	Public Sector	31 Dec. 2025
Hotel- und Sportstätten- Beteiligungs-, Errichtungs- und Betriebsgesellschaft m.b.H. Leasing KG	St. Pölten	45.41%	45.41%	672	11	Public Sector	31 Dec. 2025
NÖ. Landeshauptstadt - Planungsgesellschaft m.b.H.	St. Pölten	39.00%	39.00%	348	14	Public Sector	31 Dec. 2025
NOE Immobilien Development GmbH*	St. Pölten	48.00%	48.00%	13,117	1,960	Real Estate	30 Sep. 2025
VIVITliving GmbH	St. Pölten	24.50%	24.50%	1,191	-82	Real Estate	31 Dec. 2025
HYPO NOE Versicherungsmakler GmbH*	St. Pölten	48.00%	-	191	47	Retail and corporate	30 Sep. 2025
Total				**35,925**	**3,549**		

*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.

9.2.2 Detailed disclosures on material investments accounted for using the equity method

NOE Immobilien Development GmbH (NID)

NID specialises in property development, housing construction and neighbourhood development, with a focus on Lower Austria and Vienna. 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 DCF approach, in line with the gross method.

During the first half of 2026, the peer group used to ascertain the discount rate was reconstituted by means of systematic, criteria-based screening (primarily on the basis of business models, statistical relevance and data availability). This was done to reflect a deterioration in the credit rating of an individual comparative company. This brought about a shift in the median rating of the non-investment-grade peer group, which had recently been reduced to five companies. In the absence of observable yields for 30-year, EUR-denominated corporate bonds in this rating category, the discount rate could no longer be reliably calculated using the previous peer-group composition; even an approximate derivation of the borrowing costs based on the worst rating category for which observable yields are still available would have significantly exceeded the externally published cost of capital for the real estate sector that is observable on the market. The valuation

methodology remained unchanged. A back-calculation for the new peer group to 31 December 2025 produced a WACC after tax of 6.86%, compared with 6.90% for the previous composition; the impact of the adjustment on the recoverable amount is immaterial.

NID: key assumptions (%)	30 Jun. 2026	31 Dec. 2025
Pre-tax discount rate (WACC)	8.78%	8.53%
CAGR in the budgeting phase	5.27%	5.46%
Long-term growth rate in the pension phase	0.00%	0.00%

Based on the impairment test, recognition of an impairment gain of EUR 1,848thsd in the equity-method valuation of NID was necessary as at 30 June 2026, mainly as a result of NID's net debt as at 31 December 2025, as well as the related update in the company's valuation. The recoverable amount still corresponds to the value in use.

Change in value in use, EUR '000

Sensitivity analysis	30 Jun. 2026	31 Dec. 2025
25 bp increase in pre-tax discount rate	-1,267	-1,368
25 bp decrease in pre-tax discount rate	1,324	1,432

9.2.3 Other disclosures on investments accounted for using the equity method

VIVITliving GmbH

Impairment testing indicated the need for recognition of an impairment loss of EUR 147thsd in the equity-method valuation of VIVITliving GmbH as at 30 June 2026. This was triggered by the shareholders' plan to dispose of all of the company's housing construction projects while discontinuing its independent project development activities; the marketing process for the projects has already been launched. The calculation of the recoverable amount assumed the disposal of all projects at fair value less the costs of disposal (Stage 3) and continues to be measured on the basis of the fair values of the properties according to new external valuations.

9.3 Disclosures on related-party relationships

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.

30 Jun. 2026 EUR '000	Parent companies	Non-consolidated subsidiaries	Associates	Joint ventures	Other related parties	Identified staff
Open balances						
Selected financial assets	**2,386,870**	**107,208**	**482,994**	**21,816**	**806**	**3,817**
Equity instruments	-	124	19,681	13,250	239	-
Bonds	41,240	-	-	-	-	-
Loans	2,345,630	107,084	463,312	8,566	567	3,817
Selected financial liabilities	**332,965**	**922**	**113,351**	**3,483**	**9,154**	**6,562**
Deposits	332,965	922	113,351	3,483	8,632	5,832
Bonds in issue	-	-	-	-	522	730
Nominal value of loan commitments, financial guarantees and other commitments	**153,660**	**10,182**	**54,604**	**3,430**	**8**	**174**
Loan commitments, financial guarantees and other commitments received	**2,783,182**	**-**	**-**	**-**	**-**	**-**
Nominal value of derivatives	**517,224**	**-**	**-**	**-**	**-**	**-**
Current period						
Interest income	37,698	1,533	6,529	295	9	40
Interest expense	-2,189	-3	-774	-3	-51	-79
Dividend income	-	-	656	526	22	-
Fee and commission income	1,538	1	243	1	11	1

31 Dec. 2025 EUR '000	Parent companies	Non-consolidated subsidiaries	Associates	Joint ventures	Other related parties	Identified staff
Open balances						
Selected financial assets	**2,421,317**	**104,455**	**490,744**	**21,001**	**960**	**3,347**
Equity instruments	-	124	18,754	12,349	284	-
Bonds	36,905	-	-	-	-	-
Loans	2,384,412	104,331	471,990	8,652	676	3,347
Selected financial liabilities	**111,668**	**399**	**107,027**	**892**	**27,955**	**6,429**
Deposits	111,668	399	107,027	892	27,442	5,820
Bonds in issue	-	-	-	-	513	609
Nominal value of loan commitments, financial guarantees and other commitments	**155,294**	**13,335**	**32,708**	**-**	**1,127**	**155**
Loan commitments, financial guarantees and other commitments received	**2,799,295**	**-**	**-**	**-**	**-**	**-**
Nominal value of derivatives	**530,994**	**-**	**-**	**-**	**-**	**-**
Current period						
Interest income	84,264	3,463	13,352	602	40	75
Interest expense	-5,581	-347	-1,740	-6	-92	-157
Dividend income	-	-	2,085	1,019	-	-
Fee and commission income	3,132	2	317	5	20	1

10 EVENTS AFTER THE REPORTING PERIOD

HYPO NOE Landesbank provided support in the form of a bidding platform for the sale of subsidised homebuilding loans issued by the State of Lower Austria. Under a purchase and trust agreement with the State, subsidised homebuilding loans with a nominal value of around EUR 400m were acquired on 8 July 2026. These loans were refinanced through deposits raised from institutional investors by way of a tender process.

DECLARATION BY THE COMPANY'S LEGAL REPRESENTATIVES

We hereby confirm that, to the best of our knowledge, the condensed 2026 interim consolidated financial statements of the HYPO NOE Group give a true and fair view of the Group's assets, finances and earnings as required by the applicable accounting standards, and that the Group interim operational and financial review gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim consolidated financial statements, and of the principal risks and uncertainties to which the Group will be exposed during the remaining six months of the financial year.

IAS 34 was applied in the preparation of the condensed 2026 interim consolidated financial statements. Essentially the same accounting policies were applied as to the financial statements for the year ended 31 December 2025.

St. Pölten, 6 August 2026

The Management Board

Wolfgang Viehauser
Management Board Member Markets and Speaker of the Board

responsible for

Sales Strategy, Digitalisation & Retail Banking
Marketing & Communication
Public Sector
Corporates
Real Estate
Treasury & ALM
Press Spokesperson

Udo Birkner
Management Board Member Finance, Risk & Operations

responsible for

Group General Secretariat HR & Law
Compliance, AML & Regulatory
Finance
Risk
Organisation & IT
Operations
Internal Audit
Information security

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Important information

The greatest possible care has been taken in preparing this semi-annual financial 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 this interim 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.

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