

## Corona crisis: S&P affirmed HYPO NOE Landesbank's solid single A rating, outlook "stable"

### Issuer Credit Rating

- S&P Global affirmed the solid single A issuer credit rating on HYPO NOE Landesbank
- Outlook on only two Austrian banks set to "stable" - one of which is HYPO NOE Landesbank
- Outlook on five Austrian banks revised to "negative" from "stable"

### HYPO NOE Landesbank "stable" in times of crisis

As at 29 April 2020, the international rating agency S&P Global adjusted its classifications for Austrian banks as a result of the corona crisis. In this context, the rating agency did not revise the outlook on HYPO NOE Landesbank - as one of only two banks - to "negative". Despite the COVID-19 pandemic, the outlook on the Lower Austrian state bank was set to "stable". At the same time, the solid single A rating on HYPO NOE Landesbank was affirmed. S&P Global believes the non-performing loan (NPL) ratio of the Bank of Lower Austria to stay below the Austrian market average and notes that HYPO NOE Landesbank remains one of the best capitalised banks in Austria, with a risk-adjusted capital (RAC) ratio significantly above 15%.

The rating agency explained the outlook revisions with increased downside risks to credit profiles stemming from the economic and financial market implications of the COVID-19 pandemic.

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*With a high proportion of public sector and large-scale non-profit housing finance, our business model is based predominately on low-risk exposure. This business mix has proven its worth for more than 130 years, emphasizing that we are in a more stable position, especially in times of crises.*

### Wolfgang Viehauser

Management Board Member Markets and Speaker of the Board

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### Low-risk business model

HYPO NOE Group's low-risk portfolio has proved to be a key differentiator. At the end of 2019, a high 79% of the total assets of EUR 14,6bn was accounted for by public sector and large-scale non-profit housing as well as the Group's treasury portfolio, kept primarily for the fulfilment of regulatory requirements. The overall portfolio shows a high level of collateralisation. The exposure of HYPO NOE Group towards the currently in particular affected sectors of gastronomy and tourism is of any significant volume.

### In a robust position

HYPO NOE Group has been doing solid business in recent years and is well prepared for future challenges thanks to its efficiency enhancement programme “Zukunftsfit 2020”. As at 31 Dec. 2019, the Group reported a CET1 ratio of 19.19%, making it one of the best-capitalised banks relative to Austrian and EU comparables. The asset quality continued to increase, the NPL ratio decreased to 0.96%. Also, the result from the underlying operating business continued to improve. In 2019, operating income rose significantly while administrative expenses were further reduced. Based on this development, HYPO NOE Landesbank is again living up to its reputation as a dependable commercial bank, stable state bank and specialised mortgage bank.

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*We did our homework: With a CET1 ratio of 19.19% and an NPL ratio of 0.96% we are well prepared for the crisis. In addition, we have an effective and proven BCM system and have converted operations into remote mode. The Bank is in the position to fulfil all its tasks.*

### Udo Birkner

Management Board Member Finance, Risk & Operations

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### Bank in remote mode

HYPO NOE Group has had a comprehensive business continuity management (BCM) concept for several years. Based on a regularly updated business impact analysis (BIA), the corresponding contingency plans for the business-critical functions are developed and tested. The proportion of home office access has recently increased massively, making the bank fully operational in all areas, even when operated remotely.

Further information on the measures taken on COVID-19 can be found at [www.hyponoe.at/en/ir](http://www.hyponoe.at/en/ir).

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### HYPO NOE Landesbank für Niederösterreich und Wien AG

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

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<sup>1</sup> By total assets (2018 consolidated financial statements) and date of establishment