HYPO OOE

Annual Report

2024

This annual report is a translation from the original German, which was the version audited by KPMG and the only legally binding report.

This is how far
a bank should go.

Dear customers, valued business partners,

HYPO Oberösterreich can look back on another successful financial year, despite the difficult economic environment in 2024. In terms of customer acquisition, we were able to carry the momentum from the record year 2023, attracting more than 3,100 new customers to HYPO Oberösterreich. We were able to reach the 3 billion mark in customer deposits over the course of the year for the first time in our bank's history, thereby further improving the diversification of our refinancing base.

We were able to increase our financing volume by around 415 million – not least because we succeeded in initiating the turnaround in the housing construction sector. An increase of around 16% in new privately financed housing construction contracts meant that we were able to showcase our position impressively as Upper Austria's leading housing bank. We also confirmed our role as a strong partner and trustworthy player on the international capital market by overachieving on our 2024 issue plan with around EUR 600 million in issues. The recently confirmed top rating (A+/A–1, with a stable outlook) also provides testament of our bank's positive development.

This year was also characterised by digital innovation at HYPO Oberösterreich: our new credit service platform makes us one of the few banks in Austria to offer fully digital processing of loan agreements. And with the new digital format HYPO DirektPlus, we are focusing on customers with sharp digital skills who favour digital processing for their financial transactions with the added benefit of personal advice.

We are looking to the future with confidence, despite all the incalculable factors. The current financial year involves some important decisions for us. Our new HYPO Added Value Strategy 2030 and new brand identity 'HYPO OOE: This is how far a bank should go.' means that we are honouring our promise of supporting our customers as a reliable partner at crucial moments in their lives.

On behalf of the Management Board and all our employees, I would like to say a sincere thank you for the successful cooperation over the past year. Your trust provides an incentive for us to continue on our successful pathway and move HYPO Oberösterreich forward in line with our strategic priorities.

Klaus Kumpfmüller
Chairman of the Management Board

Allocation of responsibilities

Chairman of the Management Board
Klaus Kumpfmüller

Doctors, liberal professions and private banking
Marcel Kohl-Peterke, authorised signatory

Asset and liability management/treasury
Christoph Zoitl, authorised signatory

Branch sales
Marietta Kratochwill, authorised signatory

Key Accounts
Wolfgang Kastl, authorised signatory

Corporate customers and real estate projects
Alexander Wienerroither, authorised signatory

Marketing
Rainer Kargel

Sustainability & securities
Hans-Jörg Preining

OÖ Hypo Leasinggesellschaft m.b.H.
Helmut Schrems and
Alexander Wienerroither, authorised signatory

Human resources
Kerstin Ebenführer, authorised signatory

Sales support
Tanja Hartl

Management Board office
Petra Pilz from 1 January 2025

Member of the Management Board Thomas Wolfsgruber

Controlling
Oliver Tölle

Financing
Mario Eidinger, authorised signatory

Real estate companies
Helmut Schrems, Walter Lindinger-Pesendorfer and Andreas Zeitlhofer from 2 January 2025

Information technology
Thomas Theusinger

Internal audit
Bettina Undesser

Accounting
Stefan Meier, authorised signatory

Law and corporate development
Serena Denkmair, authorised signatory

Risk management
Georg-Dominik Stangl

Environmental, safety and infrastructure management
Gerhard Garbeis

Key figures 2024

Total assets

8,748

EUR million
2023: EUR 8,677 million

Loans and advances to customers

6,569

EUR million
2023: EUR 6,155 million

Liabilities to customers

2,926

EUR million
2023: EUR 2,930 million

Securitised liabilities

4,759

EUR million
2023: EUR 4,421 million

Consolidated pre-tax profit for the year

30.8

EUR million
2023: EUR 42.9 million

Consolidated after-tax profit for the year

25.9

EUR million
2023: EUR 35.6 million

CIR (cost-income ratio)

53.0

%
2023: 54.8%

ROE (return on equity)

5.6

%
2023: 8.2%

Tier 1 capital ratio

13.2

%
2023: 14.1%

Report of the Supervisory Board

The eventful year 2024 was characterised by global crises, persistent weakness in the economy, political uncertainty and geopolitical risks. HYPO Oberösterreich was able to master the associated challenges thanks to foresighted planning and very good performance as a team. HYPO's added-value strategy once again proved to be a reliable guide and was redefined as part of the ongoing evaluation for the next five years until 2030. With its overriding goal 'Growth & Profitability', it lays the foundation for the path focused on customers and growth that HYPO Oberösterreich also intends to pursue in the future.

In the 2024 financial year, the Supervisory Board of HYPO Oberösterreich fulfilled the duties incumbent upon it by virtue of the law and the articles of association. The Management Board reported regularly and comprehensively on the situation and development of the Bank and the Group.

The accounting, the annual financial statements in accordance with the provisions of the Austrian Commercial Code (UGB) / Austrian Banking Act (BWG), the consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as at 31 December 2024, the Management Report and the Group Management Report for the 2024 financial year have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audits did not give rise to any objections and the legal requirements were fully complied with. The unqualified audit certificate was thus issued.

At the meeting held on 31 March 2025, the Supervisory Board examined the annual financial statements and the consolidated financial statements as at 31 December 2024, the Management Report and the Group Management Report for the financial year 2024. The annual financial statements prepared by the Management Board were approved by the Supervisory Board in accordance with Section 96(4) or the Austrian Stock Corporations Act. The Management Board's proposal on the appropriation of profit was approved.

The Bank's work is particularly important in a challenging, dynamic environment. We would like to thank the Management Board and all employees for this.

Linz, March 2025

The Chairman of the Supervisory Board

Othmar Nagl

Governing bodies of the Bank

Supervisory Board

Chairman:
Othmar Nagl
(General Manager OÖ Versicherung AG)

Deputy Chairmen:
Heinrich Schaller
(General Director Raiffeisenlandesbank Oberösterreich AG)

Michael Tissot
(tax advisor)

Members:
Volkmar Angermeier
(President of the Supervisory Board Raiffeisenlandesbank Oberösterreich AG)

Miriam Eder
(Head of Controlling, Auditing & Compliance BBRZ Group)

Klaus Fürlinger
(Member of the National Council, lawyer)

Michael Glaser
(Member of the Managing Board of Raiffeisenlandesbank Oberösterreich AG)

Horst Haudum
(Managing Director of OÖ Landesholding GmbH)

Elisabeth Kölblinger
(Tax advisor)

Reinhard Schwendtbauer
(Member of the Managing Board of Raiffeisenlandesbank Oberösterreich AG)

Delegated by the Works Council:
Kurt Dobersberger
(Chairman of the Works Council, HYPO Oberösterreich)

Andrea Koppe
(Deputy Chairwoman of the Works Council HYPO Oberösterreich)

Claudia Kastenhofer

Silvia Häusler

Roland Raab

Supervisory commissioner of the federal state of Upper Austria:
Thomas Stelzer
(Governor of the federal state of Upper Austria)

Deputy supervisory commissioner of the federal state of Upper Austria:
Christiane Frauscher
(Managing Director of OÖ Landesholding GmbH, Finance Director of the federal state of Upper Austria)

State Commissioner:
Hans-Georg Kramer
(Federal Ministry of Finance)

Deputy State Commissioner:
Sigrid Part until 31 December 2024
(Federal Ministry of Finance)

Elena Guggenberger from 1 February 2025
(Federal Ministry of Finance)

Management Board

Chairman of the Management Board:
Klaus Kumpfmüller

Member of the Management Board:
Thomas Wolfsgruber

Cover pool trustee

Cover pool trustee:
SAXINGER Rechtsanwalts GmbH (formerly: Saxinger, Chalupsky & Partner Rechtsanwälte GmbH)

Branches

Linz – "ServiceCenter Landstraße"
Manager: Lydia Kropfreiter
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landstrasse@hypo.at

Linz – "Bahnhof-LDZ"
Manager: Christian Tucho
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Tel. 0732 / 65 63 90
bahnhof@hypo.at

Linz – "Bindermichl"
Manager: Christian Stuffner (deceased on 15 February 2025), Andreas Nigl; Julia Hemetsberger (from 10 February 2025)
Stadlerstraße 19, 4020 Linz
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Linz – "Eisenhand"
Manager: Franz Minichberger
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Manager: Marina Ilic
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Vienna
Manager: Sebastian Szabo
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Ownership structure

Strong owners

The federal state of Upper Austria owns 50.57% of HYPO Oberösterreich. Its shares are held via OÖ Landesholding GmbH (which is wholly owned by the federal state of Upper Austria). Hypo Holding GmbH holds 48.59% of the shares. Raiffeisenlandesbank Oberösterreich Aktiengesellschaft and Oberösterreichische Versicherung Aktiengesellschaft are shareholders in this company. This results in the following calculated equity investments in HYPO Oberösterreich: Raiffeisenlandesbank Oberösterreich Aktiengesellschaft 41.14% and Oberösterreichische Versicherung Aktiengesellschaft 7.45%. The Bank's employees hold a 0.84% stake in HYPO Oberösterreich. The subscribed share capital of the Bank amounts to EUR 14,663,590.

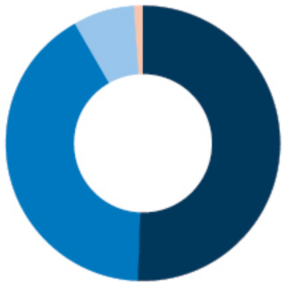
Top ratings confirmed

HYPO Oberösterreich was once again able to maintain its top position in the Austria-wide 2024 rating comparison and impressed with its low-risk business model, its persistent strong capital adequacy and the good quality of its assets. The Bank has therefore once again received confirmation of its top rating of 'A+' from the international rating agency S&P Global, and the stable outlook has also been confirmed. This puts HYPO Oberösterreich's rating at the top of all Austrian commercial banks.

Both cover pools were rated by S&P Global again in 2024 and once again convinced analysts: with renewed cover pool ratings of 'AA+ with stable outlook', HYPO Oberösterreich continues to have an excellent basis for a future-proof refinancing structure.

As at the reporting date, the latest sustainability rating from the international agency 'ISS ESG' (September 2023) corresponds to that of the previous year. HYPO Oberösterreich therefore has prime status, with a significant improvement achieved in the 'Environment' area in particular.

Ownership structure in %



S&P Global Ratings

Issuer rating	A+	Stable outlook
Mortgage cover pool	AA+	Stable outlook
Public cover pool	AA+	Stable outlook

ISS ESG

Sustainability rating	C	Prime

Group Management Report

Business development and economic situation

Positive net income despite a difficult environment

HYPO Oberösterreich can look back on a very successful 2024 financial year. The 'HYPO Added Value Strategy 2025' once again proved to represent a solid foundation in the final year that it applied and continued to be implemented consistently.

Consolidated pre-tax profit for the year decreased to EUR +30.8 million (2023: EUR +42.9 million) compared to the 2023 financial year, which was in many respects a record-breaking one. The total assets increased in 2024 to EUR 8,747.7 million (2023 :EUR 8,676.7 million).

Key success factors were a further increase in the financing volume, strong investment business, particularly in customer deposits, and very good net interest and commission income.

New all-time high in the lending business

HYPO Oberösterreich further expanded on its remarkable position as a credit bank in 2024 in a challenging market environment. The financing volume increased by +6.7% to EUR 6,569.3 million (2023: EUR 6,154.5 million). The growth of around EUR +415 million required a new business volume of around EUR 900 million. The main reason for the increase in the financing volume was the Key Accounts segment (this includes Large-scale housing, Public institutions, Corporate customers and real estate projects as well as Church and social organisations), in which the volume increased by +13.3% to EUR 3,738.8 million (2023: EUR 3,300.3 million).

HYPO Oberösterreich's excellent market position as a credit bank is also reflected in its position as a housing bank. Despite the still highly challenging conditions for private residential property financing, a new volume of around EUR 185 million was achieved in privately financed housing construction, an increase of +1.9% on the previous year.

Risk provisions were increased to EUR 46.5 million (2023: EUR 28.5 million) as at the reporting date due to the challenging market situation, particularly in the real estate business and industry. However, HYPO Oberösterreich's credit risk metrics continue to show good values. The key NPL (non-performing loans) ratio was 2.45% at the end of 2024 (2023: 1.35%) and is therefore still clearly in the low-risk range (below 3%) according to the European Banking Authority's (EBA) risk dashboard.

Further consolidation of the capital market presence

The issue plan 2024 provided for EUR 555.0 million to refinance the growth strategy and in particular the maturities of the long-term tender transactions of the European Central Bank (ECB) totalling EUR 200.0 million. The plan was overachieved with a volume of EUR 606.7 million.

The core element was a covered bond issue backed by mortgage with a volume of EUR 250.0 million planned for the second half of the year. Thanks to intensive investor work in the run-up to the placement, this covered bond was successfully issued at the beginning of October with a term of just under six years at a spread of mid-swap +48bp despite challenging economic conditions. HYPO Oberösterreich's position as a strong partner and trustworthy player on the capital market was confirmed with an order book of over EUR 500 million and investors from Austria, Germany, Scandinavia, France and Luxembourg.

The company also provided an impressive demonstration of its leading position in this segment with a volume of EUR 171.1 million in housing construction convertible bonds (housing bonds). The volume of securitised liabilities increased by a total of + 7.7% to EUR 4,759.0 million (2023: EUR 4,420.6 million).

Stable development in customer deposits

The development of customer deposits in 2024 showed differences in the customer segments. As in 2023, strong growth was recorded among private customers. Term deposits were in particularly high demand. By contrast, there was less liquidity deposited by institutional Key Accounts as at the reporting date.

Liabilities to customers fell slightly at a high level by –0.2% to EUR 2,925.6 million (2023: EUR 2,930.2 million). In combination with the issue volume, the Bank therefore continues to have an excellent liquidity position to continue on its defined growth path.

Stable interest and net fee and commission income

Net interest income increased by +3.0% to EUR +101.8 million (2023: EUR +98.9 million). This was mainly due to the expansion of business and the improvement in margins. Additions to risk provisions were increased significantly compared to 2023 due to the deterioration in the general conditions, particularly in the real estate sector. They had an impact in 2024 of EUR –31.9 million (2023: EUR –11.8 million). As a result, net interest income after risk provisions fell by –19.6% to EUR +70.0 million (2023: EUR +87.0 million). The companies accounted for using the equity method, i.e. Beteiligungs- und Wohnungsanlagen GmbH and Beteiligungs- und Immobilien GmbH, also made a positive contribution to net income in 2024 in the amount of EUR +5.8 million (2023: EUR +6.8 million).

The Bank's commission-based business also grew in 2024. Net fee and commission income increased by +8.9% to EUR +18.2 million (2023: EUR +16.7 million) mainly due to increased income from the securities business and stable net income at a high level from the lending business and payment transactions.

Net financial income totalled EUR +0.6 million (2023: EUR –3.4 million). This increase is due to measurement effects with regard to slight improvements in creditworthiness. General administrative expenses increased by +6.2% to EUR –70.6 million (2023: EUR –66.5 million The main reasons for this included in particular salary increases under collective labour agreements and index-related adjustments to other expenses.

In contrast, the net other operating income improved to EUR +6.7 million (2023: EUR +2.2 million). This is because no contributions to the statutory resolution and deposit insurance funds were prescribed in comparison to 2023, as the statutory volume has already been reached for both funds.

HYPO Oberösterreich's cost-income ratio (CIR) was 2024 at 53.0% (2023: 54.8%). The calculation of the key figure is explained in Note (52) Segment reporting.

Overall, this led to a consolidated pre-tax profit for the year of EUR +30.8 million (2023: EUR +42.9 million). Consolidated after-tax profit for the year decreased to EUR +25.9 million (2023: EUR +35.6 million).

The return on equity (ROE) in 2024 thereby amounted to 5.6% (2023: 8.2%). This is calculated by dividing the consolidated pre-tax profit for the year by the average equity.

In the statement of comprehensive income, other consolidated comprehensive income for the year was significantly influenced by the measurements for equity investments in public limited companies, which must be recognised at market value (e.g. share price) in the statement of financial position at the end of the year. HYPO Oberösterreich indirectly holds a 1% stake in voestalpine AG and a 0.5% stake in Austria Metall AG and Energie AG Oberösterreich. The measurements led in 2024 to a negative contribution to other consolidated comprehensive income for the year of EUR –23.4 million (2023: +9.8 million).

The reversal of past measurement losses over time (pull-to-par effect) led to a remeasurement of bonds in the securities portfolio in 2024 in the amount of EUR +4.4 million (2023: EUR +7.7 million). In the case of own issues, the narrowing of spreads led to a remeasurement loss of EUR –3.0 million (2023: EUR +11.6 million). The total consolidated comprehensive income for the year in 2024 thereby amounted to EUR +8.6 million (2023: EUR +57.9 million).

Capital adequacy

Group (IFRS)

Retaining earnings creates the basis for offsetting the increasing capital requirements resulting from growth. Regulatory own funds increased only slightly to EUR 583.9 million (2023: EUR 581.5 million) due to negative measurement requirements in other consolidated comprehensive income for the year.

The growth in the asset-based customer business led to a significant increase in the total risk exposure amount to EUR 3,931.9 million (2023: EUR 3,655.2 million). As at 31 December 2024 this results in a total capital ratio of 14.9% for the HYPO Oberösterreich Group (2023: 15.9%).

Bank (UGB/BWG)

Taking into account a planned dividend, EUR 27.6 million were allocated to reserves. As a result, regulatory own funds were increased to EUR 531.5 million (2023: EUR 508.8 million) and the increase in own funds requirements due to the growth was offset. The increase in the total risk exposure amount to EUR 3,705.9 million (2023: EUR 3,439.8 million) reduced the total capital ratio to 14.3% (2023: 14.8%).

According to the SREP decision from 2024, as at 31 December 2024 there is an additional own funds requirement of 0.9% for both the Group (2023: 1.1%) and the Bank of 0.9% (2023: 0.2%).

Please refer to item (45) in the Notes for information on own shares.

As at 31 December 2024, HYPO Oberösterreich had a minimum requirement for own funds and eligible liabilities (MREL) of EUR 2,257.4 million (2023: EUR 1,987.8 million).

Total Risk Exposure Amount (TREA)

With a target MREL of EUR 718.4 million (2023: EUR 610.4 million), this results in an MREL surplus of EUR 1,539.0 million (2023: EUR 1,377.4 million).

Leverage Ratio Exposure (LRE)

With a target MREL of EUR 477.8 million (2023: EUR 471.6 million), this results in an MREL surplus of EUR 1,779.6 million (2023: EUR 1,516.1 million).

In accordance with the Capital Requirements Regulation (CRR), own funds are as follows:

Own funds in accordance with CRR	Group (IFRS)		Bank (UGB/BWG)	
in EUR million	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Solvency assessment basis (total risk exposure amount)	3,931.9	3,655.2	3,705.9	3,439.8
Minimum own funds requirement (8%)	314.5	292.4	296.5	275.2
Common Equity Tier 1 capital – ACTUAL =				
Tier 1 capital – ACTUAL	517.2	516.6	461.1	438.8
Common Equity Tier 1 capital ratio =				
Tier 1 capital ratio	13.2%	14.1%	12.4%	12.8%
Supplementary own funds – ACTUAL	66.7	64.9	70.4	70.0
Supplementary own funds	1.7%	1.8%	1.9%	2.0%
Total capital – ACTUAL (regulatory own funds)	583.9	581.5	531.5	508.8
Total capital ratio	14.9%	15.9%	14.3%	14.8%
Excess own funds	269.4	289.1	235.0	233.6

Risk management

The risk strategy in place at HYPO Oberösterreich was derived from the requirements arising from the business strategy in conjunction with medium-term planning, the economic framework conditions and the legal national and European framework.

HYPO Oberösterreich has implemented a risk management system whose aim and task is to identify, measure and limit risks within the Bank.

Decisions on risk management are made by the Management Board on the basis of the principles established by risk management and the central considerations of the risk committee set up for this purpose, as well as the ALM committee for market and liquidity risks. The risk committee's task is to exchange information and advise on the Bank's risk situation on the basis of existing risk reports, to discuss the risk strategy and limit regime and to advise on proposals for risk optimisation.

Credit risk

Specific strategic guidelines for limiting credit risk in the asset classes of loans and advances to customers and for the Bank's own securities portfolio are anchored in the risk strategy and the limit regime.

The risk situation in the sub-portfolios can be optimised on an ongoing basis through the intensive and professional case-by-case assessment of new transactions or loan agreement amendments with individual credit ratings and collateral assessments. The counterparty risk, which is very good by external standards, was maintained; the NPL ratios have risen significantly due to market developments, but remain below average in a sector comparison. Developments in the commercial real estate sector and industry have led to an increase in credit default rates and higher risk provisions. These are below average in a sector comparison.

Market risk

In order to monitor the impact on the Bank's fair value and earnings situation, interest rate risk in the banking book and credit spread risk on the Bank's own debt instruments are managed in particular. Compliance with the risk strategy approved by the Management Board, the risk-bearing capacity and market risk limits and regulatory limits is monitored on an ongoing basis.

Climate-related risks and sustainability risk

The aim is to minimise potential damage from environmental and climate events that could have a negative impact on the known types of risk. Internal risk management is based on national and international legal requirements, our own developments for measuring and limiting sustainability risks and standard market procedures, which are implemented on an ongoing basis.

Sustainability risks are managed in accordance with the FMA guidelines in the usual categorisations of physical and transitory risks, each of which is considered a component of the existing risk types. Sustainability risk has been integrated into the material risk types and is part of the ICAAP. Accordingly, it is backed by risk capital and is subject to limitation (controlling). The effects of climate and environmental risks are currently measured in credit, credit spread and macroeconomic risk, using stress tests and scenario analyses.

Liquidity risk

HYPO Oberösterreich attaches great importance to matching maturities. To limit the risk from maturity mismatches, the Management Board has set limits for the operational and structural liquidity risk as well as for the regulatory key figures. The results of the stress tests show that HYPO Oberösterreich is in a position to meet its liabilities at all times.

Operational risk

In addition to our own assessments, operational risks are monitored by taking into account audit reports, risk reports (e.g. from IT), complaints, reported near-miss losses and the recording of losses that have actually occurred using a loss database.

The loss database serves as the basis for analyses and ongoing reporting to management on operational losses and incidents.

In addition, organisational measures (e.g. separation of front and back office) and IT measures are implemented to limit operational risk. An internal control system, competence regulations and audits by Internal Audit ensure a high standard of security. A central ICS has been implemented to minimise operational risk.

HYPO Oberösterreich collates information from various sources to assess cyber risks. This includes, among other things, regular OpKoord situation reports (OpKoord = operational coordination structure for cyber security in Austria under the organisational management of the Federal Ministry of the Interior), which are actively reviewed for relevance to HYPO Oberösterreichisch and measures are defined together with the relevant IT service providers if necessary.

Cyber risks and ICT risks are reported to the Management Board on a quarterly basis as part of the internal risk committee with measures implemented as necessary.

The internal control and risk management system with regard to the financial reporting process

By setting up and designing an internal control and risk management system, the Management Board ensures that business matters and transactions are properly recorded, processed, assessed and subsequently accounted for completely, correctly and in the period to which they apply. It also ensures that assets and liabilities are recognised, reported and measured correctly in the annual and consolidated financial statements.

All tasks and responsibilities of the financial reporting process are recorded chronologically in a process modelling system. The functions in the financial reporting process are clearly separated. The main risks and the corresponding internal controls are comprehensibly documented. The established controls are regularly reviewed and evaluated for their effectiveness. Standardised accounting and measurement methods are prescribed. Legal changes are constantly monitored and implemented in coordination with all affected areas. The process for preparing the financial statements follows a coordinated procedure and defined interfaces. The annual and consolidated financial statements are only approved once controls have been carried out at all stages. An integrated reporting software ensures the harmonised, validated and automated reporting of all legally required financial statement information in accordance with the dual control principle.

Appropriate control measures have been implemented to ensure compliance with IT security in relation to all relevant accounting systems. In addition, IT authorisations for sensitive activities are assigned restrictively.

In addition, the effectiveness of the internal control system is regularly reviewed by Internal Audit.

For further information on risk management objectives and methods as well as statements regarding existing risks, see the risk report in the Notes to the consolidated financial statements. The information pursuant to Part VIII of the CRR in conjunction with the Disclosure Regulation is published on the HYPO Oberösterreich website (www.hypo.at).

Branches & HYPO DirektPlus

In 2024, HYPO Oberösterreich operated the Service Center Landstraße in Linz and ten other branches. With the exception of one branch in Vienna, all branches are located in Upper Austria. Five branches are operated in the district capitals of Schärding, Ried, Vöcklabruck, Wels and Steyr, and Linz.

The branch in Vienna was relocated to the fourth district of Vienna-Wieden in August 2024 and reopened at Prinz-Eugen-Straße 8. The renovation of the Linz-Bindermichl branch began in October 2024 and the branch was relocated to alternative premises at Stadlerstraße 19 for the duration of the construction work.

HYPO DirektPlus

HYPO Oberösterreich has been offering the 'HYPO DirektPlus' digital platform since September 2024 to complement its physical branch sales. This online service format, which is offered throughout Austria, enables new and existing customers with digital skills to combine online banking with personal, individual advice from specially trained customer advisors.

Research and development

Digitalisation has long been more than just a trend and is now shaping the economy in almost all areas. Rapid digital progress is opening up new opportunities for the banking world in term of enabling more efficient processes and personalised services, while customers' expectations are also changing when it comes to interacting with their bank. HYPO Oberösterreich's aim in this respect is to develop innovative solutions that meet the needs of its customers and to position itself as a future-proof partner in the digital age.

HYPO Wallet
HYPO Wallet, a new mobile payment application from HYPO Oberösterreich, was introduced in 2024 to replace the previous HYPO ELBA-pay app. In addition to numerous practical functions such as contactless payment via NFC, convenient transfers of money from person to person or the management of digital customer cards from external service providers such as retail chains, it also offers a more user-friendly interface and an optimised user experience. The HYPO Wallet is available on both Android and iOS devices. Mobile payment by debit or credit card is possible with Android devices, while iOS users can still only pay with Apple Pay.

Changes were also made to the process of adding a card to Apple Pay in order to optimise both security and the user experience as part of the introduction of HYPO Wallet: the HYPO Mein ELBA app on the same device is required to integrate a new card into Apple Pay from now on. Confirmation is now made using pushTAN.

HYPO Mein ELBA app
New features were also added to the HYPO Mein ELBA app in 2024. Emphasis was placed on incorporating customer feedback with this. New features include the ability to adjust the transfer limit, edit profile information and integrate third-party bank accounts into the app. The features for contacting a personal advisor have been expanded to include the option of arranging a counselling appointment directly in the app or requesting a callback.

Artificial intelligence
In the field of artificial intelligence (AI), ways were sought in 2024 to incorporate AI into everyday work in a beneficial way. For example, customers who want to open their savings or current account online themselves can now also use the 'photo identification procedure'. An ID document is photographed, and the customer's identity is then confirmed with a selfie. This process is AI-supported and compares the photo on the ID card with the selfie. The proof of identity process is completed with a qualified electronic signature.

In addition, the 'AI and HYPO OOE' project explored the use cases and limits of artificial intelligence. The bank will be using the insights gained for future developments in order to further refine the customer experience. These include tailored offers or AI-supported measurement and validation processes that enable an even smoother digital transaction.

HYPO DirektPlus
HYPO OÖ has been offering a digital service format under the HYPO DirektPlus brand since September 2024 in order to better meet the needs of customers with digital skills, enabling it to continue its growth in the private customer business (see "Branches & HYPO DirektPlus").

For HYPO DirektPlus in the fourth quarter of 2024, a new e2e route was designed for opening online portfolios. This enables new customers to open a securities account by themselves including a current account at hypo-direktplus.at. The entire process takes just a few minutes, including the proof of identity process.

Home loan service
Another innovation in 2024 included the development of the digital home loan service, including an efficient customer journey. Customers can use the home loan service to have a financing plan drawn up for a specific property and then apply for a loan, in a secure environment with their own login.

We want to continue to improve our digital offerings in 2025. A key focus will be on the introduction of INFINITY, the new electronic banking portal for corporate customers. This web-based platform will replace the existing ELBA mbs.

Macroeconomic environment and capital markets

Further slowdown in growth

The two major war zones continued to dominate events in 2024, with Russia continuing its war of aggression in Ukraine. There are still no signs of an end to the conflict, even though the new US President Donald Trump has promised a solution within the first few months of taking office.

The conflict between Israel, Hamas terrorists and the Hezbollah militia in the Gaza Strip and Lebanon also continued throughout the year. The Israeli military and intelligence services succeeded in eliminating several high-ranking Hamas leaders, which significantly worsened the terrorist organisation's position. Based on an initiative of outgoing US President Joe Biden, negotiations on a ceasefire and the exchange of hostages and prisoners took place around the end of the year and were successfully concluded in early 2025.

Following years of rule by Syrian ruler Bashar al-Assad, an offensive by Islamist militias began at the end of November that took the military regime completely by surprise. Countless cities were conquered and the regime was overthrown within just under two weeks. Al-Assad fled to Russia and the Islamists took control of the country. Although the new rulers emerged from a branch of the terrorist organisation Al-Qaeda, a more peaceful time seems to be dawning for the battered Syria under their leadership. Coupled with the peace efforts in the Gaza Strip, 2025 could therefore bring a temporary end to the conflicts in the Middle East.

In addition to these conflicts, the global public also looked eagerly to the United States of America, where a new president was elected at the beginning of November 2024. Donald Trump was elected the 47th President of the USA and announced radical measures during the election campaign, ranging from mass deportations of illegal immigrants and massive punitive tariffs on goods imports to the plan to annex Greenland. This disruptive policy poses major challenges for the world and will certainly shape 2025.

Global economic growth remains rather subdued in this environment, as the monetary policy of many central banks is also rather restrictive and interest rate cuts were not on the agenda until the second half of the year. The International Monetary Fund (IMF) projected growth of +3.2% in January 2025 for 2024 as a whole, which is still below the historical average of +3.8% since 2000. A slightly higher increase of +3.3% is forecast for 2025 and 2026. Inflation rates are continuing to fall and are expected to reach 5.7% in 2024, according to the IMF. A further slowdown is predicted in the subsequent two years, with prices expected to rise by 4.2% in 2025 and just 3.5% in 2026.

However, the economic situation on both sides of the Atlantic could not be more different. Europe continued to suffer from very low growth in 2024. The eurozone only recorded an increase of +0.8%, while Germany even ended up in a recession of –0.2% in 2024. Only a slight improvement is also forecast for 2025 with growth of +1.0% for the eurozone. Once again, the economy in the United States proved to be much more robust. Extremely low unemployment rates and stable consumption led to economic growth of +2.8% in 2024, according to the IMF. Growth of +2.7% is also expected for 2025 supported by Donald Trump's business-friendly policies.

In the wake of Germany, Austria is one of the laggards of the European Union in terms of economic growth and is in the middle of a recession. The winter forecast by the Institute for Advanced Studies (IHS) from the fourth quarter of 2024 predicts a –0.9% decline in economic output in 2024 due to the ongoing crisis in the construction industry and the weakening automotive supply sector. Supported by falling interest rates and a slight improvement in consumer sentiment, a slight increase of +0.7% is expected again in 2025, rising to +1.3% in 2026.

Inflation stabilises

As a year, 2024 was characterised by a significant stabilisation of inflation rates. The absence of external shocks meant that there were no distortions in commodity prices. Higher interest rates also helped to further curb inflation rates. The inflation rate in the eurozone fell from 2.9% at the end of 2023 to 1.7% at the end of September. However, the low point was reached for the time being due to the European Central Bank's (ECB) initial monetary easing. The inflation rate had risen again to 2.4% by the end of the year. The fall in Austria was much more pronounced after starting at a high level of 5.6%. The low point here also was 1.8% at the end of September, and 2024 ended with the inflation rate at 2.0%. The trend in the USA was very similar to that in Europe, falling from 3.1% in January 2024 to 2.4% by September. There was a slight upturn in the inflation rate to 2.9% by the end of the year.

Money market interest rates lowered

After interest rates by both the ECB and the US Federal Reserve (Fed) peaked in 2023, 2024 was characterised by interest rate cuts. The fall in inflation and the extremely sluggish growth prompted the ECB to lower the deposit rate at which commercial banks deposit money at the central bank in June for the first time since 2019. From an initial value of 4.0%, the rate fell in 0.25% increments to 3.0% by the end of the year. This was also the first time in its history that the ECB began a cycle of interest rate cuts before its counterpart in the USA. Interest rates were cut on the other side of the Atlantic for the first time in September. As with the deposit rate, there were also four interest rate steps downwards. At its meeting in September, however, the ECB adjusted the difference between the deposit rate and the key interest rate, meaning that the key interest rate was lowered once by –0.6% to reach the new spread of 0.15%. The key interest rate therefore fell overall from 4.5% to 3.15% by 2024 year-end. Following the interest rate cuts already made in January and March, HYPO Oberösterreich expects two further cuts of –0.25 percentage points each in the first half of 2025, meaning that the ECB key interest rate (main refinancing rate) should be in the region of 2.15% by the middle of the year.

The performance of the 3-month Euribor was very similar to that of the deposit rate. The year started with a value of 3.905% and the Euribor remained almost constant until the end of April. In anticipation of interest rate cuts, a decline began in May and intensified significantly from September onwards. Fuelled by the prospect of further interest rate cuts by the ECB, the 3-month Euribor ended the year at 2.714%. Developments on the capital markets were much more stable. Yields on ten-year Republic of Austria Government Bonds started the year at around 2.6%, rose to just under 3.2% over the course of the year and ended the year at around 2.8%. Yields on ten-year German government bonds moved in a very similar way. Here there was an increase of around +2.1% to just under 2.4% by the end of the year.

Due to the strong economic data, the US Federal Reserve waited until September before lowering interest rates again for the first time. This was immediately followed by an aggressive interest rate cut of –0.5%, which took the markets somewhat by surprise. Starting from the key interest rate range of 5.25 to 5.5%, this and two further interest rate cuts in November and December resulted in a year-end level of 4.25 to 4.5%. However, this could mean that the level has already bottomed out. At most one further interest rate hike is expected in 2025. Yields on ten-year US Treasuries were more volatile than their European counterparts. After starting the year at 3.9%, they rose to 4.7% in April, then fell to 3.6% by September with the expectations of an interest rate cut. Once it became clearer to the markets that interest rate cuts could come to an end as early as 2025, yields rose again significantly before ending the year at around 4.6%.

Significant gains on the stock markets

The prospect of interest rate cuts and implementation of these over the course of the year created a positive mood on the stock markets. The Dow Jones started at 37,689 points with an almost steady rise to just over 45,000 points by the beginning of December. Profit-taking at the end of the year then led to a decline to the final value of 42,544 points, which represented a substantial increase of almost +12.9%. Germany's leading index the DAX performed even better, rising by 18.8% from 16,751 points to 19,909 points. Once again, Austrian shares were unable to keep pace with the international stock markets. Investors in this country were concerned about their investments following crises such as the Signa bankruptcy and KTM insolvency and the significantly gloomier economic outlook, and remained reluctant to invest further. The ATX rose by only +6.6% over the course of the year, from 3,435 points at the beginning of the year to 3,663 points at the end. However, the high point was already reached in May at around 3,775 points.

Economic outlook weakens the euro against the US dollar

With key interest rates remaining constant in the first half of the year, there was still little movement in the euro/US dollar exchange rate on the foreign exchange market. The fluctuation range was extremely narrow at between around 1.07 and 1.10. The FED's wait-and-see attitude even caused the dollar to weaken to almost 1.12 in September. However, the euro only went downwards following this. The prospect of Donald Trump's 'America First' policy in his second term of office, coupled with the weak economic situation in Europe, led to a fall in the exchange rate to 1.03 at the end of the year. As growth in the USA is expected to remain higher than in Europe and interest rates on the other side of the Atlantic are also likely to remain higher, the strength of the US dollar is expected to continue. In Switzerland, the Swiss National Bank began cutting interest rates even before the ECB, which is why the value of Swiss franc initially fell significantly against the euro. The exchange rate had risen from 0.93 to 0.99 by May. However, the franc repositioned itself as a strong currency after this and – combined with the weaker outlook for the eurozone – the exchange rate fell to 0.94 by the end of the year.

Lending business

There was another significant increase in loans and advances to customers in 2024 to EUR 6,569.3 million (2023: EUR 6,154.5 million).

Key Accounts

The financing volume in the Key Accounts segment rose sharply to EUR 3,738.8 million (2023: EUR 3,300.3 million).

Large-scale housing and Public institutions

The Large-scale housing subsegment showed a significant increase to EUR 1,464.7 million (2023: EUR 1,319.1 million). The share of loans and advances to customers increased to 22.3%. This enabled the company to defend its excellent market position as a reliable financing partner for large-scale housing construction in Upper Austria and even increase its financing volumes in other federal provinces.

In the Public institutions subsegment (Public institutions and Church and social institutions), the financing volume as a long-standing financial partner of the public sector also increased significantly to EUR 1,423.0 million (2023: EUR 1,225.7 million).

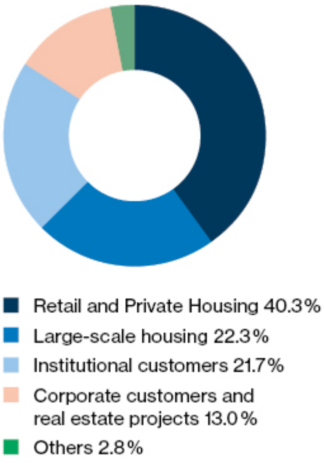
Corporate customers and real estate projects

Despite persistently challenging market conditions, the volume in the Corporate customer and real estate projects subsegment increased to EUR 851.2 million (2023: EUR 755.5 million) as a result of the consistent continuation of segment diversification.

Retail and Private Housing

The Retail and Private Housing segment, HYPO Oberösterreich's core business area, is characterised by a high level of expertise and comprehensive advice and support. At EUR 2,646.0 million (2023: EUR 2,696.5 million), the financing volume is only slightly below the previous year's level despite the persistently challenging conditions in private housing construction (due to the KIM regulation (aimed at limiting systemic risk in debt-based financing of residential real estate at banks), high construction costs and interest rates). Fortunately, the significant decline in subsidised homebuilding in Upper Austria was largely offset by positive new production figures in privately financed housing construction. Overall, the traditionally good position as a housing bank for private customers and the excellent market position for doctors and the liberal professions was successfully defended in 2024 despite the highly competitive market. The share of total loans and advances to customers fell to 40.3%, in particular due to strong growth in the other segments.

Breakdown of loans and advances to customersby segment
Total volume as at 31 December 2024: EUR 6,569.3 million



Sustainability in the lending business

HYPO Oberösterreich is a regional bank in majority public ownership. As such it stands for holistic, long-term and mutually beneficial customer relationships. HYPO Oberösterreich is also committed to ethical and sustainable behaviour with regard to environmental, social and governance standards. By joining the Green Finance Alliance, HYPO Oberösterreich is making a public commitment to this.

The Green Finance Alliance commits its members to specific actions to make their core business climate-neutral by 2050. HYPO Oberösterreich's science-based climate targets were approved by the Science Based Targets initiative (SBTi) in 2024. SBTi has thereby confirmed that the climate targets contribute to the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius if possible. HYPO Oberösterreich's climate targets therefore correspond to the highest level of ambition currently available at SBTi.

Based on the year 2022, the targets include the reduction of financed greenhouse gas emissions (GHG emissions) by 2030

- by 55.9% per square metre in the commercial real estate portfolio,
- by 53.4% per square metre in housing construction mortgages and
- by 70.9% per kWh generated in the area of energy production.
- In addition, the aim is for 35.8% of other financed companies (excluding SMEs) to submit and validate science-based targets by 2028.

HYPO Oberösterreich also rules out new financing in the area of fossil fuels and intends to phase out existing financing of this kind by 2030 unless the companies concerned have set themselves science-based climate targets in line with the Paris Agreement. HYPO Oberösterreich's loan and leasing portfolio does not include any significant financing in the coal sector (financing volume < EUR 0.2 million). In the oil value chain, the lending business is very low at EUR 2.3 million. In line with the defined engagement approach, HYPO Oberösterreich will support its affected corporate customers in the transformation to a sustainable business model.

HYPO Oberösterreich further developed the integration of environmental, social and governance factors in the lending process in 2024. A separate workflow was implemented for corporate and commercial real estate financing in order to standardise this. This makes physical environmental risks, transitory risks and sector-specific sustainability factors more transparent even before the lending occurs. Further development of the workflow is planned for 2025.

HYPO Oberösterreich calculates the financed emissions annually on the basis of the international standard of the Partnership for Carbon Accounting Financials (PCAF). The results are published in the sustainability report. Measures are constantly being taken to improve the quality of the calculations. Increased use of primary data for corporate financing and further development of the in-house calculation method are planned for 2025 in line with the further development announced for the standard.

Further information on sustainability can be found in the sustainability report available in German ("*Nachhaltigkeitsbericht*") on the HYPO Oberösterreich website (www.hypo.at).

Securities business

The US economy proved to be surprisingly robust in 2024. Not only was a recession avoided, but there was not even any significant slowdown in the economy, driven by the dominant service sector and strong consumer spending. Inflation rates on both sides of the Atlantic fell significantly over the course of the year, which enabled the European Central Bank (ECB) and the US Federal Reserve (Fed) to initiate a turnaround by cutting interest rates. In economic terms, Europe proved to be difficult, in particular Germany and Austria, while China and numerous emerging markets also continued to experience weak growth. As in the previous year, the Austrian economy remained in recession in 2024. The industrial economy and the construction sector remained weak in particular, while consumption could only improve over the course of the coming year.

The global stock markets performed well despite a weak economy in some cases and numerous geopolitical trouble spots. The leading US index S&P 500 closed the year with a strong gain of around 23.3% in local currency terms, driven primarily by technology shares as a result of positive growth expectations from artificial intelligence. The Stoxx Europe 600 price index rose by around +6.0% and the Austrian ATX by around +6.6%.

HYPO Oberösterreich's customer assets invested in securities rose by +4.0% year-on-year to EUR 1,538.7 million at the end of 2024. The increase was driven in particular by growth in retail customers of +6.1% to EUR 688.3 million and in private banking customers of +6.7% to EUR 317.4 million.

Securities fee and commission income increased by 10.2% year-on-year to EUR 9.1 million. Increases in the cost of living for customers had a noticeable impact among fund savers. The number of fund savings plans implemented fell by –1.5% year-on-year. While bond sales in the retail segment fell from EUR 90.6 million to EUR 57.6 million, fund sales increased from EUR 25.3 million to EUR 42.4 million. Ongoing digitalisation in the securities business continued to be reflected positively in the increase in the proportion of securities customers with ELBA access by +6.7% year-on-year to 88.7% as at 31 December 2024.

The general economic conditions for 2025 remain mixed. Relatively weak economic prospects in Europe and global geopolitical risks are likely to be offset by further falls in key interest rates and a robust US economy.

Marketing

Cohesion & optimism

Team spirit and optimism – these were the key terms that characterised HYPO Oberösterreich's marketing activities in 2024. The focus was on two advertising campaigns in spring and autumn, which communicated the Bank's values in a concise manner.

In keeping with 2024 as a super year for sports (with the European Football Championship and the Olympic Games), the spring campaign focused on the long-standing partnership with Linz football club LASK, linking the world of banking with the world of football. LASK goalkeeper Tobias Lawal acted as a brand ambassador for the club in adverts and commercials. The campaign picked up on values such as cohesion, determination, support and success, which are hugely significant both in sport and for HYPO Oberösterreich.

HYPO Oberösterreich used the "*Lebe los*" (Live your life) campaign to make an emotional appeal in the autumn. This conveyed confidence and optimism in uncertain times and encouraged people not to be unsettled by the gloomy mood in the housing construction sector, and instead to make use of the advisory services offered by HYPO Oberösterreich in order to test prospects. The campaign was aimed at people at different stages of life, such as a young couple dreaming of owning their own home, parents who are providing for their children's future, or at people of a more advanced age, who can still expect plenty of adventures in retirement. The campaign was accompanied by the "*Lebe los*" weeks with an advisory focus including a variety of special offers such as a pension bonus or discounts on fund savings plans.

Brand relaunch

As a year, 2024 was also characterised by a redesign for HYPO Oberösterreich's brand identity. Building on an intensive process, many facets of the brand were rethought over the following months, from the colour scheme to the logo and the company's slogan. The updated website will be rolled out over the course of 2025 and will gradually become visible for users to experience in HYPO Oberösterreich's branches and on all communication channels.

Human resources management and development

HYPO Oberösterreich was once again recognised as an outstanding employer in 2024. Well-known business magazine 'Trend' and Austria's largest online platform for employer ratings 'Kununu' have been looking for the three hundred best employers in Austria since 2017 as part of an independent survey. Since the seal was established, HYPO Oberösterreich has been able to prove itself among the best employers every year and in 2024 is in the top third of all employers and seventh place in the 'Banking and financial services' sector.

A good corporate culture and respectful interaction with one another are not just empty words at HYPO Oberösterreich but are part of a long tradition.

Multiple cogs need to work together in order to make this possible. The '*Beruf & Familie*' (work & family) and '*Gesund & Zufrieden*' (healthy & happy) initiatives and the 'Diversity & Inclusion Circle' certainly make a significant contribution here.

Modern and sustainable HR work

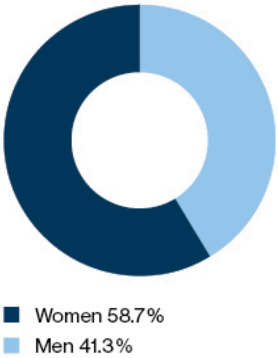
A new time recording system was introduced at HYPO Oberösterreich in August 2024, which represents a major step towards optimising internal work processes, simplifying the day-to-day work of employees and implementing the digitalisation strategy.

Comprehensive training for all employees has also improved the efficient use of M365 throughout the company. Coaching sessions are also constantly expanding use of the application in the departments.

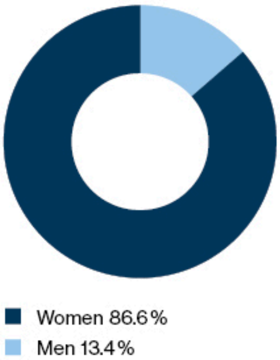
In 2024, 426 employees[1] (2023: 414 employees) contributed to the success of HYPO Oberösterreich. Of the 46 employees (2023: 45 employees) who left the company last year, 7 people (2023: 12 people) retired. Adjusted for retirements, this results in an employee turnover rate of 9.2% (2023: 8.0%). The average age of all employees is 43 years (2023: 42.3 years), the average length of service is around 13.4 years (2023: 13.5 years). The proportion of women at HYPO Oberösterreich rose slightly year-on-year to 58.7% (2023: 57.7%). At the end of 2024, an average of 176 employees (2023: 159 employees) worked part-time at HYPO Oberösterreich.

[1] excl. parental leave (14 employees) and maternity leave (4 employees)
All figures relate to the number of employees
(= headcount, annual average rounded to whole numbers)

Employees



Part-time



Healthy at work

The prerequisite for happiness and good cooperation over the long term is above all a healthy working life. This is even more true in a time of an 'ageing society'. HYPO Oberösterreich has therefore been focusing on maintaining the health of its employees for a long time.

This takes place in the form of our BGF (Workplace Health Promotion) project 'Healthy and happy', which organises and provides ongoing health promotion and maintenance measures.

A rowing and tennis course, various presentations on topics such as nutrition, women's health and fitness, as well as a ski touring day and a bike excursion were organised for instance in 2024. In addition, the seminar programme was expanded to include presentations/seminars on improving mental health.

If health or mental issues arise, employees also have the option of free counselling from the company doctor or psychological support at work free of charge.

These programmes not only contribute to the health of employees, they also promote cooperation and work across different disciplines.

The fact that investing in health-promoting measures pays off is demonstrated by the very low sickness absence rate of 7.2 days per employee in Austria for 2024 (2023: 6.8 days per employee).

Balancing work and family

HYPO Oberösterreich has long since established family-friendliness as one of its key objectives. Back in 2007, HYPO Oberösterreich was the first bank in Upper Austria to take part in the certification process for the compatibility of family and career. HYPO Oberösterreich received its fifth certificate in 2024 for a further three years. The compatibility of professional development and starting a family is central for many employees, increasing satisfaction while also enabling the optimal utilisation of our employees' resources and skills.

Childcare was offered during the autumn holidays in 2024 to facilitate this compatibility, similar to the summer childcare that has been successful and popular for years.

Diversity & Inclusion

'Diversity creates added value' was the motto under which the 'Diversity & Inclusion – Circle' began its work in March 2024. This was presented to the company in a video message and, in line with the new 'Diversity & Inclusion Policy', has implemented initial actions which constitute a further building block in ensuring an outstanding corporate culture.

For example, information on the topic of 'Disability in working life' was made available on the intranet, the clothing standards were revised, and awareness of the topic was raised at departmental meetings.

The internal code of conduct was also revised with regard to diversity and the option was provided for employees in emergency services to receive special leave days for deployments. Preparations were also made for an upcoming diversity survey.

Wir sind ein familienfreundlicher Arbeitgeber!

Gütesiegel Betriebliche Gesundheitsförderung BGF 2023 – 2025

trend. TOP ARBEITGEBER 2024 BANKEN UND FINANZDIENSTLEISTUNGEN

Training and further education focused on the future

In addition to the working atmosphere, investing in good human resources development is a further important factor for success, particularly given the sometimes highly competitive labour market.

HYPO Oberösterreich is committed to recruiting and training school and university graduates and people changing careers who have no banking experience. They need solid basic training in order for them to develop into competent and future-oriented employees. In 2024, 36 employees (2023: 21 employees) completed the HYPO 1 and HYPO 2 examinations, thereby demonstrating that they had received precisely this basic training.

A further focus on training the future generation was launched in 2024 in the form of a new apprenticeship programme. Four promising candidates started their training in September.

Employees were able to apply for the 'Part-time study' programme for the third time in a row. Three colleagues took the plunge in 2024 and were accepted for a degree programme. With this measure, HYPO Oberösterreich is investing in expanding its expertise in banking-related topics and thereby also in the future viability of the Bank.

In addition to training new recruits, we continue to prioritise high standards for qualifications of all employees. This is the only way to maintain high-quality advice for customers and an excellent range of services.

Human resources development in figures	2024 *)	Change in %	2023
Expenditure for training and education in EUR thousand	800	+63.3	490
Expenditure per employee in EUR	1,879	+58.8	1,183
Average training days per employee	5.8	+33.9	4.3

*) The increase in training costs compared to 2023 is due among other things to the comprehensive expansion of digital skills for M365, the numerous specialised courses such as risk manager training and the many series of courses on current developments Business development

Business development in the segments

Business development in the Key Accounts segment

HYPO Oberösterreich can once again look back on a very successful 2024 financial year in the Key Accounts segment. The financing, deposit and payment transaction business of the following customer types is allocated to this traditionally important business area of the Bank: public and public-related customers (e.g. municipalities and companies under the influence of the public sector), customers from the non-profit housing sector and their subsidiaries as well as church and social organisations. Another area is the Corporate customers and real estate projects subsegment.

Overall, segment assets in the Key Accounts segment increased by +12.6% to EUR 3,947.5 million (2023: EUR 3,505.8 million). Segment liabilities decreased by –4.0% to EUR 1,376.5 million (2023: EUR 1,433.9 million).

Large-scale housing, Public institutions, Church and social organisations

HYPO Oberösterreich's solid ownership structure and excellent creditworthiness are particularly important to customers in the Key Accounts segment, which has enabled it to further expand its business activities in all areas. The high quality of advice and the degree of specialisation of the consultants for the respective customer groups is also valued and contributed to the success of the business.

New markets and customers were acquired primarily through referral marketing.

In the Key Accounts segment, the financing volume increased by 13.5% to EUR 2,887.6 million (2023: EUR 2,544.8 million) thanks to growth in all subsegments. Customer deposits remained at a stable high level of EUR 1,266.5 million (2023: EUR 1,275.2 million).

Corporate customers and real estate projects

The Corporate customers and real estate projects segment once again made considerable progress and achieved considerable success in 2024, further consolidating HYPO Oberösterreich's position in corporate banking. The division was able to maintain its position as an innovative and dynamic market player despite the difficult economic conditions, which were characterised by challenging economic developments and falling interest rates

A particular focus was placed on successful further development of subsidies. Thanks to the intensive cooperation with Austria Wirtschaftsservice Gesellschaft mbH (aws), the promotional bank of the Austrian federal government, numerous financing projects were realised, resulting in volumes once again exceeding the market level by +12.7% to EUR 851.2 million. This illustrates the significant appeal and efficiency of our solutions for customers.

A pioneering project was developed in the area of payment transactions in the second half of the year that lays the foundation for innovative solutions in 2025. The approaches developed create the ideal conditions for remaining competitive in a highly competitive market and fulfilling customer needs even more effectively.

The environment in the Real Estate segment continued to be characterised by uncertainty. However, falling interest rates also offered opportunities that could be utilised together with customers. Stable and sustainable solutions were successfully offered thanks to a high level of consulting and processing expertise and the application of current financing standards.

Business development in the Retail and Private Housing segment

The Retail and Private Housing segment comprises the Branch sales subsegment, the Doctors, liberal professions and private banking subsegment (ÄFP) and Subsidised private housing. HYPO Oberösterreich's strong market position in the federal province is also reflected in this division. HYPO Oberösterreich was able to further expand its leading position as a bank for doctors in private practice and in the area of private housing finance in 2024 (where growth was significantly above the market trend).

Segment assets fell slightly from a high level to EUR 2,646.0 million (2023: EUR 2,696.5 million). In contrast, segment liabilities increased by +1.5% to EUR 1,879.5 million (2023: EUR 1,852.1 million).

Net interest income fell due to lower margins at EUR +40.2 million (2023: EUR +43.0 million) at a slightly lower level than in the previous year, while net fee and commission income improved again to EUR +14.3 million (2023: EUR +13.3 million).

This segment also showed an excellent risk position in 2024: expenses from the change in risk provisions were e.g. reduced to EUR –0.1 million (2023: EUR –0.5 million).

General administrative expenses increased in particular due to the annual valorisation of personnel expenses to EUR –34.4 million (2023: EUR –32.7 million). Overall, consolidated pre-tax profit for the year in this segment amounted to EUR +19.8 million (2023: EUR +23.3 million).

Branch sales

HYPO Oberösterreich's standing in financing for private housing construction was also consolidated in the Branch sales subsegment in 2024. After a difficult year for the real estate sector in 2023, new business in privately financed housing construction increased in Branch sales by +11.6% in 2024 compared to the previous year.

In order to expand its strong market position in this area in this way, HYPO Oberösterreich relied not only on professional and personal advice, but also on product innovations such as the home loan with a climbing rate introduced in 2024: this adapts dynamically to the customers' life situation thanks to an initially reduced and annually adjusted repayment rate.

Digital communication and services have also been expanded: the new home loan service allows customers to precisely simulate their financing options and affordability, apply for a loan and submit the required documents conveniently online. In addition, digital signatures were introduced across the board to make processing even more convenient for customers. The expansion of this offering will continue in 2025.

In September 2024, HYPO DirektPlus was launched as a modern platform that enables new and existing customers with digital skills throughout Austria to combine online banking with personal advice from specially trained customer advisors. New customers can find digital banking services at www.hypodirektplus.at, from current accounts to securities account management.

A particular focus in 2024 was on optimising the customer experience with the 'Customer Experience' project. Comprehensive surveys, on-site analyses in the branches and detailed reviews of the advisory processes were carried out, resulting in initial adjustments to the advisory standards. In this context, the Vienna branch was also relocated to Vienna's fourth district of Wieden (Prinz-Eugen-Straße 8) and designed according to the latest customer-focused standards. The same concept is being implemented in the Bindermichl branch. Conversion work began here in autumn 2024.

From an accounting perspective, money under management in the Branch Sales segment increased by +11.3%. This was mainly due to growth in customer deposits thanks to attractive fixed interest rate offers and the expansion of the securities volume. Net fee and commission income improved again by +8.5%.

Doctors, liberal professions and private banking (ÄFP)

2024 was a very successful year in terms of acquiring new customers in the defined target groups (foundations, tax advisors, lawyers, pharmacies, doctors and medical students). 296 new customers were acquired in the target segment.

Events were held that were very much focused on target groups (simulation training, tax seminars, start-up seminars, digitalisation seminars, financial education courses) thanks in particular to new event formats with various network partners.

We successfully defended our leading role as a bank for doctors in private practice. Volumes also increased year-on-year by +2.0% in the housing finance area to EUR 132.9 million (2023: EUR 130.3 million). The financing of medical centres and primary care units (PCUs) was also highly successful in 2024. The Doctors, liberal professions and private banking (ÄFP) subsegment was able to further expand its portfolio volume and clear market leadership in this area in Upper Austria.

The year 2024 was also characterised by a focus on customers in the ÄFP subsegment, with the 'Beyond Banking' project initiated specifically for customers from the medical sector. Services and offers (such as financial education initiatives) are being developed as part of the project that go beyond the core business of a bank. A new support concept was implemented for customers in the private banking sector. The premises at the head office were modernised for this purpose. The quality of advice was also further improved with a wide range of measures such as new portfolio reports for our customers.

Subsidised homebuilding

As a reliable partner of the federal state of Upper Austria, HYPO Oberösterreich has been responsible for processing subsidised loans as part of the Upper Austrian subsidised homebuilding scheme for many years. The year 2024 was characterised by the introduction of a new funding option, which has been available to Upper Austrians since 1 July 2024. These are loans with a 35-year term and a 20-year fixed interest rate of 1.5%, made possible by an interest subsidy from the federal state of Upper Austria with involvement from the federal government.

House builders were cautious up to and including August 2024 in anticipation of the new subsidy option, which was reflected in low new lending figures. Yet the volume of new purchases rose sharply in the period from September to December, resulting in a total of 460 cases (owner-occupied homes and flats and terraced house rental purchases) with a new volume of EUR 41.6 million (2023: EUR 52.0 million). The financing volume in the subsidised homebuilding area fell to EUR 1,354.2 million (2023: EUR 1,488.0 million).

Business development in the Financial Markets segment

In-house investment

As a year, 2024 was characterised by slight growth in the securities portfolio, primarily due to a further expansion of the liquidity portfolio. This was achieved through additions of EUR 73.8 million in liquid securities, which were offset by repayments of EUR 41.9 million in this segment. The main drivers here were government bonds with a net growth of EUR +29.0 million, while liquid covered bonds also grew slightly. In the case of bank bonds on the other hand, consolidation took place with a slight net fall by EUR –2.8 million.

The total purchase volume of EUR 101.6 million was offset by maturities and cancellations amounting to EUR 84.7 million. Growth will continue to intensify in 2025, and an expansion of the securities portfolio is planned. With repayments scheduled for around EUR 33 million, the plan is for a total of EUR 150 million to be newly invested. The focus is once again on liquid securities at EUR 100 million.

Slightly lower interest rates led to a further decline in measurement losses in other comprehensive income (OCI) from the interest rate increases in previous years on debt instruments. In some cases, attractive credit spreads on government bonds and covered bonds meant that attractive returns could be achieved despite the lower interest rates. Additions to the securities portfolio were concentrated on bank bonds and covered bonds with a term of around 5 years. Government bonds were acquired with significantly longer maturities of almost 20 years, with the interest rate risk largely hedged through derivative transactions. Ambitious sustainability targets were planned for 2024 and these were implemented successfully. The acquisitions enabled us to increase the proportion of sustainable securities (green, social and sustainable bonds) in our own portfolio from 15.1% to around 21.4%.

Refinancing

The key refinancing requirements for 2024 were mainly characterised by the planned expansion of the lending business based on the growth strategy and the refinancing of issue maturities. The focus was also on further expanding and consolidating the sustainable hypo_blue product range.

The new business assumptions of the growth strategy plus the upcoming issue maturities and the maturities of long-term tender transactions of the European Central Bank (ECB) totalling EUR 200.0 million resulted in a total issue requirement of EUR 555.0 million for the 2024 calendar year according to the budget forecast. The planned capital requirement for the previous year 2023 was higher at EUR 815.0 million, but this was partly due to a significantly higher maturity exposure.

As in the previous year, the start of 2024 was also characterised by very strong issuing activity on the capital market. Following the first major wave in January, several private placements in the form of senior bonds were successfully placed. The schedule for a sub-benchmark covered bond of EUR 250.0 million, also planned for 2024, was scheduled for the second half of the year and was implemented at the beginning of October 2024.

The economic environment remained challenging in 2024. The European Central Bank adjusted its interest rate policy in June 2024 and lowered its key interest rates for the first time in a long time. Spreads on the capital market widened in the second half of the year, including for covered bond issues. The planned sub-benchmark mortgage covered bond issue of EUR 250.0 million was successfully placed in a difficult market phase at the beginning of October 2024 with a term of just under six years and good demand at a mid-swap spread +48bp. Our position as a strong partner and trustworthy player on the capital market was confirmed once again with an order book of over EUR 500 million and investors from Austria, Germany, Scandinavia, France and Luxembourg.

The 2024 issue plan of EUR 555.0 million, including the sub-benchmark transaction described above, was exceeded with a total issue volume of EUR 606.7 million (2023: EUR 897.1 million). The total issue costs averaged mid-swap +60 basis points. With a volume of EUR 171.1 million and an average term of twelve years, a significant portion of the refinancing in 2024 was again generated through the sale of housing bonds. A further 141.6 million in senior bonds were also placed on the market.

The volume of securitised liabilities increased on the previous year to EUR 4,759.0 million (2023: EUR 4,420.6 million). In addition to issuing activities, the focus was also on expanding the sustainable hypo_blue product range. The volume of hypo_blue products increased by EUR +17.3 million year-on-year to EUR 131.3 million. Various bond and account products also complement the hypo_blue product range.

The remaining exposure of EUR 200.0 million from the long-term tenders (TLTROs) provided by the ECB at the end of 2023 was eliminated completely in March 2024.

Liabilities to customers decreased to EUR 2,925.6 million (2023: EUR 2,930.2 million), with the volume of stable retail deposits increasing by +6.0%. Customers were focused on savings products with binding terms, with one- to two-year online savings products in particular demand.

HYPO Oberösterreich has a very comfortable liquidity position, and the Bank fulfils all regulatory liquidity requirements. At the end of 2024, the liquidity coverage ratio (LCR) was 192.4% (2023: 200.8%) and was therefore just below the previous year's figure. The net stable funding ratio (NSFR) was 122.8% (2023: 127.0%).

Business development in the Others segment

The subsidiaries of HYPO Oberösterreich are OÖ HYPO Leasinggesellschaft m.b.H. and the real estate companies.

OÖ HYPO Leasinggesellschaft m.b.H.

OÖ HYPO Leasinggesellschaft m.b.H. mainly handles leasing contracts for motor vehicles and movables, which are both brokered by HYPO Oberösterreich and acquired directly. Refinancing is provided by HYPO Oberösterreich, and no branch offices are maintained.

As at the reporting date on 30 September 2024, the acquisition costs of all of the company's leased and rental properties amounted to EUR 220.9 million, compared to EUR 204.8 million in the previous year.

In the 2024 financial year, the volume of new business in the vehicle and movables segment increased to a pleasing EUR 76.8 million, with EUR 36.6 million attributable to new vehicle leasing business and EUR 40.2 million to new movables leasing business. The leasing volume increased by +8.24% from EUR 157.8 million to EUR 170.8 million.

Despite the current economic challenges, new contracts at the start of the 2024/25 financial year continue to be favourable.

The plans for the coming financial year are based on a slight increase in new production and a consistently high demand for lease financing from companies and private customers. Ongoing efforts to digitalise business processes should enable even faster processing.

Real estate companies

2024 was a successful year for HYPO Oberösterreich's real estate companies. As at the reporting date on 30 September 2024, the acquisition costs of all leased and rental properties of the real estate companies amounted to EUR 129.2 million (2023: EUR 125.8 million).

OÖ HYPO Immobilien und Beteiligungen GmbH

OÖ HYPO Immobilien und Beteiligungen GmbH manages the real estate sector, prepares real estate valuations and holds and manages equity investments, primarily in the leasing and real estate sector.

Hypo Immobilien Anlagen GmbH

Hypo Immobilien Anlagen GmbH lets commercial properties to renowned retail partners in the textile, food, shoe and pharmacy sectors. Thanks to its expertise and high-quality locations, Hypo Immobilien Anlagen GmbH has had a very high occupancy rate for years.

All of Hypo Immobilien Anlagen GmbH's real estate properties were fully let as at the reporting date. In addition to the existing photovoltaic system at our Ebelsberg retail centre, another photovoltaic system was installed at our retail centre in Marchtrenk, and this system went into operation in November 2024 in the interests of sustainability. The electricity is made available to the tenants. Further PV systems and e-charging stations are in planning.

Outlook

The outlook for global economic development was stable at the start of the year, but this was only of limited significance due to political uncertainties – such as whether US President Donald Trump would actually introduce significant import tariffs (which he did in March 2025). In its World Economic Outlook (January 2025), the International Monetary Fund (IMF) forecast global growth of 3.3% for 2025, which corresponds to a slight increase of +0.1 percentage points compared to the October forecast. The contrasting development of the forecasts for the US and the eurozone is worth noting: the IMF raised its US forecast for 2025 by +0.5 percentage points to 2.7% compared to the autumn, citing a robust labour market situation and rising investments in addition to effects carrying over from 2024. By contrast, the IMF has lowered its expectations for the eurozone and is forecasting growth of 1.0% in 2025, corresponding to a correction of –0.2 percentage points. This is due to a weakening industry and increased uncertainty in terms of economic policy.

In its winter forecast for 2025, the Institute for Advanced Studies (IHS) predicted subdued growth in gross domestic product (GDP) of 0.7% for the Austrian economy, which is –0.1 percentage points less than previously assumed. Following another year of recession in 2024 – with economic output likely to have fallen by –0.9% – and weak private consumption (despite a significant rise in real incomes), there are now initial signs that consumer sentiment is improving. Together with lower interest rates and an improvement in the international environment, this should ensure the growth forecast above in 2025. It should be noted that the IHS winter forecast was also influenced by uncertainty in terms of economic policy: following the Austrian parliamentary elections, the process of forming a coalition government lasted until 3 March 2025, which meant that the budget consolidation measures that are now known for the new government – with plans to save EUR 6.3 billion in the current year and a further EUR 8.7 billion in 2026 – could not be taken into account in the winter forecast. However, the austerity package is likely to have the effect of dampening economic growth.

Inflation as measured by the consumer price index fell significantly to 2.9% in Austria in 2024, while the inflation rate in the eurozone even fell below the 2% target set by the European Central Bank (ECB) in September 2024. The IHS forecasts an inflation rate of 2.6% for Austria in 2025, whereby expiring measures such as the electricity price brake at the beginning of the year will initially result in prices being driven up.

In view of the ECB's forecast eurozone inflation rate of 2.1% in 2025, further key interest rate cuts by the central bank are to be expected. Following the changes in interest rates already implemented in January and March, HYPO Oberösterreich expects two further cuts of –0.25 percentage points each in the first half of 2025, meaning that the ECB key interest rate (main refinancing rate) should be in the region of 2.15% by the middle of the year.

In light of persistent tensions in the market environment, we expect 2025 to be another challenging financial year. Cost pressures in the banking sector remain high due to inflation and the need for sustainable transformation, while lower interest margins, which will materialise due to falling interest rates, mean that consolidated profit for the year is expected to be lower than in 2024. Thanks to forward-looking planning, however, we believe that we are well equipped and are looking forward to the financial year with confidence. One reason for this is the turnaround in the area of private housing finance, which began in 2024 and where HYPO Oberösterreich was able to achieve loan growth well above the market trend. We expect this trend to continue in 2025. The expiry announced for the KIM Regulation in mid–2025 could therefore be an additional growth factor in the lending business, not least due to the positive signals that this sends to customers. We therefore expect a stable result for 2025 and a continuation of our long-term growth path.

Linz, on 17 March 2025

The Management Board

Klaus Kumpfmüller
Chairman of the Management Board

Thomas Wolfsgruber
Member of the Management Board

Consolidated Financial Statements

in accordance with International Financial Reporting Standards (IFRSs)

I. Consolidated income statement

	in EUR thousand	Notes	2024	2023
1.1.	Interest income according to the effective interest method	19	329,348	288,892
1.2.	Other interest-related income, similar income and current income	19	20,889	18,313
2.	Interest and similar expenses	19	–248,410	–208,346
A.	Net interest income	19	101,827	98,860
3.	Risk provisioning	20	–31,863	–11,839
B.	Net interest income after risk provisioning		69,964	87,021
C.	Profit or loss from companies accounted for using the equity method	33	5,804	6,823
4.	Fee and commission income	21	29,189	27,096
5.	Fee and commission expense	21	–10,968	–10,361
D.	Net fee and commission income	21	18,221	16,735
E.	Net financial income	22	636	–3,398
6.	Personnel expenses	23	–39,938	–37,117
7.	Other administrative expenses	24	–25,568	–24,131
8.	Depreciation, amortisation and impairment of investment property, intangible assets and property, plant and equipment	25	–5,054	–5,209
F.	General administrative expenses		–70,560	–66,457
9.	Other operating income	26	10,086	9,546
10.	Other operating expense	26	–1,554	–5,652
11.	Other taxes	26	–1,782	–1,675
G.	Net other operating income	26	6,750	2,219
H.	Consolidated pre-tax profit for the year		30,814	42,943
12.	Income tax expense	27	–4,899	–7,349
I.	Consolidated after-tax profit for the year		25,915	35,594

Consolidated statement of comprehensive income

in EUR thousand	2024	2023
Consolidated after-tax profit for the year	25,915	35,594
Items that cannot be reclassified to the income statement:		
Actuarial gains and losses*)	–588	–152
Rating-related changes in liabilities measured at fair value	–2,971	11,610
Changes in the fair value of FVOCI equity instruments	–23,371	9,825
Deferred taxes on items recognised directly in consolidated capital**)	6,185	–4,880
Items that can be reclassified to the income statement:		
Changes in the fair value of FVOCI debt instruments***)	4,445	7,691
Deferred taxes on items recognised directly in consolidated capital	–1,022	–1,769
Other comprehensive income for the year	–17,323	22,325
Total consolidated comprehensive income for the year	8,593	57,919
*) of which from companies accounted for using the equity method	–43	–195
**) of which from companies accounted for using the equity method	10	45
***) of which amounts reclassified to the income statement (recycling)	420	28

II. Consolidated statement of financial position

	Assets in EUR thousand	Notes	31 Dec. 2024	31 Dec. 2023
1.	Cash and balances at central banks	28, 36	765,562	1,102,713
2.	Loans and advances to banks	29, 36	119,477	148,239
3.	Loans and advances to customers	30, 36	6,569,291	6,154,521
4.	Positive fair values from derivative transactions	31	137,727	135,057
5.	Financial assets	32, 36	944,151	944,000
6.	Shares in companies accounted for using the equity method	33	77,470	75,324
7.	Investment property	34	74,899	66,429
8.	Intangible assets	34	6,099	982
9.	Property, plant and equipment	34	17,553	14,822
10.	Other assets	35	35,078	33,557
11.	Tax assets	43	393	1,024
	TOTAL ASSETS		8,747,699	8,676,669

	Equity and liabilities in EUR thousand	Notes	31 Dec. 2024	31 Dec. 2023
1.	Liabilities to banks	37	299,957	544,834
2.	Liabilities to customers	38	2,925,641	2,930,183
3.	Securitised liabilities	39	4,759,033	4,420,638
4.	Negative fair values from derivative transactions	40	68,258	88,750
5.	Provisions	41	15,814	18,689
6.	Other liabilities	42	58,231	47,625
7.	Tax liabilities	43	8,010	13,171
8.	Subordinated capital	44	66,711	65,476
9.	Equity capital	45	546,044	547,302
	TOTAL EQUITY AND LIABILITIES		8,747,699	8,676,669

III. Consolidated statement of changes in equity

in EUR thousand	Subscribed capital	Capital reserves	Retained reserves	OCI reserve		Total Equity capital
				IAS 19 reserve	Miscellaneous OCI reserve*)	
As at 1 Jan. 2024	**14,558**	**30,739**	**508,321**	**–1,617**	**–4,698**	**547,302**
Acquisition/disposal of own shares	–2		–59			–60
Profit distribution			–9,791			–9,791
Consolidated profit for the year after taxes			25,915			25,915
Other comprehensive result				–453	–16,870	–17,323
Total consolidated comprehensive income for the year			25,915	–453	–16,870	8,593
As at 31 Dec. 2024	**14,556**	**30,739**	**524,386**	**–2,070**	**–21,568**	**546,044**

in EUR thousand	Subscribed capital	Capital reserves	Retained reserves	OCI reserve		Total Equity capital
				IAS 19 reserve	Miscellaneous OCI reserve*)	
As at 1 Jan. 2023	**14,561**	**30,739**	**478,133**	**–1,500**	**–27,140**	**494,793**
Acquisition/disposal of own shares	–3		–99			–102
Profit distribution			–5,308			–5,308
Consolidated profit for the year after taxes			35,594			35,594
Other comprehensive income for the year				–117	22,442	22,325
Total consolidated comprehensive income for the year			35,594	–117	22,442	57,919
As at 31 Dec. 2023	**14,558**	**30,739**	**508,321**	**–1,617**	**–4,698**	**547,302**

*) For further information on the other OCI reserve, see Note (45).

IV. Consolidated cash flow statement

in EUR thousand	2024	2023
Consolidated after-tax profit for the year	25,915	35,594
Non-cash items included in after-tax profit for the year:		
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and investment property	5,054	5,209
Income from companies accounted for using the equity method	–5,804	–6,823
Allocations to/reversals of provisions and risk provisions	14,188	7,577
Net measurement gains or losses from financial instruments measured at fair value through profit or loss	–3,476	14,742
Dividends recognised	–7,192	–8,861
Interest income recognised	–343,045	–298,280
Interest expense recognised	248,410	208,282
Income tax expense recognised	4,899	7,349
Other changes	2,318	–3,165
Changes in assets and liabilities after adjustment for non-cash components:		
Loans and advances to banks and customers	–401,245	–224,859
Property, plant and equipment, intangible assets, investment property, other assets, tax assets	–899	–4,554
Liabilities to banks and customers	–245,537	219,159
Securitised liabilities	306,021	394,215
Provisions, other liabilities, tax liabilities	9,071	–14,890
Dividends received	10,817	12,086
Interest received	342,594	281,347
Interest paid	–243,494	–177,747
Income tax payments	–4,907	–9,578
Cash flows from operating activities	–286,312	436,803
Inflows from the sale of		
Financial assets	240,374	302,197
Property, plant and equipment, intangible assets and investment property	59	201
Payments for the acquisition of		
Financial assets	–258,669	–295,013
Property, plant and equipment, intangible assets and investment property	–21,423	–4,732
Cash flows from financing activities	–39,659	2,653
Dividends paid	–9,791	–5,308
Inflows from subordinated capital[*)]		718
Payments for the amortisation portion of lease liabilities[**)]	–1,328	–1,240
Payments for the acquisition of treasury shares	–98	–104
Inflows from the sale of treasury shares	37	2
Cash flows from financing activities	–11,180	–5,932
Cash and cash equivalents at the end of the previous period	1,102,713	669,189
Cash flows from operating activities	–286,312	436,803
Cash flows from financing activities	–39,659	2,653
Cash flows from financing activities	–11,180	–5,932
Cash and cash equivalents at the end of the period	765,562	1,102,713

*) For reconciliation statement, see Note (44)
**) For reconciliation statement, see Note (49)

V. Notes to the consolidated financial statements

Oberösterreichische Landesbank Aktiengesellschaft (HYPO Oberösterreich) and its subsidiaries offer their customers a comprehensive range of financial services. The core business areas include business with doctors and the liberal professions, public institutions (federal, state, municipal, social insurance, recognised religious communities), non-profit and commercial property developers, contract insurance companies, corporate customers and subsidised home financing. In addition, various services are offered in the areas of leasing, insurance and real estate.

The Banking Group's core market is the federal state of Upper Austria. In eastern Austria, the Bank is represented by a branch in Vienna.

The Bank is a stock corporation, has its registered office in Linz, Austria, and is entered in the commercial register of Linz, Austria (FN 157656y). The address of the Bank is Landstraße 38, 4010 Linz.

Group accounting principles

The Banking Group of Oberösterreichische Landesbank Aktiengesellschaft is within the scope of consolidation of OÖ Landesholding GmbH, which is based in Linz.

These consolidated financial statements were prepared as at 31 December 2024 in accordance with International Financial Reporting Standards, as applicable in the EU, and also meet the requirements of Section 59a of the Austrian Banking Act (BWG) in conjunction with Section 245a of the Austrian Commercial Code (UGB). They were approved for publication by the Management Board on 17 March 2025.

In addition to the consolidated statement of financial position and the consolidated statement of comprehensive income, the consolidated financial statements also include the statement of changes in equity, the cash flow statement and the Notes. Segment reporting is presented in Note (52) to the consolidated financial statements.

The report on the risks of future development (risk report in accordance with IFRS 7) is presented in Notes (63) to (68).

Unless stated otherwise, all amounts are given in thousands of euros (EUR thousand). The tables below may contain rounding differences.

Accounting and measurement methods

(1) Principles

The consolidated financial statements are based on the going concern principle. Income and expenses are deferred pro rata temporis and recognised through profit or loss in the period to which they are economically attributable.

The main accounting policies applied in the preparation of these consolidated financial statements are presented below. The methods described were applied uniformly and consistently to the reporting periods presented, unless otherwise stated.

The Oberösterreichische Landesbank Aktiengesellschaft Group prepares its accounts in accordance with uniform Group accounting and measurement methods.

(2) IAS/IFRS and SIC/IFRIC regulations applied

These consolidated financial statements were prepared in accordance with the IAS/IFRS regulations valid on 31 December 2024, as applicable in the EU. All applicable IAS and IFRS standards and interpretations of SIC and IFRIC were applied in accounting and measurement. Standards and interpretations that are not applicable until 1 January 2025 or later were not applied early.

The standards applied for the first time in the financial year as well as new or amended standards and interpretations that had already been published by the reporting date but had not yet come into force and were not applied in these consolidated financial statements are presented below:

Standard / interpretation	Designation	To be applied to financial years as of	Already adopted by the EU
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan. 2024	yes
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date and Non-current Liabilities with Covenants	1 Jan. 2024	yes
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan. 2024	yes
Amendments to IAS 21	Lack of Exchangeability	1 Jan. 2025	yes
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 Jan. 2026	no
Annual adjustments	Volume 11	1 Jan. 2026	no
Amendments to IFRS 9 and IFRS 7	Contracts referencing Nature-dependent electricity	1 Jan. 2026	no
IFRS 18	Presentation and disclosure in financial statements	1 Jan. 2027	no
IFRS 19	Subsidiaries without public accountability: disclosures	1 Jan. 2027	no

The application of the aforementioned standards (with the exception of IFRS 18 “Presentation and Disclosure in Financial statements”) and interpretations will not have any material impact on future consolidated financial statements.

IFRS 18, which was published on 9 April 2024, replaces IAS 1 and redefines the presentation of financial statement information. The main changes result from the restructuring of the income statement, the disclosure of key performance indicators and extended requirements for the aggregation and disaggregation of information within the primary financial statements. The extent of the adjustments required is still being evaluated.

(3) Estimates, discretionary decisions and management judgements

The proper and complete preparation of the consolidated financial statements requires management to make discretionary decisions, estimates and assumptions that affect the disclosures in the Notes and the presentation of income and expenses during the reporting period. These mainly relate to the assessment of the fair values of assets including at equity measurement and liabilities (insofar as these cannot be derived directly from stock market prices), the recoverability of assets, the uniform Group-wide determination of the economic useful life of property, plant and equipment and investment property, the classification of leasing agreements, the calculation of sensitivities and the recognition and measurement of provisions.
The assumptions are based on premises that reflect the current state of knowledge (for details, see Note (48), Note (41), Note (20)). The expected future business development was determined based on the circumstances prevailing at the time the consolidated financial statements were prepared and on realistic assumptions concerning future developments in the global and sector-specific environment. The amounts to be recognised may deviate from the originally expected estimates due to developments in these general conditions that deviate from the assumptions and are beyond the control of management.

Accounting options are utilised, among other things, in connection with short-term leases and leases of low-value assets in accordance with IFRS 16 (see Note (14)), hedge accounting in accordance with IFRS 9 (see Note (6b)), the application of the fair value option for financial assets and liabilities and the measurement of equity instruments through other comprehensive income in accordance with IFRS 9 (see Note (6a)).

Open legal issue related to the VAT interim bank exemption

The decision of the Federal Fiscal Court on its request for a preliminary ruling by the Court of Justice of the European Union (CJEU) regarding whether the VAT exemption provided for in Section 6 (1) no. 28 second sentence of the Value Added Tax Act 1994, as amended (*Umsatzsteuergesetz* – UStG) constitutes state aid pursuant to Article 107 (1) TFEU (Treaty on the Functioning of the European Union) was published on 7 July 2024. Section 6 (1) no. 28 second sentence UStG exempts other services from VAT that are provided between companies that predominantly carry out banking, insurance or pension fund transactions, provided that these services are used directly to implement the aforementioned tax-free transactions, and for the provision of personnel by these companies to the groups mentioned in the first sentence of Section 6 (1) no. 28 UStG. As part of the Tax Amendment Act 2024, Section 6 (1) no. 28 second sentence UStG was repealed effective as of 1 January 2025. Oberösterreichische Landesbank Aktiengesellschaft has acted in compliance with Austrian VAT regulations. Furthermore, it is currently unclear how the European Court of Justice will rule and whether the European Commission will initiate proceedings against the Republic of Austria. In addition, there is also a dispute regarding who is the economic beneficiary of the exemption provision in the respective supply relationships and to what extent the economic advantage has been realised as a result, as in this case the recipient would also be entitled to an input tax deduction. Due to the uncertainties described above, no provision was recognised for any subsequent payments. Should the situation described develop unfavourably, a possible additional payment of up to around EUR 3,000 thousand is estimated on the basis of current analyses.

(4) Scope of consolidation

Subsidiaries are consolidated from the date on which the Group obtains a controlling influence. The appropriateness of the consolidation decisions is regularly reviewed. To review the materiality of the individual subsidiaries and associates, the net assets and earnings position were compared with the Group figures.

In addition to the parent company, the consolidated financial statements include 4 subsidiaries (2023: 4) in which Oberösterreichische Landesbank Aktiengesellschaft directly or indirectly holds 100% (2023: 100%) of the voting rights. Of these companies, 4 are based in Austria (2023: 4) and none are based abroad (2023: 0).

2 (2023: 2) material Austrian associates are accounted for using the equity method. For further information on companies accounted for using the equity method, see Note (33).

8 subsidiaries and associates (2023: 8) of minor importance for the overall statement of the Group's net assets, financial and earnings position were not consolidated.

The reporting date for fully consolidated subsidiaries and companies accounted for using the equity method is 30 September. In order to ensure that the annual financial statements are prepared promptly, different reporting dates have been selected. The financial statements are adjusted for the effects of significant transactions or events between the reporting date of the companies on 30 September and the reporting date of the consolidated financial statements on 31 December. A complete list of subsidiaries and associated companies can be found in the Notes under item VII (Equity investments). None of the associated companies and subsidiaries are listed on the stock exchange. No business mergers in accordance with IFRS 3 were recognised in the financial year.

(5) Consolidation principles

All material subsidiaries controlled by Oberösterreichische Landesbank Aktiengesellschaft are included in the consolidated financial statements and are fully consolidated.

Capital consolidation is carried out using the purchase method in accordance with IFRS 3. Differences from capital consolidation that were offset against reserves in accordance with principles of the Austrian Commercial Code were transferred to the IFRS opening balance sheet in accordance with IFRS 1.15.

Intragroup expenses and income as well as receivables and liabilities are eliminated as part of the consolidation. Intercompany profits and losses are eliminated unless they are of minor significance. The tax deferrals required by IAS 12 are recognised on temporary differences arising from consolidation.

Associated companies are valued using the equity method in accordance with IAS 28. Their recoverability is assessed on an ad hoc basis. If no observable market prices are available for such equity investments, Bank-internal company measurements are used to determine the fair value. In the event of a shortfall, an impairment is recognised in this amount.

Shares in subsidiaries that were not consolidated due to their minor significance and equity investments are recognised at fair value under financial assets.

(6) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Receivables, deposits and debt securities issued are classified and recognised at the time they arise. All other financial assets and liabilities are recognised in the statement of financial position for the first time on the trade date.

"Green financial products" include liabilities based on the "Green Finance Framework" of Oberösterreichische Landesbank Aktiengesellschaft from June 2021. They include bonds (covered bonds, senior or housing bonds), sight deposits and savings deposits which are also sold under the marketing name hypo_blue. The fundamental characteristic is the use of the net proceeds of the "green financial products" to finance or refinance energy-efficient housing construction in Austria. An annual report on the utilisation of net proceeds (allocation reporting) and an impact report are published on the website. The characteristic of "green financial product" has no influence on the categorisation and its measurement.

The following notes provide an overview of how the provisions of IFRS 9 have been implemented in the Oberösterreichische Landesbank Aktiengesellschaft Group:

a) Categorisation of financial assets and liabilities and their measurement

IFRS 9 retains the mixed measurement model and introduces three basic measurement categories: amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The classification is based on the defined busi ness model and the structure of the contractual cash flows of the financial instrument. The individual measurement categories are explained in more detail below:

Financial assets measured at amortised cost (AC)
Debt instruments are measured at amortised cost if they are held in a business model whose objective is to collect the contractual cash flows ("hold" business model) and their contractual cash flows give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the outstanding principal amount.

Differences between the acquisition cost and the repayment amount are recognised in net interest income through profit or loss using the effective interest method and distributed over the term. Financial assets measured at amortised cost represent the largest measurement category at Oberösterreichische Landesbank Aktiengesellschaft.

Financial assets measured at fair value through profit or loss (FVPL)
Debt instruments whose contractual cash flows do not meet the SPPI criterion are automatically measured at FVPL. At Oberösterreichische Landesbank Aktiengesellschaft, this primarily relates to financial assets with mismatched interest components (see description in the "SPPI assessment" section).

Financial instruments held in the "sell" business model are also recognised at fair value through profit or loss. In most cases, these financial assets are expected to be sold before maturity or the development of the portfolio in which they are held is assessed on the basis of fair value. These are primarily financial assets held for trading purposes. They include financial instruments (in particular interest-bearing securities, shares and investment certificates) and derivative financial instruments with a positive fair value.

Oberösterreichische Landesbank Aktiengesellschaft makes use of the option to allocate certain debt instruments to the FVPL category on initial recognition (fair value option). These are recognised at fair value due to a hedging relationship with a derivative financial instrument, as otherwise accounting mismatches would arise in the measurement and recognition of the hedge.

Financial assets held at fair value are recognised in the statement of financial position under loans and advances to customers and financial assets. Gains and losses from the measurement are recognised through profit or loss in the income statement under net financial income. Interest income and interest expenses are recognised in net interest income.

Financial assets measured at fair value through other comprehensive income (FVOCI)
Debt instruments are recognised at fair value through other comprehensive income (FVOCI) if their contractual cash flows are SPPI-compliant and they are held within a business model whose objectives are both the collection of contractual cash flows and the sale of assets ("hold and sell" business model). They are recognised in the statement of financial position under financial assets. Differences between the acquisition cost and the repayment amount are recognised in net interest income through profit or loss using the effective interest method and distributed over the term.

The difference between the fair value at which the assets are recognised and the amortised cost is reported in equity under "OCI reserve" as accumulated other comprehensive income (OCI). The changes in the reporting period are recognised directly in equity under other comprehensive income in the statement of comprehensive income. If the financial asset is sold, the accumulated net measurement gains or losses recognised in the OCI reserve are reversed and recognised through profit or loss in the income statement.

In accordance with IFRS 9, Oberösterreichische Landesbank Aktiengesellschaft makes use of the option to measure all investments in equity instruments at FVOCI on initial application. The equity instruments represent investments that the Group intends to hold for the long term for strategic reasons. This amount recognised in OCI is not reclassified to the income statement. Only dividend entitlements are to be recognised in the income statement.

Financial liabilities measured at amortised cost (AC)
This category includes financial instruments under the balance sheet items liabilities to banks and customers and securitised liabilities. They are measured at amortised cost. Differences between the acquisition cost and the repayment amount are recognised in net interest income through profit or loss and distributed over the term.

Financial liabilities recognised at fair value through profit or loss (FVPL)
The balance sheet items securitised liabilities and liabilities to customers also include financial liabilities measured at fair value. However, the change in own credit risk for liabilities measured at fair value must be recognised through other comprehensive income for the respective reporting period. When calculating the cumulative OCI effect, the difference between the present value of the liability using the original credit risk at the beginning of the term and the current fair value of the liability is determined.

Oberösterreichische Landesbank Aktiengesellschaft applies the option of designating certain financial liabilities to the FVPL category upon initial recognition (fair value option) if such classification eliminates or significantly reduces accounting mismatches that would otherwise arise between financial liabilities measured at acquisition cost and derivative financial instruments measured at fair value through profit or loss that are related to these liabilities. Financial liabilities in the fair value option are recognised in the statement of financial position in their original balance sheet categories.

In addition, derivative financial instruments with a negative fair value are measured at fair value and are therefore also categorised as FVPL. Gains and losses from the measurement are recognised through profit or loss under net financial income.

b) Hedge accounting (HDFV)

Oberösterreichische Landesbank Aktiengesellschaft is exposed to fair value risks from securitised liabilities with fixed interest rates. The risk management objective and strategy is to limit this fair value risk. To this end, interest rate swaps are concluded with external banks in accordance with the risk management guidelines. Oberösterreichische Landesbank Aktiengesellschaft designates hedging relationships between fixed-interest liabilities as underlying transactions and derivative financial instruments as hedging instruments. The derivative financial instruments are used to hedge interest rate and curency risks. The risk to be hedged is the fair value risk induced by the fixed-interest securitised liabilities. The credit spread is not part of the hedging relationship. Currently, only so-called micro hedges, which are offset 1:1, are allocated to hedge accounting. Receiver interest rate swaps and receiver interest rate currency swaps are used as hedging instruments for fixed-interest liabilities.

At the beginning of the hedging relationship between the underlying transaction and the hedging transaction, the relationship is formally defined and documented. The intention is to establish the hedging relationship with the underlying transactions from the time the derivative is concluded and to maintain this intention until the derivative expires. Effectiveness is measured prospectively and therefore only according to the critical terms match since the main parameters of the underlying and hedging transaction match, corresponding to a hedge ratio of 1. It can therefore be assumed that the hedging relationship is highly effective.

Oberösterreichische Landesbank Aktiengesellschaft only engages in fair value hedging, which is recognised in accordance with IFRS 9. The change in the fair value of derivative financial instruments is recognised in the income statement under net financial income. The change in the fair value of the underlying transaction which is allocated to the hedged risk is also recognised under net financial income. Derivative financial instruments are recognised in the balance sheet items positive fair values from derivative transactions and negative fair values from derivative transactions. The underlying transactions are included in the balance sheet items liabilities to customers and securitised liabilities.

c) Derecognition of financial instruments and treatment of contractual modification

Renegotiations or changes to contractual terms and conditions that affect contractual payments may occur as part of the ongoing lending business. For each contract amendment, a predefined catalogue of criteria is used to check whether and what type of modification is involved.

Contract amendments that lead to a substantial change in the contractual conditions:
The quantitative assessment of whether a contractual amendment is substantial or not is carried out on the basis of a present value test by comparing the present values of the originally agreed cash flows with the newly agreed cash flows. The present value is calculated on the basis of the originally agreed effective interest rate. Oberösterreichische Landesbank Aktiengesellschaft considers a present value difference of more than 10% to be a substantial modification.

In addition, the following qualitative changes to the contractual terms lead to the derecognition of the original financial asset and the recognition of the new asset at fair value:

- Change in contractual SPPI criteria leading to a change in measurement
- Financing is subordinated
- Change of borrower or dismissal

The fair value corresponds to the outstanding balance since the contractual adjustments are always made at market conditions. The derecognition of unamortised transaction costs leads to a gain on disposal, which is recognised in net interest income.

If an asset is derecognised and re-recognised due to contractual adjustments, it is reclassified and the credit quality is redetermined at this time, resulting in an allocation to Stage 1. However, if the asset is in default at the time of derecognition, it is classified as POCI (purchased or originated credit impaired). However, if the asset can be regarded as fully recoverable in its entirety, it is only allocated to Stage 3.

Contract amendments that do not lead to a substantial change in the contractual conditions:
In the case of non-substantial modifications, the gross carrying amount is adjusted and a modification gain or loss is recognised in the income statement through profit or loss under net interest income. The new carrying amount corresponds to the present value of the renegotiated or amended cash flows, discounted at the original effective interest rate of the financial asset. The size of the carrying amount adjustment or the modification result is calculated by comparing the current carrying amount with the recalculated carrying amount. Incurred costs or fees lead to an adjustment of the carrying amount of the modified financial asset and are amortised over the remaining term.

d) SPPI assessment

Standard products and standard contracts or clauses were defined that do not conflict with SPPI. A separate review process and a different authorisation responsibility is defined for individual contracts or for interest rate agreements that are SPPI-injurious.

The majority of subsidised housing contracts contain interest rate agreements stipulated by the Upper Austrian legislature, all of which are continued in the AC category. Loans with modified payment terms were subjected to a qualitative and quantitative benchmark test. As a result, only loans and credits with an interest rate agreement based on the UDRB index (which tracks the average government bond yields weighted by outstanding amounts) remain non-SPPI-compliant.

e) Assessment of the business models

The classification is based on the defined business models under which the assets are held. Based on the existing segment reporting, the portfolios were defined and the business models determined in accordance with the strategic orientation, the earnings responsibility and corresponding management as well as the monitoring and management of risk. As in previous years, there were no changes to the business models in 2024.

The "Retail and Private Housing" and "Key Accounts" segments essentially constitute the lending business of Oberösterreichische Landesbank Aktiengesellschaft, and these portfolios are managed according to the "hold" business model. The aim is to collect the contractual cash flows by the end of the term (solely payments of principal and interest, SPPI).

In the "Financial Markets" segment, which essentially comprises the Bank's own securities holdings and money market transactions, the portfolios and business models are defined according to their utilisation and objective. The "Treasury investment" portfolio with the "hold" business model aims to collect the contractual cash flows through the end of the term. The "Liquidity compensation" portfolio is used to manage liquidity and pursues a "hold and sell" business model. There was no change in business model for any financial instrument.

The aim of the "Small trading book" portfolio is to generate income by buying and selling financial instruments, meaning that it naturally pursues the "sell" business model. This portfolio is only utilised to a very limited extent and is measured through profit or loss (FVPL). As at 31 December 2024, there is a volume of EUR 0 thousand (2023: EUR 0 thousand).

In both the loan and securities portfolios that fulfil the criteria for AC or FVOCI measurement, the fair value option is used in the case of supplementary derivatives to avoid measurement inconsistencies. This leads to measurement through profit or loss (FVPL). Sales as a result of an increase in the default risk close to the maturity date of the financial instrument and infrequent sales due to non-recurring events such as regulatory or tax changes or the discontinuation of a sub-portfolio, i.e. non-conflicting sales, are not seen as contradictory to the "hold" business model.

Overview of the portfolios and business models of Oberösterreichische Landesbank Aktiengesellschaft

Segment	Portfolio	Business model
Key Accounts	Key Accounts	Hold
Retail and Private Housing	Retail and Private Housing	Hold
Financial Markets	Treasury investment Liquidity compensation Small trading book	Hold Hold and sell Sell

(7) Embedded derivatives

Embedded derivatives are derivatives that are part of an original financial instrument and are linked to it. The separation of original financial instruments is only possible on the liabilities side. Embedded derivatives are separated from the original financial instrument and recognised and measured separately at fair value like a stand-alone derivative if the characteristics and risks of the embedded derivative are not closely related to those of the host contract. Changes in measurement are recognised through profit or loss in the income statement. The recognition and measurement of the host contract, however, follows the provisions of the relevant category of financial instrument. Another option is to recognise the entire contract at fair value. However, if the characteristics and risks of the embedded derivative are closely related to those of the host contract, the embedded derivative is not separated and the hybrid financial instrument is measured in accordance with the general rules. At Oberösterreichische Landesbank Aktiengesellschaft, the embedded derivatives are generally always closely linked to the host contract.

(8) Currency translation

Monetary assets and liabilities not denominated in euros are translated into euros at market spot rates as at the reporting date in accordance with IAS 21.

(9) Offsetting of financial assets and liabilities

In accordance with IAS 32.42, offsetting only takes place to the extent that there is an enforceable right to it and the offsetting corresponds to the actual expected course of the transaction.

(10) Risk provisions

The impairment rules are applied to
- financial assets measured at amortised cost,
- financial assets measured at fair value through other comprehensive income and
- off-balance sheet obligations such as loan commitments
  and financial guarantees as well as lease receivables.

Multi-stage approach to determining expected loan defaults

The impairment model, an expected loss model, tends to provide for an early determination of and provision for possible losses. The focus is on three stages that will determine the amount of losses to be recognised and the future interest income:
- Stage 1 includes all new financial instruments as well as those items for which there has been no significant deterioration in credit quality since the financial instrument was initially recognised. A risk provision in the amount of the expected 12-month loss (present value of expected payment defaults resulting from possible default events within the next 12 months after the reporting date) must be recognised for these items. Interest income is recognised on the basis of the gross carrying amount.
- All financial instruments for which there has been a significant deterioration in credit quality since initial recognition are transferred to Stage 2. A risk provision must be recognised for these items in the amount of the expected loss over the entire remaining term of the instrument (present value of the expected payment defaults resulting from all possible default events over the remaining term of the financial instrument). Interest income is also recognised on the basis of the gross carrying amount.
- Finally, Stage 3 includes all defaulted financial instruments. A risk provision is also recognised for these items in the amount of the expected loss over the entire remaining term. Interest income is recognised on the basis of the net carrying amount.
- The three-stage model is not applied to financial assets that are already impaired when they are initially recognised in the statement of financial position (purchased or originated credit impaired, POCI). These are recognised in Stage 3 right from the start. There were no POCI assets in the Oberösterreichische Landesbank Aktiengesellschaft Group as at the reporting date (2023: none).

Items in the securities portfolio form the scope for the regular early warning test in accordance with the credit rating, the implicit credit spread or the deviation of the daily price from the cost price. These items are analysed internally and, if necessary, treated as impaired assets.

Equity investments are analysed internally on the basis of company valuations, annual financial statements and stock market prices. Based on this analysis and in the event of objective indications of impairment, the equity investments are treated as impaired assets if necessary.

The total loss expected over the remaining term must be recognised for instruments whose default risk has increased significantly since initial recognition. The same applies regardless of an increase in the default risk for trade receivables and contract assets that do not constitute a significant financing component in accordance with IFRS 15. In addition, a company can exercise an accounting option to always recognise the entire expected loss over the remaining term for all contract assets and/or trade receivables that constitute a financing relationship in accordance with IFRS 15. The same option also exists for lease receivables. This option is not exercised in the Oberösterreichische Landesbank Aktiengesellschaft Group. For all other financial instruments, the expected losses are recognised in the amount of the expected 12-month loss.

Macroeconomic parameters and portfolios

Four portfolios are used: Retail, Corporates, Institutions, Sovereigns. The OECD forecasts for unemployment, gross fixed capital formation and inflation are mainly used to estimate the expected credit losses for the retail portfolio. Gross domestic product (GDP), gross fixed capital formation and unemployment (OECD forecasts in each case) are used for the institutions portfolio. The inflation rate (OECD forecast) is included in the sovereigns portfolio, while GDP, inflation and the yield structure are included in the corporates portfolio.

In principle, the forecasts for the next three years are included for all portfolios. For the period thereafter, convergence is in the direction of TTC-PD (Through-the-Cycle Probability of Default).

Allocation to the sub-portfolios is essentially based on the receivables class and the cost centre.

ESG risks:
Physical risks are taken into account in the collateralisation note, while transitory risks are included in the credit rating. For this reason, ESG risks are not currently modelled directly in the impairment calculation in order to avoid being considered twice. The process is evaluated on an ongoing basis.

As at 31 December 2024, the latest OECD forecast values for the given macroeconomic factors are used.

Collective stage transfer
In accordance with IFRS 9.B5.5.1, it may be necessary to assess significant increases in default risk on a collective basis and, for this purpose, to take into account information that indicates significant increases in the default risk of a group or subgroup of financial instruments. For this purpose, IFRS 9.B5.5.5 provides for the grouping of financial instruments on the basis of common default risk characteristics.

On this basis, Oberösterreichische Landesbank Aktiengesellschaft has examined whether changes are required in the grouping of financial instruments based on common default risk characteristics.

In the previous year, a collective stage transfer from Stage 1 to Stage 2 for a financing volume of EUR 230,829 thousand was formed for the real estate projects concerned in the Corporate customers and real estate projects subsegment in view of the market changes in the real estate project business (construction prices, rise in interest rates, changes in the sales market). This has now been cancelled in its entirety, as the underlying framework conditions are already taken into account in the economic assessment in individual cases.

Criteria for a significant increase in the default risk
With the exception of financial assets that are already impaired on initial recognition, losses on financial instruments are recognised in the amount of the present value of the expected loss over the remaining term if the default risk of the instrument has increased significantly since initial recognition.

The assessment of whether the default risk has increased significantly is based on an increase in the probability of default since initial recognition. The regulations also include the rebuttable presumption that the default risk has increased significantly since the instrument was initially recognised if contractual payments have been overdue for more than
30 days.

The provisions of IFRS 9 provide for a return to the 12-month expected loss if the default risk initially increases significantly since the recognition of the instrument but this increase is reversed in later periods (i.e. if, from a cumulative perspective, the default risk is not significantly higher than at the time of initial recognition).

Criteria for stage transfer
To determine the deterioration in the probability of default and the associated transfer from Stage 1 to Stage 2, three components are generally considered: a quantitative criterion, a qualitative criterion, and a backstop criterion.

The criteria are reviewed for each financial instrument in turn. If a criterion is met, that financial instrument is transferred to Stage 2 in the case of the quantitative criterion, while all of the customer's financial instruments are transferred to Stage 2 in the case of the backstop criterion.

Significant "rating events" lead to an immediate rating evaluation in accordance with the internal rating models. As the criteria required by IFRS 9 are well covered by the rating systems at Oberösterreichische Landesbank Aktiengesellschaft, there is no need to review the qualitative deterioration and the transfer logic is based only on the quantitative criterion and the backstop criterion.

The quantitative criterion is the primary indicator of whether there has been a significant deterioration in credit risk since the financial instrument was initially recognised. This consists of determining the credit risk deterioration on the basis of both a relative and an absolute limit. The expected probability of default (PD) at the time of initial recognition is compared with the PD on the reporting date. As IFRS 9 expects the PDs to contain forward-looking information, the comparison is made on the basis of the cumulative lifetime PDs for the remaining term of the transactions.

The cumulative forward lifetime PD at the time of initial recognition is used to illustrate the expectation of the cumulative PD of the remaining term of the financial instrument. This is then compared with the cumulative PD on the reporting date.
These PDs form the basis for comparing whether there has been a significant deterioration in credit quality since the financial instrument was initially recognised, where the comparison is carried out individually for each financial instrument and both the relative and absolute change in the lifetime PD play a role.
In the relative criterion, the ratio of the expected cumulative PD at the time of initial recognition is compared with the current cumulative PD observed on the reporting date. If this ratio exceeds a certain threshold, this means that the PD of this financial instrument has increased significantly since initial recognition based on the relative comparison. This threshold value for the relative criterion is set at 200% at Oberösterreichische Landesbank Aktiengesellschaft, which corresponds to a doubling of the PD since initial recognition.

In addition to the relative PD comparison, the absolute change in PD is also evaluated. The measurement is based on the same cumulative lifetime PDs as in the relative criterion, with the difference in PDs measured for the absolute comparison. Since the difference is measured in the absolute criterion, the cumulative lifetime PDs are broken down to the annual level by dividing them by the remaining term. This adjustment is necessary in order to carry out the comparison independently of the lifetime of a financial instrument.

Oberösterreichische Landesbank Aktiengesellschaft has decided not to apply the "low credit risk exemption" and instead to use an absolute limit, which makes it possible to migrate to Stage 2 even in the investment grade area. The threshold for the absolute deterioration in PD is set at 0.5% of the original PD (absolute criterion) at Oberösterreichische Landesbank Aktiengesellschaft. The background to the absolute criterion is that changes of a few

basis points, which
can mean a doubling of the PD in the very good rating classes, are not seen as a significant change. To determine whether a significant deterioration in credit quality has been observed for a financial instrument since initial recognition according to the quantitative criterion, a significant deterioration in credit quality must be measured in both the relative criterion and the absolute criterion.

Oberösterreichische Landesbank Aktiengesellschaft uses the 30-day past due limit (backstop criterion) as an additional indication that there has been a significant deterioration in credit risk since the financial instrument was initially recognised. All financial instruments of a customer for whom a receivable is more than 30 days overdue are transferred to Stage 2. All instruments with forbearance measures are also transferred to Stage 2.

For the transfer from Stage 2 to Stage 3, Oberösterreichische Landesbank Aktiengesellschaft uses the generally applicable definition of default in accordance with Article 178 of Regulation (EU) No 575/2013 ("CRR"), according to which the following risk positions are considered to be in default:

- All risk positions for which Oberösterreichische Landesbank Aktiengesellschaft considers it unlikely that the debtor will settle its liabilities to Oberösterreichische Landesbank Aktiengesellschaft and its subsidiaries in full without realising collateral, and
- All risk positions vis-à-vis Oberösterreichische Landesbank Aktiengesellschaft and its subsidiaries where a significant liability of the debtor is more than 90 days overdue. The materiality of an overdue liability is assessed using the following thresholds, which are made up of an absolute and a relative component. Retail: absolute EUR 100 and relative 1%; non-retail: absolute EUR 500 and relative 1%.

Stage 3 also includes financial assets with impaired credit ratings. A distinction is made between significant and non-significant receivables. Borrowers with an exposure of more than EUR 400 thousand are considered significant. The amount of the impairment is calculated using a DCF estimate and results from the difference between the carrying amount and the present value of the expected future cash flows. A standardised method is used for non-significant receivables.

Impairment principles

As a rule, Oberösterreichische Landesbank Aktiengesellschaft only writes off a financial asset as soon as it is certain that there are no longer any claims to the respective cash flows from the asset, i.e. when:

- the collateral has been fully realised or is not recoverable and/or
- an unconditional waiver/partial waiver of the claims has been declared and/or
- further payments on the residual claim are no longer expected according to a reasonable estimate.

Impairment is also recognised if the receivable is irrecoverable and the Bank decides not to take any further measures as it is assumed that these are unlikely to be successful beyond the costs. Impairment losses include both direct write-offs and the utilisation of risk provisions. In the course of impairment, the gross carrying amount of the asset and the associated level of risk provisioning are reduced in equal measure.
Financial assets that have already been written off but are still subject to enforcement measures are maintained in an asset list by problem loan management. The amount still outstanding under contractual law as at the reporting date is classified as immaterial.

If a written-off receivable leads to future income, this is recognised as extraordinary income in the income statement – in contrast to a reduction in risk provisions (reversal of impairment losses) for impaired receivables.

If an out-of-court solution for an existing claim cannot be reached or implemented, the following differentiation is made in cases of evident inefficiency: If a title can be obtained, the Bank will refrain from a commencement or continuation of enforcement proceedings and the claim will be transferred to bad debt collection. If a title cannot be obtained economically, the receivable is written off without further cause. The main causes are as follows:

- No deliverability
- There are comparable difficulties with realisation that drive up costs.
- Cost coverage cannot be assumed for other reasons because no cost-covering collateral is available or no cost-covering assets or income are known.
- No receipts are to be expected in the event of an executive notice of wage garnishment priority.

(11) Repurchase agreements (repo transactions) and securities lending transactions

As part of genuine repurchase agreements (repo transactions), the Group sells assets to a contractual partner and simultaneously agrees to repurchase them at a specific date and at an agreed price. The assets are not derecognised from the statement of financial position; rather, they are measured in accordance with the rules of the respective balance sheet item as all material opportunities and risks remain with the security seller. A liability is recognised in the amount of the liquidity received.

Securities lending transactions are recognised in accordance with the recognition of securities from genuine repurchase agreements. Securities lent remain in the securities portfolio and are measured in accordance with the rules of IFRS 9. Borrowed securities are not recognised or measured.

In the case of non-genuine repurchase agreements, the security seller is obliged to take back the assets but does not have the right to reclaim them. The security buyer alone decides on the retransfer. In a reverse repo transaction, assets are acquired with the simultaneous

obligation of a future sale. The resulting outflows of liquidity are recognised as receivables and measured accordingly.
Interest expenses from repo transactions and interest income from reverse repo transactions are accrued on a straight-line basis over the term and recognised in net interest income.

(12) Intangible fixed assets

Intangible fixed assets consist exclusively of acquired software and licence rights. Assets are measured at cost less scheduled depreciation and amortisation. Scheduled depreciation and amortisation is recognised on a straight-line basis over the estimated useful life (between one and ten years). The useful life for standard software is four years. If the recoverable amount is below the carrying amount, an impairment loss is recognised.

(13) Investment property and property, plant and equipment

"Investment property" (property held as a financial investment) includes properties held for rental and leasing or for the purpose of capital appreciation as well as the capitalised rights of use from investment property in accordance with IFRS 16. If the property is partly owner-occupied, the parts are recognised separately if they can be sold separately. Properties under construction with the same expected purpose as investment properties are treated as such.

Investment property and property, plant and equipment are measured at acquisition or production cost less depreciation, amortisation and impairment losses. Scheduled depreciation is recognised on a straight-line basis over the estimated useful life of the asset.

The useful lives are as follows:

Useful life	Years
Buildings	33
Operating and office equipment	3 – 33
Construction measures in rented business premises	4 – 10
IT hardware	3

In the event of impairment, the higher of the two comparative values (fair value less costs to sell and value in use) is amortised in accordance with IAS 36. If the reasons for the impairment no longer apply, the impairment loss is reversed up to the amortised cost.

Standard industry appraisals and present value calculations are prepared for the investment properties categorised in Level 3. The appraisals are prepared by independent appraisers and general sworn court-certified experts. Depending on the use of the investment property, the fair value is determined using the capitalised earnings value, asset value or comparative value method. Depending on the measurement method deemed appropriate, the main input factors are the income and expenses attributable to the property, the condition and location of the property, comparable assets and interest rates.

Government grants for assets must either be recognised in the statement of financial position as deferred income (gross method) or deducted when the carrying amount of the asset is determined (net method). The net method was chosen as the accounting policy.

(14) Leases

Lessee

In accordance with IFRS 16, all assets and liabilities from lease agreements must be recognised in the lessee's balance sheet. The only exception is the option to continue to recognise short-term leases and leases for low-value assets through profit or loss in the amount of the current consideration.
The capitalised rights of use are reported in the statement of financial position as property, plant and equipment or investment property. Lease liabilities are recognised under other liabilities.

Oberösterreichische Landesbank Aktiengesellschaft does not recognise leases with a remaining term of less than twelve months and leases based on a low-value asset (new value < EUR 5 thousand) in accordance with the simplification provisions of IFRS 16. Current lease payments for these leases continue to be recognised as general administrative expenses.

Lessor

For accounting purposes, the lessor distinguishes between finance and operating leases. Leases are assessed according to the allocation of commercial risks and opportunities arising from the leased asset between the lessor and lessee.

Finance lease:

Leased assets are recognised by the lessor under loans and advances to customers at their net investment value (present value) and corresponding risk provisions are recognised. Interest income is recognised on the basis of a constant, periodic return, the calculation of which is based on the outstanding net investment value.

Operating lease:
Leased assets are recognised by the lessor under property, plant and equipment or investment property and measured in accordance with the principles described there. Lease revenue is recognised on a straight-line basis over the term of the lease.

(15) Income tax expense

Current income tax assets and liabilities are calculated using the currently applicable tax rates, the amount of which is refunded and paid to the respective tax authorities. Deferred taxes are recognised and measured using the balance sheet liability method. The calculation is carried out for each taxable entity at such tax rates as are applicable under current laws in the expected taxable period. The recognised tax assets and liabilities are calculated from different measurements of an asset or liability and the respective tax valuation. They will result in expected future income tax charges or credits (temporary differences). Tax assets and liabilities are calculated on a provisional basis.

Deferred tax assets are only recognised if sufficient deferred tax liabilities exist in the same tax unit or if it is sufficiently probable that future taxable profits will be generated in the same tax unit. This also applies to the recognition of deferred tax assets on tax loss carryforwards. Deferred taxes are not discounted.

Actual tax expenses dependent on earnings are recognised in the consolidated income statement under the item “Income tax expense”. The effects from the recognition or reversal of deferred taxes are also included in this item, unless they relate to items not recognised in profit or loss. In this case, they are not recognised in profit or loss and are recognised or reversed in other comprehensive income.

A review of the effects of the “Pillar 2 rules” aimed at ensuring a global minimum level of taxation has shown that Oberösterreichische Landesbank Aktiengesellschaft does not fall within the scope of the Minimum Taxation Act either directly or indirectly through OÖ Landesholding GmbH as the parent company, which is why no further information needs to be provided.

Oberösterreichische Landesbank Aktiengesellschaft is a Group member of the tax group parent company pursuant to Section 9 of the Austrian Corporate Income Tax Act (Körperschaftssteuergesetz – KStG) between OÖ Landesholding GmbH and Hypo Holding GmbH. The tax result of each Group member is passed on from level to level in accordance with the legal provisions of Section 9 KStG to the respective directly or significantly higher Group member – if this is the tax group parent company, then to the parent – up to the tax group parent company. The consolidated amount of the current and deferred tax expense is allocated to the Group members using the standalone method. As at 31 December 2024, the tax allocation clearing account in relation to the holding company shows a receivable with a balance of EUR 943 thousand (2023: EUR 1,047 thousand).

(16) Provisions

The provisions for social capital include provisions for termination benefits, work anniversary bonuses, pensions including contributions to supplementary health insurance premiums and occupational and disability risk. Provisions for defined benefit obligations are recognised in accordance with the projected unit credit method.

At Oberösterreichische Landesbank Aktiengesellschaft, 2 (2023: 2) active employees and 16 (2023: 16) pensioners and surviving dependants are entitled to a defined benefit bank pension. A defined contribution pension fund contract or a company group insurance policy was concluded for all other active employees, with the exception of some employees with special or managing director contracts.

After the expiry of the period covered by the termination benefit following retirement, the beneficiaries receive an insurance subsidy amounting to 50% of the insurance premium for private group health insurance.

Austrian labour law provides for indemnity payments to employees upon termination of the employment relationship under certain conditions. This also includes the termination of the employment relationship as a result of retirement. This termination benefit entitlement applies to all employees who joined the company before 31 December 2002. The amount of the termination benefit entitlement is a maximum of one year’s salary, depending on the length of service. The banking group has recognised a provision for termination benefits for these entitlements in accordance with IAS 19. This regulation does not apply to all employees who joined the company after 31 December 2002. Monthly contributions are paid into a staff provision fund for these employees. Employees have no further rights over and above these.

Those employees to whom clause 12 (1) of company agreement 2 or clause 15 (1) of company agreement 1 applies are entitled respectively to 1.5 or 2.5 months’ salary in anniversary bonuses after 25 or 35 years of service.

Social capital is not matched by any particular assets or funding. The results from the endowment and reversal of provisions are recognised directly in administrative expenses.

The defined benefit plans are intended to cover actuarial risks such as interest rate risks, cost trends or demographic risks such as mortality and employee turnover as well as investment and market risks. The present value of the social capital was calculated on the basis of actuarial assumptions:

- Actuarial interest rate 3.5% (2023: 3.5%)
- Annual increases in the relevant assessment bases in the vesting phase for provisions for pensions 4.0% (2023: 4.5%) for subsidies for supplementary health insurance contributions 15.0% (2023: 2.5%) in the first year and 2.5% in the following year (2023: 2.5%) and for the provision for termination benefits and work anniversary bonuses 4.0% (2023: 4.5%)
- Annual valorisation of current pension payments 2.5% (2023: 4.5 % in the first year and 2.5% in the following years) and current benefits for supplementary health insurance contributions 15.0% (2023: 2.5%) in the first year and 2.5% in the following year (2023: 2.5%) in the provisions for pensions
- The earliest possible retirement age was used for all active employees, taking into account all statutory and transitional provisions.
- Mortality tables for salaried employees: *Pensionstafeln* (pension tables) "AVÖ 2018P: *Rechnungsgrundlagen für die Pensionsversicherung*" (actuarial assumptions for pension insurance)

The actuarial interest rate was determined on the basis of the interest rate range for a term of 10 years. IAS 19 requires the application of interest rates as at the reporting date that are derived from senior corporate bonds with adequate maturities. Bonds that are rated AA by S&P Global Ratings or Aa2 or better by Moody's are regarded as senior. As there is no liquid market for senior bonds with very long maturities in the eurozone, the interest rates for long maturities are estimated by extrapolating the current market interest rates along the yield curve.

In addition to the invalidity rates, mortality rates and the termination of employment upon reaching retirement age, annual service-related rates for premature terminations of employment were recognised based on internal statistics on service-related employee turnover.

Actuarial gains and losses from the adjustment of actuarial assumptions are recognised in other comprehensive income in the period in which they occur.

The agreed payments to a pension fund for defined contribution plans or company group insurance are recognised as an expense on an ongoing basis – there are no further obligations.

Other provisions are recognised for current obligations to third parties that are uncertain in terms of their maturity or amount. In the case of material interest effects, the provisions are discounted and recognised at their present value.

(17) Fiduciary business

Fiduciary transactions involving the management or placement of assets for the account of third parties are not recognised in the statement of financial position. Fee and commission payments from these transactions are included in the income statement in net fee and commission income. Oberösterreichische Landesbank Aktiengesellschaft grants aws erp loans to companies in its function as trustee for the ERP Fund – founded from the resources of the US Marshall Plan aid and using the same employees working in dual roles for Austria Wirtschaftsservice Gesellschaft mbH (aws). These are low-interest investment loans with a long term with the aim of promoting the investment activities of Austrian companies.

(18) Contingent liabilities – credit risks

Contingent liabilities are contracts under which the guarantor is obliged to make certain payments to the warrantee at the latter's request. Contingent liabilities are recognised as soon as the guarantor becomes a contracting party, i.e. at the time the guarantee is issued.

Credit risks are legally binding obligations on the part of the lender to provide a loan to the borrower. These include promissory notes, but also credit lines that have not yet been utilised.

Notes to the consolidated income statement

(19) Net interest income

Interest income is recognised in the periods to which they apply. Income that predominantly represents remuneration for the utilisation of capital (usually interest-related calculation based on the passage of time or the amount of the receivable) is allocated to interest-related income. In addition, income from equity investments is recognised in current income. Interest expenses are recognised in the same way as interest income. Interest income from lending business and money market transactions includes income from the reversal of impending losses relating to negative Euribor (negative interest) in the amount of EUR 3,194 thousand (2023: EUR 3,026 thousand). See Note (41) for the resulting provision.

in EUR thousand	2024	2023
Interest income from		
Lending business and money market transactions with banks	37,781	37,673
Lending business and money market transactions with customers	287,675	244,732
Financial assets	13,593	11,482
Designated securities	3,504	3,682
Liabilities	256	274
Current income from		
Shares and other variable yield securities	2,212	3,842
Other equity investments	3,204	3,385
SPPI-injurious securities	1,776	1,682
Profits from modifications	**52**	**415**
Other interest-related income	**185**	**39**
Total interest and interest-related income	350,237	307,206
of which AC	323,166	280,750
of which FVOCI	6,182	8,143
of which FVPL, mandatory	8,246	7,620
of which FVPL, designated	12,405	10,240
Interest expenses for		
Liabilities to banks	–36,205	−44,655
Liabilities to customers	–67,232	−44,999
Securitised liabilities	–120,162	−99,428
Subordinated capital	–2,447	–2,307
Derivative financial instruments*)	–20,189	−15,836
Assets	−62	−89
Losses from modifications	**–1,324**	**–268**
Other interest-related expenses	**–788**	**–764**
Total interest and interest-related expenses	–248,410	–208,346
of which AC	–179,683	−152,825
of which FVOCI	–47	−48
of which FVPL, mandatory	−4	−4
of which FVPL, designated	−66,565	−54,437
Net interest income	101,827	98,860
*) originate from the following items for economic interest rate hedging:		
for interest expenses	–24,958	−19,123
for interest income	4,769	3,295
for open interest rate bands		−8

For financial assets or liabilities that are not measured at fair value through profit or loss, the total interest income amounts to EUR 329,533 thousand (2023: EUR 288,931 thousand) and the total interest expense to EUR –180,517 thousand (2023: EUR –153,637 thousand). Interest expenses according to the effective interest method amount to EUR –179,729 thousand (2023: EUR –152,873 thousand).

(20) Risk provisions

in EUR thousand	2024	2023
Changes of risk provision through profit or loss	–31,780	–11,779
Direct write-offs	–162	–127
Receipts from receivables written off	79	68
Total	**–31,863**	**–11,839**

For further details on risk provisions, reference is made to Note (36).

Sensitivity analyses
The quantitative component of the stage determination consists of a relative and an absolute threshold value. The limits selected for a deterioration in PD at Oberösterreichische Landesbank Aktiengesellschaft are 0.5% in absolute terms and 200% of the original PD in relative terms. If thresholds of 0.4% or 150% were selected, the impairment requirement in Stage 2 would increase by around EUR 180 thousand (2023: EUR 180 thousand), and by around EUR 730 thousand (2023: EUR 970 thousand) if thresholds of 0.25% or 100% were selected. Conversely, the impairment requirement in Stage 2 would be reduced by around EUR 130 thousand (2023: EUR 100 thousand) for selected thresholds of 0.6% and 250%, and by around EUR 590 thousand (2023: EUR 190 thousand) for thresholds of 0.75% and 300%.

A general increase in the LGD values in the “living area” by 10% would increase the impairment requirement by around EUR 650 thousand (2023: EUR 850 thousand), while an increase of 20% would increase it by around EUR 1,300 thousand (2023: EUR 1,700 thousand). In the event of a general increase in the PD values in the “living area” by 50%, the impairment requirement in Stage 1 would increase by around EUR 500 thousand (2023: EUR 750 thousand), taking into account additional transfers from Stage 1 to Stage 2, and that in Stage 2 would increase by EUR 3,000 thousand (2023: EUR 3,800 thousand).

Scenarios
Three macroeconomic scenarios are used: an optimistic, a pessimistic and a baseline scenario. The optimistic and pessimistic scenarios are each weighted at 20%, the baseline scenario at 60% (2023: pessimistic scenario: 20%, baseline scenario 60%, optimistic scenario: 20%). Due to the fact that the risk of a more significant downside scenario is low and the forecasts are stable, the optimistic and pessimistic scenarios are weighted equally.

(21) Net fee and commission income

Net fee and commission income includes income from the service business and expenses to third parties attributable to this business.

in EUR thousand 2024	Key Accounts	Retail and Private Housing	Financial Markets	Others	Total
Fee and commission income	4,097	14,577	7,784	2,730	29,189
from payment transactions	2,054	4,663	0*)	265	6,982
from lending business	1,215	978		2,362	−4,555
from securities business	757	8,118	7,784	4	16,662
from foreign exchange/currency business	43	59		93	195
from other services	28	759		6	794
Fee and commission expense	−123	−311	−7,297	−3,237	−10,968
from payment transactions	−1	−38	−47	−254	−340
from lending business	−119			−2,324	−2,443
from securities business	−3	−272	−7,250	−71	−7,596
from foreign exchange/currency business				−0*)	−0*)
from other services			−0*)	−588	−588
Total	3,975	14,267	487	−507	18,221

in EUR thousand 2023	Key Accounts	Retail and housing construction	Financial Markets	Others	Total
Fee and commission income	3,826	13,580	7,451	2,239	27,096
from payment transactions	1,968	4,275	0*)	157	6,399
from lending business	1,125	1,396	5	1,988	4,514
from securities business	677	7,273	7,446	3	15,399
from foreign exchange/currency business	37	56		89	182
from other services	19	580		2	601
Fee and commission expense	−88	−283	−7,073	−2,918	−10,361
from payment transactions	−0*)	−31	−45	−230	−307
from lending business	−72			−2,103	−2,175
from securities business	−5	−252	−7,027	−91	−7,374
from foreign exchange/currency business				−0*)	−0*)
from other services	−10		−0*)	−494	−504
Total	3,739	13,297	378	−678	16,735

*) Values < EUR 1 thousand

(22) Net financial income

Oberösterreichische Landesbank Aktiengesellschaft does not currently have an active trading portfolio.

in EUR thousand	2024	2023
Net gains or losses from		
currency-related transactions	1,867	4,686
financial instruments measured at fair value through profit or loss	−967	2,847
financial instruments designated at fair value	−6,491	−48,295
derivative financial instruments*)	7,060	37,834
derivative financial instruments in hedging relationships (hedge accounting)	−2,371	−3,037
other financial instruments	1,537	2,567
Total	636	−3,398

*) The derivative financial instruments were concluded exclusively for hedging purposes.

When designating own liabilities and receivables at fair value, the following gains or losses result from the change in credit rating:

When determining the fair value of own liabilities in 2024, the company's own credit rating risk was recognised through other comprehensive income in the amount of EUR –2,971 thousand (2023: EUR 11,610 thousand), cumulatively EUR 20,462 thousand (2023: EUR 23,433 thousand). In order to also take into account the remaining term effect in the change in fair value due to changes in creditworthiness for the period, this change is calculated from the difference between the beginning and end of the cumulative fair value change. The cumulative changes in fair value, which are also attributable to the default risk, are determined on the basis of market parameters that are not directly observable.

In the case of own securities and receivables, there is a creditworthiness-induced change in fair value of EUR –110 thousand (2023: EUR –6,761 thousand) for those items designated at fair value, amounting cumulatively to EUR –7,422 thousand (2023: EUR –7,313 thousand). Changes in fair value, which are, amongst other things, attributable to default risk, are determined on the basis of market parameters that are not directly observable.

Net income from other financial instruments

in EUR thousand	2024	2023
Realised gains or losses from financial instruments measured at amortised cost	1,064	2,414
Realised gains or losses from financial instruments measured at fair value through other comprehensive income	71	
Others	402	153
Total	**1,537**	**2,567**

The realised gains or losses mainly stems from the repurchase of financial liabilities.

(23) Personnel expenses

in EUR thousand	2024	2023
Wages and salaries	–29,717	–27,620
Social security contributions	–7,636	–7,013
Voluntary personnel expenses	–1,022	–882
Termination benefit expenses	–760	–789
of which contributions to employee pension funds	–330	–290
Expenses for pensions	–804	–813
of which contributions to pension funds	–628	–578
Total	**–39,938**	**–37,117**

(24) Other administrative expenses

in EUR thousand	2024	2023
IT expenditure	–12,017	–11,487
Rental expenses	–91	–173
Expenses for office space	–1,442	–2,291
Expenses for office operations	–112	–141
Advertising/marketing	–3,400	–2,863
Legal and consulting costs	–3,382	–3,382
Other administrative expenses	–5,124	–3,795
Total	**–25,568**	**–24,131**

In the financial year 2024 expenses for the audit of the annual consolidated financial statements (including VAT and subsidiaries) were incurred amounting to EUR –317 thousand (2023: EUR –309 thousand) and for special audits of EUR –13 thousand (2023: EUR –40 thousand) to the audit firm.

(25) Depreciation, amortisation and impairment of investment property, intangible assets and property, plant and equipment

in EUR thousand	2024	2023
Investment property	–3,117	–3,219
Software and intangible fixed assets	–354	–256
Real estate used by the Group	–943	–1,009
Operating and office equipment and other property, plant and equipment	–640	–726
Total	**–5,054**	**–5,209**

(26) Net other operating income

Other operating income mainly comprises rental income from real estate held as financial investment totalling EUR 8,473 thousand (2023: EUR 8,144 thousand). Other operating expenses no longer include an allocation (2023: allocation of EUR –4,201 thousand) to the resolution and deposit insurance fund, as the legally required volume was reached for both funds. In addition, rental expenses and expenses from goods and services to be recharged are recognised. Other taxes include the stability fee for the financial year 2024 in the amount of EUR –1,572 thousand (2023: EUR –1,497 thousand).

(27) Income tax expense

in EUR thousand	2024	2023
Current income tax expense	–4,907	–9,578
Deferred taxes	8	2,229
Total	**–4,899**	**–7,349**

The composition of deferred tax assets and deferred tax liabilities is presented in more detail in Note (43).

The reconciliation below shows the relationship between the notional and recognised income tax expense as follows:

in EUR thousand	2024	2023
Consolidated pre-tax profit for the year	30,814	42,943
Calculated income tax expense in the financial year at the domestic income tax rate of 23% (2023: 24%)	–7,089	–10,306
Tax effects		
Tax rate difference between current and deferred taxes (Effect of tax reform)		–89
Tax savings from tax-exempt income from participations	1,822	1,967
Changes due to companies accounted for using the equity method	501	863
Tax from non-deductible income and expenses	–350	–63
Loss deduction	215	111
Tax from other adjustments	–10	165
Tax credit (+) / liability (–) from previous years	12	3
Recognised tax expense (–) /income (+)	**–4,899**	**–7,349**
Effective tax rate	15.90%	17.11%

Notes to the consolidated statement of financial position

(28) Cash and balances at central banks

The cash and cash equivalents recognised in the cash flow statement are included in the balance sheet item "Cash and balances at central banks", which consists of cash on hand and balances at central banks. Loans and advances to banks repayable on demand, public sector debt issues and bills of exchange eligible for refinancing with central banks are not included.

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Cash on hand	7,299	8,262
Balances at central banks	758,263	1,094,450
Total	**765,562**	**1,102,713**

(29) Loans and advances to banks

Loans and advances to banks are recognised at amortised cost.

Loans and advances to banks by type of transaction

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Giro and clearing transactions	5,510	18,626
Cash and term deposits	113,438	128,914
Loans to banks	528	699
Total	**119,477**	**148,239**

Loans and advances to banks by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	57,775	84,450
up to 3 months	14	14
over 3 months to 1 year	152	586
over 1 to 5 years	3,365	3,538
over 5 years	58,171	59,651
Total	**119,477**	**148,239**

(30) Loans and advances to customers

Loans and advances to customers are predominantly recognised at amortised cost. The fair value option was utilised for loans and advances to customers amounting to EUR 221,639 thousand (2023: EUR 214,382 thousand), whose interest rate risks were hedged using an interest rate swap. In addition, loans and advances to customers that do not fulfil the SPPI criteria and are therefore recognised at fair value are reported in the amount of EUR 127,099 thousand (2023: EUR 128,187 thousand) as at the reporting date. In addition, securitised receivables that are not traded on an active market, mainly promissory note bonds (*Schuldscheindarlehen*) that are not held for trading, are reported under loans and advances to customers.

Loans and advances to customers by type of transaction (products)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Overdraft facilities	360,059	340,551
Cash advances	182,854	73,495
Loans and non-revolving loans	5,854,764	5,582,829
Lease receivables	171,613	157,647
Total	**6,569,291**	**6,154,521**

Loans and advances to customers by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	212,674	220,574
up to 3 months	299,197	182,755
over 3 months to 1 year	501,389	455,938
over 1 to 5 years	1,852,110	1,594,668
over 5 years	3,703,920	3,700,586
Total	**6,569,291**	**6,154,521**

Loans and advances to customers by business unit (segments)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Key Accounts	3,738,809	3,300,348
Retail and Private Housing	2,645,983	2,696,526
Others	184,499	157,647
Total	**6,569,291**	**6,154,521**

(31) Positive fair value from derivative transactions

Positive fair values from derivative transactions by type of transaction

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Interest rate transactions	137,695	135,053
of which hedge accounting	2,441	1,041
Foreign exchange transactions	32	4
Total	**137,727**	**135,057**

Positive fair values from derivative transactions by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
up to 3 months	513	804
over 3 months to 1 year	370	2,533
over 1 to 5 years	16,192	10,729
over 5 years	120,652	120,991
Total	**137,727**	**135,057**

(32) Financial assets

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Shares and other variable-income securities	59,095	57,473
Listed	812	784
Not listed	58,283	56,688
Measured at fair value through profit or loss	59,095	57,473
Bonds and other fixed-income securities	155,139	141,247
Listed	112,606	99,838
Not listed	42,534	41,409
Designated at fair value	155,139	141,247
Bonds and other fixed-income securities	143,769	172,861
Listed	143,769	172,861
Shares and other variable-income securities	68,150	88,281
Not listed	68,150	88,281
Shares in affiliated companies	18	18
Other equity investments	36,350	39,433
of which banks	2,447	2,447
of which non-banks	33,903	36,986
Listed	4,236	4,713
Not listed	32,114	34,721
Measured at fair value through other comprehensive income	248,286	300,593
Bonds and other fixed-income securities	481,630	444,687
Listed	367,200	321,451
Not listed	114,430	123,236
Measured at amortised costs	481,630	444,687
Total	**944,151**	**944,000**

Financial assets by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	10,400	9,135
up to 3 months	23,896	21,450
over 3 months to 1 year	21,410	67,721
over 1 to 5 years	368,762	315,299
over 5 years	356,071	345,190
Total	**780,539**	**758,796**

Shares and other variable-income securities, shares in affiliated companies and other equity investments were not broken down by remaining terms as there are no maturities.

(33) Shares in companies accounted for using the equity method

Financial information on companies accounted for using the equity method

in EUR thousand	Beteiligungs- und Wohnungsanlagen GmbH		Beteiligungs- und Immobilien GmbH		Total	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023	2024	2023
Summarised statement of financial position						
Assets	1,073,906	994,573	178,780	176,285	1,252,686	1,170,858
Liabilities	795,647	723,752	147,157	145,809	942,804	869,561
Consolidated income statement						
Revenue	157,986	152,293	24,701	26,450	182,687	178,743
Profit/loss from continuing operations	20,508	24,514	2,708	2,777	23,216	27,291
Other comprehensive income	–69	–468	–62	–134	–131	–602
Total comprehensive income	**20,439**	**24,046**	**2,646**	**2,643**	**23,085**	**26,689**

Reconciliation of equity method carrying amount

in EUR thousand	Beteiligungs- und Wohnungsanlagen GmbH		Beteiligungs- und Immobilien GmbH		Total	
	2024	2023	2024	2023	2024	2023
Holdings in %	25	25	25	25		
Carrying amount 1 Jan.	67,705	64,444	7,619	7,433	75,324	71,877
Distribution	–3,250	–2,750	–375	–475	–3,625	–3,225
Proportionate profit from continuing operations	5,127	6,128	677	695	5,804	6,823
Proportionate other comprehensive income	–17	–117	–16	–34	–33	–151
Carrying amount 31 Dec.	**69,565**	**67,705**	**7,905**	**7,619**	**77,470**	**75,324**

The summarised financial information corresponds to the amounts in the financial statements and packages of the associated companies prepared in accordance with IFRS.

The investments in companies valued at equity were made in order to consolidate the geographical business environment and intensify the business segment Retail and Private Housing. These investments are also intended to strengthen Upper Austria as a business location.

(34) Real estate held as financial investments, property, plant and equipment and intangible assets

Schedule of movements in fixed assets

in EUR thousand	Cost 1 Jan. 2024	Additions	Reclassifications	Disposals	Cost 31 Dec. 2024	Cumul. impairment losses/ reversal of impairment losses	Carrying amount 31 Dec. 2024	Current impairment losses/ reversal of impairment losses
Investment property	104,967	11,587			116,554	–41,655	74,899	–3,117
Intangible assets	14,891	5,471		–152	20,210	–14,111	6,099	–354
Land and buildings	27,003	810			27,813	–17,144	10,669	–347
Rights of use for land and buildings	3,703	1,937		–424	5,216	–2,175	3,041	–596
Other property, plant and equipment	12,118	1,448		–1,326	12,240	–8,821	3,419	–559
Leased assets from operating leases	457	170		–93	535	–112	423	–80
Total	**163,139**	**21,423**	**0**	**–1,993**	**182,568**	**–84,018**	**98,551**	**–5,054**

in EUR thousand	Cost 1 Jan. 2023	Additions	Reclassifications	Disposals	Cost 31 Dec. 2023	Cumul. impairment losses/ reversal of impairment losses	Carrying amount 31 Dec. 2023	Current impairment losses/ reversal of impairment losses
Investment property	101,526	1,721	1,720		104,967	–38,537	66,429	–3,219
Intangible assets	14,644	322		–75	14,891	–13,908	982	–256
Land and buildings	28,022	701	–1,720		27,003	–16,797	10,206	–469
Rights of use for land and buildings	2,998	705			3,703	–2,002	1,700	–541
Other property, plant and equipment	11,477	998		–357	12,118	–9,567	2,550	–637
Leased assets from operating leases	580	285		–408	457	–92	365	–87
Total	**159,247**	**4,732**	**0**	**–840**	**163,139**	**–80,905**	**82,234**	**–5,209**

The fair value of real estate held as financial investments (excluding rights of use) is EUR 74,538 thousand (2023: EUR 75,450 thousand). Rental income from investment property amounted to EUR 8,473 thousand in the financial year 2024 (2023: EUR 8,144 thousand) and is recognised under other operating income. The directly related operating expenses include ongoing impairment loss and maintenance costs and amount to EUR −3,426 thousand (2023: EUR −3,223 thousand). These expenses are included under depreciation and amortisation and other administrative expenses.

There are no contractual obligations (2023: none) for real estate held as financial investments as at the reporting date.

Non-repayable investment grants (Covid–19 investment premiums) amounting to EUR 6 thousand (2023: EUR 8 thousand) were recognised in the 2024 financial statements.

(35) Other assets

The balance sheet item other assets mainly includes clearing accounts totalling EUR 27,248 thousand (2023: EUR 25,742 thousand), prepaid expenses and deferred charges totalling EUR 3,091 thousand (2023: EUR 2,421 thousand), receivables from the tax office in the amount of EUR 2,237 thousand (2023: EUR 966 thousand) and offsetting with equity investments in partnerships in the amount of EUR 984 thousand (2023: EUR 2,311 thousand).

(36) Risk provisions

Risk provisions for balances at central banks

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	0	0	0	0
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**0**	**0**	**0**	**0**
Net change				0
Disposals				0
Utilisations				0
Additions				0
As at 31 Dec. 2024	0	0	0	0

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	1	0	0	1
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**1**	**0**	**0**	**1**
Net change	–1			–1
Disposals				0
Utilisations				0
Additions				0
As at 31 Dec. 2023	0	0	0	0

Risk provisions for loans and advances to banks

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	71	0	0	71
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**71**	**0**	**0**	**71**
Net change	7			7
Disposals	0*)			0*)
Utilisations				0
Additions	0*)			0*)
As at 31 Dec. 2024	78	0	0	78

*) Values < EUR 1 thousand

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	235	0	0	235
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**235**	**0**	**0**	**235**
Net change	–164			–164
Disposals	–1			–1
Utilisations				0
Additions	0*)			0*)
As at 31 Dec. 2023	71	0	0	71

Risk provisions for loans and advances to customers

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	2,407	3,518	21,110	27,035
Reclassifications				
to Stage 1	1,516	–1,516		0
to Stage 2	–130	1,768	–1,638	0
to Stage 3	–32	–417	449	0
Subtotal	**3,761**	**3,353**	**19,921**	**27,035**
Net change	–2,866	238	31,733	29,106
Disposals	–251	–528	–186	–966
Utilisations			–11,242	–11,242
Additions	251	134	250	635
As at 31 Dec. 2024	895	3,197	40,476	44,568

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	2,010	5,670	7,877	15,556
Reclassifications				
to Stage 1	2,859	–2,857	–3	0
to Stage 2	–139	194	–55	0
to Stage 3	–20	–718	738	0
Subtotal	**4,710**	**2,290**	**8,558**	**15,556**
Net change	–2,618	1,250	13,127	11,759
Disposals	–179	–299	–341	–819
Utilisations			–381	–381
Additions	494	278	148	920
As at 31 Dec. 2023	2,407	3,518	21,110	27,035

Net change: Change relating to the portfolio
Disposal: Reversal due to derecognition of a financial instrument
Addition: Allocation due to recognition of a financial instrument

Risk provisions for financial assets AC

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	169	0	0	169
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**169**	**0**	**0**	**169**
Net change	32			32
Disposals	–16			–16
Utilisations				0
Additions	52			52
As at 31 Dec. 2024	236	0	0	236

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	387	0	0	387
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**387**	**0**	**0**	**387**
Net change	–208			–208
Disposals	–58			–58
Utilisations				0
Additions	47			47
As at 31 Dec. 2023	169	0	0	169

Risk provisions for financial assets OCI

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	85	0	0	85
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**85**	**0**	**0**	**85**
Net change	21			21
Disposals	–6			–6
Utilisations				0
Additions				0
As at 31 Dec. 2024	101	0	0	101

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	285	0	0	285
Reclassifications				
to Stage 1				0
to Stage 2				0
to Stage 3				0
Subtotal	**285**	**0**	**0**	**285**
Net change	–193			–193
Disposals	–7			–7
Utilisations				0
Additions				0
As at 31 Dec. 2023	85	0	0	85

Provisions for credit risks and contingent liabilities

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	304	157	659	1,120
Reclassifications				
to Stage 1	91	–91		0
to Stage 2	–12	12		0
to Stage 3	–1	–41	42	0
Subtotal	**382**	**38**	**701**	**1,120**
Net change	–238	–5	445	202
Disposals	–93	–11	–1	–105
Utilisations				0
Additions	127	180		308
As at 31 Dec. 2024	178	201	1,145	1,524

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	415	475	80	969
Reclassifications				
to Stage 1	232	–232		0
to Stage 2	–26	26		0
to Stage 3	–1	–48	49	0
Subtotal	**620**	**220**	**129**	**969**
Net change	–343	73	600	330
Disposals	–139	–177	–70	–385
Utilisations				0
Additions	165	40		206
As at 31 Dec. 2023	304	157	659	1,120

Total risk provisioning

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	3,036	3,675	21,769	28,480
Reclassifications				
to Stage 1	1,607	–1,607		0
to Stage 2	–143	1,781	–1,638	0
to Stage 3	–33	–457	490	0
Subtotal	**4,467**	**3,391**	**20,622**	**28,480**
Net change	–3,043	233	32,178	29,368
Disposals	–367	–540	–187	–1,093
Utilisations			–11,242	–11,242
Additions	430	314	250	994
As at 31 Dec. 2024	1,488	3,398	41,621	46,507

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	3,333	6,145	7,957	17,434
Reclassifications				
to Stage 1	3,091	–3,089	–3	0
to Stage 2	–165	220	–55	0
to Stage 3	–20	–766	787	0
Subtotal	**6,238**	**2,509**	**8,686**	**17,434**
Net change	–3,526	1,323	13,727	11,524
Disposals	–383	–475	–411	–1,269
Utilisations			–381	–381
Additions	707	318	148	1,173
As at 31 Dec. 2023	3,036	3,675	21,769	28,480

Information on the modification

In the reporting period, Oberösterreichische Landesbank Aktiengesellschaft primarily made contractual modifications to financial assets in connection with market-induced interest rate changes that did not lead to derecognition. The resulting modification result is not considered to be significant in relation to the overall net interest income. The effect on the change in the gross carrying amount is also classified as immaterial.

Modified assets are monitored on an ongoing basis as part of the standardised credit monitoring processes or as part of the quarterly calculation of risk provisioning. Modified financial instruments are also allocated to a stage on the basis of the transfer criteria described in Note (10).

Development of the gross carrying amounts of impaired financial instruments

Gross carrying amounts of credit balances at central banks

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	1,094,450	0	0	1,094,450
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	–336,188			–336,188
Utilisation				0
Direct write-off				0
As at 31 Dec. 2024	758,263	0	0	758,263

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	661,551	0	0	661,551
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	432,900			432,900
Utilisation				0
Direct write-off				0
As at 31 Dec. 2023	1,094,450	0	0	1,094,450

Gross carrying amounts of loans and advances to banks

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	148,310	0	0	148,310
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	–28,755			–28,755
Utilisation				0
Direct write-off				0
As at 31 Dec. 2024	119,555	0	0	119,555

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	185,407	0	0	185,407
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	−37,097			−37,097
Utilisation				0
Direct write-off				0
As at 31 Dec. 2023	148,310	0	0	148,310

Gross carrying amounts of loans and advances to customers

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	5,479,300	270,603	89,084	5,838,987
to Stage 1	166,783	–166,783	0*)	0
to Stage 2	–71,002	77,259	–6,257	0
to Stage 3	–44,963	–40,812	85,776	0
Addition / disposal / net change	469,042	–29,815	–1,690	437,537
Utilisation			–11,242	–11,242
Direct write-off			–162	–162
As at 31 Dec. 2024	5,999,159	110,452	155,509	6,265,120

*) Value < EUR 1 thousand

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	5,164,221	424,623	20,122	5,608,965
to Stage 1	216,740	−216,687	−53	0
to Stage 2	−162,240	163,086	−846	0
to Stage 3	−31,073	−39,910	70,983	0
Addition / disposal / net change	291,652	−60,508	−612	230,531
Utilisation			−382	−382
Direct write-off			−127	−127
As at 31 Dec. 2023	5,479,300	270,603	89,084	5,838,987

Gross carrying amounts of financial assets – AC

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	444,856	0	0	444,856
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	37,010			37,010
Utilisation				0
Direct write-off				0
As at 31 Dec. 2024	481,866	0	0	481,866

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	412,793	0	0	412,793
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	32,063			32,063
Utilisation				0
Direct write-off				0
As at 31 Dec. 2023	444,856	0	0	444,856

Gross carrying amounts of financial assets – OCI

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	172,947	0	0	172,947
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	–29,077			–29,077
Utilisation				0
Direct write-off				0
As at 31 Dec. 2024	143,870	0	0	143,870

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	188,811	0	0	188,811
to Stage 1				0
to Stage 2				0
to Stage 3				0
Addition / disposal / net change	–15,864			–15,864
Utilisation				0
Direct write-off				0
As at 31 Dec. 2023	172,947	0	0	172,947

Gross carrying amounts of credit risks and contingent liabilities

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	762,433	54,187	7,855	824,476
to Stage 1	38,091	–38,091		0
to Stage 2	–805	805		0
to Stage 3	–2	0*)	2	0
Addition / disposal / net change	–5,105	–12,147	–3,638	–20,890
Utilisation				0
Direct write-off				0
As at 31 Dec. 2024	794,612	4,754	4,220	803,586

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	774,162	139,529	497	914,188
to Stage 1	46,488	–46,488		0
to Stage 2	–13,646	13,646		0
to Stage 3	–552	–8,994	9,546	0
Addition / disposal / net change	–44,019	–43,506	–2,188	–89,712
Utilisation				0
Direct write-off				0
As at 31 Dec. 2023	762,433	54,187	7,855	824,476

*) Value < EUR 1 thousand

Total gross carrying amounts

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2024	8,102,296	324,790	96,939	8,524,026
to Stage 1	204,874	–204,874		0
to Stage 2	–71,807	78,064	–6,257	0
to Stage 3	–44,965	–40,813	85,778	0
Addition / disposal / net change	106,927	–41,962	–5,327	59,638
Utilisation			–11,242	–11,242
Direct write-off			–162	–162
As at 31 Dec. 2024	8,297,325	115,206	159,729	8,572,260

in EUR thousand	Stage 1	Stage 2	Stage 3	Total
As at 1 Jan. 2023	7,386,944	564,152	20,619	7,971,715
to Stage 1	263,229	–263,176	–53	0
to Stage 2	–175,886	176,732	–846	0
to Stage 3	–31,625	–48,903	80,529	0
Addition / disposal / net change	659,635	–104,014	–2,801	552,820
Utilisation			–382	–382
Direct write-off			–127	–127
As at 31 Dec. 2023	8,102,296	324,790	96,939	8,524,026

(37) Liabilities to banks

Liabilities to banks are recognised at amortised cost.

Liabilities to banks by type of transaction

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Giro and clearing transactions	12,680	14,147
Money market transactions	287,277	530,687
Total	**299,957**	**544,834**

Liabilities to banks by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	111,617	127,318
up to 3 months		116,400
over 3 months to 1 year	1,500	100,000
over 1 to 5 years	13,000	3,000
over 5 years	173,841	198,116
Total	**299,957**	**544,834**

As at 31 December 2024, the volume of longer-term financing transactions from the TLTRO III programme of the European Central Bank (ECB) included in the item liabilities to banks amounted to EUR 0 thousand (2023: EUR 200,000 thousand). Tranche 9, amounting to EUR 100,000 thousand and maturing in September 2024, was paid off prematurely in March 2024. Tranche 7, also amounting to EUR 100,000 thousand, expired in March 2024.

An analysis of the conditions achievable for Oberösterreichische Landesbank Aktiengesellschaft as a bank on the market for comparable secured refinancing sources concluded that the conditions of the TLTRO III programme do not offer any significant advantage compared to the market. The currently applicable interest rate was used at all times for the current interest rate. In the opinion of Oberösterreichische Landesbank Aktiengesellschaft, the changes to the TLTRO III programme published by the ECB in October 2022 (change to the interest rate terms and inclusion of further repayment options) do not constitute a material contractual adjustment, which is why these changes also only led to a change in the interest rate. No changes in estimates or adjustments to carrying amounts were necessary in this context.

The required credit growth for the first special interest rate period (observation period: 1 March 2020 to 31 March 2021) and for the second special interest rate period (observation period: 1 October 2021 to 31 December 2021) was met. The interest rate was therefore set at –1.0%. After the end of the second special interest period on 23 June 2022 and up until 23 November 2022, the interest rate was calculated based on the average ECB interest rate for the deposit facility since the start of the transactions. From 23 November 2022 until the maturity of the respective tranche, the TLTRO liabilities bore interest based on the current ECB interest rate for the deposit facility. In the current 2024 financial year, interest expenses from the TLTRO III programme totalled EUR –1,933 thousand (2023: EUR –12,375 thousand).

(38) Liabilities to customers

Liabilities to customers are predominantly recognised at amortised cost. The fair value option was utilised for liabilities to customers amounting to EUR 28,203 thousand (2023: EUR 37,658 thousand) for which interest rate risks were hedged using an interest rate swap as otherwise there would be mismatches in the measurement and recognition compared to the hedging transaction (accounting mismatch). Hedge accounting is used for liabilities to customers in the amount of EUR 17,725 thousand (2023: EUR 34,326 thousand).

Liabilities to customers by type of transaction (products)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Sight deposits	1,218,715	1,140,428
Term deposits	1,303,534	1,379,079
Savings deposits	403,392	410,676
Total	**2,925,641**	**2,930,183**

Liabilities to customers by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	1,459,631	1,319,226
up to 3 months	928,159	764,540
over 3 months to 1 year	325,786	456,041
over 1 to 5 years	155,531	318,351
over 5 years	56,535	72,025
Total	**2,925,641**	**2,930,183**

Liabilities to customers by business segment (segments)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Key Accounts	1,359,033	1,425,463
Retail and Private Housing	1,520,656	1,432,712
Financial Markets	45,927	71,984
Others	25	23
Total	**2,925,641**	**2,930,183**

(39) Securitised liabilities

The fair value option was utilised for securitised liabilities in the amount of EUR 1,998,972 thousand (2023: EUR 1,750,659 thousand) for which interest rate risks were hedged using an interest rate swap as otherwise there would be mismatches in the measurement and recognition compared to the hedging transaction (accounting mismatch). Hedge accounting is used for securitised liabilities in the amount of EUR 591,148 thousand (2023: EUR 638,539 thousand). The remaining securitised liabilities are recognised at amortised cost.

Securitised liabilities by type of transaction (products)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Covered bonds	2,593,339	2,444,274
Public sector covered bonds	429,911	438,748
Housing bonds*)	830,206	718,041
Bonds	905,577	819,576
Total	**4,759,033**	**4,420,638**

*) The issues of Hypo-Wohnbaubank Aktiengesellschaft were issued in trust for Oberösterreichische Landesbank Aktiengesellschaft (trustor).

Securitised liabilities by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand*)	60,585	48,787
up to 3 months	171,060	81,750
over 3 months to 1 year	386,326	159,502
over 1 to 5 years	1,862,560	1,922,161
over 5 years	2,278,501	2,208,439
Total	**4,759,033**	**4,420,638**

*) This mainly relates to accrued interest.

(40) Negative fair values from derivative transactions

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Interest rate transactions	51,897	72,750
of which hedge accounting	14,885	27,621
Foreign exchange transactions	16,361	16,000
of which hedge accounting	16,361	15,320
Total	**68,258**	**88,750**

(41) Provisions

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Provisions for social capital	13,131	12,896
Other provisions	2,683	5,793
Total	**15,814**	**18,689**

Development of social capital (DBO)

in EUR thousand	Provisions for pensions	Provisions for severance payments	Provisions for anniversary bonuses	Provisions for social capital
As at 1 Jan. 2024	5,000	6,416	1,480	12,896
Current service cost	4	210	88	302
Interest expense	168	220	51	439
Actuarial gains/losses	420	125	2	547
from demographic assumptions		−21	−13	−34
from financial assumptions	207	−239	−55	−86
from experience-based adjustment	214	384	69	667
Payments	−386	−526	−141	−1,053
As at 31 Dec. 2024	5,206	6,445	1,480	13,131

in EUR thousand	Provisions for pensions	Provisions for severance payments	Provisions for anniversary bonuses	Provisions for social capital
As at 1 Jan. 2023	5,502	6,650	1,273	13,425
Current service cost	6	219	76	301
Interest expense	224	275	55	553
Profit/loss from the termination of the employment relationship		−257		−257
Actuarial gains/losses	−311	268	132	89
from demographic assumptions	−1	−150	−13	−164
from financial assumptions	394	354	88	836
from experience-based adjustment	−704	64	57	−583
Payments	−422	−738	−56	−1,216
As at 31 Dec. 2023	5,000	6,416	1,480	12,896

As at 31 December 2024, the weighted average term of the defined benefit obligations for termination benefits was 7.53 years (2023: 7.92 years), for work anniversary bonuses 8.32 years (2023: 8.76 years) and for pensions 10.13 years (2023: 10.37 years).

Sensitivity analysis of the defined benefit obligation (DBO)
Sensitivity analyses were carried out as at the reporting date by varying the respective assumptions regarding the most important valuation parameters from a reasonable perspective and recalculating the present values of the defined benefit obligations for pensions and termination benefits:

Parameter	Change in the assumption	Changes in DBO			
		Pensions		Termination benefits	
		31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Discount rate	+0.5%	−4.59%	−4.69%	−3.56%	−3.74%
	−0.5%	4.99%	5.11%	3.78%	3.98%
Pensions/Salaries	+0.5%	5.01%	5.14%	3.70%	3.88%
	−0.5%	−4.64%	−4.75%	−3.52%	−3.68%

Development of other provisions

in EUR thousand	As at 1 Jan. 2024	Alloca-tions	Uti-lisation	Rev-ersals	As at 31 Dec. 2024
Risks from the credit business	1,120	510		–105	1,524
Obligations for negative interest	3,274		–80	–3,194	0
Miscellaneous other provisions	1,398	1,013	–1,201	–51	1,159
Total	**5,793**	**1,523**	**–1,281**	**–3,351**	**2,683**

As far as is known, there are currently no pending court proceedings that are expected to clarify the open legal issues in connection with negative interest rates for non-consumer financing. No cases of legal action have been brought against Oberösterreichische Landesbank Aktiengesellschaft whatsoever in this context. This provision is not expected to be utilised. The provisions were reversed due to the low probability of utilisation.

For further information on the development of provisions for risks from the lending business, please refer to Note (36).

(42) Other liabilities

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Deferred income	557	443
Lease liabilities in accordance with IFRS 16	22,674	21,558
Other liabilities	35,000	25,624
Total	**58,231**	**47,625**

The item other liabilities mainly comprises liabilities from payroll accounting in the amount of EUR 3,745 thousand (2023: EUR 3,627 thousand), liabilities to the tax office in the amount of EUR 4,502 thousand (2023: EUR 3,289 thousand) and settlement accounts from the settlement of housing construction loans in the amount of EUR 6,572 thousand (2023: EUR 4,215 thousand). It also includes necessary adjustments of EUR 15,905 thousand (2023: EUR 11,918 thousand) from the shift in the reporting date in relation to the offsetting of results with fully consolidated subsidiaries in the 4th quarter.

(43) Tax assets and liabilities

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Current tax assets	393	1,024
Total	**393**	**1,024**

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Deferred tax liabilities	8,010	13,171
Total	**8,010**	**13,171**

in EUR thousand	Deferred tax assets 31 Dec. 2024	Deferred tax liabilities 31 Dec. 2024	recognised through profit or loss 2024
Loans and advances to customers	755		–1,578
Positive fair values from derivative transactions		25,117	636
Financial assets and shares in companies accounted for using the equity method		1,214	–2,674
Liabilities to customers		180	412
Securitised liabilities	1,544		7,293
Negative fair values from derivative transactions	14,818		–4,670
Subordinated capital		849	310
Provisions	2,415		474
Other items	703	885	–195
Netting of deferred taxes	–20,235	–20,235	
Deferred tax liabilities	**0**	**8,010**	**8**

in EUR thousand	Deferred tax assets 31 Dec. 2023	Deferred tax liabilities 31 Dec. 2023	recog-nised through profit or loss 2023
Loans and advances to customers	2,334		−1,907
Positive fair values from derivative transactions		25,753	−3,462
Financial assets and shares in companies accounted for using the equity method		2,883	4,150
Liabilities to customers		854	17,415
Securitised liabilities		5,836	970
Negative fair values from derivative transactions	19,154		−14,227
Subordinated capital		1,159	24
Provisions	1,815		−742
Other items	764	753	8
Netting of deferred taxes	−24,067	−24,067	
Deferred Tax liabilities	**0**	**13,171**	**2,229**

Deferred taxes were also recognised directly in equity from the measurement of financial instruments classified as OCI and from the measurement of social capital, without affecting profit or loss. In the year 2024, the deferred tax assets recognised through other comprehensive income amounted to EUR 5,153 thousand (2023: tax expense EUR –6,694 thousand).

In accordance with IAS 12.39, no deferred tax liabilities were recognised on temporary differences from investments in subsidiaries and associates held by Group companies in the amount of EUR 56,999 thousand (2023: EUR 54,852 thousand) as the temporary differences are not expected to reverse in the foreseeable future. The temporary differences relate to retained earnings that are not intended to be distributed or will remain tax-free for the foreseeable future. As at 31 December 2024, a hypothetical tax liability of EUR 13,110 thousand (2023: EUR 12,616 thousand) was therefore not recognised – without taking into account the tax-free profit distributions from subsidiaries.

(44) Subordinated capital

This item contains Tier 2 capital within the meaning of Article 62 et seq. CRR. Hybrid capital is also recognised in this item.

The fair value option was utilised for subordinated capital in the amount of EUR 21,587 thousand (2023: EUR 20,321 thousand) for which interest rate risks were hedged using an interest rate swap as otherwise there would be mismatches in the measurement and recognition compared to the hedging transaction (accounting mismatch). The remaining subordinated capital is recognised at amortised cost.

Subordinated capital by type of transaction

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Subordinated liabilities	49,732	48,513
Tier 2 capital	16,979	16,963
Total	**66,711**	**65,476**

Subordinated capital by maturity (remaining term)

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Repayable on demand	424	536
over 5 years	66,287	64,940
Total	**66,711**	**65,476**

The total amount of interest expenses for subordinated liabilities amounted to EUR –2,447 thousand in the 2024 financial year (2023: EUR –2,307 thousand).

Reconciliation of information on cash flows from financing activities

in EUR thousand	2024	2023
Subordinated capital 1 Jan.	**65,476**	**64,345**
Cash changes		
Inflows		718
Non-cash changes		
Fair value	1,331	258
Accrued interest	−96	155
Subordinated capital 31 Dec.	**66,711**	**65,476**

(45) Equity

Equity comprises the capital made available to the Bank (subscribed capital plus capital reserves) and earned capital (retained earnings, reserves recognised through other comprehensive income and the consolidated comprehensive income for the year). Changes in the measurement of companies accounted for using the equity method are also recognised through other comprehensive income under retained earnings. The OCI reserve comprises the changes in measurement of the FVOCI portfolio that are not recognised through profit or loss and the creditworthiness-related changes in liabilities measured at fair value. The IAS 19 reserve represents the accumulated actuarial gains and losses from the personnel provisions.

Subscribed capital

The subscribed capital consists of the nominal capital in the amount of EUR 14,664 thousand (2023: EUR 14,664 thousand). On 31 December 2024, 2,017,000 (2023: 2,017,000) shares with a nominal value of EUR 7.27 per share were in circulation. Of the shares issued, the parent company held 14,815 shares as at 31 December 2024 (2023: 14,578). The change stems from repurchases of ordinary shares from employees who have left the company or from purchases from employees.

The 17,000 employee shares of Oberösterreichische Landesbank Aktiengesellschaft are shares issued for an employee participation model in the course of the privatisation in 1997. At that time, these were issued free of charge on a one-time basis to employees, senior executives and members of the Management Board of Oberösterreichische Landesbank Aktiengesellschaft. Upon defined triggering events, the transferees of these shares are obliged to offer the shares to be taken over by the Works Council Fund, the employee nominated by the Works Council, Oberösterreichische Landesbank Aktiengesellschaft, Landesholding GmbH or Hypo Holding GmbH, in that order. The resignation, retirement or death of an employee, for example, constitutes a triggering event.

The price of the employee shares is determined once a year as part of the authorised IFRS consolidated statement of financial position. The shares can be purchased by the employee at this price; there is no preferential sale. The purchase and sale of employee shares is only possible in the month following the Annual General Meeting and only for active employees with permanent and non-terminated employment contracts, where a maximum of 50 shares can be purchased per employee. In the year 2024, Oberösterreichische Landesbank Aktiengesellschaft acquired 375 shares (2023: 425 shares) at a total value of EUR 98 thousand (2023: EUR 104 thousand), and 138 shares (2023: 8 shares) were repurchased from employees at a total value of EUR 37 thousand (2023: EUR 2 thousand). The net income is recognised directly in equity.

Retained earnings
The retained earnings consist of the legal reserves, other retained earnings and the liability reserve.

The return on assets as at 31 December 2024 0.30% (2023: 0.41%) and is calculated by dividing the consolidated after-tax profit for the year by the total capital (total assets).

Other comprehensive income (OCI) reserve
Movements in the OCI reserve are recognised through other comprehensive income and therefore directly in equity. These movements include, in particular, actuarial gains and losses from the measurement of social capital (IAS 19 reserve), creditworthiness-related changes in liabilities measured at fair value and fair value changes in FVOCI financial instruments (miscellaneous OCI reserve). In 2024, these movements correspond to other comprehensive income of EUR –17,323 thousand (2023: EUR 22,325 thousand). Deferred taxes were deducted directly from equity when measuring the OCI portfolio and recognising the IAS 19 reserve. Due to disposals of OCI inventories, the reserve of EUR 420 thousand (2023: EUR 28 thousand) was released through profit or loss in the reporting year.

The miscellaneous OCI reserve is made up as follows:

in EUR thousand	1 Jan. 2024	Changes	31 Dec. 2024
Rating-related changes in liabilities measured at fair value	18,044	–2,288	15,756
Changes in the fair value of FVOCI equity instruments	–7,191	–18,005	–25,196
Changes in the fair value of FVOCI debt instruments	–15,550	3,422	–12,128
Total	**–4,698**	**–16,870**	**–21,568**

in EUR thousand	1 Jan. 2023	Changes	31 Dec. 2023
Rating-related changes in liabilities measured at fair value	9,104	8,940	18,044
Changes in the fair value of FVOCI equity instruments	–14,772	7,580	–7,191
Changes in the fair value of FVOCI debt instruments	–21,472	5,922	–15,550
Total	**–27,140**	**22,442**	**–4,698**

The risk provisions of financial assets measured at fair value through other comprehensive income before deferred taxes amounted to EUR 101 thousand (2023: EUR 85thousand) as at the reporting date.

Additional IFRS information

(46) Total volume of derivative financial products not yet settled

31 Dec. 2024	Nominal amounts by remaining term				Fair values clean	
in EUR thousand	up to 1 year	1 to 5 years	over 5 years	Total	positive	negative
Interest rate contracts	299,542	736,662	1,873,343	2,909,547	109,471	55,271
Exchange rate agreements		59,929	41,917	101,846	6,780	16,159
Interest rate options	10		26,468	26,478	242	240
Forward exchange transactions	12,679			12,679	32	
Total	**312,231**	**796,591**	**1,941,728**	**3,050,550**	**116,525**	**71,670**

31 Dec. 2023	Nominal amounts by remaining term				Fair values clean	
in EUR thousand	up to 1 year	1 to 5 years	over 5 years	Total	positive	negative
Interest rate contracts	176,636	710,386	1,871,030	2,758,052	113,116	75,339
Exchange rate agreements		59,929	41,917	101,846	6,714	14,998
Interest rate options	45	23	28,287	28,355	386	382
Forward exchange transactions	19,556			19,556	4	694
Total	**196,237**	**770,338**	**1,941,234**	**2,907,809**	**120,220**	**91,413**

(47) Offsetting of financial instruments

Assets 31 Dec. 2024 in EUR thousand	Financial assets (gross)	Offset recognised amounts (gross)	Recognised financial assets (net)	Effect of offsetting framework agreements	Collateral in the form of financial instruments	Net amount
Derivative financial instruments with banks	105,507		105,507	–21,121	–79,487	4,898
Derivative financial instruments with central counterparties	32,220		32,220	–8,875	–23,030	315
Loans and advances to banks	119,477		119,477	–61,183		58,294

Liabilities 31 Dec. 2024 in EUR thousand	Financial liabilities (gross)	Offset recognised amounts (gross)	Recognised financial liabilities (net)	Effect of offsetting framework agreements	Collateral in the form of financial instruments	Net amount
Derivative financial instruments with banks	56,132		56,132	–21,121	–34,103	908
Derivative financial instruments with central counterparties	12,126		12,126	–8,875	–3,091	160
Liabilities to banks	299,957		299,957	–61,183		238,774

Assets 31 Dec. 2023 in EUR thousand	Financial assets (gross)	Offset recognised amounts (gross)	Recognised financial assets (net)	Effect of offsetting framework agreements	Collateral in the form of financial instruments	Net amount
Derivative financial instruments with banks	105,202		105,202	−28,704	−72,885	3,612
Derivative financial instruments with central counterparties	29,855		29,855	−4,096	−24,937	822
Loans and advances to banks	148,239		148,239	−62,741		85,498

Liabilities 31 Dec. 2023 in EUR thousand	Financial liabilities (gross)	Offset recognised amounts (gross)	Recognised financial liabilities (net)	Effect of offsetting framework agreements	Collateral in the form of financial instruments	Net amount
Derivative financial instruments with banks	74,035		74,035	−28,704	−41,994	3,336
Derivative financial instruments with central counterparties	14,715		14,715	−4,096	−10,494	125
Liabilities to banks	544,834		544,834	−62,741		482,093

The contracts for derivative financial instruments are German and Austrian framework agreements for financial futures and the associated collateral agreements that do not fulfil the criteria for offsetting of the financial instruments covered in accordance with IAS 32.42. The right to offset fair values and collateral contained in the agreement only arises for the contracting parties in the event of default, insolvency, bankruptcy and cancellation. The contracting parties do not intend to fulfil the transactions on a net basis. Cash collaterals serve as collateral in accordance with the associated collateral agreements.

Initial margins totalling EUR 14,434 thousand (2023: EUR 12,475 thousand) were paid to central counterparties.

The netted receivables from and liabilities to banks relate to an individual netting agreement with a contractual partner to minimise credit risk in accordance with CRR. In addition, contractual netting agreements have been in place since 2016 for receivables and liabilities from derivative financial instruments in order to recognise risk-mitigating effects.

(48) Fair values

31 Dec. 2024 in EUR thousand	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value total
ASSETS					
Financial assets measured at amortised cost Assets					
Cash and balances at central banks*)	765,562				
Loans and advances to banks	119,477			115,567	115,567
Loans and advances to customers	6,220,552			6,802,289	6,802,289
Financial assets	481,630	325,116	11,193	139,869	476,178
Other assets (financial instruments)*)	984				
Financial assets measured at fair value through profit or loss					
Loans and advances to customers	127,099			127,099	127,099
Financial assets	59,095	812		58,283	59,095
Positive fair values from derivative transactions	135,286		135,286		135,286
Financial assets designated at fair value					
Loans and advances to customers	221,639			221,639	221,639
Financial assets	155,139	112,606		42,534	155,139
Financial assets measured at fair value through other comprehensive income					
Financial assets	248,286	184,665		63,621	248,286
Hedge accounting					
Positive fair values from derivative transactions	2,441		2,441		2,441

*) The fair value corresponds to the carrying amount because the assets are mainly current assets.

31 Dec. 2024 in EUR thousand	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value total
LIABILITIES					
Financial liabilities measured at amortised cost					
Liabilities to banks	299,957			299,469	299,469
Liabilities to customers	2,879,714			2,877,677	2,877,677
Securitised liabilities	2,168,913			2,101,907	2,101,907
Subordinated capital	45,124			33,608	33,608
Financial liabilities recognised at fair value through profit or loss					
Negative fair values from derivative transactions	37,012		37,012		37,012
Financial liabilities designated at fair value					
Liabilities to customers	28,203			28,203	28,203
Securitised liabilities	1,998,972			1,998,972	1,998,972
Subordinated capital	21,587			21,587	21,587
Hedge accounting					
Liabilities to customers	17,725			17,725	17,725
Securitised liabilities	591,148			591,148	591,148
Negative fair values from derivative transactions	31,246		31,246		31,246

31 Dec. 2023 in EUR thousand	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value total
ASSETS					
Financial assets measured at amortised cost Assets					
Cash and balances at central banks[*)]	1,102,713				
Loans and advances to banks	148,239			152,375	152,375
Loans and advances to customers	5,811,952			6,459,555	6,459,555
Financial assets	444,687	268,748	6,559	158,602	433,908
Other assets (financial instruments)[*)]	1,151				
Financial assets measured at fair value through profit or loss					
Loans and advances to customers	128,187			128,187	128,187
Financial assets	57,473	784		56,688	57,473
Positive fair values from derivative transactions	134,016		134,016		134,016
Financial assets designated at fair value					
Loans and advances to customers	214,382			214,382	214,382
Financial assets	141,247	99,838		41,409	141,247
Financial assets measured at fair value through other comprehensive income					
Financial assets	300,593	234,454		66,139	300,593
Hedge accounting					
Positive fair values from derivative transactions	1,041		1,041		1,041

[*)] The fair value corresponds to the carrying amount because the assets are mainly current assets.

31 Dec. 2023 in EUR thousand	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value total
LIABILITIES					
Financial liabilities measured at amortised cost					
Liabilities to banks	544,834			544,189	544,189
Liabilities to customers	2,858,198			2,856,931	2,856,931
Securitised liabilities	2,031,440			1,922,428	1,922,428
Subordinated capital	45,155			31,207	31,207
Financial liabilities recognised at fair value through profit or loss					
Negative fair values from derivative transactions	45,810		45,810		45,810
Financial liabilities designated at fair value					
Liabilities to customers	37,658			37,658	37,658
Securitised liabilities	1,750,659			1,750,659	1,750,659
Subordinated capital	20,321			20,321	20,321
Hedge accounting					
Liabilities to customers	34,326			34,326	34,326
Securitised liabilities	638,539			638,539	638,539
Negative fair values from derivative transactions	42,940		42,940		42,940

The maximum default risk in relation to the assets designated at fair value through profit or loss as at 31 December 2024 is EUR 376,779 thousand (2023: EUR 355,629 thousand).

The carrying amount of the liabilities classified at fair value through profit or loss is EUR 34,913 thousand higher (2023: EUR 26,594 thousand higher) than the contractual amount to be paid to the creditors on maturity. However, this is offset by total fair values from hedging transactions in the amount of EUR 62,180 thousand (2023: EUR 13,541 thousand).

Reclassifications
Reclassifications between the level categories take place on the basis of the internally defined level policy. Oberösterreichische Landesbank Aktiengesellschaft recognises reclassifications in the fair value hierarchy at the end of the reporting period in which the change occurred.

On the reporting date, there were no reclassifications of financial instruments from Level 1 to Level 2 (2023: one, which had a carrying amount of EUR 1,726 thousand in 2023). On the reporting date, there was no reclassification from Level 1 to Level 3 for financial instruments (2023: none). On the reporting date, there was no reclassification from Level 2 to Level 1 for financial instruments (2023: none). As at the reporting date, there were no (2023: two) reclassifications from Level 2 to Level 3 for financial instruments (2023: with a carrying amount of EUR 9,252 thousand). On the reporting date, there was no reclassification from Level 3 to Level 1 for financial instruments (2023: none). On the reporting date, one reclassification of a financial instrument from Level 3 to Level 2 (2023: none) was made with a carrying amount of EUR 4,995 thousand.

Effects of the reclassifications as at the reporting date
In the 2024 financial year, the business models remained unchanged, and therefore no reclassifications were made due to business model changes.

Special information for Level 3

IFRS category in EUR thousand	1 Jan. 2024	Additions	Disposals	Realised gains or losses	Measurement result	Repayments	Amortisation	OCI reserve 1 Jan. 2024	Change in reserve	OCI reserve 31 Dec. 2024 before deferred taxes	Accrued interest	Carrying amount 31 Dec. 2024
Debt capital												
FVPL loans, designated	214,382	14,428			4,737	–11,661					–246	221,639
FVPL loans,	128,187	17,960			–519	–18,527					–3	127,099
Securities FVPL, designated	41,409				1,121						4	42,534
Equity capital												
Securities FVPL	56,688	2,071			–476							58,283
Securities FVOCI	31,401							−4,555	89	−4,467		31,490
Equity investments FVOCI	34,738	156						11,772	–2,763	9,009		32,131
Total assets	506,805	34,615	0	0	4,863	–30,188	0	7,217	–2,674	4,542	–245	513,176
At fair value	1,808,639	365,771	–22,727	586	–9,669	–121,278		23,433	–2,971	20,462	6,303	2,048,761
Total liabilities	1,808,639	365,771	–22,727	586	–9,669	–121,278	0	23,433	–2,971	20,462	6,303	2,048,761

IFRS category in EUR thousand	1 Jan. 2023	Additions	Disposals	Realised gains or losses	Measurement result	Repayments	Amortisation	OCI Reserve 1 Jan. 2023	Change in reserve	OCI reserve 31 Dec. 2023 before deferred taxes	Accrued interest	Carrying amount 31 Dec. 2023
Debt capital												
FVPL loans, designated	169,410	63,981			10,482	−29,417					−74	214,382
FVPL loans	119,267	19,346			−2,295	−8,142					11	128,187
Securities FVPL, designated	42,152				−747						4	41,409
Equity capital												
Securities FVPL	51,535	22,531	−22,531		5,153							56,688
Securities FVOCI	30,000							−5,956	1,401	−4,555		31,401
Equity investments FVOCI	32,396		−73					9,357	2,415	11,772		34,738
Total assets	444,760	105,858	−22,604	0	12,593	−37,559	0	3,401	3,816	7,217	−59	506,805
At fair value	1,674,380	146,095	18,035	245	−56,980	−76,295		11,823	11,610	23,433	1,298	1,808,639
Total liabilities	1,674,380	146,095	18,035	245	−56,980	−76,295	0	11,823	11,610	23,433	1,298	1,808,639

The realised net income and the remeasurement gain or loss from the fair value through profit & loss (FVPL) category as well as the realised net income and impairments from the fair value through OCI (FVOCI) category are reported in the net financial income and the remeasurement gain or loss from the FVOCI category in other comprehensive income. For Level 3 financial instruments, third-party pricing information is used without further adjustments.

Methods and valuation techniques used to determine fair value

The fair value of financial instruments recognised at fair value is generally determined on the basis of stock market prices. If no stock market prices are available, measurement is carried out using standard market methods based on instrument-specific market parameters. The fair value is generally determined using the present value method or, in the case of more complex financial instruments, using corresponding option pricing models, whereby standard market credit risk and liquidity spreads are taken into account when determining the present value.

The fair values of derivative financial instruments such as swaps and interest rate options are also calculated using present value or option pricing models. Credit risks are taken into account in the model valuation of derivatives as a credit value adjustment (CVA) and as a debt value adjustment (DVA) on the basis of parameters such as counterparty risk, collateral, net fair values and remaining term. The CVA/DVA amounted to EUR 44 thousand as at the reporting date (2023: EUR 110 thousand).

The relevant market prices and interest rates from recognised external sources observed on the reporting date are used as input parameters for determining fair value.

There is no liquid market for loans and deposits, which are measured at amortised cost. For short-term loans and deposits repayable on demand, it is assumed that the fair value corresponds to the carrying amount. For all other loans and deposits, the fair value is determined by discounting the expected future cash flows. Interest rates are used for loans at which new loans with a corresponding risk structure, original currency and maturity would be concluded. For deposits, the swap interest rates published by recognised external sources – supplemented by liquidity spreads with matching maturities – are used.

The risk premium (credit spread) is a significant, unobservable input in the measurement of receivables. This is derived by Oberösterreichische Landesbank Aktiengesellschaft from internal probabilities of default and loss given defaults (LGDs). These internal probabilities of default and loss given defaults contain all material information, including also the impact of climate-related issues. As at 31 December 2024, a credit spread in a range from 0.2% to 28.2% (2023: from 0.1% to 11.1%) was taken into account in the measurement of Level 3 receivables. An increase or decrease in the credit spread would lead to a lower or higher fair value of the receivables. A change in the credit spread of 0.5% or –0.5% (2023: 0.2% or –0.2%) would lead to a decrease or increase in net income before taxes of EUR –8,723 thousand or EUR 8,723 thousand (2023: EUR –4,905 thousand or EUR 4,905 thousand). In order to determine the impact, Oberösterreichische Landesbank Aktiengesellschaft carries out a remeasurement using the present value of a basis point (PVBP).

The fair value of equity instruments is determined using standard market methods (DCF valuation, fair value appraisal, use of the stock market price).

In the case of investments recognised at fair value in Level 3, the discount factor is a significant, unobservable input in the DCF method used. An increase or decrease in the discount factor would lead to a decrease or increase in the fair value. A change in the discount factor of 0.25% or −0.25% would lead to a decrease or increase in net income before taxes of EUR −2,168 thousand or EUR 2,531 thousand (2023: EUR −2,054 thousand or EUR 2,150 thousand).

The fair value calculation for the Bank's financial liabilities, which were allocated to the measurement category Fair value through profit & loss, includes all instrument-specific market factors, including the issuer's standard market credit and liquidity risk associated with these financial liabilities.

The premium for the non-performance risk is a significant, unobservable input in the measurement of liabilities. This is calculated using the risk curves of Oberösterreichische Landesbank Aktiengesellschaft in relation to subordinated and non-subordinated instruments. This premium for the non-performance risk or the risk curve of Oberösterreichische Landesbank Aktiengesellschaft is determined by comparable institutions and issues for which reliable information is available on the market. This premium therefore includes all key information, including also the impact of climate-related issues. As at 31 December 2024, a risk premium in a range of 0.0% to 4.3% (2023: from 0.0% to 4.6%) was taken into account in the measurement of Level 3 liabilities. An increase or decrease in the risk premium would lead to a lower or higher fair value of the liabilities. A change in the risk premium of 0.5 or −0.5% (2023: 0.2% or −0.2%) would lead to an increase or decrease in net income before taxes of EUR 52,456 thousand or EUR −52,456 thousand (2023: EUR 19,277 thousand or EUR −19,277 thousand). This effect is determined by the remeasurement of liabilities using the present value of a basis point (PVBP).

In accordance with Section 1356 of the ABGB, the federal state of Upper Austria is liable for the Bank's liabilities that were established until 2 April 2003.

The price models and inputs used to determine fair values are regularly tested and validated. The remeasurement gain or loss of the instruments recognised at fair value is regularly reported to the Management Board.

Financial investments in equity instruments measured at fair value through other comprehensive income

None (2023: none) of these financial instruments were divested in the reporting period. The dividends recognised for such financial investments held on the reporting date in the reporting period amount to EUR 5,108 thousand (2023: EUR 7,179 thousand).

The fair values of such financial investments are as follows:

Financial investments FVOCI in EUR thousand	31 Dec. 2024	31 Dec. 2023
Hypo-Banken-Holding Gesellschaft m.b.H.	6	6
Hypo-Wohnbaubank Aktiengesellschaft	663	663
Oberösterreichische Kreditgarantiegesellschaft m.b.H.	509	509
KEPLER-FONDS Kapitalanlagegesellschaft m.b.H.	1,276	1,276
GEMDAT OÖ GmbH	8	8
GEMDAT OÖ GmbH & Co KG	51	51
Oberösterreichische Unternehmensbeteiligungsgesellschaft m.b.H.	236	236
Energie AG Oberösterreich	26,866	29,590
OÖ HightechFonds GmbH	2	2
AMAG Austria Metall AG	4,236	4,713
Einlagensicherung AUSTRIA Ges.m.b.H.	1	1
Hypo-Bildung GmbH	9	9
Betriebsliegenschaft Eferding 4070 GmbH	18	18
O.Ö. Kommunalgebäude-Leasing Gesellschaft m.b.H.	4	4
O.Ö. Kommunal-Immobilienleasing GmbH	4	4
Raiffeisen OÖ Invest GmbH	8	8
HYPO-IMPULS Immobilien GmbH	1,426	1,426
Techno-Z Ried Technologiezentrum GmbH	28	28
ELAG Immobilien AG	821	664
OÖ HightechFonds GmbH (silent partnership)	186	225
R-IMPULS-Projekt Gmundnerberg GmbH	12	12
Genussrecht OÖ. Thermen-Immobilien-GmbH	31,490	31,401
Genussrecht Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG *)	36,660	56,880

*) Indirect shareholding in voestalpine AG

(49) Leases

Leases as lessee

Oberösterreichische Landesbank Aktiengesellschaft's leases consist mainly of the rental of locations (office space, branches and car parks) as well as building rights and land for real estate leasing projects. These building rights and land rents are subleased.

The capitalised usage rights in the course of IFRS 16 are reported in the statement of financial position as property, plant and equipment or real estate held as financial investments. The changes in the carrying amount of the usage rights are presented in the schedule of movements in fixed assets under Note (34).

Expenses for short-term leases in the 2024 financial year amounted to EUR −5 thousand (2023: EUR –7) thousand and are recognised in the consolidated income statement under general administrative expenses. This item also includes expenses for leases for low-value assets in the amount of EUR 0 thousand (2023: EUR 0 thousand).

Income from the subleasing of usage rights in the 2024 financial year totalled EUR 985 thousand (2023: EUR 951 thousand).

The following table shows the maturity analysis of lease liabilities:

in EUR thousand	31 Dec. 2024	31 Dec. 2023
up to 1 year	1,355	1,300
over 1 to 5 years	4,844	4,095
over 5 years	16,474	16,162
Total	**22,674**	**21,558**

The total lease liability is included in Other liabilities. The interest expense for lease liabilities in the current financial year amounts to EUR −305 thousand (2023: EUR −292 thousand).

The consolidated cash flow statement includes total cash outflows for leases as lessee amounting to EUR −1,633 thousand (2023: EUR −1,532 thousand). Cash flows from operating activities includes payments for short-term leases and leases with a low asset value totalling EUR −5 thousand (2023: EUR −7 thousand) and interest payments in connection with leases totalling EUR –305 thousand (2023: EUR –292 thousand).

Reconciliation of information on cash flows from financing activities

in EUR thousand	2024	2023
Lease liabilities 1 Jan.	**21,558**	**20,735**
Cash changes		
Principal payments	–1,328	–1,240
Interest payments	–305	–292
Non-cash changes		
Reassessment	1,862	1,577
New business	582	486
Interest expense recognised	305	292
Lease liabilities 31 Dec.	**22,674**	**21,558**

Leases as lessor

The leases of Oberösterreichische Landesbank Aktiengesellschaft as lessor consist of vehicle, movables and real estate leasing.

Finance lease

The following table presents a maturity analysis of the lease receivables and shows the undiscounted lease payments to be received after the reporting date.

31 Dec. 2024 in EUR thousand	Gross investment values	Financial income not yet realised	Net investment values
up to 1 year	53,362	6,459	46,903
over 1 to 2 years	44,065	4,637	39,428
over 2 to 3 years	32,983	2,995	29,988
over 3 to 4 years	23,679	1,777	21,901
over 4 to 5 years	15,077	943	14,133
over 5 years	19,512	1,534	17,978
Total	**188,678**	**18,344**	**170,335**

31 Dec. 2023 in EUR thousand	Gross investment values	Financial income not yet realised	Net investment values
up to 1 year	48,646	5,020	43,626
over 1 to 2 years	41,395	3,637	37,758
over 2 to 3 years	31,733	2,427	29,306
over 3 to 4 years	20,593	1,376	19,216
over 4 to 5 years	12,012	725	11,286
over 5 years	17,338	855	16,483
Total	**171,716**	**14,040**	**157,676**

The risk provision for lease receivables is included in the risk provision for loans and advances to customers (see Note (36)).

The non-guaranteed residual values amount to EUR 19 thousand (2023: EUR 19 thousand). In 2024, financial income on net investments in finance leases in the amount of EUR 7,869 thousand (2023: EUR 5,020 thousand) was recognised. In both this and the previous financial year, there were no gains or losses on sales or income from variable lease payments not included in the measurement of the net investment in the lease in the case of finance leases.

There are still deferred receivables from leases in the financial year 2024 within the scope of the Covid–19 pandemic in the amount of EUR 722 thousand (2023: EUR 1,108 thousand). The deferred amounts are repaid by means of increased current lease payments or over an extended contract term.

Operating leases

The following table presents a maturity analysis of lease receivables in accordance with IFRS 16 and shows the undiscounted lease payments to be received after the reporting date.

in EUR thousand	31 Dec. 2024	31 Dec. 2023
up to 1 year	7,572	7,451
over 1 to 2 years	5,149	4,871
over 2 to 3 years	4,431	4,036
over 3 to 4 years	3,595	3,366
over 4 to 5 years	2,812	2,641
over 5 years	9,176	10,030
Total	**32,734**	**32,394**

In 2024, lease income from operating leases amounting to EUR 8,474 thousand (2023: EUR 8,173 thousand) was recognised.

(50) Notes to related parties

Related parties include the following persons and companies:

- Parent companies (federal state of Upper Austria and OÖ Landesholding GmbH) and companies under whose significant influence Oberösterreichische Landesbank Aktiengesellschaft is (Hypo Holding GmbH and Raiffeisenlandesbank Oberösterreich Aktiengesellschaft), as stated under Note (51)
- Members of management in key positions such as the Management Board and Supervisory Board of Oberösterreichische Landesbank Aktiengesellschaft and the parent company OÖ Landesholding GmbH as well as their immediate family members
- Subsidiaries and associated companies
- Other related parties

The mutual balances with related parties as at the reporting date are as follows:

in EUR thousand	Parent company		Companies with significant influence		Subsidiaries		Associated companies		Key roles in the company or parent company		Other related parties .	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Loans and advances to banks			73,200	75,715								
Loans and advances to customers	327,974	330,060	805	19,705	6,749	7,104	186,442	174,365	777	806	32,417	2,535
Financial assets	42,534	41,409	36,660	56,880	18	18	37,313	35,550				
Other assets	540	243					984	908				
Assets	**371,048**	**371,712**	**110,665**	**152,300**	**6,767**	**7,121**	**224,739**	**210,823**	**777**	**806**	**32,417**	**2,535**
Liabilities to banks			180,808	215,747								
Liabilities to customers	134,399	364,968			47	209	9,861	13,936	1,942	2,611	13,405	12,078
Securitised liabilities			230,677	249,793								
Negative fair values from derivative transactions			6,807	7,373								
Other liabilities	2,597	2,397		48			102	311	17	15	89	24
Liabilities	**136,996**	**367,365**	**418,291**	**472,961**	**47**	**209**	**9,963**	**14,246**	**1,959**	**2,627**	**13,494**	**12,102**
Interest income	37,177	33,419	1,565	2,478	340	307	6,679	5,538	29	35	1,544	128
Interest expenses	10,942	10,823	21,926	22,305	0*)	0*)	223	220	64	68	177	57
Dividend income							2,271	2,716				
Fee and commission income	99	135	2	8	0*)	0*)	89	83	3	3	49	30
Guarantees received	693,383	693,573										
Guarantees granted	12	10					2,100	1,231	111	111	895	18

*) Values < EUR 1 thousand

Companies that are under the significant influence of the federal state of Upper Austria on the other hand are not significant and therefore fall under the exemption pursuant to IAS 24.25.

All business relationships with related parties are maintained at standard market conditions.

The members of the Management Board of Oberösterreichische Landesbank Aktiengesellschaft and the managing directors of the subsidiaries received advances from the Bank at year-end, loans and guarantees totalling EUR 65 thousand (2023: EUR 73 thousand) at the usual terms and conditions applicable to bank employees. The members of the Supervisory Board of Oberösterreichische Landesbank Aktiengesellschaft received advances from the Bank at the year-end for themselves and for companies for which they are personally liable, loans and guarantees totalling EUR 354 thousand (2023: EUR 274 thousand) at standard banking terms and conditions or at the usual terms and conditions applicable to bank employees. Repayments are made as agreed.

The annual remuneration of the members of the Management Board consists of a fixed amount. In some cases, variable remuneration has been agreed for managing directors, which is determined individually by the Management Board. There are no share-based remuneration schemes. Remuneration paid to active members of the Management Board and to managing directors totalled EUR 1,079 thousand (2023: EUR 1,033 thousand). The members of the Supervisory Board received remuneration totalling EUR 59 thousand for their activities (2023: EUR 59 thousand). In the 2024 year, the Group recognised provisions for termination benefits and pensions for members of the Management Board and managing directors of EUR 77 thousand (2023: EUR 73 thousand).

(51) Owners of Oberösterreichische Landesbank Aktiengesellschaft

in EUR thousand	31 Dec. 2024	31 Dec. 2023
OÖ Landesholding GmbH	**50.57%**	**50.57%**
Federal state of Upper Austria	50.57%	50.57%
Hypo Holding GmbH	**48.59%**	**48.59%**
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	41.14%	41.14%
Oberösterreichische Versicherung Aktiengesellschaft	7.45%	7.45%
Employees	**0.84%**	**0.84%**
Total	**100.00%**	**100.00%**

Oberösterreichische Landesbank Aktiengesellschaft has been commissioned by the federal state of Upper Austria to manage the subsidised housing loans due to its expertise as a housing bank. The banking group has no ongoing business relationship with Hypo Holding GmbH. There are intensive business relationships with the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Group, which mainly extend to joint syndicated financing, investment of funds, IT co-operation and co-operation in the development of joint projects (reporting, IFRS). There is a co-operation with Oberösterreichische Versicherung Aktiengesellschaft in the insurance business. Oberösterreichische Landesbank Aktiengesellschaft maintains business relationships with affiliated companies and associates in the form of refinancing transactions and other customary banking transactions.

(52) Segment reporting

Segment reporting is based on the so-called “management approach”. This requires segment reporting to be presented on the basis of internal reporting as it is regularly used to decide on the allocation of resources to the segments and to assess their performance. The key performance indicators relevant for management purposes are the return on equity (RoE) and the cost-income ratio (CIR).

Oberösterreichische Landesbank Aktiengesellschaft has a limited geographical catchment area due to its regional bank character and therefore does not present by geographical characteristics due to its minor importance.

Segment Reporting – Income Statement

in EUR thousand	Key Accounts		Retail and Private Housing		Financial Markets		Others		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income	51,770	44,042	40,177	43,014	5,085	2,658	4,795	9,146	101,827	98,860
Net gains or losses on at equity measurements							5,804	6,823	5,804	6,823
Net fee and commission income	3,975	3,739	14,267	13,297	487	378	–507	–678	18,221	16,735
Net financial income	–371	–3,650	248	360	566	–108	193		636	–3,398
Total income	**55,373**	**44,131**	**54,692**	**56,671**	**6,138**	**2,928**	**10,285**	**15,290**	**126,488**	**119,020**
Risk provisioning	–31,842	–12,284	–128	–497	–108	591	216	352	–31,863	–11,839
Administrative expenses*)	–17,234	–15,699	–34,362	–32,691	–12,150	–11,209	–6,815	–6,858	–70,560	–66,457
Net other operating income	17	58	–427	–221	5	58	7,155	2,325	6,750	2,219
Consolidated profit for the year before tax	**6,314**	**16,205**	**19,775**	**23,262**	**–6,116**	**–7,632**	**10,841**	**11,109**	**30,814**	**42,943**
CIR**)	31.1%	35.5%	63.3%	57.9%	197.8%	> 200%	39.1%	38.9%	53.0%	54.8%
RoE***)	2.1%	5.8%	11.2%	12.8%	n/a	n/a	22.0%	24.0%	5.6%	8.2%
Ø allocated equity****)	306,481	278,410	176,168	181,646	14,844	14,755	49,180	46,237	546,673	521,048
Segment assets	**3,947,450**	**3,505,766**	**2,645,983**	**2,696,526**	**1,646,459**	**1,988,597**	**507,806**	**485,779**	**8,747,699**	**8,676,669**
Segment liabilities	**1,376,498**	**1,433,946**	**1,879,510**	**1,852,057**	**4,865,011**	**4,764,814**	**80,636**	**78,550**	**8,201,655**	**8,129,366**

*) of which impairment losses: Key Accounts segment EUR –153 thousand (2023: EUR –141 thousand), Retail and Private Housing segment EUR –624 thousand
(2023: EUR –602 thousand), Financial Markets segment EUR –119 thousand (2023: EUR –105 thousand), Others segment EUR –4,157 thousand (2023: EUR –4,361 thousand)
**) CIR calculation: general administrative expenses divided by total income incl. net other operating income
***) Calculation of RoE: consolidated pre-tax profit for the year divided by average allocated equity
****) The allocation of average equity (average of opening equity and closing equity for the respective reporting period in accordance with IFRS) to the segments is based on risk-weighted assets.

The segments of the Oberösterreichische Landesbank Aktiengesellschaft Group are organised according to the following criteria:

Key Accounts:
Income and expense items from transactions with institutional customers (federal government, federal state, municipalities, social security funds, recognised religious communities) in and outside Austria and their affiliated companies are allocated to this segment. This segment also includes business with limited-profit and commercial property developers, insurance companies and commercial and real estate projects.

Retail and Private Housing:
This segment includes all transactions with employed persons (private households) as well as self-employed persons, primarily freelancers and smaller companies that are managed on a decentralised basis in the branches. The profit contributions from subsidised home financing are also included.

Financial Markets:
This segment includes financial assets (excluding equity instruments), derivative financial instruments, the issuing business, the results from the interbank business and the maturity transformation contribution generated from balance sheet structure management. It also includes the effects of negative interest, which favoured the segment's net interest income with EUR 3,194 thousand (2023: EUR 3,026 thousand). No impairment (2023: none) was recognised for any financial instruments.

Others:
This segment includes the net income from the fully consolidated subsidiaries that are active in the leasing and real estate business, the profit or loss from companies accounted for using the equity method and contributions from equity investments (equity instruments) as well as all income and expenses that cannot be allocated to the other segments. Net interest income includes the net interest income of fully consolidated subsidiaries, the refinancing expenses of equity investments accounted for

using the equity method and the dividends less refinancing costs from the investments. In the 2024 financial year, no reversal of impairment loss or impairment were recognised for any financial instruments (2023: none).

The net other operating income includes the stability fee of EUR −1,572 thousand (2023: EUR −1,497 thousand) as well as the contributions to the resolution fund of EUR 0 thousand (2023: EUR −3,960 thousand) and the contributions to the deposit insurance fund of EUR 0 thousand (2023: EUR −241 thousand). This is mainly offset by rental income from the fully consolidated subsidiaries.

(53) Assets transferred as collateral

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Cover pool for covered bonds	2,830,513	2,789,552
Cover pool for public sector covered bonds	644,974	623,387
Cover pool for trust fund deposits	9,526	8,035
Cash collateral as part of collateral agreements	51,915	65,349
Collateral for tender facilities		200,000
Total	**3,536,928**	**3,686,323**

The collateral listed is standard banking agreements.

The cover pools for covered bonds and public sector covered bonds grew in 2024. As at the reporting date, the excess coverage in the cover pool for covered bonds amounted to EUR 299,013 thousand (2023: EUR 398,052 thousand) and for public sector covered bonds EUR 218,224 thousand (2023: EUR 132,887 thousand). The decline in excess coverage for covered bonds is due to issuing activity and the increase in public sector covered bonds is due to redemptions of issues. As at 31 December 2024, bonds in the amount of EUR 10,000 thousand (2023: EUR 5,000 thousand) were dedicated and blocked as substitution assets (replacement cover assets).

The amount of trust fund deposits as at 31 December 2024 is EUR 7,627 thousand (2023: EUR 6,726 thousand).

The assets transferred as collateral for tender facilities include both eligible securities and credit claims. 2024 only the ECB's TLTRO III programmes were utilised. As at 31 December 2024, the volume drawn under the TLTROs amounted to EUR 0 thousand (2023: EUR 200,000 thousand).

(54) Assets received as collateral

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Cash collateral as part of collateral agreements	103,937	104,073
Total	**103,937**	**104,073**

The collateral listed is standard banking agreements.

(55) Foreign currency volumes

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Total amount of assets in foreign currency	62,196	70,216
Total amount of liabilities in foreign currency	96,201	98,624

The difference between assets and liabilities in the individual currencies does not represent the banking group's open foreign exchange position in accordance with CRR. Open foreign exchange positions are hedged using derivative financial instruments such as currency swaps or cross-currency swaps. However, these hedges are not recognised at nominal value in the IFRS statement of financial position, but at fair value. The total of all open foreign exchange positions in accordance with CRR as at 31 December 2024 amounted to EUR 503 thousand (2023: EUR 395 thousand).

(56) Subordinated assets

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Subordinated assets	1,216	1,180
Total	**1,216**	**1,180**

(57) Contingent liabilities and credit risks

Contingent liabilities

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Liabilities from guarantees	94,517	66,593
Covered	44	71

Contingent liabilities are promised and assumed liabilities for customers in favour of a third party. If the customer does not fulfil their contractual obligations, the beneficiary can claim the Bank's liability. Contingent liabilities are recognised at their nominal value. Any financial effects of utilisation are covered by a provision.

Credit risks in accordance with Section 51 (14) of the BWG

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Facilities and promissory notes	707,545	756,763
Covered	1,480	1,049

These credit risks include financing that has been committed but not yet utilised by customers. These are primarily promissory notes in the lending business, but also unutilised credit lines. The credit risks were recognised at their nominal value. Precautions for the effects of utilisation are taken into account through a provision.

(58) Human resources

Employee capacity (by headcount)

Number of employees on annual average	2024	2023
Full-time salaried employees	249	255
Part-time salaried employees	176	159
Apprentices	1	
Total	**426**	**414**

(59) Dividends

As Oberösterreichische Landesbank Aktiengesellschaft pays dividends on the basis of Austrian law, the dividend is limited to the net profit of EUR 5,849 thousand (2023: EUR 9,863 thousand) recognised in the separate financial statements in accordance with the Austrian Banking Act (BWG) and the Austrian Commercial Code (UGB). The profit for the year generated in the 2024 financial year totalled EUR 33,330 thousand (2023: EUR 39,433 thousand). After allocation to reserves of EUR 27,553 thousand (2023: EUR 29,608 thousand) and after allocation of the profit brought forward of EUR 72 thousand (2023: EUR 38 thousand), the distributable net profit available for appropriation amounts to EUR 5,849 thousand (2023: EUR 9,863 thousand). At the Annual General Meeting on 31 March 2025, the Management Board and Supervisory Board will propose distributing a dividend of EUR 5,849 thousand (2023: EUR 9,863 thousand) to ordinary shareholders in proportion to their shares in the share capital. This corresponds to a dividend of EUR 2.90 thousand per share (2023: EUR 4.89 per share).

In the 2024 financial year, a dividend of EUR 4.89 (2023: EUR 2.65) per share, totalling EUR 9,791 thousand (2023: EUR 5,308 thousand) was distributed to shareholders on the basis of the net profit as at 31 December 2023.

(60) Breakdown of securities in accordance with the BWG

The following table breaks down the securities (with pro rata interest) in accordance with Section 64 (1) no. 10 and no 11 of the BWG:

in EUR thousand	Not listed		Listed		Total	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Public-sector debt issues			160,920	129,823	160,920	129,823
Loans and advances to banks	21,894	24,886			21,894	24,886
Loans and advances to customers	131,349	137,197			131,349	137,197
Fixed-income securities	122		509,329	496,615	509,451	496,615
Variable-income securities	106,605	104,534	823	824	107,428	105,358
Total	**259,969**	**266,618**	**671,073**	**627,262**	**931,042**	**893,880**

Of the bonds and other fixed-income securities admitted to trading on the stock exchange, EUR 474,695 thousand (2023: EUR 449,096 thousand) can be allocated to fixed assets. Of the shares and other variable-yield securities admitted to trading on the stock exchange, EUR 823 thousand (2023: EUR 824 thousand) can be allocated to fixed assets.

The company maintains a small securities trading book in accordance with Article 102 et seq. of the CRR in conjunction with Article 94 of the CRR. The volume of the securities trading book calculated at market prices totalled EUR 0 thousand as at 31 December 2024 (2023: EUR 0 thousand).

The Tier 2 and subordinated capital in the own portfolio amounts to EUR 823 thousand (2023: EUR 824 thousand).

For the coming year, the nominal value of EUR 559,790 thousand (2023: EUR 240,512 thousand) of securitised liabilities will fall due for repayment due to the end of the term.

(61) Consolidated own funds and supervisory own funds requirement

The consolidated own funds and the own funds requirement as at 31 December 2024 in accordance with the Capital Requirements Regulation (CRR) are as follows:

Consolidated own funds in accordance with CRR

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Subscribed capital	14,664	14,664
Reserves	544,470	524,456
Own instruments	–108	–106
Cumulative other comprehensive income	–18,760	–1,437
Gains due to changes in own credit rating and losses of the institution from liabilities measured at fair value	–15,756	–18,044
Amount of additional value adjustments to assets measured at fair value	–1,395	–1,440
Intangible assets	–5,252	–982
Insufficient cover for non-performing risk positions	–644	–554
CET 1 / Tier 1 capital	517,219	516,556
Eligible subordinated liabilities	66,711	64,940
Tier 2 capital	66,711	64,940
Total eligible own funds	583,930	581,496
Total risk exposure amount	3,931,861	3,655,185
Required own funds (8%)	**314,549**	**292,415**
Excess own funds	269,381	289,081
Tier 1 capital ratio	13.2%	14.1%
Total capital ratio	14.9%	15.9%

Own funds requirement in accordance with CRR

31 Dec. 2024 in EUR thousand	Unweighted risk position	Total risk amount	Own funds requirement
Assets	8,582,444	3,468,057	277,445
Off-balance sheet transactions	802,352	223,296	17,864
Derivatives		9,000	720
Credit Value Adjustment		36,807	2,945
Operational risk		194,702	15,576
Total	**9,384,795**	**3,931,861**	**314,549**

31 Dec. 2023 in EUR thousand	Unweighted risk position	Total risk amount	Own funds requirement
assets	8,461,389	3,225,639	258,051
Off-balance sheet transactions	811,077	219,761	17,581
Derivatives		10,769	862
Credit Value Adjustment		30,536	2,443
Operational risk		168,479	13,478
Total	**9,272,466**	**3,655,185**	**292,415**

In accordance with Section 22 of the BWG in conjunction with Section 103q no. 11 of the BWG, a capital conservation buffer in the form of Common Equity Tier 1 capital must be held since 1 January 2016. This amounts to 2.5% for the year 2024 (2023: 2.5%). In addition to the capital conservation buffer, a systemic risk buffer in the form of Common Equity Tier 1 capital must also be held in accordance with Section 6 of the Capital Buffer Regulation (*Kapitalpuffer-Verordnung* – KPV) in conjunction with Section 7 (1) KPV.Since 2016, a buffer of 0.5% (2023: 0.5%) of the total risk exposure amount must be held at the consolidated level. In accordance with Section 140 of CRD IV, the countercyclical capital buffer is calculated as a weighted average of the published countercyclical ratios of those jurisdictions in which material credit risk exposures exist. As at 31 December 2024, the countercyclical capital buffer is 0.0% (2023: 0.0%).

The information pursuant to Part VIII of the CRR in conjunction with the Disclosure Regulation is published on the website of Oberösterreichische Landesbank Aktiengesellschaft (www.hypo.at).

(62) Events after the reporting date

There were no significant events in the period between the end of the financial year and the preparation of the consolidated financial statements.

Risk report

(63) Overall bank risk management

The assumption of risk in order to generate net income is a core function of the business activities of the Oberösterreichische Landesbank Aktiengesellschaft Group. The risk strategy of the Oberösterreichische Landesbank Aktiengesellschaft Group is therefore to take on standard banking risks within a defined framework and to utilise the resulting income opportunities. With this in mind, the Oberösterreichische Landesbank Aktiengesellschaft Group has a risk management process that forms the basis for a risk- and profit-orientated approach to overall bank control.

The Management Board is responsible for the organisation of risk management. In cooperation with the committees set up for this purpose, the Risk Committee and the ALM Committee, the Management Board defines the risk strategies for the activities in the business segments and for the Group's central structural risks.

Risk management is organised in such a way that conflicts of interest are avoided both at a personal level and at the level of organisational units. This means that there is an end-to-end separation of front office and back office units right up to the Management Board level.

The overall bank risk strategy is consistent with the business model and takes into account all key business segments and risk types. The type and scope of risk assumption are derived from the individual business segments, whose activities are defined annually as part of the business strategy planning, e.g. for the Key Accounts, Retail and Private Housing and Financial Markets segments. As a matter of principle, Oberösterreichische Landesbank Aktiengesellschaft only focuses its activities on business segments in which it has the necessary expertise to assess the specific risks. The launch of new business segments or products is always preceded by an adequate analysis of the business-specific risks as part of a standardised product launch process.

Due to the broadly diversified customer portfolio, the concentration risks in the Oberösterreichische Landesbank Aktiengesellschaft Group tend to be low. Processes and reporting lines have been defined for credit risk controls, which are used to monitor and report counterparty and issuer risks, for example. The large loan exposure limit is continuously monitored at Oberösterreichische Landesbank Aktiengesellschaft. As in previous years, this was not exceeded in 2024. The Herfindahl-Hirschmann Index for the entire portfolio as at 31 December 2024 is 0.0146 (2023: 0.022), not taking into account the CRR option pursuant to Art. 4 (1) no. 39 of the CRR. This means that Oberösterreichische Landesbank Aktiengesellschaft has low concentration overall.

Responsibility for operational risk management is divided among several units within the Group. The Risk Management organisational unit is responsible for Group-wide risk measurement, monitoring and risk reporting in accordance with ICAAP to the Management Board and the holders of risk capital limits. All quantifiable risks (counterparty risk including equity risk, market risk, refinancing risk, risk from foreign currency loans, macroeconomic risk, sustainability risk, other non-quantifiable risks and operational risk) are summarised in the risk-bearing capacity calculation and reported to the Management Board on a monthly basis. Risk management measures are advised on by the ALM Committee and the Risk Committee. The Management Board decides on control measures. Risk dispositions are set either by the market divisions or centrally by Treasury in accordance with the defined responsibilities. The effectiveness of the measures taken is monitored through regular analyses as part of the reporting process and in the committees. The Risk Committee and the Supervisory Board receive regular reports on the risk situation, while the Audit Committee receives reports on the internal control system.

The Internal Audit department regularly audits the internal control and risk management processes of both the subsidiaries and the central divisions for compliance, cost-effectiveness, efficiency and security. As an independent body, it reports directly to the Management Board and the Audit Committee of the Supervisory Board.

Pursuant to Section 8 (1) of the ESAEG, Oberösterreichische Landesbank Aktiengesellschaft, as a deposit-taking institution (CRR institution) domiciled in Austria, is a member of the common deposit guarantee scheme pursuant to Section 1 (1) no. 1 of the ESAEG (Austrian Deposit Guarantee and Investor Compensation Act). The relevant entity is Einlagensicherung Austria Ges.m.b.H. (ESA). Each guarantee scheme must set up a deposit insurance fund consisting of available financial resources in the amount of at least 0.8% of the sum of the covered deposits of the member institutions as a target level by 3 July 2024 and adjust this annually following this point in line with the growth in deposits of the member institutions.

ESA and its contributing member institutions have met the statutory deadline of completing the fund build-up by 3 July 2024 and maintaining the target level by 31 December of this year in full and on time. As a result, Oberösterreichische Landesbank Aktiengesellschaft did not have to pay a fund contribution in the past 2024 financial year (2023: EUR –241 thousand).

It should also be noted that the European American Investment Bank (EURAM) was prohibited from continuing its business operations on 16 October 2024 due to financial difficulties and regulatory deficiencies. Pursuant to Section 9 of the Deposit Guarantee and Investor Compensation Act (ESAEG), the guarantee event therefore occurred on that day. Any cash outflows were compensated based on the current surplus funding for the fund. The aforementioned compensation case therefore did not result in any additional contribution claims in the past financial year 2024.

Further funds were added to the fund in the past 2024 financial year in relation to the ongoing compensation proceedings involving Anglo Austrian AAB, Commerzialbank Mattersburg and AutoBank. Further returns from the guarantee cases stated are expected in subsequent years based on the latest information available.

(64) Market risk

Market risks arise from possible changes in market price indicators such as interest rates, exchange rates and share prices as well as from changes in credit spreads. As Oberösterreichische Landesbank Aktiengesellschaft only maintains a small trading book within the meaning of Article 94 CRR, the market risk results primarily from the interest rate risk in the banking book and, to a lesser extent, from currency risks from open foreign exchange positions and from the credit spread risk in the Bank's own securities portfolio.

Market risks are identified and measured by the Risk Management and Financing organisational units.

The Bank's risk analyses in the area of market risk are based on value-at-risk (VaR). The Bank uses the "historical simulation" method with the following parameters:

Parameters	Interest rate risk	Credit spread Risk	Foreign currency risk
Monitoring period	10 years	10 years	10 years
Holding period	1 year	1 year	1 year
Confidence level	99.9%	99.9%	99.9%

Additional stress tests are carried out to take account of risks in the event of extreme market movements. These include the simulation of large fluctuations in market price indicators and serve to identify potential losses that are not covered by the value-at-risk. The stress scenarios include both standardised interest rate shock scenarios and interest rate scenarios that could adversely impact on the Bank's structural contribution due to the interest rate positioning in conjunction with the current balance sheet structure. All market risk activities are assigned risk limits, which are included in their entirety in a risk-bearing capacity calculation.

The following risk-limiting measures are implemented on an ongoing basis:

- When introducing new products, the interest rate risk is taken into account with the aim of minimising it and keeping it predictable.
- Close monitoring of the current weighted average yield for government bonds (UDRB index) and fixed interest rate risks
- Due to its materiality, the risk must be monitored at least weekly.
- In addition to current and historical risk assessment, the Bank's risk management also focuses on forward-looking risk assessment.

According to the "ITS on Supervisory Reporting regarding IRRBB" (Commission Implementing Regulation [EU] 2021/451) Art. 20a), both the income-side and the present value view of interest rate risk must be reported to the supervisory authority on a quarterly basis.

- In the present value (EVE – Economic Value of Equity), the change in the carrying amount of the banking book after an interest rate shock of 200bps is compared with the Bank's Tier 1 core capital. If this interest rate shock were to amount to more than 15% of Tier 1 capital, the banking supervisory authority could demand risk-reducing measures. As at 31 December 2024, the absolute risk value was EUR 41,603 thousand (2023: EUR 3,690 thousand). This corresponds to a utilisation of 64% (2023: 6%).
- The effect of a 200bps shock on net interest income is reported in income (NII – Net Interest Income), assuming a consistent statement of financial position. In this case, the change resulting from the scenario (delta from shock and baseline scenario) may not exceed 5% of Tier 1 capital. As at 31 December 2024, the absolute risk value was EUR 4,708 thousand (2023: EUR 18,408 thousand). This corresponds to a utilisation of 1.09% (2023: 3.56%) of eligible Tier 1 capital, meaning that Oberösterreichische Landesbank Aktiengesellschaft is below the outlier limit of 5%.

One central model assumption is the assessment of non-maturing deposits with regard to their interest rate fixation. A maximum volume-weighted average repricing full stop of five years is specified for retail deposits under supervisory law. An upper limit of four years applies to wholesale, whereby deposits from financials are categorised as payable on demand. Oberösterreichische Landesbank Aktiengesellschaft calibrates the model at least once a year and uses conservative values. Retail deposits are divided into the sub-categories of transactional (sight deposits) and non-transactional (savings and term deposits) and modelled with an average fixed interest period of around 2.1 years and 2.3 years respectively. Non-financial wholesale deposits are shown as current and have a fixed interest rate of 0.6 years. The modelling is based on the elasticity method, in which the deposits are divided into a stable (core) and an unstable (non-core) portion.

The foreign currency risk is comparatively low. Generating income from open foreign exchange positions is not an objective. A foreign currency position resulting from customer transactions is therefore always hedged. Open foreign currency positions only arise from foreign exchange transactions, which in turn are limited by a tight disposition. As at 31 December 2024, the de minimis threshold of 2% of total own funds in accordance with Article 351 of Regulation (EU) No 575/2013 had not been exceeded. The regulatory own funds requirement due to the open foreign currency position in the Bank and the Group therefore amounted to EUR 0 thousand (2023: EUR 0 thousand).

As at the reporting date, the value-at-risk on the basis of the listed parameters is as follows:

in EUR thousand	Value-at-risk	
	31 Dec. 2024	31 Dec. 2023
Credit spread risk	11,418	9,247
Interest rate risk – banking book	46,716	20,466
Foreign currency risk	55	95

The largest share of the market risk of Oberösterreichische Landesbank Aktiengesellschaft as at 31 December 2024 is attributable to interest rate risk.

In 2024, the yield curve fell significantly due to various key interest rate cuts. This automatically leads to a reduction in the discount factors, an associated increase in the present value and an increase in sensitivities. In addition, new fixed-interest business with virtually unchanged liabilities in terms of fixed interest rates leads to a further increase in interest rate risk. This is reflected in the value at risk in the banking book and in the 200 bps EVE shock.

The reports on market risk as described above are generally submitted to the Management Board on a monthly basis. In addition, a weekly GAP analysis, stress tests and earnings simulations are prepared for the interest rate risk in the banking book, and changes in the fair value of the portfolio of proprietary securities are tracked and reported on a daily basis.

The fully consolidated subsidiaries refinance themselves with the Bank at matching maturities and currencies so that interest rate and currency risks can be avoided and managed centrally within the Bank.

(65) Derivatives and hedge accounting

Oberösterreichische Landesbank Aktiengesellschaft uses derivatives exclusively to hedge market risks. As a rule, each derivative is matched by an underlying transaction to be hedged. In a few exceptional cases, derivatives without an underlying transaction, so-called macro hedges, are concluded to manage the balance sheet structure. These protect Oberösterreichische Landesbank Aktiengesellschaft against extreme interest rate movements. The use of derivatives without an underlying transaction is regularly discussed by the ALM Committee of Oberösterreichische Landesbank Aktiengesellschaft. All hedging initiatives are decided by the Management Board.

The fair values of the derivatives entered into are regularly checked against the fair values of the counterparty. For each business partner with whom a derivative transaction is concluded, a corresponding credit line must be available that takes into account the borrower's credit rating and the intended transactions. In the interbank area, collateral agreements were concluded with all important business partners in order to minimise the default risk.

(66) Credit risk

Credit risk is the risk of non-fulfilment of contractual payment obligations by debtors. This means that debtors do not make their payments to fulfil all or part of their interest or repayment obligations correctly or on time. As part of the monthly risk reporting to the Management Board, all elements of credit risk receivables, such as default risks of individual debtors, countries and sectors, are taken into account. In addition to counterparty and default risk, credit risk also includes country risk.

The counterparty and default risk results mainly from loans and advances to customers and banks and from the securities portfolio. The risk strategy aims to avoid losses that could jeopardise the company's existence. On the one hand, this is achieved through the limited allocation of existing risk coverage potential to the business segments defined in the business strategy. On the other hand, care is also taken to ensure that the portfolio is sufficiently diversified. The unexpected loss from credit risks is recognised in Pillar 1 of the Basel capital requirements in accordance with the Standardised Approach. As part of the Pillar 2 capital adequacy process, the unexpected loss from credit risks is calculated using the VaR formula specified in the IRB approach for companies, sovereigns and banks. In the individual segments, explicit attention is paid to compliance with the specified risk limits in addition to the targeted standard market return. The development of the credit risk is reported to the Management Board on a monthly basis.

Oberösterreichische Landesbank Aktiengesellschaft assesses the risk and collateralisation situation of the individual financing arrangements in accordance with the rating and collateral guidelines and initiates and monitors the implementation of measures to limit risk. The professional development of the rating systems and procedures used to assess financing is guaranteed.

The internal rating scale comprises ten rating levels from 0.5 to 5 and is based on the school grading system with half grades. These are refined into further subclasses at some levels by adding "+" or "-". The default classes are divided into 5, 5.1 and 5.2 (all in all 17 credit rating classes). The rating system is managed as an expert system. Automated scoring models are being used in the retail business in order to reduce administrative expenses. Both hard facts and soft facts are used as creditworthiness criteria. Various rating tools are used in line with segment-specific differences. The aim of all rating tools is to obtain concrete information about the probability of default of individual borrowers. The rating systems are differentiated according to the segments corporates, retail, project and property financing, governments, financials and other securities issuers. The systems for assessing creditworthiness are continuously validated and further developed.

Oberösterreichische Landesbank Aktiengesellschaft uses the following rating classes for its internal rating:

S&P/ Fitch rating	Moody's rating	Oberösterreichische Landesbank Aktiengesellschaft			
		10-point scale	Refine-ment	Description	
AAA	Aaa	0.5	0.5	Risk-free	Investment grade
AA+	Aa1	1	1	Excellent credit rating	
AA	Aa2				
AA–	Aa3				
		1.5	1.5	Very good credit rating	
A+	A1	2	2+ (1.8)	Good credit rating	
A	A2				
A–	A3				
BBB+	Baa1		2		
		2.5	2– (2.2)	Aver-age credit rating	
BBB	Baa2		2.5		
BBB–	Baa3	3	3+ (2.8)		
BB+	Ba1		3	Acceptable credit rating	Non-invest-ment grade
BB	Ba2				
BB–	Ba3	3.5	3– (3.2)	Moderate credit rating	
B+, B	B1, B2		3.5	Weak credit rating	
B–	B3	4	4+ (3.8)	Very weak credit rating	Highly speculative
			4		
CCC+	Caa1	4.5	4.5	At risk of default	
CCC	Caa2				
CCC–	Caa3				
CC	Ca	5	5	Default char-acteristics achieved	Default
C			5.1		
DDD / D	C		5.2		

The definition and delimitation of the individual rating classes is based on statistical probabilities of default. The verbal designations are for illustrative purposes only. The reconciliation to external ratings is based on probabilities of default. Subclasses with additions (+/-) do not represent main rating classes, they are only used for refinement. Classes 5, 5.1 and 5.2 are used to differentiate between default categories (and correspond to the Ca and C ratings from Moody's and CC, C and D from S&P Global Ratings).

Collateral

The following forms of collateral are utilised:

- Personal collateral
  - Sureties, guarantees and letters of comfort
- Collateral in rem
  - Land register collateral
  - Deposits and securities
  - Retention of title, leasing and assignment of receivables
  - Insurance policies

The collateral categories and their values are systemically recorded and monitored in a collateral database. The collateral values are linked to the individual financing arrangements in accordance with the contractual situation and allocated according to a predefined procedure.

The collateral's grade is based on the following grading scale:

Grade		Unsecured portion
b 1.0	Risk	less than 5%
b 1.5	Risk	5% to less than 15%
b 2.0	Risk	15% to less than 30%
b 2.5	Risk	30% to less than 45%
b 3.0	Risk	45% to less than 55%
b 3.5	Risk	55% to less than 70%
b 4.0	Risk	70% to less than 85%
b 4.5	Risk	85% to less than 95%
b 5.0	Risk	95% to less than 100%

The credit value-at-risk is calculated monthly for all assets with counterparty risk. The credit value-at-risk is the maximum loss that can statistically occur within one year and which will not be exceeded with a certain probability. At Oberösterreichische Landesbank Aktiengesellschaft, the credit value-at-risk (= unexpected loss) is calculated with a probability of 95% for the going concern approach and 99.9% for the liquidation approach. The calculation is performed using the IRB formula for companies, states and banks.

Structure of the loan portfolio

The following table shows the distribution of the lending volume by economic sector and thus the maximum default risk:

Industry sector in EUR thousand 31 Dec. 2024	Balances at central banks / loans and advances to banks	Loans and advances to customers	Positive fair values from derivative transactions	Financial investments	Sureties/ guarantees	Unused credit lines	Total
Central banks	758,263						758,263
State sector		990,483		300,679	100	153,721	1,444,984
Banks	112,638		112,430	458,434	7,541		691,042
Other financial companies	6,839	116,051	25,297	69,872	11,087	15,283	244,430
Non-financial companies		2,981,137		115,165	66,220	399,139	3,561,660
Households		2,481,619			9,569	139,401	2,630,590
Total Maximum default risk	**877,740**	**6,569,291**	**137,727**	**944,151**	**94,517**	**707,545**	**9,330,969**

Industry sector in EUR thousand 31 Dec. 2023	Credit balance with central banks / Loans and advances to credit institutions	Loans and advances to customers	Positive fair values from derivative transactions	Financial investments	Sureties/ guarantees	Unutilised credit lines	Total
Central banks	1,094,450						1,094,450
State sector		884,445		278,975	196	175,605	1,339,221
Banks	141,752	19	105,153	441,487	7,339		695,751
Other financial companies	6,487	84,272	29,904	91,717	70	17,072	229,522
Non-financial companies		2,721,547		131,820	51,412	437,170	3,341,950
Households		2,464,238			7,576	126,916	2,598,730
Total Maximum default risk	**1,242,690**	**6,154,521**	**135,057**	**944,000**	**66,593**	**756,763**	**9,299,623**

Analysis of financial assets

31 Dec. 2024	Not overdue		Up to 30 days		31 to 60 days		61 to 90 days		Over 90 days		Total	
in EUR thousand	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral
Loans and advances to banks	119,477	61,164									119,477	61,164
of which AC	119,477	61,164									119,477	61,164
of which Stage 1	119,477	61,164									119,477	61,164
Loans and advances to customers	6,482,688	4,377,904	19,989	6,664	19,514	15,530	118	102	46,983	41,097	6,569,291	4,441,296
of which AC	6,143,290	4,182,894	19,989	6,664	19,514	15,530	118	102	37,642	33,795	6,220,552	4,238,984
of which Stage 1	5,982,482	4,058,281	14,872	1,980	801	780	0*)		109	97	5,998,264	4,061,137
of which Stage 2	101,549	77,368	1,078	756	2,664	2,451	43	42	1,921	1,644	107,255	82,261
of which Stage 3	59,259	47,244	4,038	3,929	16,048	12,299	75	60	35,612	32,054	115,033	95,586
of which FVPL designated	221,639	101,567									221,639	101,567
of which FVPL	117,758	93,443							9,341	7,302	127,099	100,745
Total	6,602,164	4,439,068	19,989	6,664	19,514	15,530	118	102	46,983	41,097	6,688,768	4,502,461

31 Dec. 2023	Not overdue		up to 30 days		31 to 60 days		61 to 90 days		over 90 days		Total	
in EUR thousand	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral	Carrying amount	Collateral
Loans and advances to Banks	148,239	62,724									148,239	62,724
of which AC	148,239	62,724									148,239	62,724
of which Stage 1	148,239	62,724									148,239	62,724
Loans and advances to customers	6,101,729	4,264,662	10,165	1,938	14,950	13,618	4,087	3,769	23,590	20,264	6,154,521	4,304,252
of which AC	5,763,174	4,083,938	10,165	1,938	14,950	13,618	4,087	3,769	19,576	16,693	5,811,952	4,119,958
of which Stage 1	5,463,754	3,880,803	8,750	784	2,747	2,101	340	332	1,300	933	5,476,892	3,884,952
of which Stage 2	261,668	179,577	1,292	1,033	1,103	994	1,013	706	2,009	1,867	267,086	184,178
of which Stage 3	37,751	23,558	123	122	11,100	10,524	2,733	2,730	16,267	13,893	67,974	50,828
of which FVPL designated	214,382	89,785									214,382	89,785
of which FVPL	124,173	90,939							4,014	3,571	128,187	94,509
Total	6,249,968	4,327,385	10,165	1,938	14,950	13,618	4,087	3,769	23,590	20,264	6,302,760	4,366,976

*) Value < EUR 1 thousand

Impairments

Impairments are used to recognise balance-sheet provisions for future loan defaults. Please refer to Note (10) Risk provisions for further information on the recognition of impairment losses.

The main triggers for recognising risk provisions in Stage 3 are economic or financial difficulties of the debtor, default on interest and repayment obligations and other reasons for default in accordance with regulatory requirements. These triggers are identified and monitored as part of ongoing financial controlling in accordance with the internal risk management guidelines.

The definition of default includes insolvency, similar proceedings or legal action, imminent insolvency, 90 days past due (Basel), interest exemption, crisis-related restructuring, accelerations of maturity, direct write-offs, write-offs of impaired receivables, debt waiver in the event of restructuring, licence withdrawal and payment moratorium.

The default and realisation database records the default events, the capital balances at the time of default, the realisation costs and proceeds from collateral realisation. These records are used for the annual validation of probabilities of default.

Non-performing loans (NPLs) are managed organisationally in problem loan management. Customer responsibility on the assets side is transferred to problem loan management and thus to the back office. In 2024, the NPL ratio was 2.45% (2023: 1.35%).

Impairment stages by rating class

The gross carrying amounts of balances at central banks, loans and advances to banks, loans and advances to customers, financial assets, contingent liabilities and credit risks measured at amortised cost (AC) or at fair value through other comprehensive income (FVOCI) are broken down by rating class as follows:

Rating class	Stage 1	Stage 2	Stage 3	POCI	Total
0.5	85,550				85,550
1.0	930,229				930,229
1.5	2,016,495				2,016,495
1.8	998,808				998,808
2.0	1,048,046				1,048,046
2.2	574,739	1,020			575,759
2.5	1,905,788	707			1,906,494
2.8	302,681				302,681
3.0	219,623	3,641			223,264
3.2	76,896	3,380			80,277
3.5	133,256	24,552			157,808
3.8	768	37,422			38,190
4.0	470	11,901			12,370
4.5	3,976	32,584	721		37,281
5.0			4,643		4,643
5.1			121,672		121,672
5.2			32,692		32,692
Gross carrying amounts	8,297,325	115,206	159,729	0	8,572,260
Risk provisions	–1,488	–3,398	–41,621		–46,507
Carrying amounts 31 Dec. 2024	8,295,837	111,808	118,108	0	8,525,753

Rating class	Stage 1	Stage 2	Stage 3	POCI	Total
0.5	102,192				102,192
1.0	1,259,140				1,259,140
1.5	2,153,540	19,490			2,173,030
1.8	931,276	7,918			939,193
2.0	855,821	32,008			887,829
2.2	300,173	37,085			337,258
2.5	1,921,771	55,192			1,976,963
2.8	292,221	24,900			317,120
3.0	177,345	36,658			214,003
3.2	56,398	41,671			98,069
3.5	51,579	38,654			90,234
3.8	279	7,660			7,939
4.0	360	7,759			8,119
4.5	201	15,797			15,998
5.0			1,442		1,442
5.1			86,829		86,829
5.2			8,669		8,669
Gross carrying amounts values	8,102,296	324,790	96,939	0	8,524,026
Risk provisions	–3,036	–3,675	–21,769		–28,480
Carrying amounts 31 Dec. 2023	8,099,260	321,116	75,170	0	8,495,546

Credit risk situation

The credit risk situation in the overall portfolio is satisfactory by external standards, despite the challenging economic conditions. This is based on a wealth of individual quality measures that have an impact on the entire portfolio.

The most important of these are:

- Consistent implementation of credit guidelines and processes in credit decision processing when lending.
- Ongoing improvements in the portfolio are achieved through continuously intensified risk monitoring of subportfolios and the associated measures in individual cases.
- Consistent implementation of the internal rating system – in its application, the updating of rating parameters and in system validation – ensures a meaningful credit assessment.

However, changes in market conditions, particularly in the real estate project business, have led to an increase in non-performing exposures and risk provisions in this sub-portfolio.

The financing volume is fully classified as creditworthy and collateralised. Changes in credit rating are recognised very quickly, and measures to correct the risk are implemented immediately in the event of deterioration. With regard to the default risk for designated receivables, please refer to Note (48).

Forbearance
Forbearance refers to measures that are characterised by the fact that the terms of the loan agreement are changed in favour of the borrower (e.g. deferrals) or loans are refinanced because the borrower can no longer fulfil the existing terms due to financial difficulties. The borrower's financial difficulties and changes to the loan agreement do not always result in losses for the Bank. Amendments to loan agreements made for reasons other than the borrower's financial difficulties are not considered forbearance measures.

As at 31 December 2024, there were forbearance measures in the amount of EUR 140,700 thousand (2023: EUR 27,431 thousand). The forbearance ratio was 1.85% (2023: 0.36%). The gross carrying amounts of all accounts with forbearance measures are compared with the gross carrying amount of all loans and advances (in accordance with the EBA risk dashboard). All forbearance measures relate to borrowers in Austria. Additions totalled EUR 116,649 thousand (2023: EUR 18,708 thousand). This is offset by disposals in the amount of EUR 3,380 thousand (2023: EUR 2,485 thousand).

Breakdown by deferral type

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Restructuring not related to default	**60,414**	**4,102**
of which in problem loan management		
Restructuring related to default	**80,285**	**23,329**
of which in problem loan management	80,285	23,329
Total	140,700	27,431
of which in special management	138,762	27,180

Performing/non-performing exposures for forbearance measures

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Performing exposures	**60,378**	**4,092**
of which other financial companies	389	
of which non-financial companies	54,840	2,208
of which households	5,149	1,884
Non-performing exposures	**80,322**	**23,338**
of which other financial companies		
of which non-financial companies	79,331	22,280
of which households	990	1,058
Total	140,700	27,431
of which loans and advances to customers	138,227	26,521
of which contingent liabilities and credit risks	2,472	909

Presentation of additions and disposals for forbearance measures

in EUR thousand	1 Jan. 2024	Additions	Disposals	31 Dec. 2024
Amount of forbearance measures	27,431	116,649	3,380	140,700
of which non-performing exposures	23,339	64,308	7,325	80,322

Breakdown of forbearance measures by segment

in EUR thousand	31 Dec. 2024	31 Dec. 2023
Key Accounts	129,051	23,937
Retail and Private Housing	6,530	3,300
Others	5,119	193
Total	**140,700**	**27,431**

Breakdown of forbearance measures in accordance with IFRS 7

in EUR thousand	31 Dec. 2024	Collateral	31 Dec. 2023	Collateral
not overdue	111,218	89,908	19,018	15,138
overdue	29,482	23,827	8,412	6,195
Total	**140,700**	**113,735**	**27,431**	**21,334**

(67) Liquidity risk

The aim of liquidity management is to ensure the Bank's solvency at all times, with the secondary condition that the costs of maintaining liquidity are kept as low as possible. The Risk Management organisational unit determines the liquidity status of the Oberösterreichische Landesbank Aktiengesellschaft Group on the basis of liquidity maturity statements. Liquidity is managed on the basis of these liquidity maturity statements. The management measures are primarily aimed at ensuring solvency at all times – even in situations of stress.

A liquidity buffer and a high collateralisation potential for tender transactions with the ECB in the form of securities and credit claims are available for ongoing liquidity balancing. The liquidity situation of the Oberösterreichische Landesbank Aktiengesellschaft Group is comfortable, in particular due to the existing liquidity reserves and stable customer deposits. Oberösterreichische Landesbank Aktiengesellschaft fully complied with the liquidity requirements stipulated in the Austrian Banking Act (BWG).

Remaining term analysis

31 Dec. 2024 in EUR thousand	Repayable on demand up to 1 month	Over 1 month up to 3 months	Over 3 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Total
Liabilities to banks*)	151,435	4,068	18,395	89,985	113,021	376,904
Liabilities to customers	460,906	237,950	377,705	850,606	1,423,143	3,350,310
Securitised liabilities	97,337	115,168	556,646	2,319,387	2,437,682	5,526,220
Negative fair values from derivative transactions	5,177	19,591	52,384	222,431	238,429	538,012
Total	**714,855**	**376,777**	**1,005,130**	**3,482,409**	**4,212,275**	**9,791,446**
Contingent liabilities	94,517					
Credit risks	707,545					

31 Dec. 2023 in EUR thousand	Repayable on demand up to 1 month	over 1 month up to 3 months	over 3 months up to 1 year	over 1 year up to 5 years	over 5 years	Total
Liabilities to banks*)	174,092	120,889	120,544	90,667	129,907	636,099
Liabilities to customers	581,461	177,722	480,277	785,692	1,339,920	3,365,072
Securitised liabilities	62,804	49,368	287,202	2,474,258	2,340,716	5,214,348
Negative fair values from derivative transactions	7,554	16,636	60,682	199,917	241,566	526,355
Total	**825,911**	**364,615**	**948,705**	**3,550,534**	**4,052,109**	**9,741,874**
Contingent liabilities	66,593					
Credit risks	756,763					

*) Liabilities to banks include cash collateral deposits for derivatives totalling EUR 143,389 thousand (2023: EUR 156,820 thousand) in the maturity band "repayable on demand to 1 month". However, the repayment of these liabilities is contingent upon changes in market interest rates.

The table shows the maturity analysis of the non-discounted cash flows for financial liabilities and derivatives, including interest payments and the earliest possible utilisation of guarantees and loan commitments. Cancellation options are included according to the mathematical probability of utilisation. In addition to the liquidity maturity statement, the liquidity coverage ratio is used as an indicator for monitoring the short-term liquidity situation. As at 31 December 2024, this amounted to 192.39% at the consolidated level (2023: 200.83%) and is therefore significantly higher than the statutory minimum ratio of 100% for 2024.

(68) Operational risk

Oberösterreichische Landesbank Aktiengesellschaft defines operational risk as the risk of loss resulting from inadequate or failed internal procedures and systems, human error or external events. This definition also includes legal risk.

Oberösterreichische Landesbank Aktiengesellschaft uses the Basic Indicator Approach to determine the capital charges for operational risks in pillar 1 and pillar 2.

To identify operational risks, a loss database is maintained internally in the risk management organisational unit, in which loss events are recorded. In addition to our own assessments, risk monitoring also takes into account audit reports, risk reports (e.g. from IT), complaints and reported near misses. Damage claims are reported to the Management Board on a quarterly basis. If clusters of specific loss events are identified, a process is started to reduce the risks that have arisen, taking organisational responsibilities into account. In addition, the Bank has contingency plans in place to maintain the Bank's operations in the event of crises of various kinds.

Transactions and decisions are made exclusively in accordance with the dual control principle. The Bank highly values well-trained, responsible employees. An internal control system has been set up to prevent loss events with the help of process management software, query software, risk control matrices and assessments.

Legal risk is minimised by carefully drafting and reviewing contracts in the in-house legal department and by obtaining expert opinions from specialist lawyers or other experts. In the past financial year, the number of claims and extent of losses remained constant at a low level.

Oberösterreichische Landesbank Aktiengesellschaft gathers information from various sources for the measurement of cyber risks. This includes, among other things, regular OpKoord situation reports (OpKoord = operational coordination structure for cyber security in Austria under the organisational management of the Federal Ministry of the Interior), which are actively reviewed for relevance to Oberösterreichische Landesbank Aktiengesellschaft and measures are defined together with the relevant IT service providers if necessary.

VI. Governing bodies of the Bank

Supervisory Board

Chairman:
Othmar Nagl
(General Manager OÖ Versicherung AG)

Deputy Chairmen:
Heinrich Schaller
(General Director Raiffeisenlandesbank Oberösterreich AG)

Michael Tissot
(Tax advisor)

Members:
Volkmar Angermeier
(President of the Supervisory Board
Raiffeisenlandesbank Oberösterreich AG)

Miriam Eder
(Head of Controlling, Auditing &
Compliance BBRZ Group)

Klaus Fürlinger
(Member of the National Council, lawyer)

Michael Glaser
(Member of the Managing Board of Raiffeisenlandesbank Oberösterreich AG)

Horst Haudum
(Managing Director of OÖ Landesholding GmbH)

Elisabeth Kölblinger
(Tax advisor)

Reinhard Schwendtbauer
(Member of the Managing Board of Raiffeisenlandesbank Oberösterreich AG)

Delegated by the Works Council:
Kurt Dobersberger
(Chairman of the Works Council of the Oberösterreichische
Landesbank Aktiengesellschaft)

Andrea Koppe
(Deputy Chairwoman of the Works Council of the
Oberösterreichische Landesbank Aktiengesellschaft)

Claudia Kastenhofer

Silvia Häusler

Roland Raab

Supervisory commissioner of the federal state of Upper Austria:
Thomas Stelzer
(Governor of the federal state of Upper Austria)

Deputy supervisory commissioner of the federal state of Upper Austria:
Christiane Frauscher
(Managing Director of OÖ Landesholding GmbH,
Finance Director of the federal state of Upper Austria)

State Commissioner:
Hans-Georg Kramer
(Federal Ministry of Finance)

Deputy State Commissioner:
Sigrid Part until 31 December 2024
(Federal Ministry of Finance)

Elena Guggenberger from 1 February 2025
(Federal Ministry of Finance)

Management Board

Chairman of the Management Board:
Klaus Kumpfmüller

Member of the Management Board:
Thomas Wolfsgruber

Cover pool trustee

Cover pool trustee:
Saxinger, Chalupsky & Partner Rechtsanwälte GmbH

VII. Equity investments

a) Fully consolidated companies

Company	Own share*)		Reporting date
	2024	2023	
Oberösterreichische Landesbank Aktiengesellschaft, Linz	Parent company		31 Dec.
OÖ HYPO Immobilien und Beteiligungen GmbH, Linz	100.0%	100.0%	30 Sept.
OÖ Hypo Leasinggesellschaft m.b.H., Linz	100.0%	100.0%	30 Sept.
OÖ Hypo Facility Management GmbH, Linz	100.0%	100.0%	30 Sept.
Hypo Immobilien Anlagen GmbH, Linz	100.0%	100.0%	30 Sept.

*) Share of voting rights = share of capital

b) Companies included in the consolidated financial statements using the equity method

Company	Own share*)		Reporting date
	2024	2023	
Beteiligungs- und Immobilien GmbH, Linz	25.0%	25.0%	30 Sept.
Beteiligungs- und Wohnungsanlagen GmbH, Linz	25.0%	25.0%	30 Sept.

*) Share of voting rights = share of capital

c) Companies with an equity investment of at least 20% that are not included in the consolidated financial statements

Company	Own share*)		Asset values	Liabilities	Revenue	Annual result	Statement of financial position	Reporting date
in EUR thousand	2024	2023						
Betriebsliegenschaft Eferding 4070 GmbH, Linz	100.0%	100.0%	10,289	9,974	717	50	2024	30 Sept.
HYPO-IMPULS Immobilien GmbH, Linz	49.0%	49.0%	24,378	19,370	3,438	515	2023	31 Dec.
GEMDAT OÖ GmbH & Co KG, Linz	33.3%	33.3%	22,238	7,810	23,007	4,096	2023	31 Dec.
GEMDAT OÖ GmbH, Linz	30.0%	30.0%	817	441	836	38	2023	31 Dec.
Raiffeisen OÖ Invest GmbH, Linz	24.0%	24.0%	47	3	16	10	2024	30 Sept.
KEPLER-FONDS Kapitalanlagegesellschaft m.b.H., Linz	26.0%	26.0%	26,834	14,995	27,135	3,611	2023	31 Dec.
O.Ö. Kommunalgebäude-Leasing Gesellschaft m.b.H., Linz	20.0%	20.0%	17,652	17,782	1,323	−4	2023	31 Dec.
O.Ö. Kommunal-Immobilienleasing GmbH, Linz	20.0%	20.0%	7,823	7,862	4,203	65	2023	31 Dec.

*) Share of voting rights = share of capital

VIII. Declaration by all legal representatives on the annual financial report

(pursuant to Section 124 (1) no. 3 of the Austrian Stock Exchange Act)

The Management Board of Oberösterreichische Landesbank Aktiengesellschaft confirms to the best of its knowledge that the consolidated financial statements give a true and fair view of the net assets, financial and earnings position of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

The Management Board of Oberösterreichische Landesbank Aktiengesellschaft confirms to the best of its knowledge that the annual financial statements of the parent company give a true and fair view of the net assets, financial and earnings position of the company as required by the applicable accounting standards and that the Management Report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the Company faces.

Linz, on 17 March 2025

The Management Board

Klaus Kumpfmüller
Chairman of the Management Board

(Doctors, liberal professions and private banking; Asset and liability management/treasury; Branch sales; Key Accounts; Corporate customers and real estate projects; Marketing; Sustainability & securities; OÖ Hypo Leasinggesellschaft m.b.H.; Human resources; Sales support; Management Board office)

Thomas Wolfsgruber
Member of the Management Board

(Controlling; Financing; Real estate companies; Information technology; Internal auditing; Accounting; Legal and corporate development; Risk management; Environmental, safety, infrastructure management)

IX. Report of the Supervisory Board

The eventful year 2024 was characterised by global crises, persistent weakness in the economy, political uncertainty and geopolitical risks. HYPO Oberösterreich was able to master the associated challenges thanks to foresighted planning and very good performance as a team. HYPO's added-value strategy once again proved to be a reliable guide and was redefined as part of the ongoing evaluation for the next five years until 2030. With its overriding goal 'Growth & Profitability', it lays the foundation for the path focused on customers and growth that HYPO Oberösterreich also intends to pursue in the future.

In the 2024 financial year, the Supervisory Board of HYPO Oberösterreich fulfilled the duties incumbent upon it by virtue of the law and the articles of association. The Management Board reported regularly and comprehensively on the situation and development of the Bank and the Group.

The accounting, the annual financial statements in accordance with the provisions of the Austrian Commercial Code (UGB) / Austrian Banking Act (BWG), the consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as at 31 December 2024, the Management Report and the Group Management Report for the 2024 financial year have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audits did not give rise to any objections and the legal requirements were fully complied with. The unqualified audit certificate was thus issued.

At the meeting held on 31 March 2025, the Supervisory Board examined the annual financial statements and the consolidated financial statements as at 31 December 2024, the Management Report and the Group Management Report for the financial year 2024. The annual financial statements prepared by the Management Board were approved by the Supervisory Board in accordance with Section 96(4) or the Austrian Stock Corporations Act. The Management Board's proposal on the appropriation of profit was approved.

The Bank's work is particularly important in a challenging, dynamic environment. We would like to thank the Management Board and all employees for this.

Linz, March 2025

The Chairman of the Supervisory Board

Othmar Nagl

X. Report of the independent auditor

Auditor's report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of Oberösterreichische Landesbank Aktiengesellschaft, Linz, and its subsidiaries ("the Group"), which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position as at 31 December 2024, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the financial year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with legal requirements and to the maximum extent possible present a true and fair view of the assets and finances of the Group as at 31 December 2024, and its earnings and cash flows for the financial year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the additional requirements under Section 245a of the Austrian Commercial Code and Section 59a of the Banking Act.

Basis of opinion

We conducted our audit in accordance with EU Regulation No 537/2014 ("Audit Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our auditor's report. We are independent of the audited Group in conformity with Austrian company and banking law, and the professional regulations, and we have fulfilled our other professional responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained up to the date of this auditor's report is sufficient and appropriate to provide a basis of our audit opinion as of that date.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in conjunction with our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion thereon.

Recoverability of loans and advances to customers measured at amortised cost

The risk to the financial statements

Loans and advances to customers recognised at amortised cost comprise an amount of EUR 6,221 million in the statement of financial position. A risk provision of EUR 44.6 million was recognised for these loans and advances.

The Management Board of Oberösterreichische Landesbank Aktiengesellschaft explains the approach for calculating risk provisions in the Notes to the Consolidated Financial Statements in the section "Accounting and measurement methods" (see subsection "Estimates, discretionary decisions and management judgements" and "Risk provisions").

Single risk provisions are recognised for customers for whom a default event has been identified (Stage 3 – risk provision). The individual calculation of the amount of the single risk provisions for significant customers with a default event is subject to material assumptions and estimates. These result from the economic situation and development of the customer as well as the measurement of loan collaterals, as these have an impact on the amount and timing of expected future cash flows. Portfolio provisions for single risks that are recognised for non-significant defaulted customers are based on models and statistical parameters.

Non-defaulted customers are allocated to Stage 1 – recognition of a portfolio valuation allowance in the amount of the expected 12-month credit loss – or, in the event of a significant increase in credit risk, to Stage 2 – recognition of a portfolio valuation allowance in the amount of the credit loss expected over the (entire) term. These provisions, which are recognised using statistical methods, are based on models and statistical parameters and therefore include discretionary decisions and estimation uncertainties.

The risk to the financial statements arises from the fact that the determination of the risk provisions, taking into account the current difficult developments – particularly in the area of real estate project financing – is heavily reliant on estimates and assumptions which give rise to margins of discretion and estimation uncertainties regarding the amount of risk provisions.

Our approach
In testing the recoverability of loans and advances to customers, we carried out the following key audit procedures:

- We analysed the credit risk management processes and assessed whether they are suitable to identify loan defaults in a timely manner and to recognise appropriate provisions. We tested selected key controls in terms of their design and implementation on a sample basis.
- On a sample basis, we investigated whether there were any loss indicators and whether default events were recognised in a timely manner. The sampling was selected on the basis of risk, with particular weighting given to rating levels, rating changes and sectors with a higher default risk. One focus here was on the area of financing in the commercial real estate segment. In cases of loan loss, we assessed whether the judgments of management with respect to the future cash flows were appropriate, taking into account evidence of the customer's financial situation and performance and the valuation of the collateral.
- We assessed the measurement of real estate collateral on the basis of test cases, involving valuation specialists.
- In the area of generalised single risk provisions in the case of insignificant, defaulted loans we assessed the calculation models used with the help of internal financial risk management specialists to decide whether they are suitable for determining the risk provision requirements in an adequate manner.
- In the case of portfolio provisions we reviewed the calculation models used, including the input parameters and level allocations used as well as the macroeconomic forecasts, for their suitability for the recognition of adequate risk provisions. We also examined the selection and determination of future estimates and scenarios, and the parameters employed. We assessed automatic controls on which the calculation model is based were assessed regarding their effectiveness. We involved our financial risk management specialists for this purpose.
- We verified the mathematical accuracy of the statistical provisions by recalculating the corresponding provisions on the basis of random samples.

Financial liabilities measured at fair value through profit or loss (Level 3)

The risk to the financial statements
The Group recognises financial liabilities measured at fair value through profit or loss in the amount of EUR 2,086 million (thereof Level 3 EUR 2,049 million).

The Management Board of Oberösterreichische Landesbank Aktiengesellschaft describes the procedure for categorising financial instruments and determining the fair value of financial instruments in the notes to the consolidated financial statements in the section on "Accounting and measurement methods" (see subsection " Financial instruments").

The risk to the financial statements is that the measurement of liabilities recognised at fair value on the basis of measurement parameters not observable on the market(Level 3 category) is highly discretionary due to the strong dependence on measurement models and parameter estimates (e.g. credit spread).

Our approach
We performed the following key audit procedures for the audit of financial liabilities measured at fair value through profit or loss (Level 3):

- We have analysed the relevant process in the Treasury department and assessed whether it is suitable for correctly determining the fair value of these instruments. We tested the effectiveness of the key controls in terms of their design and implementation and on a sample basis.
- In test cases, we examined whether the categorisation (level allocation) of the financial liabilities was appropriate.
- As part of the audit team, we used financial mathematicians in the audit of the liabilities measured and recognised at fair value (Level 3), who assessed the measurement models and the assumptions made by the Bank as well as the key parameters in terms of market conformity and appropriateness. The fair values were also recalculated in test cases.

Other information

The Company's legal representatives are responsible for the other information. The latter comprises all the information in the annual report apart from the consolidated financial statements, the Group Management Report and the auditor's report.

Our opinion on the consolidated financial statements does not extend to this other information, and we do not provide any form of assurance thereon.

In conjunction with our audit of the consolidated financial statements, it is our responsibility to read this other information and, in doing so, to assess whether it contains any material inconsistencies with the consolidated financial statements or other information gained during the audit or any other misstatement.

If we conclude on the basis of other information obtained from work performed prior to the date of the auditor's report that this other information contains a material misstatement of fact, we are obliged to report in this regard. We have nothing to report in this regard.

Responsibilities of the Company's legal representatives and the Audit Committee for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements and for ensuring that they give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of Section 245a of the Austrian Commercial Code and Section 59a of the Banking Act. The Company's legal representatives are responsible for such internal controls as they deem necessary to permit the preparation of consolidated financial statements that are free from material misstatement due to fraud or error.

The Company's legal representatives are responsible, when preparing the consolidated financial statements, for assessing the Group's ability to continue as a going concern, for disclosing, where relevant, matters related to going concern and applying the going concern basis of accounting unless the legal representatives either intend to liquidate the Group or to cease operations, or have no realistic alternative to such action.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with the Audit Regulation and Austrian Standards on Auditing, which require ISA compliance, will always detect a material misstatement, if any are present. Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Audit Regulation and Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgement and maintain a critical attitude throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, we plan and perform audit procedures in response to those risks, and we obtain audit evidence to serve as a basis for our opinion. The risk of failure to detect material misstatements resulting from fraud is greater than that of overlooking misstatements due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.
- We obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.
- We evaluate the appropriateness of the accounting policies applied and the accounting estimates presented by the Company's legal representatives.
- We draw conclusions as to the appropriateness of legal representatives' application of the going concern basis of accounting and, in the light of the audit evidence obtained, whether a material uncertainty exists with regard to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may result in the Group to cease to operate as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements to the maximum extent possible present fairly the underlying transactions and events.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.
- We exchange information with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.
- We also report to the Audit Committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other matters that could be reasonably assumed to affect our independence and, where relevant, the related safeguards.
- From the matters discussed with the Audit Committee, we determine those that were of most significance for the audit of the consolidated financial statements for the financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless legal regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other legal requirements

Report on the Group Management Report

Austrian corporate law requires an audit of the Group Management Report to ascertain whether it is consistent with the consolidated financial statements and was prepared in accordance with the applicable legal requirements.

Under Austrian corporate law the Company's legal representatives are responsible for the preparation of the Group Management Report.

We have conducted our audit in accordance with the professional standards applicable to the audit of Group Management Reports.

Opinion

In our opinion, the Group Management Report was drawn up in accordance with the applicable legal requirements, contains the relevant disclosures under Section 243a Austrian Commercial Code, and is consistent with the consolidated financial statements.

Declaration

In the light of the knowledge gained in the course of the audit of the consolidated financial statements and of our understanding of the Group and its environment, we did not note any material misstatements in the Group Management Report.

Additional information in accordance with Article 10 of the Audit Regulation

We were appointed as auditors by the Annual General Meeting on 26 April 2023 and on 26 April 2023 were charged by the Supervisory Board with the audit of the Company's financial statements for the financial year ended 31 December 2024.

We have been the Company's auditor without interruption since the consolidated financial statements as at 31 December 1997.

We hereby declare that our audit opinion expressed in the "Report on the consolidated financial statements" section is consistent with our additional report to the Audit Committee pursuant to Article 11
Audit Regulation.

We hereby declare that we have not provided any prohibited non-audit services (Article 5 (1) Audit Regulation) and that we have maintained our independence from the audited company when conducting our audit.

Engagement partner

The engagement partner for the audit is Mr. Christian Grinschgl.

Linz

19 March 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Executed with a qualified electronic signature:
Mr. Christian Grinschgl
Auditor

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