

HYPO NOE Landesbank makes a successful start to the 2024 refinancing year

At the beginning of the week HYPO NOE Landesbank made a highly successful return to the capital markets with its first covered bond issue of the year. The new EUR 500 million 6-year benchmark bond from the mortgage cover pool (AT0000A3A3B3) was priced at a re-offered spread of mid-swaps +51 basis points with a coupon of 3.0% at a re-offered yield of 3.071% and is expected to be rated 'Aa1' by Moody's.

HYPO NOE Landesbank and its mandated joint lead managers - BayernLB, Danske Bank, Erste Group, Natixis, NORD/LB und UniCredit - announced the mandate already one Friday of the previous week after an essentially uneventful ECB meeting. In view of the constructive responses from potential investors, the order books were opened as planned on Monday morning at 8:49 CET with guidance of mid-swaps +57 bps area.

Despite some competing supply, there was strong book building momentum from the outset, with the order book already showing a volume of more than EUR 900m (including joint lead managers) after just over 90 minutes. With continuously strong interest from high-quality investors, guidance was revised to mid-swaps +52 bps (+/- 1bp WPIR) at the time of the second update at 11:23 CET on the back of an order book (to go subject at 11:40 CET) of more than EUR 1.1bn including joint lead managers. Investors reacted by placing new and increasing various existing orders, ultimately resulting in the final spread comfortably to be set at the tight end of the range at +51 bps. Total demand stood at over EUR 1.3bn including joint lead managers when books closed.

At the time of pricing at 14:49 CET orders amounting to EUR 1.27bn good at re-offered had been gathered from 78 investors in 12 countries. Once more, the order book was very granular: At 84%, the lion's share was again placed abroad, with Germany (44%) followed by the Nordic region (25%), the Benelux countries (7%) and France (5%) showing particular interest. Domestic investors accounted for 16% of the placement. Banks ordered 47% of the bond, followed by asset managers (43%) as well as central banks and official institutions (4%).

Following on to a domestic CHF 100 million 5-year Green Preferred Senior Benchmark transaction placed in the Swiss capital markets earlier this month, this doubly successful start to the 2024 refinancing year has once again confirmed HYPO NOE Landesbank's solid international name recognition and sound standing with the international investor community.

For further information, visit ir.hyponoe.at.

HYPO NOE Landesbank für Niederösterreich und Wien AG

HYPO NOE Landesbank is the largest and oldest-established of Austria's state mortgage banks¹, and has served as a dependable commercial bank, stable state bank and specialist mortgage bank for more than 130 years. Based on the foundations of its strong position in the capital region of Lower Austria and Vienna, the Bank operates primarily in Austria and Germany, as well as in selected markets in the European Union.

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¹In terms of total assets (according to half-year financial report 2023 or consolidated financial statements 2022) and foundation dates