

HYPO NOE Landesbank makes headlines with Public Sector Covered Bond benchmark issue

In the middle of the week HYPO NOE Landesbank made headlines in the capital markets with its second Euro Covered Bond issue of the year. The new EUR 500 million 8-year benchmark bond from the public sector cover pool (AT0000A3C6F5) was priced at a re-offered spread of mid-swaps +47 basis points with a coupon of 3.0% at a re-offered yield of 3.097% and is expected to be rated 'Aa1' by Moody's.

HYPO NOE Landesbank together with its mandated joint lead managers - BNP Paribas, Credit Agricole CIB, Erste Group, Helaba, LBBW and RBI - announced the mandate at midday on Tuesday after a busy start to the week in terms of primary supply. In view of the constructive responses from potential investors, the order books were opened as planned on Wednesday morning at 8:55 CET with guidance of mid-swaps +55 bps area.

With exceptionally strong demand from the outset, the order book reached a volume of over EUR 1bn within the first hour, even without joint lead managers. Due to continued strong interest from high quality investors, the final spread was set at +47 bps at 10:45 CET with no interim adjustment to the guidance based on an order book (to go subject at 11:15 CET) of over EUR 1.75bn (including Joint Lead Managers). Investors responded to the significant spread tightening by placing new orders and increasing various existing orders, ultimately resulting in total demand of over EUR 2.7bn including joint lead managers at book close.

At the time of pricing at 13:49 CET orders amounting to EUR 2.6bn good at re-offered had been received from 108 investors in 14 countries. The order book was again very granular: At 80%, the lion's share was again placed abroad, with Germany (50%), followed by the Nordic region (13%), Italy (5%) and Switzerland (4%) showing particular interest. Domestic investors accounted for 20% of the placement. Banks ordered 62% of the bond, followed by asset managers (24%) as well as central banks and official institutions (7%).

The largest Austrian Covered Bond benchmark book in more than two years, which ultimately led to a record 5.2-fold oversubscription, is once again proof of HYPO NOE Landesbank's solid international name recognition and sound standing in the international investor community. Together with the 5-year CHF 100m Green Preferred Senior benchmark transaction and the 6-year EUR 500m Mortgage Covered Bond benchmark issue launched in January, the Group's liquidity position will remain very comfortable even after the repayment of the last tranche of the TLTRO participation at the end of Q2 2024.

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