

HYPO NOE Landesbank

Issuer View • 26 May 2025

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Ratings

**HYPO NOE Landesbank für
Niederösterreich und Wien
AG**

	Rating	Outlook
Fitch	-	-
Moody's	-	-
S&P	A	Stable

Homepage

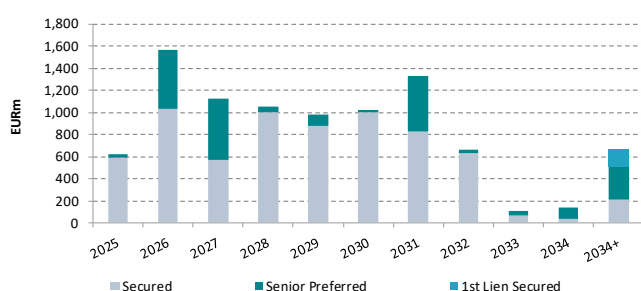
www.hyponoe.at

HYPO NOE Landesbank für Niederösterreich und Wien AG (HYPO NOE Landesbank) is the oldest state mortgage bank in Austria. It operates as a commercial bank, Landesbank and specialised mortgage bank. The largest Austrian province of Lower Austria is 100% owner of the group. HYPO NOE Landesbank refers to the regions of Lower Austria and Vienna as its home markets. In addition, it is also active in the rest of Austria and Germany, which HYPO NOE counts among its core markets, as well as selectively in other selected markets in the EU. With a market share of 24% in Lower Austria, HYPO NOE Landesbank has a strong position in its home region. The business segments of the HYPO NOE Group are divided into "Private and Corporate Customers" (FY/2024: 28% of operating income) "Public Sector" (25%), "Real Estate" (25%), "Treasury & ALM" (22%) and the administrative segment "Corporate Center" (0%). As of 31 December 2024, the institution's funding mix consisted of publicly and mortgage-backed covered bonds (44%), savings, sight and time deposits (38%) and unsecured bonds (18%). HYPO NOE Landesbank is one of the largest covered bond issuers in Austria and is regularly active on the market with issues. In 2020, HYPO NOE issued its first green bond in senior preferred format under its former Green Bond Framework. This was converted into a Sustainability Bond Framework in 2023, which now also allows the issuance of bonds in the social format. The bank was last active on the market in February 2025 with a green bond with a volume of EUR 500m.

Balance Sheet

(EURm)	2023Y	2024Y	2025Q1
Net Loans to Customers	12,389	12,800	-
Total Securities	2,286	2,363	-
Total Deposits	3,460	4,163	-
Tier 1 Common Capital	817	867	-
Total Assets	15,579	16,358	16,946
Total Risk-weighted Assets	3,914	4,268	-

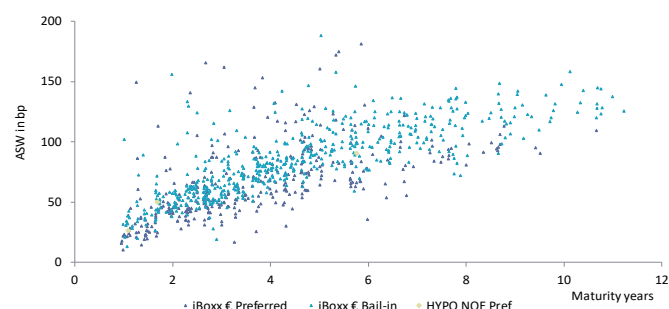
Redemption Profile



Income Statement

(EURm)	2023Y	2024Y	2025Q1
Net Interest Income	177	184	40
Net Fee & Commission Inc.	16	20	6
Net Trading Income	3	-0	5
Operating Expense	112	111	30
Credit Commit. Impairment	27	24	15
Pre-tax Profit	88	82	8

Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2023Y	2024Y	2025Q1		2023Y	2024Y	2025Q1
Net Interest Margin	1.14	1.13	0.97	Liquidity Coverage Ratio	235.86	229.27	-
ROAE	7.97	7.45	2.94	IFRS Tier 1 Leverage Ratio	5.47	5.47	-
Cost-to-Income	49.00	51.22	56.47	NPL/Loans at Amortised Cost	2.62	3.15	-
Core Tier 1 Ratio	20.88	20.32	-	Reserves/Loans at Amort. Cost	0.85	0.86	-

As of 26.05.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Capitalization
- Connection to 100% owner (Lower Austria)

Risks / Weaknesses

- Operating profitability
- Geographical diversification

Covered Bonds

Authors: Alexander Grenner // Lukas Kühne

Issuer with public sector and mortgage cover pool

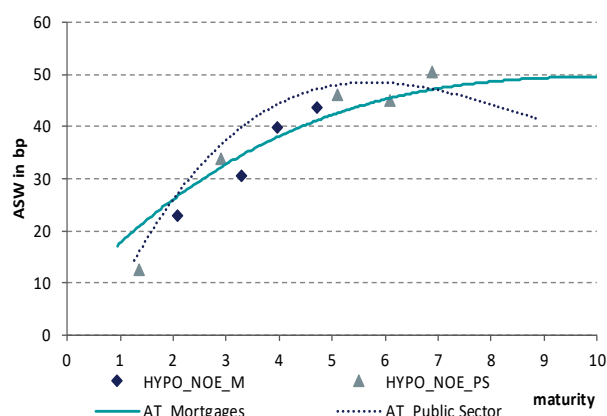
HYPO NOE Landesbank operates both a publicly secured and a mortgage-backed covered bond programme. As of 31 March 2025, mortgage-backed covered bonds of EUR 2.8bn and publicly secured covered bonds of EUR 3.9bn were outstanding. With overcollateralisation ratios of 14.0% (mortgage covered bonds) and 25.2% (public sector covered bonds), the legal requirement of 2% overcollateralisation is met. The institution is represented in the current composition of the iBoxx EUR Covered with nine issues. In addition, the bank has two benchmark issues that are no longer included in the iBoxx EUR Covered due to their remaining maturities.

Programme data

31 March 2025	Mortgage	Public Sector
Covered bonds outstanding	EUR 2,802m	EUR 3,942m
Cover pool volume	EUR 3,223m	EUR 4,937m
Current OC (nominal / legal)	15.0% / 2.0%	25.2% / 2.0%
Type primary cover	73.3% Residential	78.1% Regional auth.
Main country	87.0% Austria	100% Austria
Main region	62.2% Lower Austria	82.9% Lower Austria
Number of loans	11,888	541
Share top 10 exposures	8.5%	29.7%
NPL	0.0%	0.0%
Fixed interest (Cover Pool / CBs)	59.8% / 91.0%	46.4% / 99.5%
WAL (Cover Pool / CBs)	8.1y / 3.1y	9.9y / 4.5y
CB Rating (Fitch / Moody's / S&P)	- / Aa1 / -	- / Aa1 / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Austria



The largest proportion of the cover assets is of Austrian origin

While the public sector cover pool values are located exclusively in Austria, the Austrian share of the mortgage pool amounts to 87%. At 73.3%, the mortgage pool is mainly made up of residential assets – the largest share of which is accounted for by the “owner occupied” category with 49.7%. The public sector cover pool comprises cover assets with a volume of EUR 4.9bn. The majority of the publicly secured cover pool is accounted for by claims on regional authorities (share of primary cover: 78.1%) and claims on local authorities (18.2%). The “top 10” exposures to public sector cover pool stocks account for a share of 29.7%. Regionally, the focus of the publicly secured cover pool is on the bank's home region, Lower Austria (82.9% of primary cover), followed by Vienna (6.4%) and Upper Austria (2.5%). Neither the public sector cover pool nor the mortgage pool includes non-performing loans.

Rating and regulatory treatment

Both the public sector covered bonds and the mortgage-backed bonds of HYPO NOE Landesbank have an Aa1 rating from Moody's. Based on the rating, a risk weight of 10% is decisive for the issuer's covered bonds in accordance with the CRR. In addition, we understand benchmark transactions to be suitable as Level 1 assets in the context of LCR management. In addition, the issuer's covered bonds are suitable as collateral in the context of transactions with the ECB. The covered bond issues of HYPO NOE Landesbank can be marketed under the label “European Covered Bond (Premium)”.

Appendix

Contacts at NORD/LB

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Länder/Regionen	+49 511 9818-9660
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