

Credit Rating

Covered Bonds



HYPO-BANK BURGENLAND AG

Hypothekendarlehenbriefe (AT) -
Residential & Commercial Mortgage Covered Bonds
Performance Report - 2023Q4

Summary

The AAA rating with a Stable Outlook assigned to the covered bonds (Hypothekendarlehenbriefe (AT)) issued by HYPO-BANK BURGENLAND AG are based on the bank's issuer rating (A- / Stable), enhanced by six notches of cover pool-support based uplift.

Governance support factors, in total, provide an rating uplift of up to five notches and, effectively, a floor against a deterioration in cover pool credit quality. This reflects our assessment of the strong governance support provided by the legal covered bond and resolution framework in Austria.

We have classified the interplay between complexity and transparency with a cover pool complexity (CPC) category of 'Low', allowing for a three-notch uplift on top of governance support factors, which translates into a maximum cover pool uplift of eight notches. Considering the regularly provided level of overcollateralisation, the cover pool could provide a two-notch buffer against an issuer rating downgrade.

The last credit rating action and its supporting rating rationale can be found on scoperatings.com.

Covered Bonds

AAA

Outlook

Stable

Issuer

A-

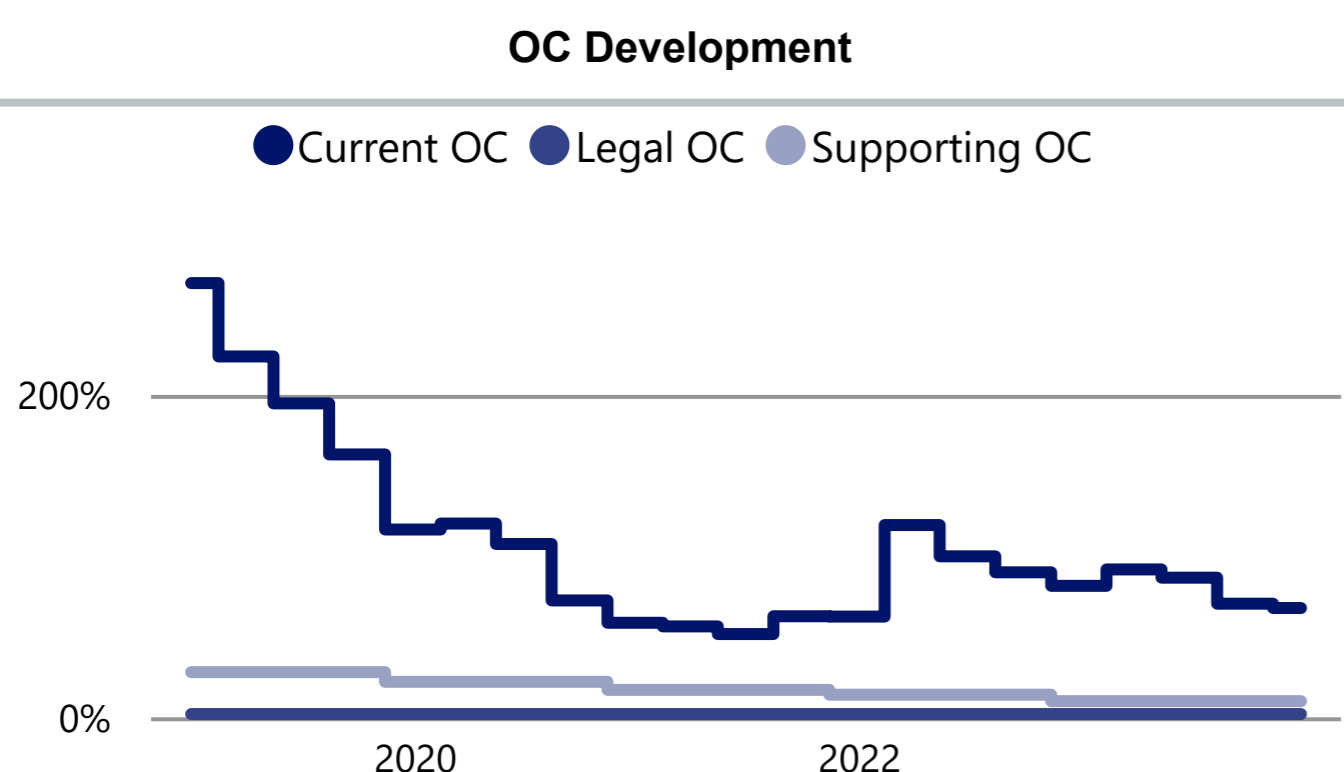
Outlook

Stable

Covered Bonds building blocks

GOVERNANCE SUPPORT	COVER POOL SUPPORT	MAXIMUM RATING DISTANCE	RATING UPLIFT
	Cover pool support +3	D8	(unused)
	Cover pool support +2	D7	(unused)
	Cover pool support +1	D6	AAA
Resolution regime +3	Governance support = Covered bond rating floor	D5	AA+
Resolution regime +2		D4	AA
Resolution regime +1		D3	AA-
Legal framework +2		D2	A+
Legal framework +1		D1	A
Issuer Rating		D0	A-

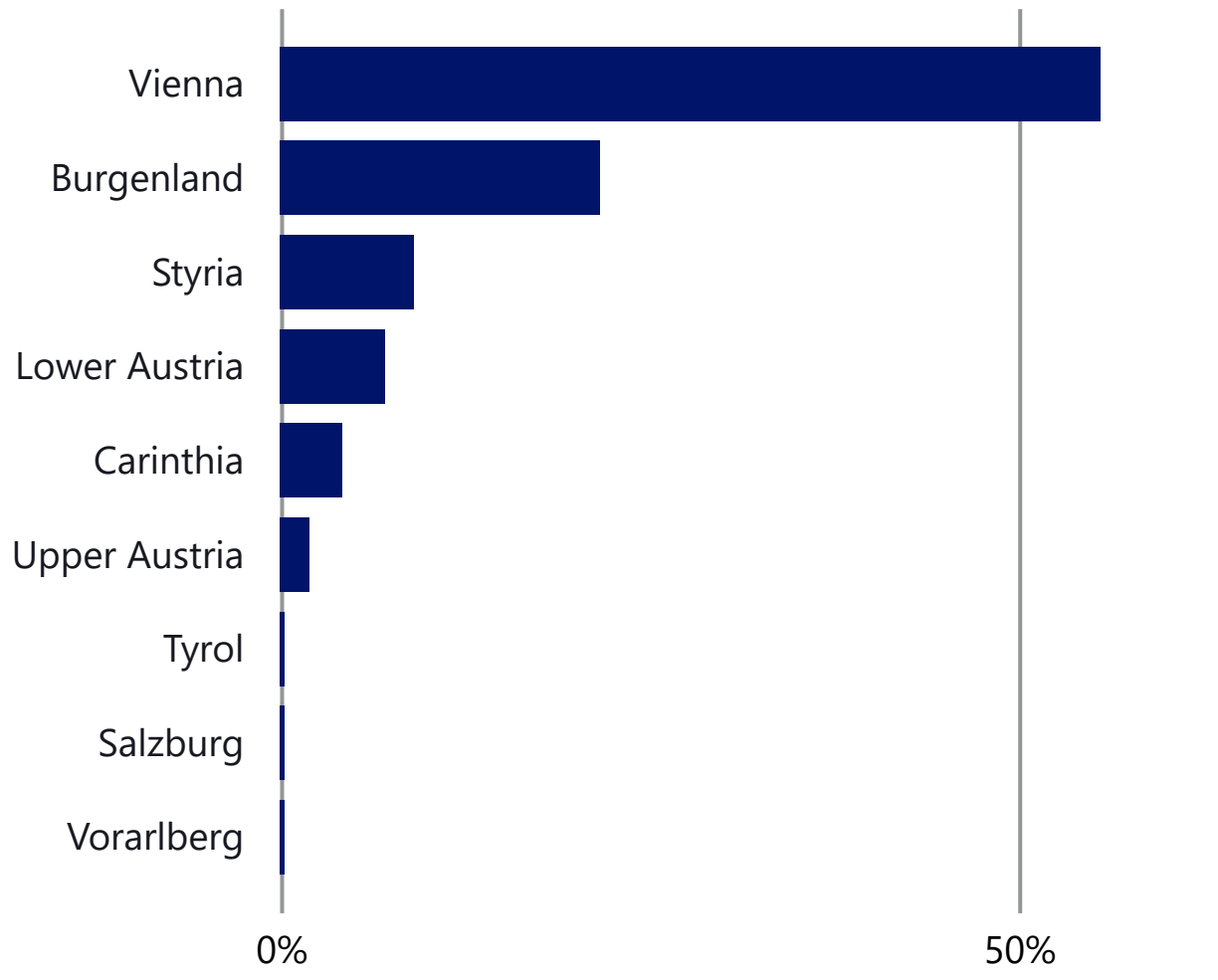
OC & Rating History



¹The credit rating(s) and outlook(s) provided in this document may not be shared with any unauthorised third party. Data shown is current as of 31 December 2023. This performance report has been created on 27 March 2024 but might have been made available on scoperatings.com on a later date.

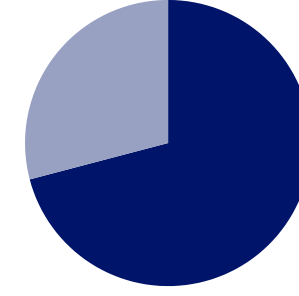
Mortgage Cover Pool Credit Risks as of 31 December 2023

Geographical Distribution



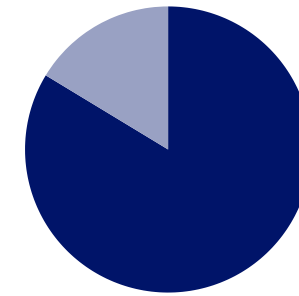
Collateral Type Distribution

● Residential ● Commercial



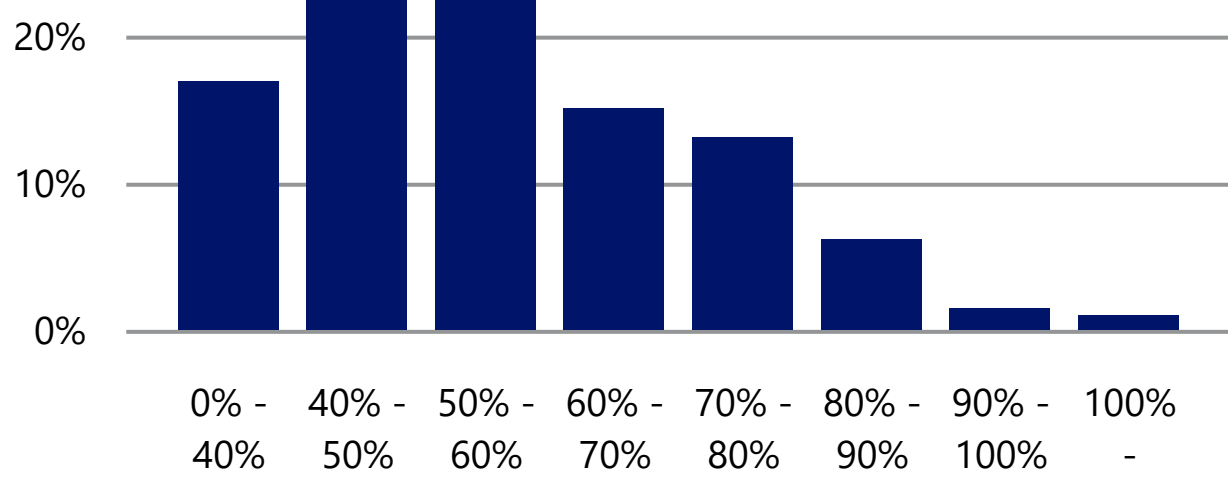
Repayment Type Distribution

● Amortising ● Bullet



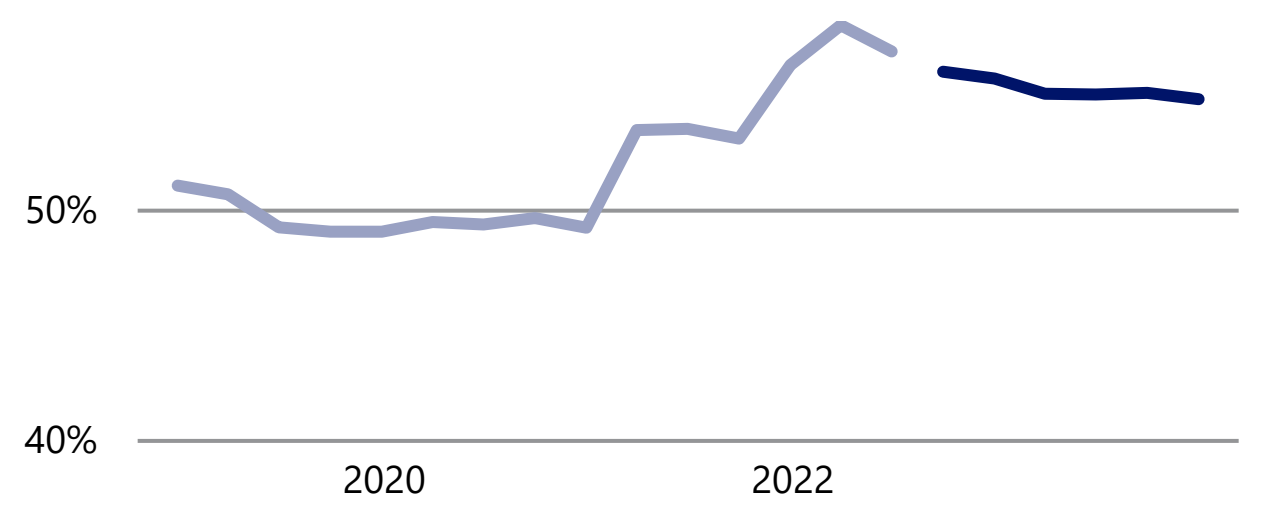
Loan to Value Distribution

● Loan to Value - Indexed

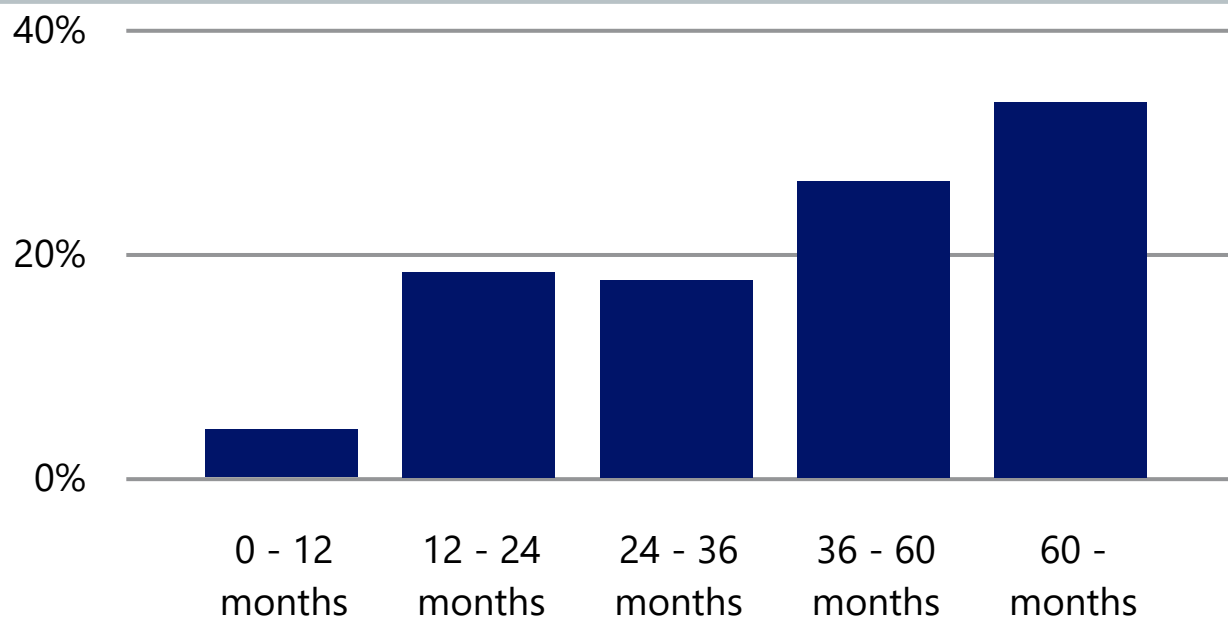


Weighted Average Loan to Value

● Indexed WA LTV ● Unindexed WA LTV



Seasoning Distribution

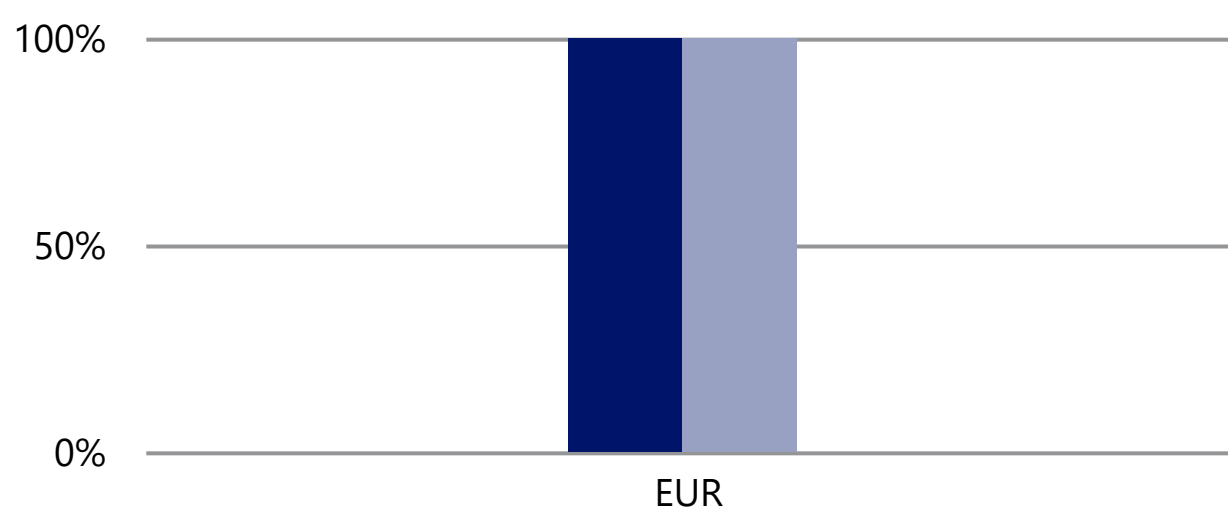


Weighted Average Seasoning & RTM (in months)

Cover Pool Market Risks as of 31 December 2023

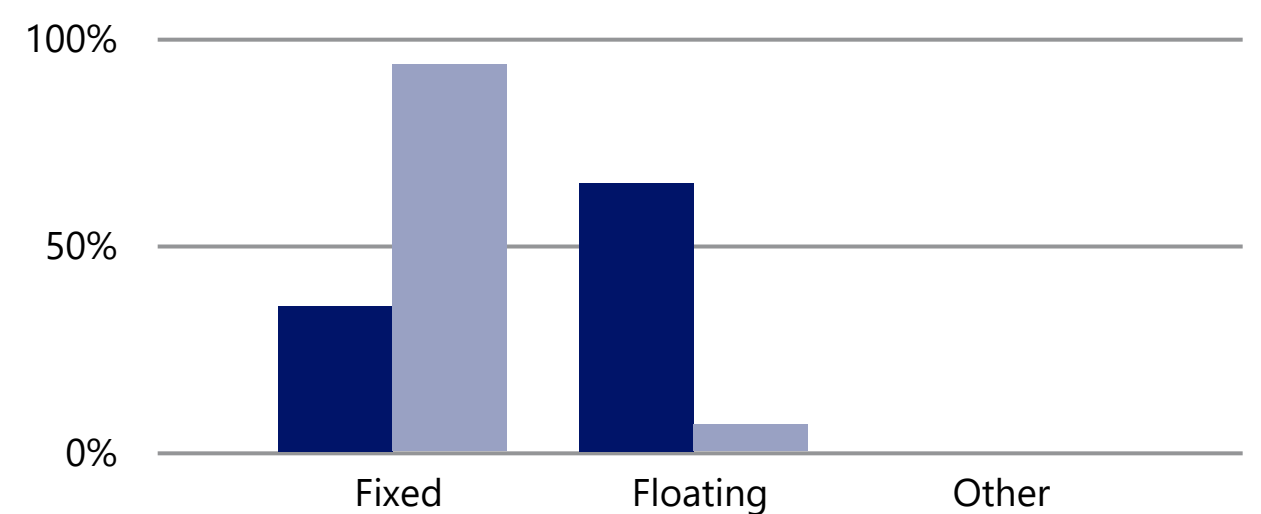
Currency Distribution

● Covered Bonds ● Covered Pool



Interest Rate Type Distribution

● Cover Pool ● Covered Bonds



Summary of covered bond characteristics(Mo)

Scope Metrics	2023Q4	2022Q4
CB Rating	AAA / Stable	AAA / Stable
Issuer Rating	A- / Stable	A- / Stable
Supporting OC	10.0%	10.0%
Legal Framework Uplift	2	2
Resolution Regime Uplift	3	3
CPC Category	Low	Low
Cover Pool Uplift (Max)	8	8
Cover Pool Uplift (Unused)	2	2
General Information - Programme		
Cover Pool Size	1,350,817,258	1,174,409,768
Outstanding Covered Bonds	805,106,541	646,908,937
Legal OC	2.0%	2.0%
Current OC	67.8%	81.5%
Cover Pool Composition		
Mortgages	99.8%	99.1%
Public Sector	0.0%	0.0%
Substitute Assets	0.2%	0.9%
General information - Mortgage		
Number of Loans/Borrowers	4,778	4,459
Average Loan/Borrower Amount ('000)	282.19	261.02
Top 10	20.9%	18.3%
NPL	0.0%	0.0%
Unindexed WA LTV	NR	NR
Indexed WA LTV	54.8%	55.7%
Maturity Profile		
Cover Pool WAL (contractual; in years)	7.14	7.73
Covered Bonds WAL (initial; in years)	10.43	10.83
Covered Bonds WAL (extended; in years)	NR	NR
Cover Pool - Interest Rate Types		
Fixed	35.2%	32.0%
Floating	64.8%	68.0%
Other	0.0%	0.0%
Covered Bonds - Interest Rate Types		
Fixed	93.5%	100.0%
Floating	6.5%	0.0%
Other	0.0%	0.0%
Cover Pool - Currencies		
	EUR 100.0%	EUR 100.0%
Covered Bonds - Currencies		
	EUR 100.0%	EUR 100.0%
Regions (Top 3)		
	Vienna 55.6%	Vienna 52.6%
	Burgenland 21.7%	Burgenland 24.3%
	Styria 9.1%	Styria 9.3%

Latest related covered bond research (see [here](#))

Latest related financial institution research (see [here](#))

Current methodologies (see [here](#))

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