

Boring, but secure and earns returns: The new “s Wohnbauanleihe” (housing construction bond)

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15.06.2010

- 3.2% p.a. throughout the entire life
- Interest income exempt from capital yields tax
- High security at maturity based on capital guarantee

Housing construction bonds have lost their outdated image. It might seem a bit boring, but the returns are good and very secure,” said Peter Bosek, Erste Bank board member responsible for retail. At an annual interest payout of 3.2%, the “s Wohnbauanleihe” (ISIN: AT000B073820) offers steady returns until the year 2021. A particularly attractive feature for private investors is the capital yields tax exemption for the first 4%. This makes the interest yield on this bond comparable to that of a fully taxable bond with a nominal interest of around 4.27%. Moreover, by investing in these bonds, investors support young families, as the bonds help to subsidise inexpensive residential housing. If desired, the “s Wohnbauanleihe” can also be converted into participation certificates of “s Wohnbaubank” later on. The minimum subscription lot is EUR 3,000, denominations as of EUR 100 are possible.



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Peter Bosek, Retailvorstand Erste Bank
[jpg; 354.9 KB]

Key facts

	3,2 % s Wohnbauanleihe 2010-2021/5	⋮
Interest:	3.2% p.a. throughout entire life 30/360, following, unadjusted	⋮
Maturity:	11 January 2010 through 27 April 2021	⋮
Redemption:	27 April 2021 at 100%, unless converted	⋮
Interest rate payments:	27 April 2021 of every year, first time on 27 April 2010	⋮
Tax benefit 1:	Exempt from capital yields tax on first 4% for retail investors	⋮
Net yield:	Comparable with a fully taxable bond with a nominal interest rate of around 4.27% (at a price of 100%)	⋮
Tax benefit 2:	If applicable, tax deduction may be claimed as an extraordinary burden	⋮
Net yield:	Depends on your personal income	⋮
Initial offer price:	101%, ongoing adjustment to market	⋮
Securities ID No:	AT000B073820	⋮
Start of issue:	01.02.2010	⋮
First value date:	04.02.2010	⋮

Conversion ratio	One "s Wohnbauanleihe" with a nominal value of EUR 100 may be converted into ten registered participation certificates of "s Wohnbaubank" with a nominal value each of one euro.
Conversion date:	On each coupon date, at the earliest 27 April 2011
Issuer:	s Wohnbaubank AG, Graben 21, 1010 Vienna Phone: 05 0100 - 29361 Fax 05 0100 9 - 29361 E-Mail swohnbaubank@sbausparkasse.co.at Web www.swohnbaubank.at
Issuing volume:	Up to EUR million, tap issue
Denomination:	EUR 100
Minimum lot:	EUR 3,000
Call:	Excluded on both sides
Stock market:	Admission to the Third Market as a multilateral trading system (MTF) of the Vienna Stock Exchange has been applied for
Changes to capital:	In the case of further capital measures of s Wohnbaubank AG, holders of the bonds do not have any subscription rights

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