



## NORD/LB Issuer Guide 2022 – German Agencies

Markets Strategy & Floor Research

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Marketing communication (see disclaimer on the last pages)

# **NORD/LB**

## **ISSUER GUIDE 2022**

### **German Agencies**

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## The German agency market – an overview

Authors: Dr Norman Rudschuck, CIAA // Jan-Phillipp Hensing

### Promotional banks shape the German agency market alongside winding-up vehicles

The German agency market is the largest of its kind in Europe. As at the reporting date, the outstanding bonds issued by the agencies included in this Issuer Guide amount to the equivalent of EUR 660.9bn overall. The issuers within this market can essentially be divided into three categories: national promotional banks (e.g. KfW), regional promotional banks (e.g. NRW.BANK) and winding-up agencies (e.g. EAA). While the promotional banks have traditionally played a highly significant role in the management of economic policy at the level of both federal government (Bund) and the individual Laender, winding-up agencies only came into existence a few years ago. Founded in the wake of the global financial crisis, the role of these institutes has been to systematically reduce assets that were hived off as part of state-backed support measures (e.g. for Hypo Real Estate). Regional promotional banks round off this market, although in some cases they differ considerably with regard to their primary market activities. While NRW.BANK, as the largest of the 17 regional promotional banks, ranks among the most important bond issuers on the German agency market, other agencies exclusively use instruments such as sub-benchmarks or Schuldscheindarlehen (SSD) for refinancing purposes.

### German agencies – an overview

Institution	Type	Owner(s)	Guarantee	Risk weighting
Kreditanstalt für Wiederaufbau (KfW)	Promotional bank	80% Germany, 20% Bundeslaender	Explicit guarantee and institutional liability	0%
Landwirtschaftliche Rentenbank	Promotional bank	-	Explicit guarantee and institutional liability	0%
FMS Wertmanagement (FMS-WM)	Winding-up vehicle	100% Sonderfonds Finanzmarktstabilisierung (SoFFin)	Explicit guarantee & Verlustausgleichspflicht (loss absorption mechanism)	0%
Erste Abwicklungsanstalt (EAA)	Winding-up vehicle	~48.2% Federal State of NRW, ~25.0% RSGV, ~25.0% SVWL, ~0.9% LVR, ~0.9% LWL	Loss absorption mechanism	0%
hsh finanzfonds AöR (HSHFF)	Capital support HSH	50% Free and Hanseatic City of Hamburg, 50% Federal State of Schleswig Holstein	Explicit guarantee, institutional liability and guarantor liability	0%
NRW.BANK	Promotional bank	100% Federal State of North Rhine-Westphalia	Explicit guarantee, institutional liability and guarantor liability	0%
Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)	Promotional bank	100% Federal State of Baden-Wuerttemberg	Explicit guarantee, institutional liability and guarantor liability	0%
Investitionsbank Berlin (IBB)	Promotional bank	100% Federal State of Berlin	Explicit guarantee and institutional liability	0%
LfA Förderbank Bayern (LfA)	Promotional bank	100% Free State of Bavaria	Explicit guarantee, institutional liability and guarantor liability	0%
Bayerische Landesbodenkreditanstalt (BayernLabo)	Promotional bank	100% BayernLB Holding	Explicit guarantee & guarantor liability	0%
WIBank	Promotional bank	100% Helaba	Explicit guarantee & guarantor liability	0%
Investitionsbank Schleswig-Holstein (IB.SH)	Promotional bank	100% Federal State of Schleswig-Holstein	Explicit guarantee, institutional liability and guarantor liability	0%
Hamburgische Investitions- und Förderbank (IFB Hamburg)	Promotional bank	100% Free and Hanseatic City of Hamburg	Explicit guarantee, loss absorption mechanism, institutional liability and guarantor liability	0%
Sächsische Aufbaubank (SAB)	Promotional bank	100% Free State of Saxony	Explicit guarantee, institutional liability and guarantor liability	0%
Investitionsbank des Landes Brandenburg (ILB)	Promotional bank	50% Federal State of Brandenburg, 50% NRW.BANK	Explicit guarantee, institutional liability and guarantor liability	0%

Source: Issuers, NORD/LB Markets Strategy & Floor Research

**Institutional liability (Anstaltslast)**

Institutional liability is a special feature of the German agency market. It comprises the legal obligation on the part of the guarantor to secure the financial basis for the institution. Furthermore, it requires the guarantor to maintain the institution's ability to function properly. In this respect, any financial shortfalls must be settled through subsidies or by some other means. Specifically, the institutional liability is an obligation on the guarantor to provide the institution with the resources it needs to function properly. This means that, de facto, the institutional liability is equivalent to a liquidity guarantee, although the institution does not have to bear any costs in this regard. The institutional liability defines the legal commitment between institution and guarantor as far as their internal relationship is concerned. As a result, if there are any liquidity shortfalls, only the institution can assert a claim against the guarantor. Investors do not have the right to claim against the guarantor. It is not limited in either amount or time and is regarded as a general principle of law. It is only relevant for investors under certain circumstances: all German agencies with institutional liability also feature an explicit guarantee in parallel to this (see below).

**Guarantor liability (Gewährträgerhaftung)**

Like institutional liability, guarantor liability is another special feature of the German agency market. It implies an obligation to step in should the institution become insolvent. It therefore comprises the guarantor's unlimited legal liability for the institution's liabilities in the event of insolvency or liquidation. An institution's creditors have a direct claim against the guarantor if the institution's assets are insufficient to service the creditors' claim. However, this also means that liquidation and the occurrence of liability are not necessarily closely synchronised. There is no amount or time limit on guarantor liability. As in the case of institutional liability, it is not associated with any costs. Unlike institutional liability, however, it is not regarded as a general principle of law. Instead, it requires a legal basis, such as legislation or a regulation. Again, guarantor liability is only relevant for investors under certain circumstances: all German agencies with guarantor liability also feature an explicit guarantee in parallel to this.

**Explicit guarantee**

The explicit guarantee is expressly laid down in the relevant laws establishing the particular agency and, as a consequence, it is irrevocable or can only be amended through legislation. If an agency runs into payment difficulties, this form of guarantee offers investors a direct and unconditional claim against the guarantor. As such, it is the strongest form of state support. It also represents the ultimate criterion for a risk weighting of 0% under CRR and Basel III.

**Loss absorption mechanism**

With the creation of winding-up agencies around 2009/10, a new form of liability was added to the existing guarantee arrangements of German agencies. This form of liability is regulated under Article 7 of the statutes of FMS-WM and EAA and contains an obligation on the part of the liable parties to offset all losses. The liable parties are also required to provide the institution with the funding needed to settle its liabilities (liquidity guarantee) at any time. Ultimately, the loss absorption mechanism therefore equates to an implicit guarantee.

**Strong liability mechanisms result in a 0% risk weighting**

Strong support from the respective guarantors, which is inherent in all forms of liability, means that a risk weighting of 0% is applicable under CRR/Basel III to all bonds issued by agencies of this kind.

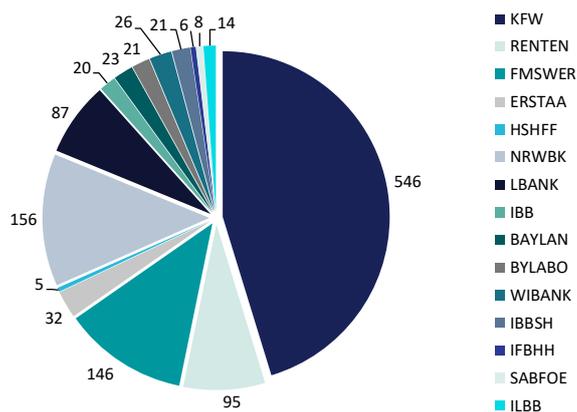
**Close links to the federal government and respective German Bundesland**

Last but not least, the guarantee mechanisms result in very close ties between the agencies and the German government or respective sub-sovereign. The promotional banks, in particular, are a key tool in implementing economic policy. An analysis of the Laender, whose creditworthiness is crucial to a large number of the agencies included in this Issuer Guide, is available in the most recent version of our [Issuer Guide – German Bundeslaender 2021](#).

**Cumulated balance sheet totals of German agencies**



**Comparison of balance sheet totals (EURbn)**

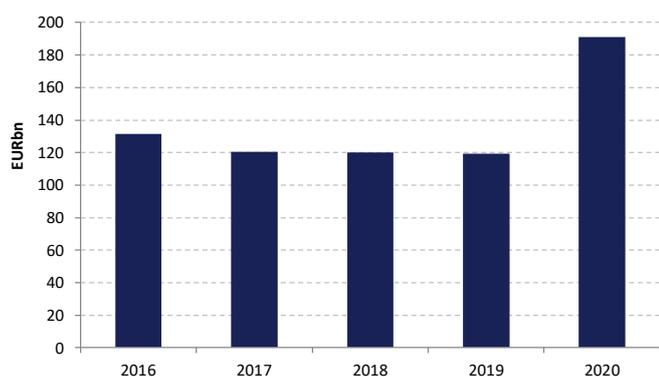


Source: Issuers, NORD/LB Markets Strategy & Floor Research

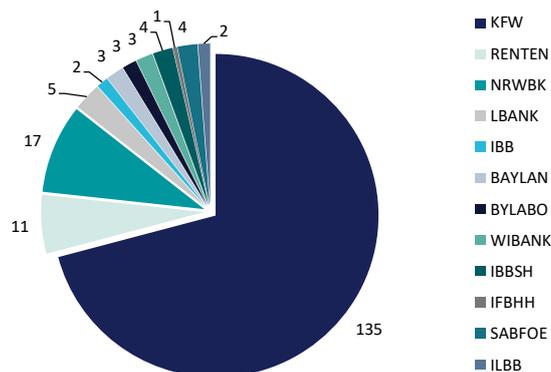
**Increase in balance sheet totals and sharp rise in volume of new commitments**

Having been in decline up to 2018, an increase in the cumulative balance sheet totals of the German agencies covered in this Issuer Guide has since been recorded. The winding-up vehicles had been largely responsible for the previous decline. While balance sheet totals initially rose in the early 2010s on the back of portfolio acquisitions, these holdings have now been gradually scaled back. After stagnating in 2018, aggregated total assets have now started to rise again. KfW registered the largest balance sheet growth versus the prior year (EUR +40.4bn), while L-Bank also recorded an increase in its balance sheet total amounting to EUR 9.1bn (+11.8% Y/Y). KfW attributes this development to a rise in net lending within the framework of the KfW Special Programme 2020 established to help cushion the impact of the COVID-19 pandemic, while L-Bank puts its balance sheet growth down to short-term portfolio increases. The volume of new commitments in 2020 rose to EUR 190.9bn (EUR +71.6bn Y/Y) on an aggregated basis. KfW was primarily responsible for this increase, having recorded a rise in new commitments of EUR +58.0bn year on year, equating to growth of 75%.

**New commitments of German agencies\***



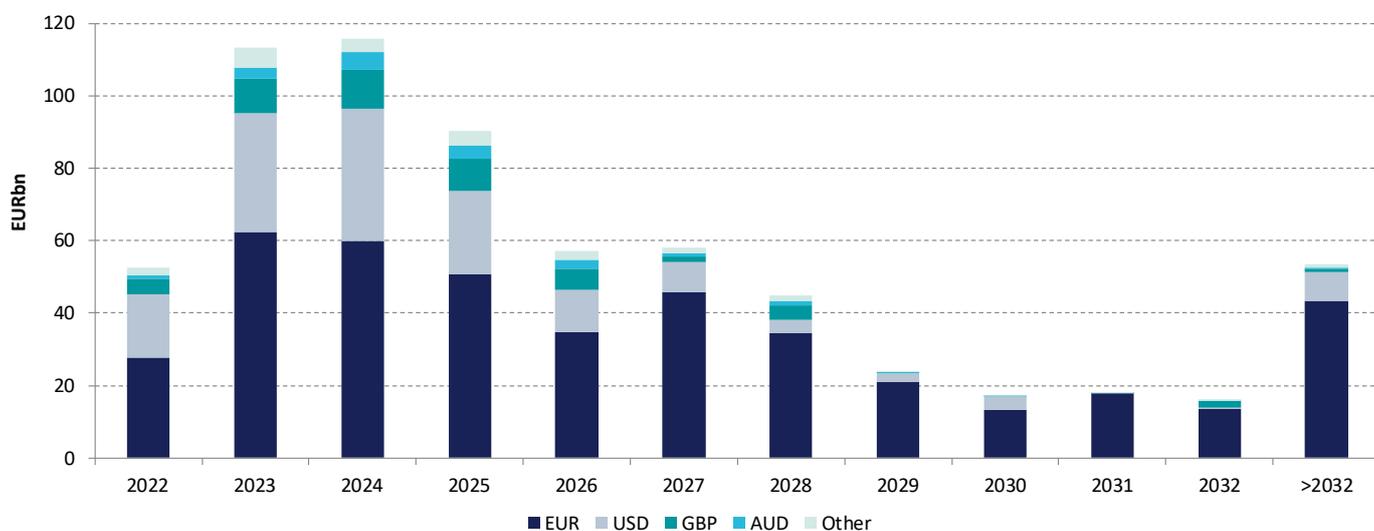
**Comparison of new commitments\* (EURbn)**



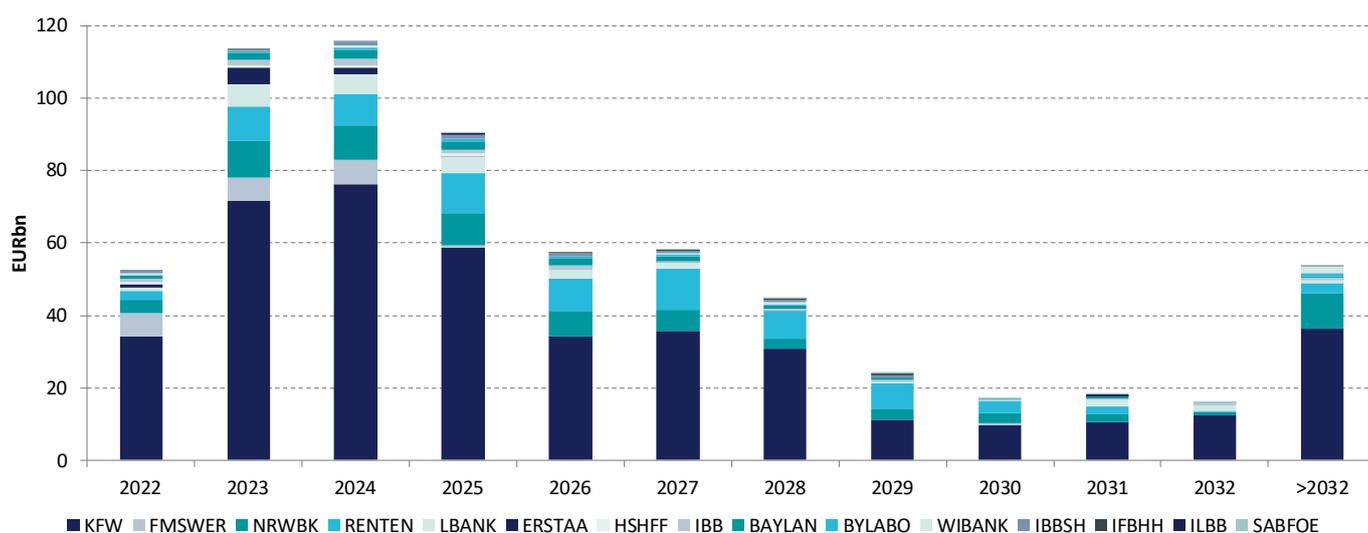
\* Excluding HSHFF, FMS-WM und EAA.

Source: Issuers, NORD/LB Markets Strategy & Floor Research

## German agencies: outstanding bonds by currency



## German agencies: outstanding bonds by issuer



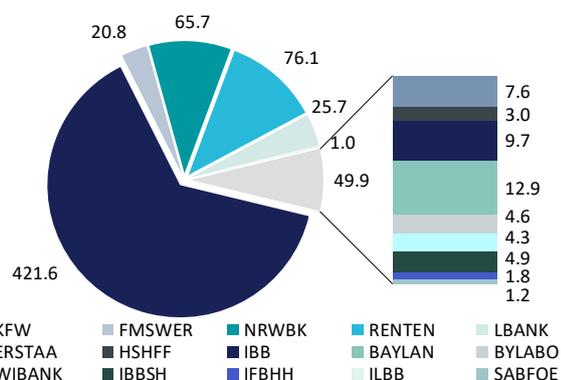
NB: Foreign currencies are converted into EUR at rates as at 22 June 2022.

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

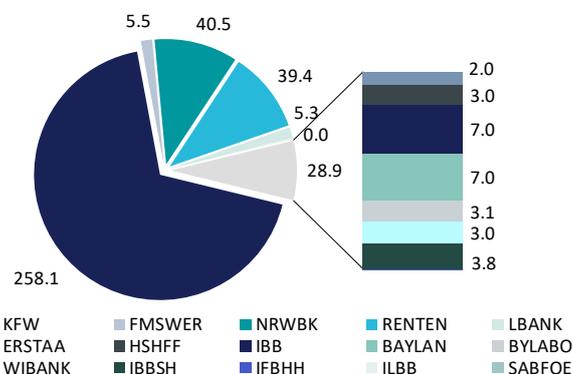
### Broad range in various currencies

The German agency market offers a very wide range of bonds, especially in the maturity segment up to 2026. There is a substantial volume of outstanding bonds, of which a large number are benchmark bonds, particularly in EUR. In total, 35.7% of the outstanding volume is denominated in 17 foreign currencies, with the USD clearly at the forefront of the FX offering. KfW, NRW.BANK and L-Bank in particular boast high volumes and conduct their refinancing activities across a broad spectrum of foreign currencies. With the exception of these three issuers, the German agency market is geared towards comparatively short-term refinancing – longer maturities are therefore more of a rarity.

A comparison of outstanding bond volumes (EURbn)



A comparison of outstanding EUR benchmarks (EURbn)



NB: Benchmarks are defined as bonds with a minimum volume of EUR 0.5bn.

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

### German agencies – an overview (EURbn/EUR equivalent)

Name	Ticker	Rating (Fitch/Moody's/S&P)	Outstanding Volume	EUR volume	Funding target 2022	Maturities 2022	Net Supply 2022	Number of ESG bonds	ESG volume
KfW	KFW	AAAu/Aaa/AAA	421.6	270.1	82.5	72.4	10.1	39	40.5
Rentenbank	RENTEN	AAA/Aaa/AAA	76.1	40.4	11.0	7.4	3.6	11	4.2
FMS-WM	FMSWER	-/Aaa/AAA	20.8	5.5	1.5	19.4	-17.9	0	0.0
EAA	ERSTAA	AAA/Aa1/AA	7.6	2.2	2.0	2.4	-0.4	0	0.0
hsh ff AöR	HSHFF	AAA/Aa1/-	3.0	3.0	0.0	0.8	-0.8	0	0.0
NRW.BANK	NRWBK	AAA/Aa1/AA	65.7	53.4	12.0	9.4	2.6	15	8.0
L-Bank	LBANK	AAAu/Aaa/AA+	25.7	10.4	7.0	5.9	1.1	0	0.0
IBB	IBB	AAA/-/-	9.7	9.7	2.8	1.9	0.9	0	0.0
LfA	BAYLAN	-/Aaa/-	12.9	12.9	2.8	1.6	1.2	0	0.0
BayernLabo	BYLABO	-/Aaa/-	4.6	4.6	0.8	0.7	0.1	2	1.0
WIBank	WIBANK	-/-/AA+	4.3	4.3	1.3	0.5	0.8	0	0.0
IB.SH	IBBSH	AAA/-/-	4.9	4.9	1.2	0.7	0.5	0	0.0
IFBHH	IFBHH	AAA/-/-	1.8	1.8	0.6	0.1	0.5	2	0.4
SAB	SABFOE	-/-/AAA	1.2	1.2	0.5	0.3	0.3	0	0.0
ILB	ILBB	AAA/-/-	1.0	1.0	1.3	0.0	1.3	1	0.1
<b>Total</b>			<b>660.9</b>	<b>425.2</b>	<b>127.2</b>	<b>123.5</b>	<b>3.8</b>	<b>70</b>	<b>54.2</b>

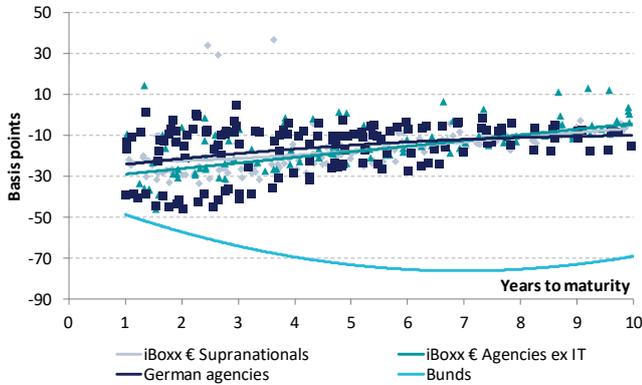
NB: Foreign currencies are converted into EUR at rates as at 22 June 2022. On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality. Source: Bloomberg, issuers, NORD/LB Markets Strategy & Floor Research

### Comment

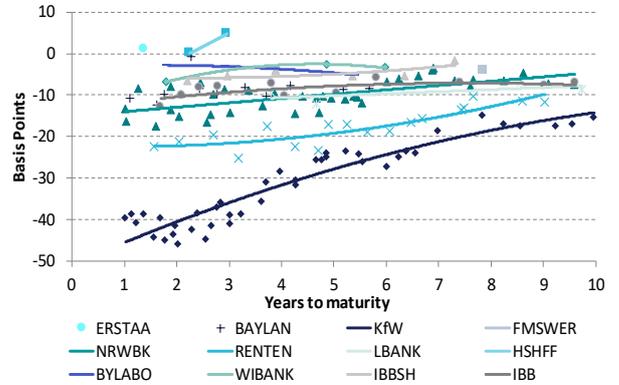
With its very high supply of EUR and foreign-currency bonds, the German agency market is the largest of its kind in Europe. The supply of new bonds, which includes a large number of EUR benchmark bonds in particular, is high. This means that the bonds of German agencies are spread along the entire maturity range. On account of the major importance of the individual banks, and taking into consideration their respective guarantee and liability mechanisms, all issuers benefit from a risk weighting of 0% from our perspective. One issuer will leave our coverage later this year: in a press release dated 29 September 2021, hsh finanzfonds announced that the wheels were now in motion to discontinue operations at the winding-up agency by 31 August 2022. The remaining bonds have been divided up by maturity and transferred to the two owner Laender (Hamburg and Schleswig-Holstein).

## Germany A comparison of spreads

German agencies vs. iBoxx € indices & Bunds



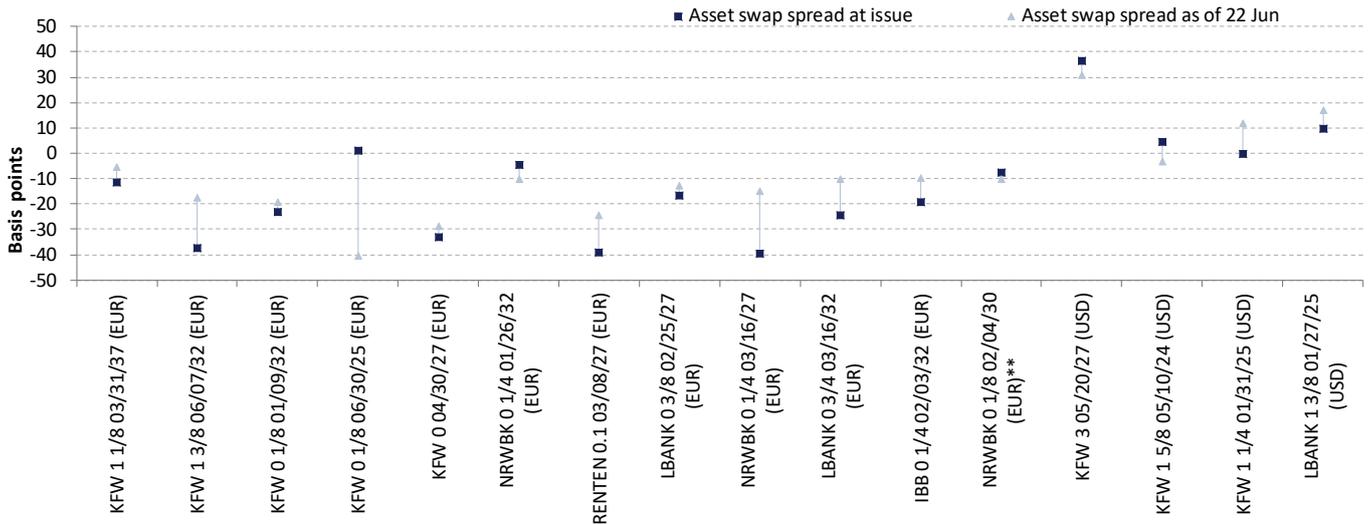
German agencies – a comparison



Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.  
 Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Germany Primary market activities – an overview

Development of benchmark issues 2022 (fixed coupon)



NB: Benchmarks are defined as bonds with a minimum volume of EUR 0.5bn or USD 1.0bn.  
 Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

### Increased issuance volumes during the pandemic

After the capital market activities of FMS-WM and EAA had in particular led to a significant influx of fresh supply a few years ago, these institutes have now scaled back their primary market activities quite considerably. However, the financing of COVID-19 measures since 2020 has in particular produced increased refinancing requirements on the part of promotional banks. For 2022, we expect issuance volumes to be largely on a par with the previous year. In this context, ESG bonds represent an element that is increasingly growing in importance. While the ESG label does not automatically lead to improved conditions for issuers, they do help to appeal to a broader investor basis. Generally, we anticipate further growth in the area of sustainability-related bonds (ESG bonds). In particular, KfW has made successful forays into this market segment with EUR benchmarks and is responsible, together with the EU and EIB, for driving forwards the entire green bond market. However, other German agencies have also successfully established themselves on the market as ESG issuers.



## Kreditanstalt für Wiederaufbau (KfW)

Kreditanstalt für Wiederaufbau (KfW) was established in 1948 as a public law institution (Anstalt öffentlichen Rechts). Its initial objective was to promote the reconstruction of the German economy after the Second World War. The promotional bank has been providing low-interest loans for investment purposes since this time, although the target groups of potential borrowers as well as the variety of funding programmes on offer have both been expanded over time. Overall, KfW divides its business activities into seven segments: SME Bank & Private Clients, which brings together the bank's funding operations for small and medium-sized enterprises (SMEs) and granting student loans, for example; Customized Finance & Public Clients (corporate and bank financing in addition to financing for municipal infrastructure); KfW Capital (venture capital); Export and Project Financing (KfW IPEX-Bank); Promotion of Developing Countries and Emerging Economies; Financial Markets and Head Office (interest rates and currency control, strategy). The focus is on promoting SMEs and private customers, which generate the majority of the business volume, in addition to export and project financing and financial cooperations with developing and emerging countries. Loans are generally granted through the respective house bank, which passes on the KfW funding to the customer once an application has been approved (house bank principle). KfW does not operate any branches and has no customer deposit business. During the COVID-19 crisis, KfW was responsible for processing the majority of federal support measures for companies and self-employed people. Today, the focus of its promotional activities is on supporting the required transition in the direction of a climate-friendly economy and society. KfW is 80% owned by the Bund, while the Laender maintain a stake of 20%. Section 1a of the Act governing the KfW (KredAnst WiAG) stipulates the explicit guarantee on the part of the Bund for the existing and future liabilities. The explicit and direct guarantee is supplemented by the provision of institutional liability on the part of Germany. For 2022, KfW has defined a funding target of EUR 80-85bn. Of this figure, at least EUR 10bn is to be raised via the issuance of green bonds.

### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

80% German federal government,  
20% Bundesländer

#### Guarantor(s)

Germany

#### Liability mechanism

Explicit guarantee and  
institutional liability

#### Legal form

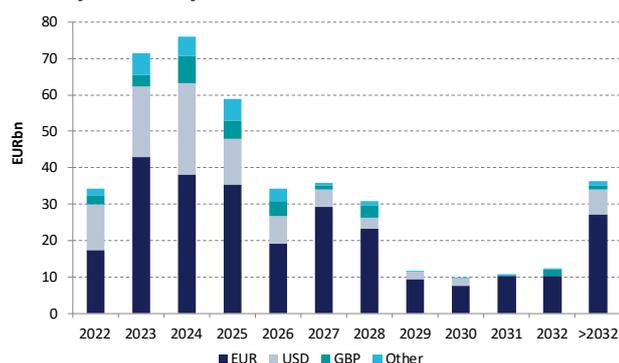
Public law institution

#### Bloomberg ticker

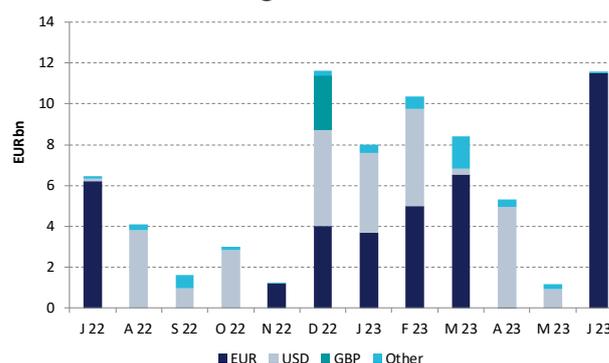
KFW

Ratings	Long-term	Outlook
Fitch	AAAu	stab
Moody's	Aaa	stab
S&P	AAA	stab

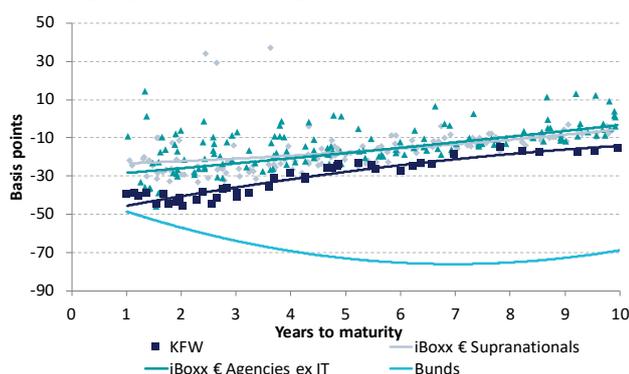
### Bonds by currency



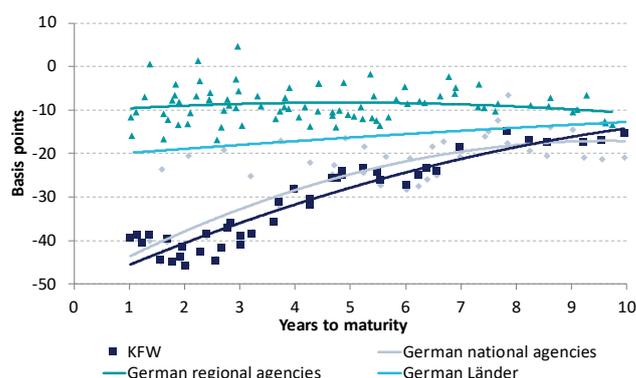
### Bond amounts maturing in the next 12 months



### KfW vs. iBoxx € indices & Bunds



### KfW vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.  
Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> II	<b>Leverage ratio/BRRD</b> Does not apply
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### Relative value

Attractiveness vs. Bunds (G-spread; bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
4	42	63	-46	-31	-15	12.2%	42.8%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b> Benchmarks, other public bonds, green bonds, private placements and commercial paper	<b>Central bank access</b> ECB	<b>No. of ESG bonds</b> 39	<b>ESG volume</b> 40.5
82.5	72.7	9.8				

### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
421.6	270.1	64	95.8	28	55.7

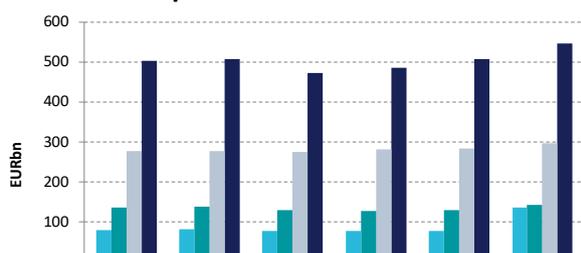
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

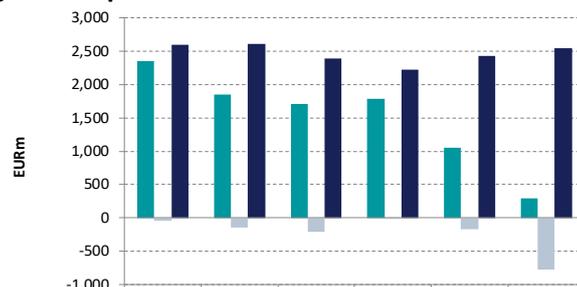
Source: Bloomberg, KfW, NORD/LB Markets Strategy & Floor Research

### Balance sheet development



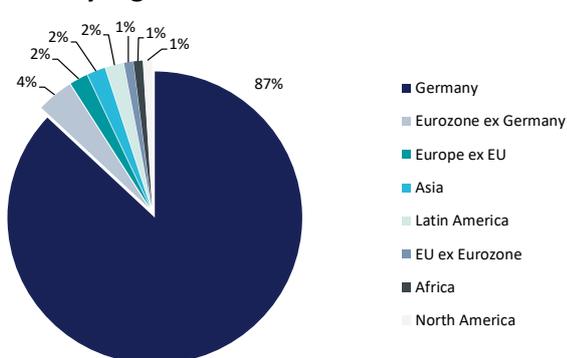
	2015	2016	2017	2018	2019	2020
Total assets	503.0	507.0	472.3	485.8	506.0	546.4
Loans to banks	277.1	275.9	274.3	280.4	281.9	295.8
Loans to customers	134.7	136.7	128.0	126.9	129.4	140.8
New commitments	79.3	81.0	76.5	75.5	77.3	135.3

### Earnings development

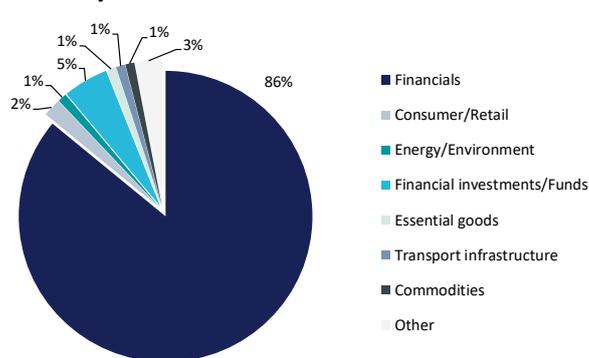


	2015	2016	2017	2018	2019	2020
Net interest income	2,601	2,610	2,393	2,228	2,437	2,547
Loan loss provisions	-48	-150	-209	-3	-174	-781
Consolidated net income	2,351	1,855	1,708	1,791	1,047	292

### Credit risk by region



### Credit risk by sector



Source: KfW, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Explicit guarantee
- + Extremely high importance for the Bund
- + Low liquidity risk

### Weaknesses

- Potential discussions concerning increased risks
- Return on equity has recently fallen



## Landwirtschaftliche Rentenbank

Since Landwirtschaftliche Rentenbank was established in 1949 as a public law institution, it has pursued its mission of promoting agriculture and rural development in Germany. Rentenbank divides its range of promotional products into six segments, within which various programme loans are granted: Agriculture (I), Forestry (II), Aquaculture and Fishery (III), Agribusiness and Food Industry (IV), Renewable Energy (V) and Rural Development (VI). Depending on the company or sector, growth financing may be offered, for example, while Rentenbank also provides support measures to safeguard liquidity and production. Furthermore, it is making an important contribution towards the transition to alternative energy sources in Germany, particularly by financing photovoltaic, biogas and wind power plants. Rentenbank seldom grants loans to its end customers directly. Instead, it refinances the credit institutions, which in turn pass on the programme loans to customers. In September 2020, Rentenbank issued its inaugural public green bond, having previously issued these exclusively in the form of private placements. The bank's capital of EUR 135m was raised by the (West) German agricultural and forestry sector between 1949 and 1958. As a result, the promotional bank, which trades in the legal form of a public law institution (Anstalt öffentlichen Rechts), does not have any owner(s). This is an unusual feature, and not only among European agencies. The Bund has explicitly guaranteed the liabilities of Rentenbank since 1 January 2014. The explicit guarantee supplements the existing institutional liability, which for its part includes an implicit guarantee by the Federal Republic of Germany. The guarantee is of unlimited duration, without restriction and unlimited with regard to amount/term. Moreover, in 2015, the Rentenbank Act expressly ruled out the possibility of bankruptcy for Rentenbank. It is no longer subject to direct supervision by the ECB (amendment to the capital requirements directive), but has been supervised by the Federal Financial Supervisory Authority (BaFin) again for some time.

### General information

[Homepage](#)

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Owner(s)

-

Guarantor(s)

Germany

Liability mechanism

Explicit guarantee and institutional liability

Legal form

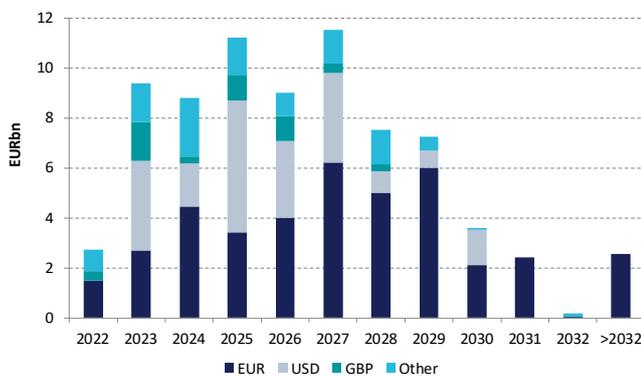
Public law institution

Bloomberg ticker

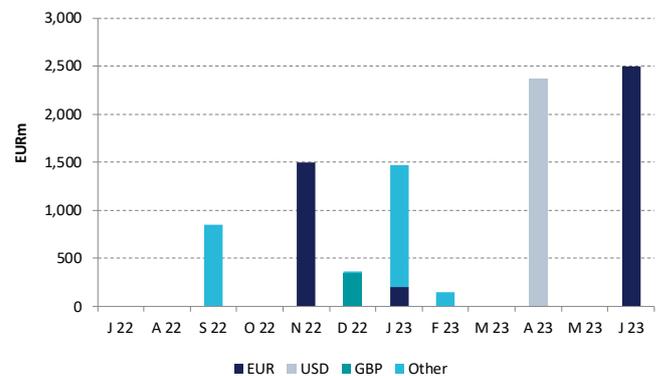
RENTEN

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aaa	stab
S&P	AAA	stab

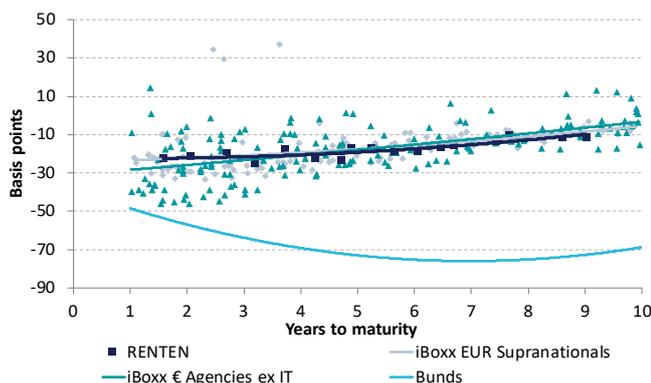
### Bonds by currency



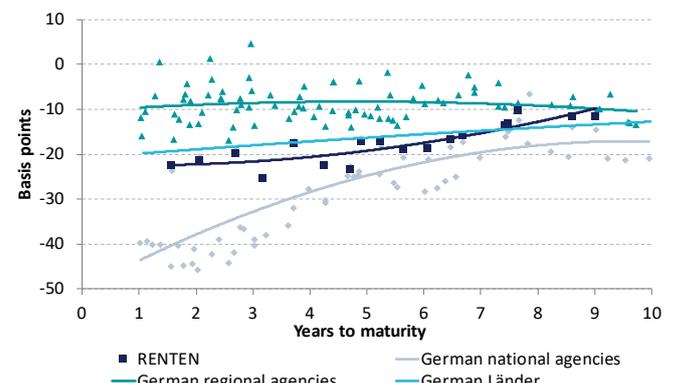
### Bond amounts maturing in the next 12 months



### RENTEN vs. iBoxx € indices & Bunds



### RENTEN vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

**Regulatory details**

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> II	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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**Relative value**

<b>Attractiveness vs. Bunds (G-spread; bp)*</b>			<b>Attractiveness vs. Mid-Swap (ASW-spread; in bp)*</b>			<b>Index weighting</b>	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
43	58	70	-25	-17	-10	2.0%	7.1%

**Funding & ESG (EURbn/EUR equivalent)**

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b>	<b>Central bank access</b>	<b>No. of ESG bonds</b>	<b>ESG volume</b>
11.0	7.6	3.4	Benchmarks, other public bonds, SRI bonds, private placements, commercial paper	ECB	11	4.2

**Outstanding volume (EURbn/EUR equivalent)**

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
76.1	40.4	22	20.2	11	15.5

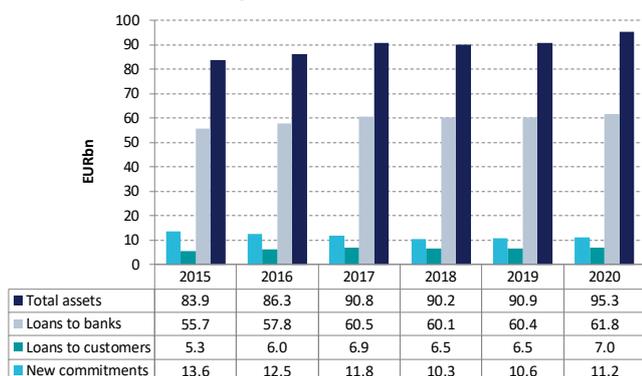
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, Rentenbank, NORD/LB Markets Strategy & Floor Research

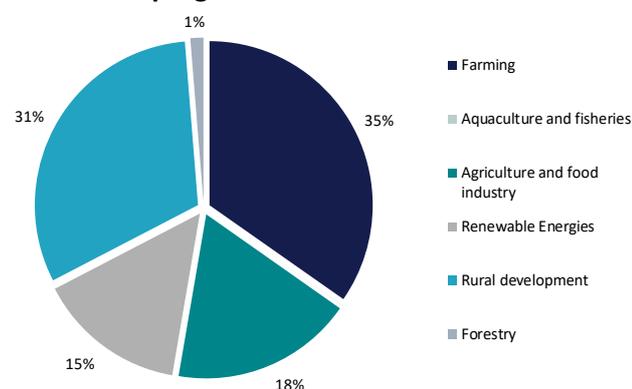
**Balance sheet development (HGB)**



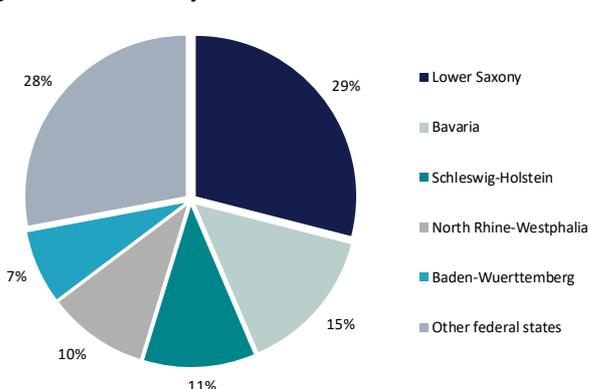
**Earnings development (HGB)**



**New business programme loans**



**Programme loans by Bundesland**



Source: Rentenbank, NORD/LB Markets Strategy & Floor Research

**Strengths**

- + Explicit guarantee
- + Major significance for the federal government

**Weaknesses**

- Potential legal difficulties should need arise for capital increase
- Return on equity has recently fallen



### FMS Wertmanagement (FMS-WM)

FMS Wertmanagement (FMS-WM) was formed on 8 July 2010 in order to take over risk positions and non-strategic operations from Hypo Real Estate Group (HRE Group) and wind them up. For this purpose, assets with a nominal value of EUR 175.7bn were transferred to FMS-WM with effect from 1 October 2010. The long average maturity of the portfolio components and the principle of winding up the assets in ways that maximise their value resulted in FMS-WM setting out a time frame of originally ten years for the winding-up process. In fact the portfolio is now being wound up under the requirement that "value maximisation takes precedence over a fixed winding-up period", in order that the process can be completed without the pressure of a deadline. On 19 December 2014, FMS-WM also took over Depfa for approximately EUR 320m, and was subsequently treated as an equity holding in FMW-WM's balance sheet. FMS-WM took the view that winding down Depfa of its own accord was the best option available to it, and underscored the decision made at this time through the sale of Depfa to the Austrian entity BAWAG P.S.K. AG in 2021. FMS-WM divides its portfolio into four segments: Commercial Real Estate, Infrastructure, Public Sector and Structured Products. FMS-WM is owned by the Federal Republic of Germany via the German Financial Market Stabilisation Fund (SoFFin), which in turn is managed by the Federal Agency for Financial Market Stabilisation (FMSA). Under Section 8a of the German Financial Market Stabilisation Fund Act (FMStFG), SoFFin also explicitly guarantees the liabilities of FMS-WM starting from 1 January 2014. Since the German government is accountable for the liabilities of SoFFin by virtue of Section 5 of the FMStFG, ultimately FMS-WM holds an implicit governmental guarantee. Under Article 7 of the Charter of FMS-WM, the SoFFin is furthermore obligated vis-à-vis the winding-up institution to compensate all losses until the winding-up institution is discontinued. In the same section of the legislation, it is also stipulated that SoFFin must pay the amounts that are required to satisfy the liabilities of FMS-WM within three days. This additionally provides a de facto liquidity guarantee for the winding-up agency.

#### General information

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#### Owner(s)

100% SoFFin

#### Guarantor(s)

SoFFin

#### Liability mechanism

Explicit guarantee and loss absorption mechanism

#### Legal form

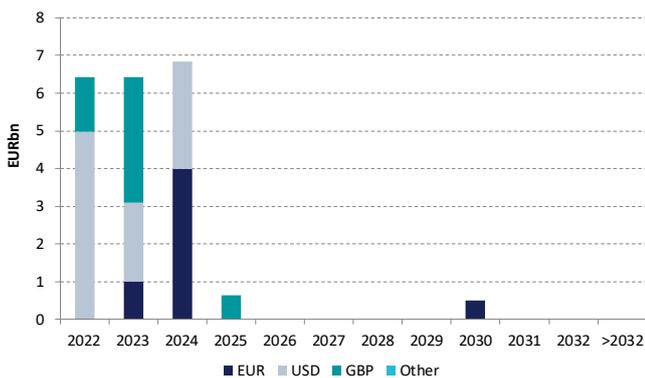
Public law institution

#### Bloomberg ticker

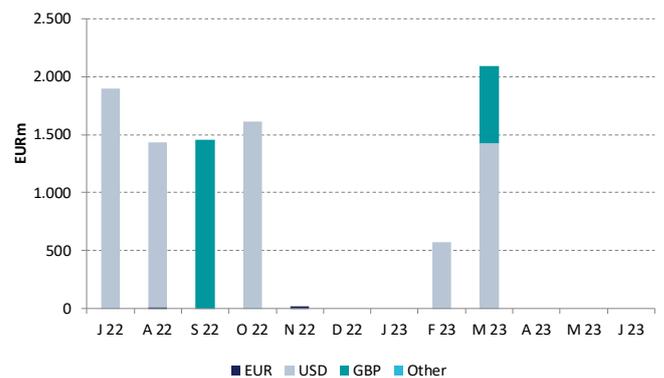
FMSWER

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	AAA	stab

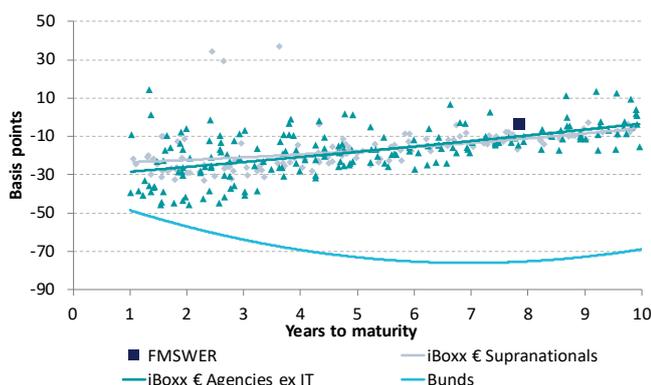
#### Bonds by currency



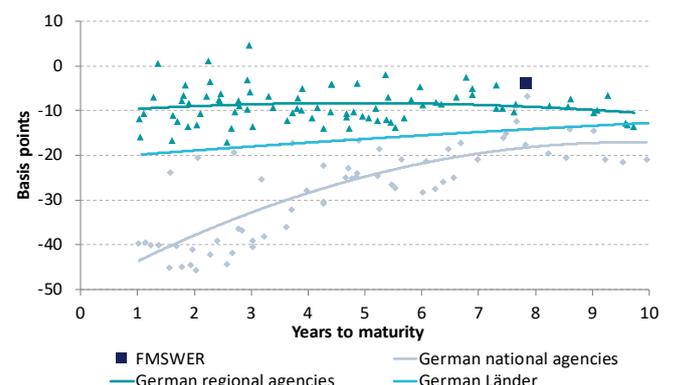
#### Bond amounts maturing in the next 12 months



#### FMSWER vs. iBoxx € indices & Bunds



#### FMSWER vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Regulatory details

Risk weighting according to CRR/Basel III (standard approach)

0%

Liquidity category according to Liquidity Coverage Ratio (LCR)

Level 1

Haircut category according to ECB repo rules

III

Leverage ratio/BRRD

Does not apply

## Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum	Median	Maximum
75	75	75

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum	Median	Maximum
-4	-4	-4

Index weighting

iBoxx € Sub-Sovereigns	iBoxx € Agencies
0.0%	0.0%

## Funding &amp; ESG (EURbn/EUR equivalent)

Target 2022	Maturities 2022	Net Supply 2022
1.5	19.4	-17.9

Funding instruments

Benchmarks, other public bonds, private placements and commercial paper

Central bank access

-

No. of ESG bonds

0

ESG volume

0.0

## Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
20.8	5.5	4	9.9	6	5.4

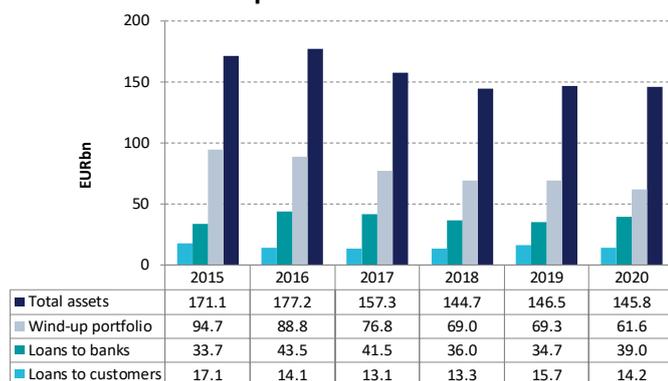
\* Residual term to maturity &gt; 1 year and &lt; 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

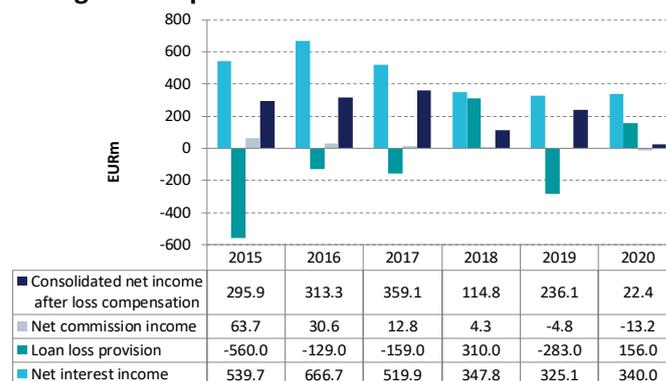
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, FMS-WM, NORD/LB Markets Strategy &amp; Floor Research

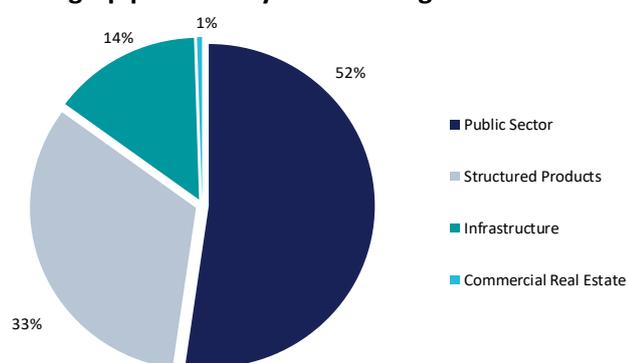
## Balance sheet development



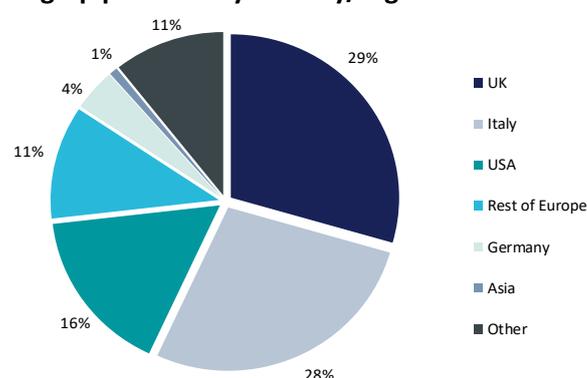
## Earnings development



## Winding-up portfolio by business segment



## Winding-up portfolio by country/region



Source: FMS-WM, NORD/LB Markets Strategy &amp; Floor Research

## Strengths

- + Explicit guarantee
- + Implicit liquidity guarantee

## Weaknesses

- Poor asset quality
- Structure of the portfolio
- Substantial exposure to the periphery



## Erste Abwicklungsanstalt (EAA)

Erste Abwicklungsanstalt (EAA) was established on 11 December 2009 under the Financial Market Stabilisation Authority (FMSA). Its mission is to liquidate the assets taken over from WestLB AG while preserving as much value as possible. Initially, EAA took over a portfolio with a nominal volume of EUR 77.5bn. In 2012, a second portfolio with a volume of EUR 75.4bn was transferred to EAA. The assets of the banking book portfolio were initially liquidated within 13 clusters of different sizes. However, by January 2018, the number of clusters had been reduced to just six. In 2015, the disposal of WestImmo led to major changes in the banking book portfolio, which was reduced by EUR 7.7bn through this measure alone. All earnings and income remain with EAA until 2027 in order to ensure its solvency. The largest shareholder of EAA is the federal state of NRW (around 48.2%), followed by the Rheinischer Sparkassen- und Giroverband (Rhineland Savings Banks and Giro Association; RSGV; approx. 25.0%) and the Sparkassenverband Westfalen-Lippe (Savings Banks Association Westfalen-Lippe; SVWL; around 25.0%). The regional authorities (Landschaftsverbände) of Rhineland (LVR) and Westphalia-Lippe (LWL) each hold smaller shares of roughly 0.9%. Under Article 7 of the EAA Charter, the shareholders have a duty to offset losses. This obligation is divided into four levels, with the participation of the German Financial Market Stabilisation Fund (SoFFin) in addition to the participation of shareholders. In the case of RSGV and SVWL, this requirement to offset losses is limited to an overall maximum amount of EUR 4.5bn, which the Land of NRW guarantees. This amount is reduced by all payments made by RSGV and SVWL. The state also ensures that LVR and LWL comply with their obligations. Ultimately, therefore, there is primarily a duty to offset losses on the part of the Land of NRW. In addition, the liable parties are required to provide EAA at any time with the funding needed to settle its liabilities. They must do so within seven days, in line with their participation ratio. As such, a de facto implicit liquidity guarantee is therefore in place for EAA.

### General information

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#### Owner(s)

~48.2% federal state of NRW,  
~25.0% RSGV, ~25.0% SVWL,  
~0.9% LVR, ~0.9% LWL

#### Guarantor(s)

Owner and SoFFin

#### Liability mechanism

Loss absorption mechanism

#### Legal form

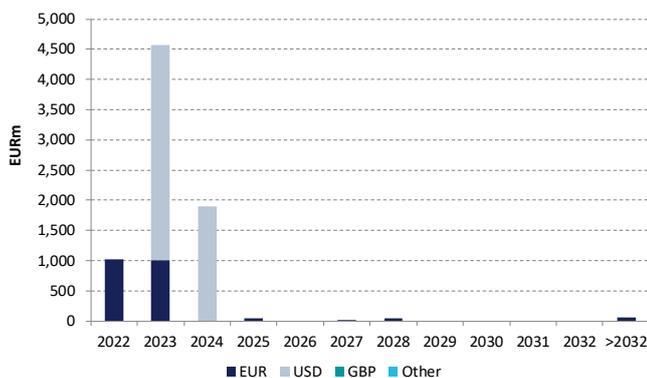
Public law institution

#### Bloomberg ticker

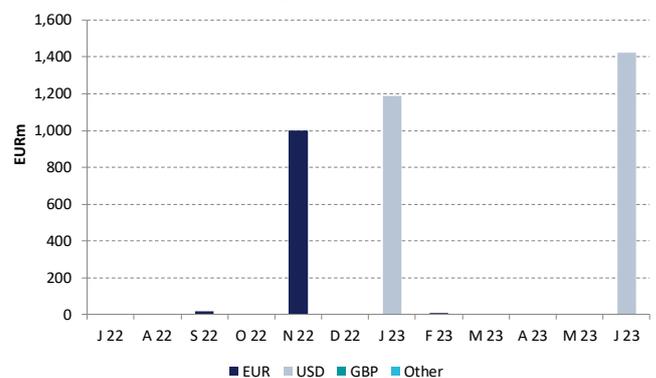
ERSTAA

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	AA	stab

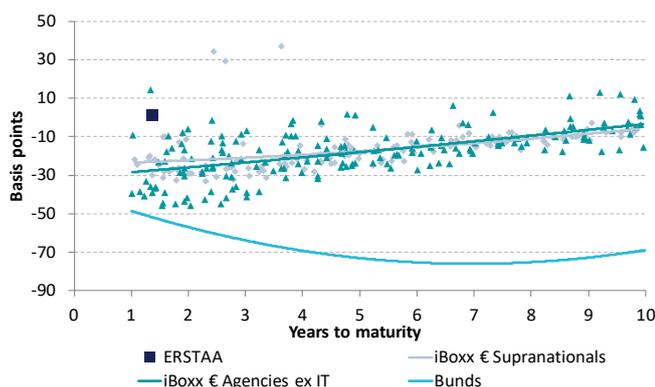
### Bonds by currency



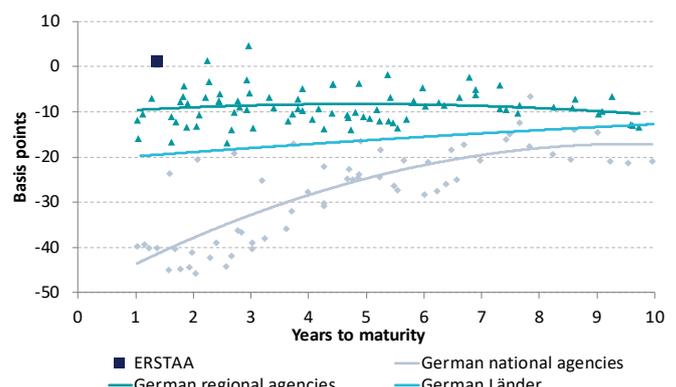
### Bond amounts maturing in the next 12 months



### ERSTAA vs. iBoxx € indices & Bunds



### ERSTAA vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

Risk weighting according to CRR/Basel III (standard approach)  
0%

Liquidity category according to Liquidity Coverage Ratio (LCR)  
Level 1

Haircut category according to ECB repo rules  
III

Leverage ratio/BRRD  
Does not apply

### Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum	Median	Maximum
55	55	55

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum	Median	Maximum
1	1	1

Index weighting

iBoxx € Sub-Sovereigns	iBoxx € Agencies
0.1%	0.2%

### Funding & ESG (EURbn/EUR equivalent)

Target 2022	Maturities 2022	Net Supply 2022
2.0	2.4	-0.4

Funding instruments  
Benchmarks, club deals, private placements, commercial paper

Central bank access  
-

No. of ESG bonds  
0

ESG volume  
0.0

### Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
7.6	2.2	2	5.5	5	0.0

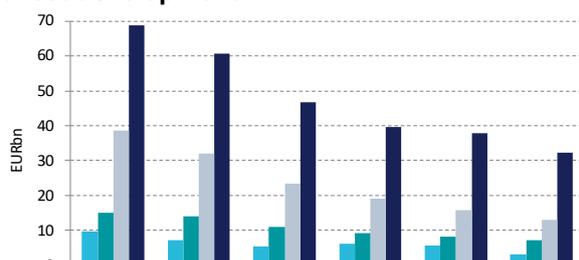
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

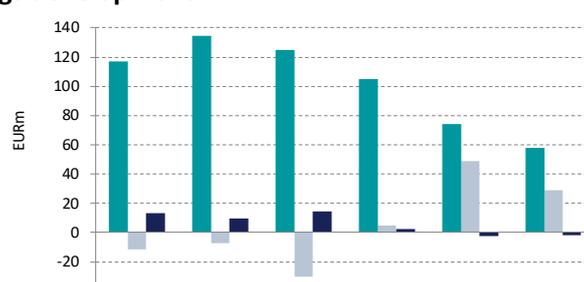
Source: Bloomberg, EAA, NORD/LB Markets Strategy & Floor Research

### Balance sheet development



	2015	2016	2017	2018	2019	2020
Total assets	68.7	60.7	46.6	39.7	37.8	32.2
Wind-up portfolio	38.6	32.1	23.5	19.0	15.8	12.9
Loans to customers	15.1	14.1	11.0	9.3	8.3	7.2
Loans to banks	9.7	7.3	5.5	6.0	5.7	3.2

### Earnings development



	2015	2016	2017	2018	2019	2020
Net income	13.1	9.6	14.4	2.6	-2.7	-1.9
Loan loss provisions	-11.8	-7.4	-30.5	4.7	48.8	29.1
Net interest income	117.2	134.4	124.6	105.2	74.1	58.0

### EAA loss absorption mechanism

1st level: commitment up to EUR 850m

SVWL	RSGV	NRW	LVR	LVL
25.05%	25.05%	48.20%	0.85%	0.85%

2nd level: commitment up to a further EUR 2.67bn

SVWL	RSGV	NRW	LVR	LVL	SoFFin
~18.73%	~18.73%	~36.15%	~0.65%	~0.65%	~25.09%

3rd level: commitment up to a further EUR 6.0bn

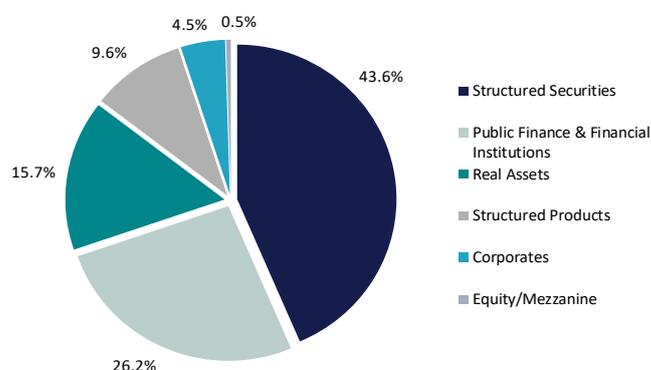
SVWL	RSGV	NRW
~24.99%	~24.99%	~50.02%

4th level: commitment to cover further losses

NRW	NRW / SoFFin as sole debtor
50%	50%

Source: EAA, NORD/LB Markets Strategy & Floor Research

### Banking book portfolio by cluster



### Strengths

- + Implicit liquidity guarantee
- + Progress in winding-up asset portfolio

### Weaknesses

- No explicit guarantee
- Complex structure of loss absorption mechanism
- High exposure to structured products



### hsh finanzfonds AÖR

hsh finanzfonds AÖR was founded by a Treaty dated 03 April 2009 and 05 April 2009 between the federal state of Schleswig-Holstein and the Free and Hanseatic City of Hamburg, with the aim of providing capital to HSH Nordbank AG after the agreement entered into force on 22 April 2009. To this day, the shareholders of the bank – the federal state of Schleswig-Holstein and Free and Hanseatic City of Hamburg – continue to retain a stake of 50%. In accordance with Section 3 of the Treaty, hsh finanzfonds AÖR benefits from a guarantor liability, an institutional liability and an explicit guarantee. Its primary objective is to meet the capital requirements incumbent upon the bank and to provide capital support to HSH Nordbank AG. To fulfil this task, hsh finanzfonds AÖR was authorised through Section 4 of the Treaty to take any “measures needed”. In particular, the remit includes the acquisition and disposal of shares in HSH Nordbank AG, the assumption of guarantees of up to EUR 10.0bn, the raising of loans to acquire shares in HSH Nordbank AG up to a total amount of EUR 3.0bn, and in the event of the guarantees it has assumed being called in, the raising of additional loans amounting to 5% of the maximum guarantee amount. At the request of the European Commission, HSH Nordbank AG was sold to private investors on 28 February 2018. The conditions for the final closing were parliamentary approval of the shareholders, a profitability check carried out by the European Commission and approval from the banking supervisory authority. On 28 November 2018, all of these conditions were deemed to have been fulfilled, leading to the conclusion of the process to privatise HSH Nordbank AG. The guarantee in place for HSH Nordbank expired upon receipt of the final equalisation payment, which dissolved the debt relationship between the two companies. Moreover, in a press release dated 29 September 2021, it was announced that the wheels were now in motion to discontinue operations at HSHFF by 31 August 2022. The remaining bonds totalling EUR 3bn will be split according to maturity, with an equal share of EUR 1.5bn each transferred to the two owner Laender. As a result, hsh finanzfonds is no longer included in our coverage.

#### General information

[Homepage](#)

#### Owner(s)

50% Free and Hanseatic City of Hamburg  
50% Federal State of Schleswig-Holstein

#### Guarantor(s)

Free and Hanseatic City of Hamburg  
Federal State of Schleswig-Holstein

#### Liability mechanism

Explicit guarantee, institutional liability and guarantor liability

#### Legal form

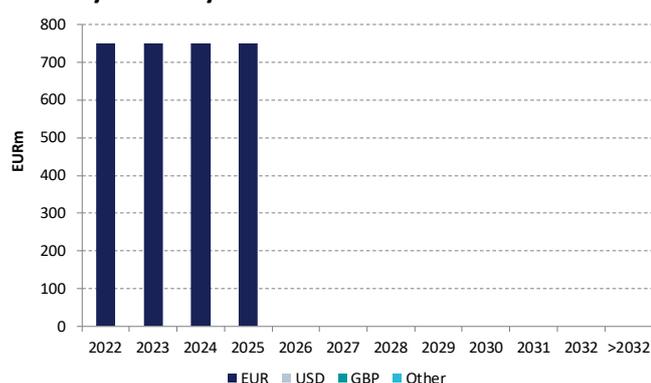
Public law institution

#### Bloomberg ticker

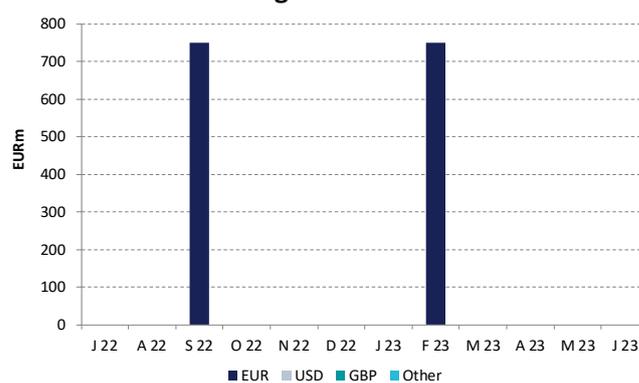
HSHFF

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	-	-

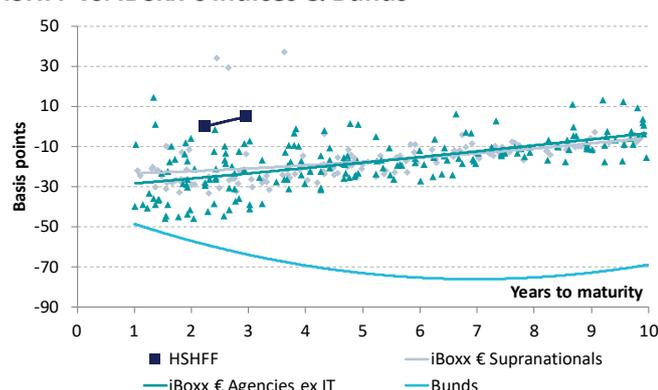
#### Bonds by currency



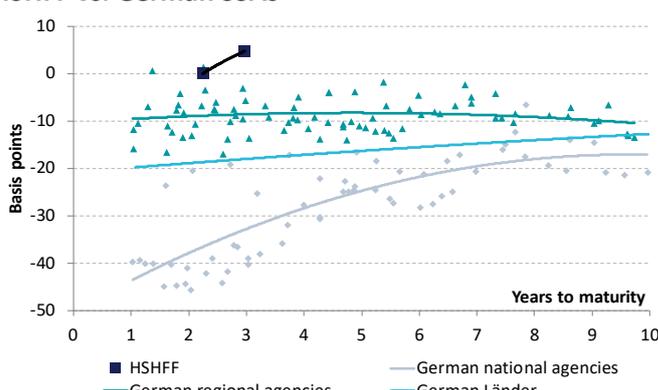
#### Bond amounts maturing in the next 12 months



#### HSHFF vs. iBoxx € Indices & Bunds



#### HSHFF vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Regulatory details

Risk weighting according to CRR/Basel III (standard approach)

0%

Liquidity category according to Liquidity Coverage Ratio (LCR)

Level 1

Haircut category according to ECB repo rules

III

Leverage ratio/BRRD

Does not apply

## Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum	Median	Maximum
71	75	78

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum	Median	Maximum
0	2	5

Index weighting

iBoxx € Sub-Sovereigns	iBoxx € Agencies
0.0%	0.0%

## Funding &amp; ESG (EURbn/EUR equivalent)

Target 2022	Maturities 2022	Net Supply 2022
0.0	0.8	-0.8

Funding instruments

Benchmarks, public bonds and private placements

Central bank access

-

No. of ESG bonds

0

ESG volume

0.0

## Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
3.0	3.0	4	0.0	0	0.0

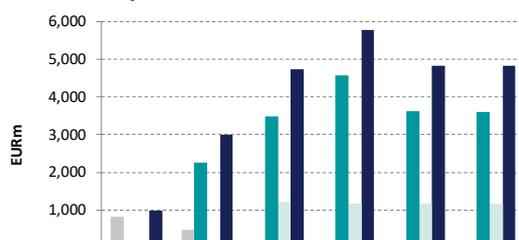
\* Residual term to maturity &gt; 1 year and &lt; 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

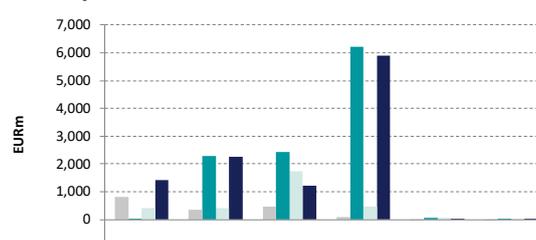
Source: Bloomberg, HSHFF, NORD/LB Markets Strategy &amp; Floor Research

## Balance sheet development



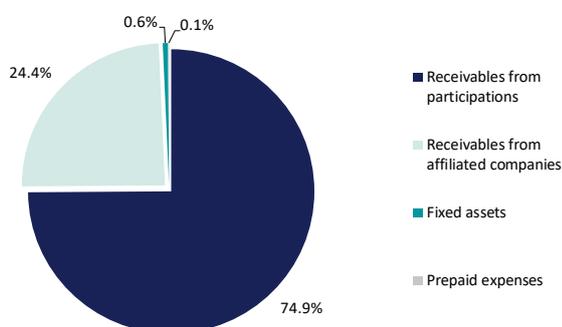
	2015	2016	2017	2018	2019	2020
Total assets	976	3,000	4,732	5,777	4,833	4,823
Receivables from affiliated companies	102	204	1,215	1,177	1,177	1,177
Receivables from participations	45	2,268	3,484	4,584	3,629	3,612
Deficit not covered by equity	823	473	0	0	0	0

## Earnings development

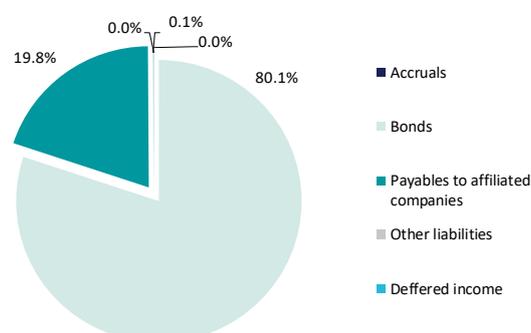


	2015	2016	2017	2018	2019	2020
Other operating income	1,424	2,269	1,216	5,886	3	0
Other interest and similar income	406	411	1,731	455	49	23
Other operating expenses	14	2,293	2,432	6,200	48	21
Net income / net loss	823	350	473	97	-21	-8

## Assets structure



## Liabilities structure



Source: HSHFF, NORD/LB Markets Strategy &amp; Floor Research

## Strengths

- + Explicit guarantee
- + Strong mandate

## Weaknesses

- Lack of transparency
- Operational business is now obsolete



## NRW.BANK

NRW.BANK, which was created in the wake of the transformation and subsequent break-up of the former Westdeutsche Landesbank (WestLB) in 2002, is the regional promotional bank of Germany’s most-populous federal state North Rhine-Westphalia (NRW). Since then, NRW.BANK has been supporting the state of NRW and its municipal authorities in fulfilling their public duties, particularly in relation to structural, economic, social, climate and housing policies. Its promotional banking products are pooled within three segments: Economy (start-ups, SMEs and exports), Housing (new builds and modernisation projects) and Infrastructure/Municipalities. In each of these three segments, the energy transition and environmental protection are designated as key priorities. Through its focus on sustainability, NRW.BANK has now become an established issuer of green bonds, while green loans accounted for around 28% of the lending portfolio in 2021. In addition to providing funding to secure and improve the economic structure of SMEs, NRW.BANK also offers venture capital. As a result, the bank has at its disposal a wide-ranging set of tools for business promotion purposes. During the period in which financial measures were being organised to help combat the COVID-19 pandemic, NRW.BANK also awarded loans to newly founded start-ups. Furthermore, it has awarded grants as part of a special digitalisation programme, with the aim of supporting innovation during the COVID-19 crisis. In terms of total assets, NRW.BANK is the second-largest promotional bank in Germany after KfW. The federal state of NRW has been the sole owner of the bank since 2011. NRW.BANK trades in the legal form of a public law institution (Anstalt öffentlichen Rechts), whereby NRW guarantees NRW.BANK’s liabilities through an explicit guarantee defined in Section 4 (3) of the Act on NRW.BANK. Furthermore, the Bundesland of NRW also bears liability through guarantor liability and institutional liability structures. Section 17 (2) expressly rules out the possibility that the issuer could go bankrupt. Following an amendment to the Capital Requirements Directive, NRW.BANK is no longer subject to direct supervision by the ECB.

### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

100% Federal State of North Rhine-Westphalia

#### Guarantor(s)

Federal state of North Rhine-Westphalia

#### Liability mechanism

Explicit guarantee, institutional liability and guarantor liability

#### Legal form

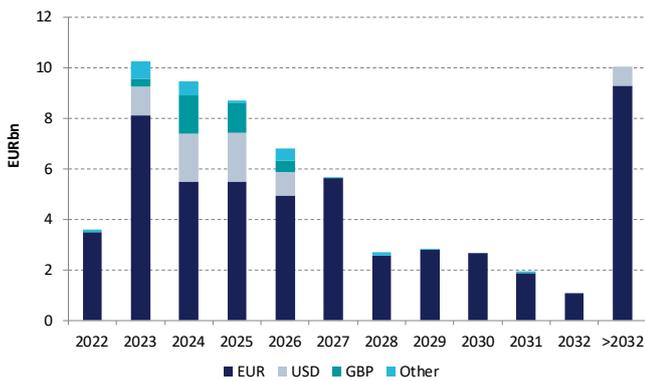
Public law institution

#### Bloomberg ticker

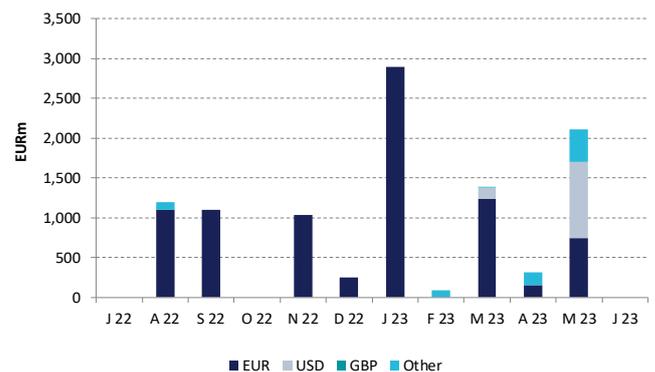
NRWBK

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	AA	stab

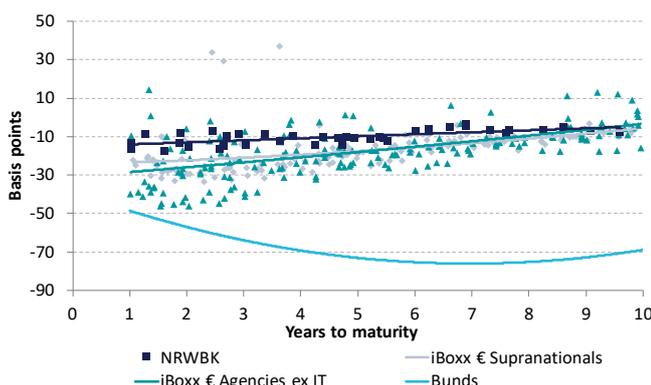
### Bonds by currency



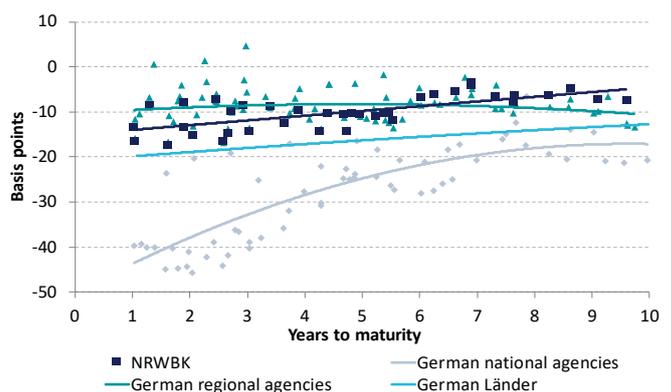
### Bond amounts maturing in the next 12 months



### NRWBK vs. iBoxx € indices & Bunds



### NRWBK vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> II	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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### Relative Value

Attractiveness vs. Bunds (G-spread; bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
28	63	77	-18	-10	-3	0.8%	2.8%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b> Benchmarks, other public bonds, green and social bonds, private placements and commercial paper	<b>Central bank access</b> ECB	<b>No. of ESG bonds</b> 15	<b>ESG volume</b> 8.0
12.0	9.4	2.6				

### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
65.7	53.4	54	6.7	6	5.6

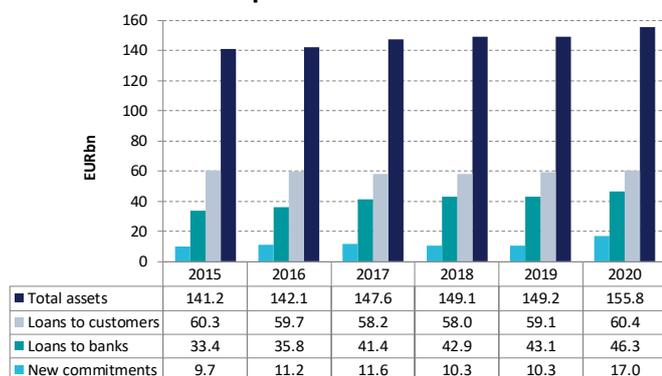
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

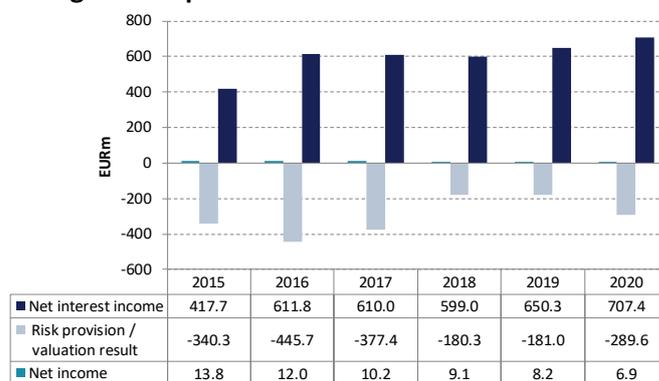
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, NRW.BANK, NORD/LB Markets Strategy & Floor Research

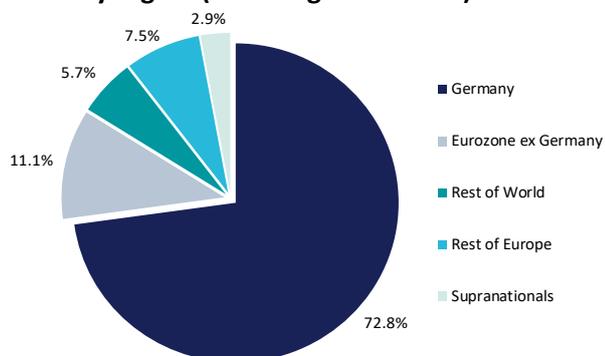
### Balance sheet development



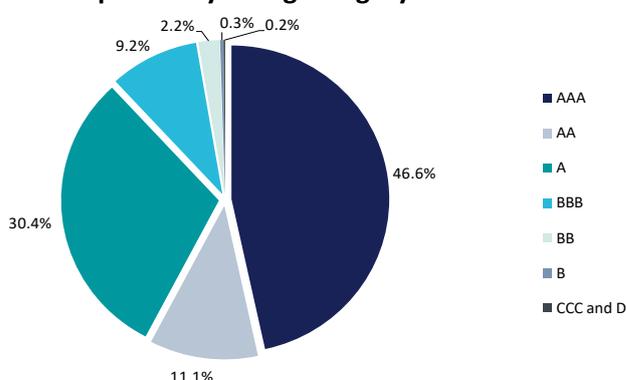
### Earnings development



### Exposure by region (including derivatives)



### Total exposure by rating category



Source: NRW.BANK, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Explicit guarantee
- + High significance for the federal state of NRW
- + Very good capital ratios

### Weaknesses

- Low profitability



## Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)

The roots of Baden-Württemberg's promotional bank, L-Bank, extend all the way back to 1922 (resolution passed). Following the First World War, two credit institutions were formed in view of a general lack of housing: Württembergische Wohnungskreditanstalt (1924) and Badische Landeskreditanstalt für Wohnungsbau (1934). In 1972, these two banks merged into Landeskreditbank Baden-Württemberg. L-Bank's range of activities has expanded greatly since being created from its predecessor institutions. In addition to housing development, which was the initial focus of its activities, the business promotion division is now the bank's most important promotional segment. It is also involved in financing infrastructure and provides support for the federal state's policies with regard to family, education and social affairs. As a result, L-Bank's business areas extend from supporting start-ups and conventional financing for small and medium-sized enterprises (SMEs) through financing of residential property and municipal investments, to approval of parental and child-raising allowances in Baden-Wuerttemberg. The energy transition is another challenge that L-Bank is seeking to support, for example by establishing funding programmes aimed at improving energy efficiency. The key area of promotion is the local economy, in particular SMEs, for which a range of promotional lending and equity capital programmes are made available. In 2020, the bank supported a total of 243,000 companies with emergency COVID-19 loans to the tune of EUR 2.3bn. L-Bank trades in the legal form of a public law institution (Anstalt öffentlichen Rechts) and is 100% owned by BADWUR. The southern German federal state has guaranteed the liabilities of L-Bank under the provisions of Section 5 of the Act governing L-Bank (Gesetz über die L-Bank) since 1 December 1998. Furthermore, Baden-Wuerttemberg bears liability for L-Bank's exposures through institutional liability and guarantor liability. It is subject to supervision by BaFin in cooperation with the central bank of Germany (Deutsche Bundesbank) on the basis of the German Banking Act (KWG; development bank exception). This exception also applies to Rentenbank and NRW.BANK, among others.

### General information

[Homepage](#)

[Investor Relations](#)

### Owner(s)

100% Federal State of Baden-Wuerttemberg

### Guarantor(s)

Federal State of Baden-Wuerttemberg

### Liability mechanism

Explicit guarantee, institutional liability and guarantor liability

### Legal form

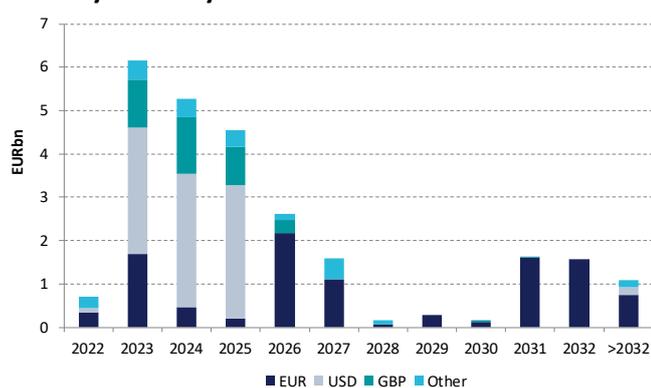
Public law institution

### Bloomberg ticker

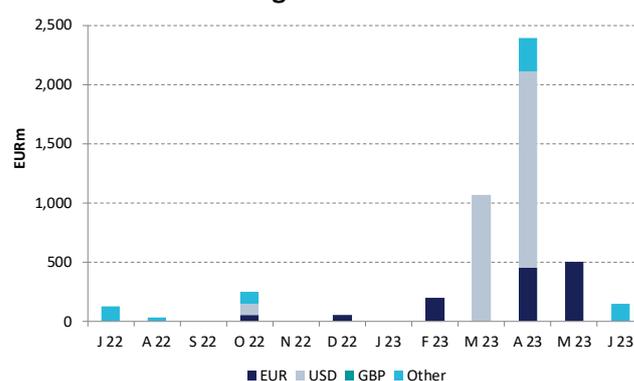
LBANK

Ratings	Long-term	Outlook
Fitch	AAAu	stab
Moody's	Aaa	stab
S&P	AA+	stab

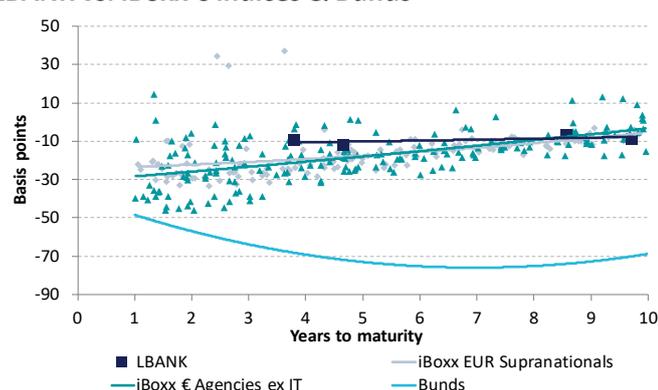
### Bonds by currency



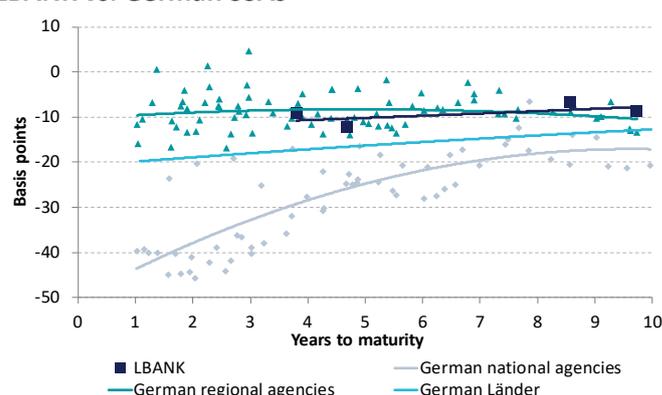
### Bond amounts maturing in the next 12 months



### LBANK vs. iBoxx € indices & Bunds



### LBANK vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Regulatory details

Risk weighting according to CRR/Basel III (standard approach)

0%

Liquidity category according to Liquidity Coverage Ratio (LCR)

Level 1

Haircut category according to ECB repo rules

II

Leverage ratio/BRRD

Relevant; does not apply

## Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum	Median	Maximum
63	67	75

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum	Median	Maximum
-12	-9	-7

Index weighting

iBoxx € Sub-Sovereigns	iBoxx € Agencies
0.2%	0.7%

## Funding &amp; ESG (EURbn/EUR equivalent)

Target 2022	Maturities 2022	Net Supply 2022
7.0	5.9	1.1

Funding instruments

Benchmarks, other public bonds, private placements and commercial paper

Central bank access

ECB

No. of ESG bonds

0

ESG volume

0.0

## Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
25.7	10.4	5	9.4	7	6.0

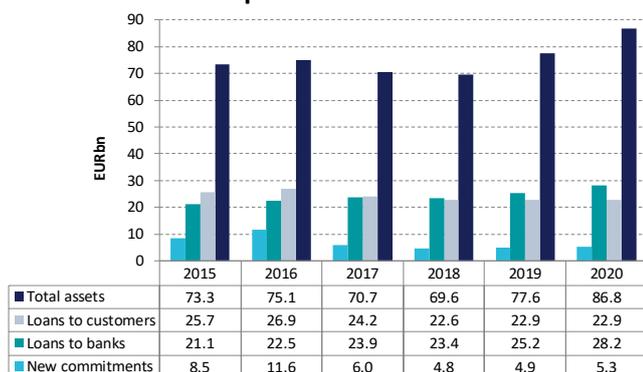
\* Residual term to maturity &gt; 1 year and &lt; 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

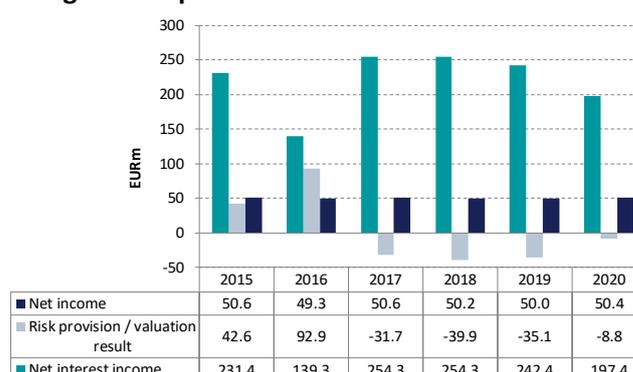
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, L-Bank, NORD/LB Markets Strategy &amp; Floor Research

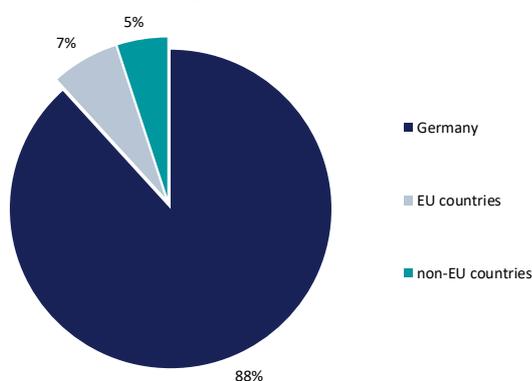
## Balance sheet development



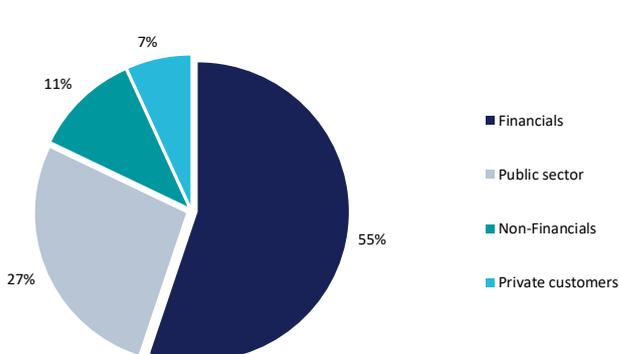
## Earnings development



## Loan portfolio by region



## Loan portfolio by sector



Source: L-Bank, NORD/LB Markets Strategy &amp; Floor Research

## Strengths

- + Explicit guarantee
- + High significance for Baden-Wuerttemberg

## Weaknesses

- Low profitability



## Investitionsbank Berlin (IBB)

Investitionsbank Berlin (IBB) functions as the promotional bank for the federal state of Berlin: having been formed following the conversion of Wohnungsfürsorgegesellschaft Berlin, which was founded back in 1924, IBB’s primary task is to support small and medium-sized enterprises (SMEs) in the federal capital of Germany. The company’s history extends back to overcoming the housing shortages in the 1920s all the way through to measures designed to compensate for structural deficits following the reunification of Germany and business promotion activities in the 21st century. In an interim period, IBB was integrated into Landesbank Berlin (1993). Since 2004, when IBB was de-merged, however, the promotional bank has again been acting independently. In May 2020, the state parliament of Berlin (Berliner Abgeordnetenhaus) voted in favour of restructuring measures, whereby the newly founded IBB Unternehmensverwaltung AöR, which is directly owned by the city state of Berlin, will assume responsibility for IBB and all subsidiaries. This move aims to improve transparency at the bank and generate efficiency gains in terms of cost structures. Support for SMEs that are of key significance to the Berlin economy now extends through a range of programmes targeting various phases, including start-ups (e.g. venture capital funds), growth (e.g. Berlin Kredit) and stabilisation (e.g. liquidity funds). IBB holds shares in start-ups operating in fields such as industrial technology, ICT, life sciences and the creative economy. As such, IBB is an important tool in the management of economic policy for Berlin. As implied by its long history, IBB continues to offer funding for housing construction and renovation. Each programme is arranged and paid out through the appropriate house bank (house bank principle). In this respect, IBB operates in a neutral way in relation to competition with commercial banks. Under Section 4 of the Investitionsbank Act (IBBG), the city state of Berlin explicitly guarantees the liabilities of IBB. The federal capital also bears the institutional liability of IBB, which is laid down in the same section of the IBBG. IBB also actively invests in ESG bonds and holds its own ESG portfolio for this purpose.

### General information

- [Homepage](#)
- [Investor Relations](#)

#### Owner(s)

100% Federal State of Berlin

#### Guarantor(s)

Federal State of Berlin

#### Liability mechanism

Explicit guarantee and institutional liability

#### Legal form

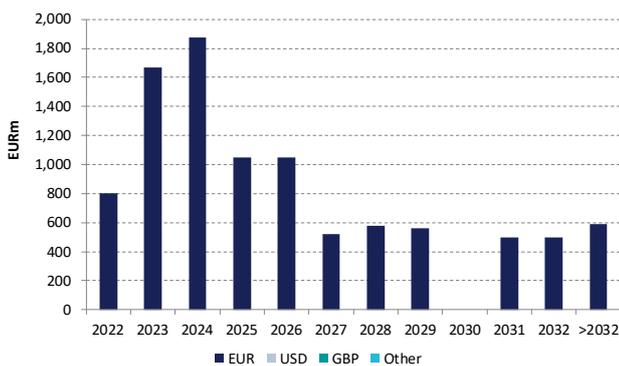
Public law institution

#### Bloomberg ticker

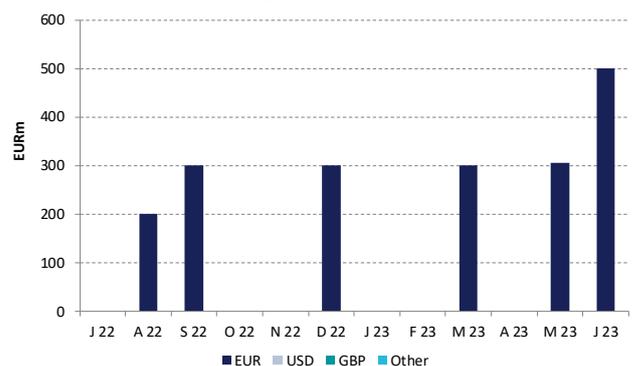
IBB

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

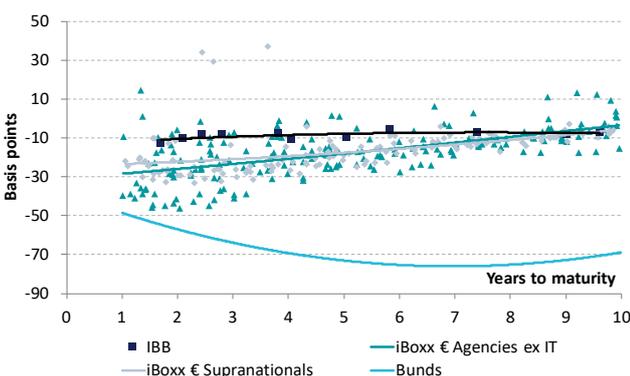
### Bonds by currency



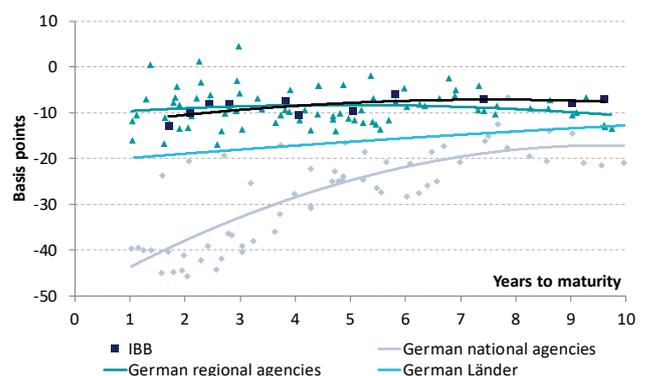
### Bond amounts maturing in the next 12 months



### IBB vs. iBoxx € indices & Bunds



### IBB vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> IV	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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### Relative value

<b>Attractiveness vs. Bunds (G-spread; bp)*</b>			<b>Attractiveness vs. Mid-Swap (ASW-spread; in bp)*</b>			<b>Index weighting</b>	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
53	66	73	-13	-8	-6	0.0%	0.0%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b>	<b>Central bank access</b>	<b>No. of ESG bonds</b>	<b>ESG volume</b>
2.8	1.9	0.9	Public bonds and private placements	ECB	0	0.0

### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
9.7	9.7	14	0.0	0	0.0

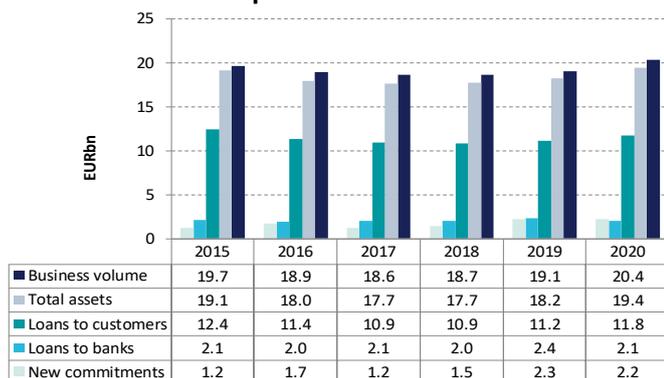
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

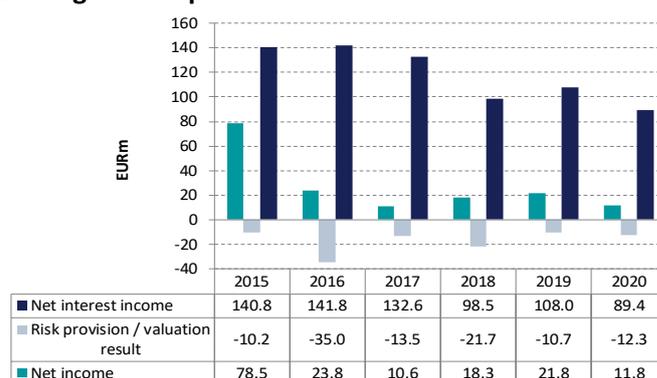
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, IBB, NORD/LB Markets Strategy & Floor Research

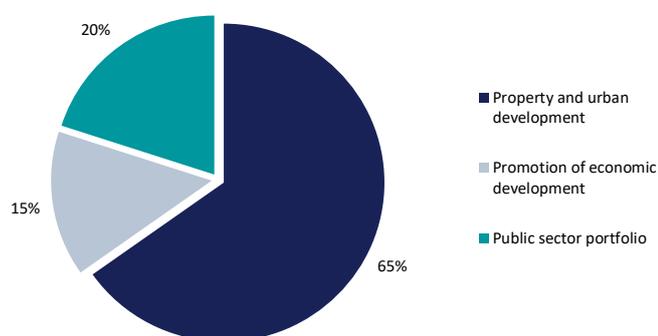
### Balance sheet development



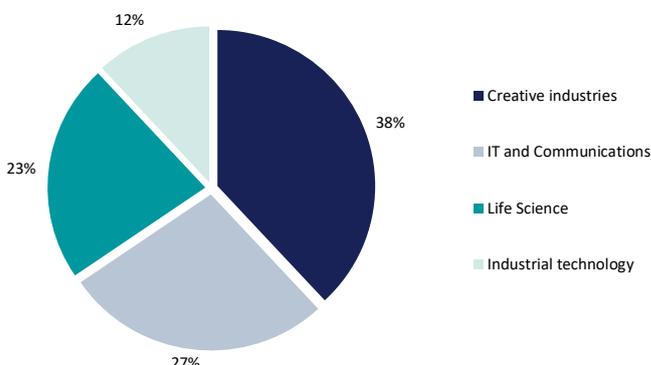
### Earnings development



### New commitments by promotional sector



### Investment portfolio by sector



Source: IBB, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Explicit guarantee
- + High significance for the state of Berlin

### Weaknesses

- Very high cost-income ratio
- Low margins and minimal profitability



### LfA Förderbank Bayern

Since being founded in 1951, LfA Förderbank Bayern has played a key role as a regional promotional bank in promoting the Bavarian economy. Initially focusing on funding small businesses in order to cope with the integration of more than 1.9 million refugees, the institution increasingly expanded its promotional programmes to cover small and medium-sized enterprises (SMEs). Financing is now mainly provided in the following areas: start-up, growth, innovation, energy and environment, stabilisation and infrastructure. With SME lending programmes available since the 1970s and venture capital since the 1990s, LfA has steadily expanded its range of promotional programmes. The tools available to LfA now cover four separate pillars: external financing (e.g. programme and global loans), underwriting (e.g. guarantees and liability exemptions), investment capital (e.g. provision of private equity) and advisory services (personal, via telephone and video, in addition to consulting events). LfA focuses on long-term loans, some of which are granted at subsidised interest rates. Moreover, lending activities are also occasionally carried out in close cooperation with KfW. The SME sector is of great significance to the Bavarian economy and represents the most important target group for LfA. During the COVID-19 pandemic, LfA supported the Bavarian economy by providing low-cost (rapid) loans in addition to assuming business risks, among other aspects. With a total of EUR 1.5bn paid out in the form of COVID-19 aid, total promotional activities reached a new record value in 2020. In general, the financing is arranged and paid out through the respective house bank (house bank principle). In this respect, LfA maintains competitive neutrality with regard to commercial banks. Article 1 of the Act governing the Bavarian Landesanstalt für Aufbaufinanzierung (LfAG) regulates the explicit guarantee provided by the Free State of Bavaria for LfA's liabilities. The Free State of Bavaria is also liable for the public law institution through guarantor liability and institutional liability structures. The preferential regulatory treatment is based on these guarantee forms.

#### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

100% Free State of Bavaria

#### Guarantor(s)

Free State of Bavaria

#### Liability mechanism

Explicit guarantee, institutional liability and guarantor liability

#### Legal form

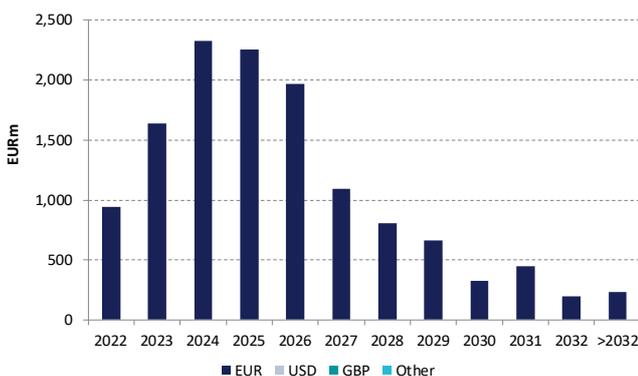
Public law institution

#### Bloomberg ticker

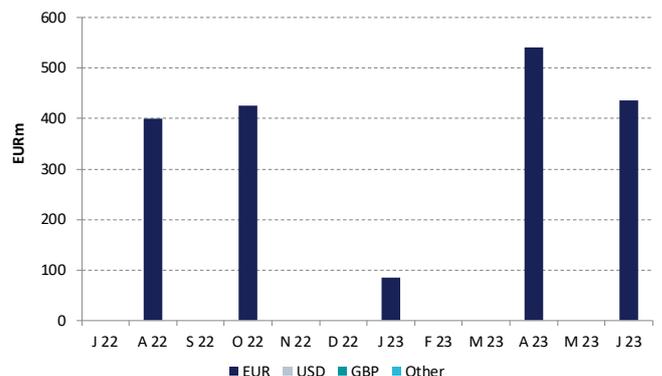
BAYLAN

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	-	-

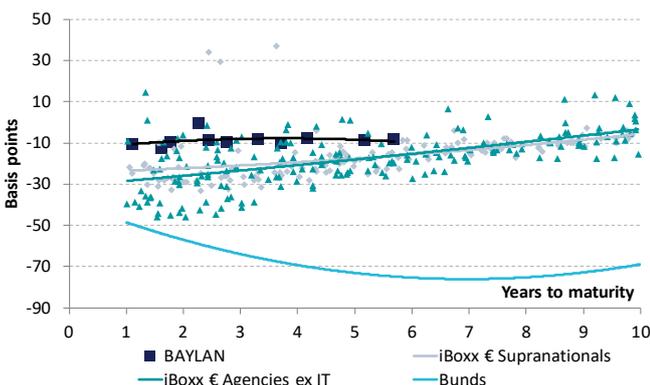
#### Bonds by currency



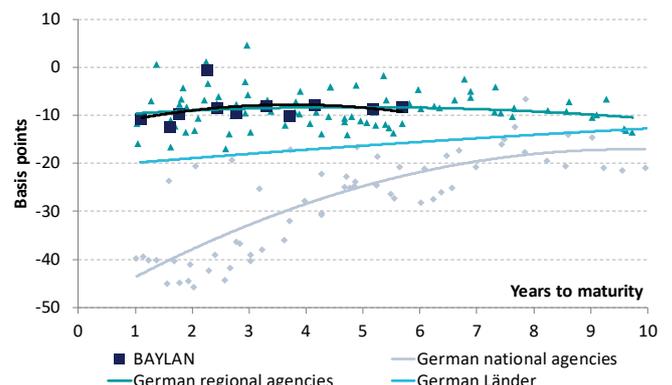
#### Bond amounts maturing in the next 12 months



#### BAYLAN vs. iBoxx € indices & Bunds



#### BAYLAN vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> IV	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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### Relative value

Attractiveness vs. Bunds (G-spread; bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
36	65	69	-13	-9	-1	0.0%	0.0%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b> 2.8	<b>Maturities 2022</b> 1.6	<b>Net Supply 2022</b> 1.2	<b>Funding instruments</b> Benchmarks, private placements, commercial paper	<b>Central bank access</b> ECB	<b>No. of ESG bonds</b> 0	<b>ESG volume</b> 0.0
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### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b> 12.9	<b>of which in EUR</b> 12.9	<b>No. of EUR benchmarks**</b> 12	<b>of which in USD</b> 0.0	<b>No. of USD benchmarks**</b> 0	<b>of which in other currencies</b> 0.0
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\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

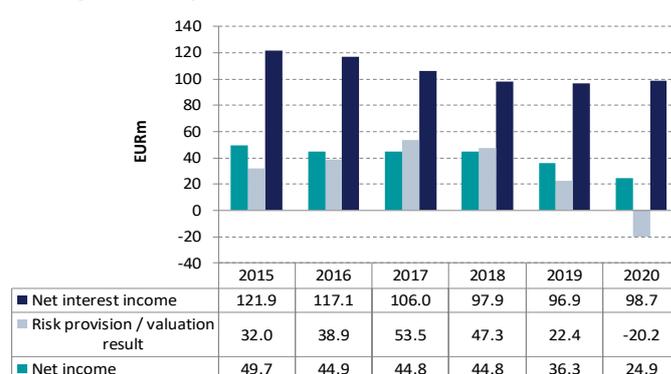
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, LfA, NORD/LB Markets Strategy & Floor Research

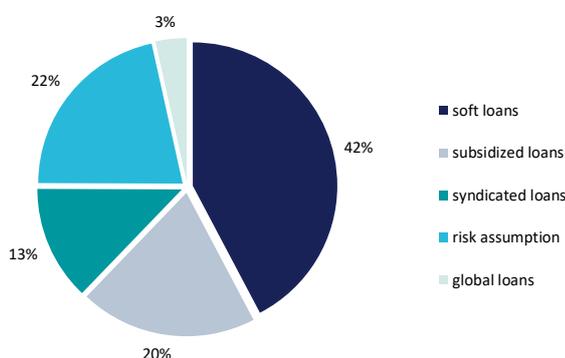
### Balance sheet development



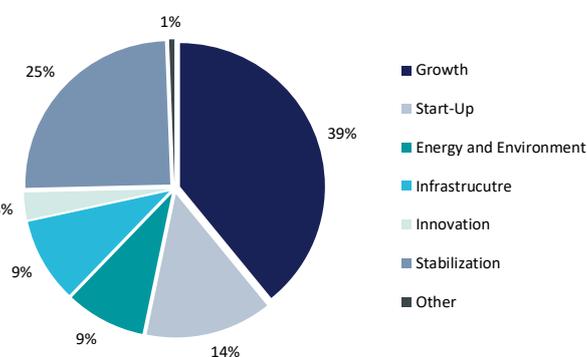
### Earnings development



### Structure of promotional activities



### New commitments by business segment



Source: LfA, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Explicit guarantee
- + High significance for the state of Bavaria

### Weaknesses

- Falling profitability



## Bayerische Landesbodenkreditanstalt (BayernLabo)

The roots of Bayerische Landesbodenkreditanstalt (BayernLabo) go back to the year 1884. That was the year in which Bayerische Landeskulturrentenanstalt, the predecessor institution of BayernLabo, was established by King Ludwig II. Bayerische Landeskulturrentenanstalt, which traded under the name BayernLabo from 1949 onwards, merged with Bayerische Gemeindebank Girozentrale in 1972 to become Bayerische Landesbank Girozentrale (BayernLB). Since this merger, BayernLabo has been a legally dependent institution of BayernLB. In parallel with these developments, the bank's range of activities was also expanded steadily. Capital was initially raised to realise cultivation-related projects such as hydraulic engineering and reclamation of barren land, among other aspects. This was gradually supplemented by social housing construction and urban development projects. The support programmes range from the housing sector, to the structural development of cities and municipalities, to housing policy-related measures for developing structurally weak areas in Bavaria. In recent years the development and financing of municipalities in particular has come increasingly to the fore, while lending to the Free State of Bavaria is also part of BayernLabo's business activities. As part of these activities, BayernLabo issued its first social bond (EUR 500m) in 2017. The social bond serves exclusively to finance social projects primarily in the Bavarian housing market. Following the reunification of Germany, BayernLabo temporarily took on the task of promoting housing and urban development in the sub-sovereign of Thuringia. However, this area of responsibility has gradually been transferred to Thüringer Aufbaubank. BayernLabo operates in the form of a public law institution (Anstalt öffentlichen Rechts) within BayernLB. The ownership structure of BayernLabo is depicted in the "General information" section on this page. Article 22 of the Bayerisches Landesbank Act (BayLaBG) enshrines in law the explicit guarantee for BayernLabo liabilities which exceed liable equity. Furthermore, the Free State of Bavaria bears liability through a guarantor liability (Gewährträgerhaftung) scheme.

### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

100% BayernLB Holding AG  
(Owners: 75.0% Free State of Bavaria, 25.0% savings banks association of Bavaria)

#### Guarantor(s)

Free State of Bavaria

#### Liability mechanism

Explicit guarantee and guarantor liability

#### Legal form

Public law institution

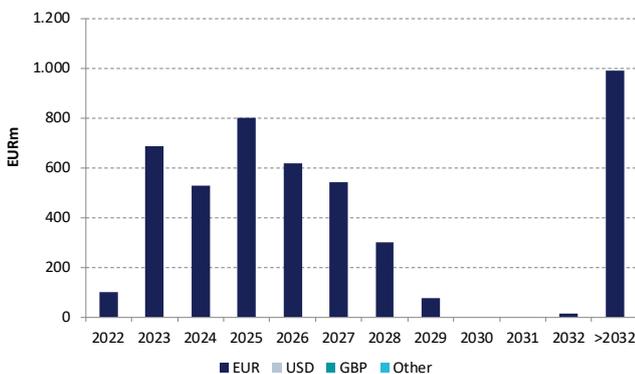
#### Bloomberg ticker

BYLABO

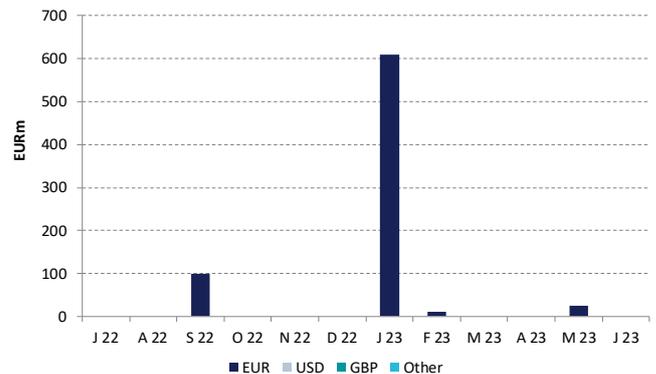
#### Ratings

	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	-	-

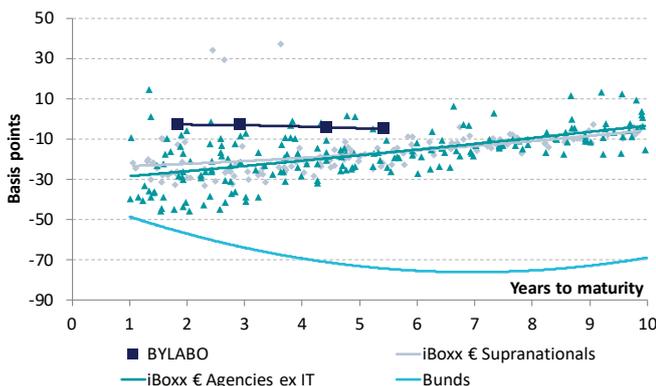
### Bonds by currency



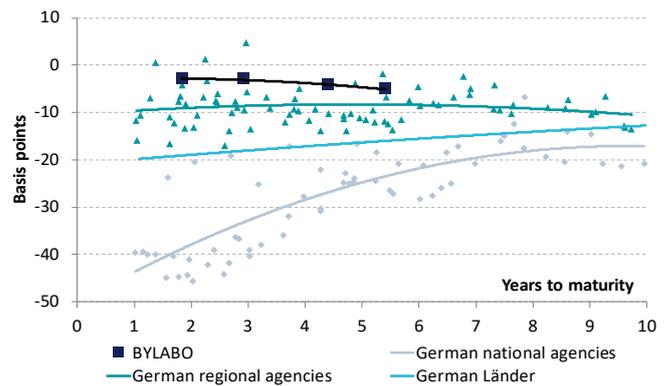
### Bond amounts maturing in the next 12 months



### BYLABO vs. iBoxx € indices & Bunds



### BYLABO vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b>	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b>	<b>Haircut category according to ECB repo rules</b>	<b>Leverage ratio/BRRD</b>
0%	Level 1	IV	Applies only at Group level; in our opinion, explicit guarantee prevents use of a bail-in

### Relative value

<b>Attractiveness vs. Bunds (G-spread; bp)*</b>			<b>Attractiveness vs. Mid-Swap (ASW-spread; in bp)*</b>			<b>Index weighting</b>	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
60	69	70	-5	-4	-3	0.0%	0.0%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b>	<b>Central bank access</b>	<b>No. of ESG bonds</b>	<b>ESG volume</b>
0.8	0.7	0.1	Benchmarks, ESG bonds, public bonds and private placements	-	2	1.0

### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
4.6	4.6	6	0.0	0	0.0

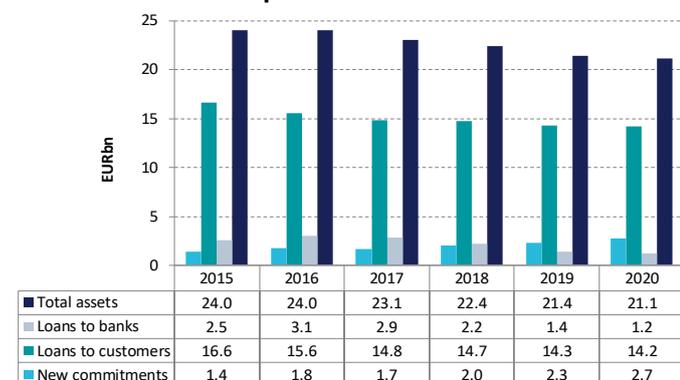
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

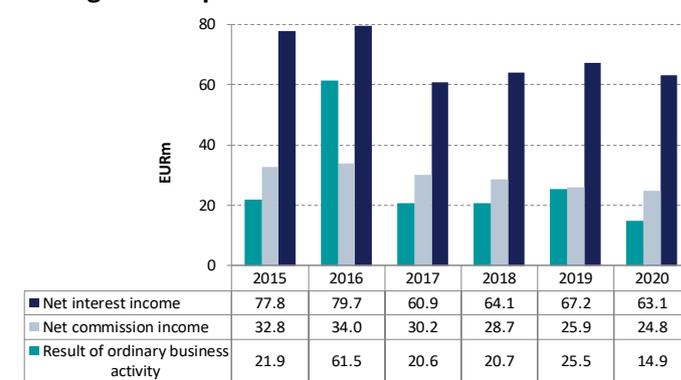
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, BayernLabo, NORD/LB Markets Strategy & Floor Research

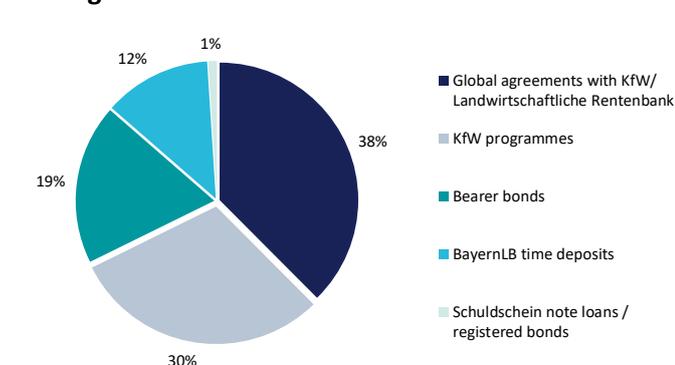
### Balance sheet development



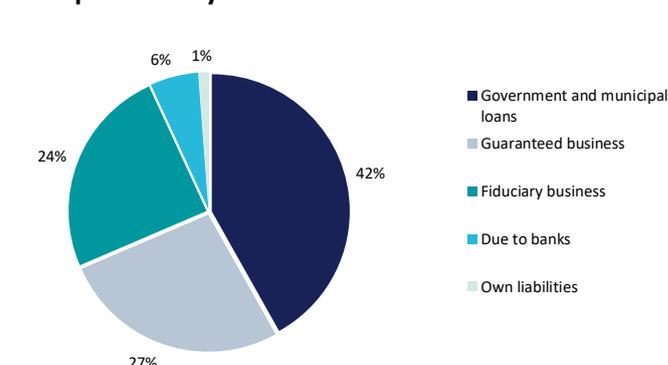
### Earnings development



### Funding breakdown



### Loan portfolio by sector



Source: BayernLabo, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Explicit guarantee
- + High significance for the state of Bavaria

### Weaknesses

- Integration in the BayernLB Group
- Limited transparency



## Wirtschafts- und Infrastrukturbank Hessen (WIBank)

Wirtschafts- und Infrastrukturbank Hessen (WIBank) was created through the merger of its predecessor institutions, Investitionsbank Hessen (IBH) and LTH-Bank für Infrastruktur (LTH-Bfl), in 2009. Prior to the merger, the focus of IBH's lending activities was on business promotion, while LTH-Bfl concentrated on housing development and the infrastructure sector in particular. In the meantime, WIBank has become one of the largest regional promotional banks in Germany, with total assets of just under EUR 26bn. All three key areas were combined through the merger into WIBank. As a result, the business model is derived directly from the predecessor institutions: the explicit public mission is to promote business, infrastructure, social housing and urban development, agriculture as well as education and employment in the state of Hesse. Its promotional banking programme is pooled together in four segments: Startup & Growth (e.g. guarantees and equity participations), Maintenance & Modernisation (e.g. social infrastructure and environmental protection), Construction & Housing (e.g. funding for residential property and urban development) and Education & Employment (e.g. promotion of employment opportunities and inclusion). In addition, a voluntary debt reduction initiative in connection with the municipal Kassenkredite in Hesse is implemented via the established "HESSENKASSE" programme. In this context, higher funding requirements on the part of WIBank have been observed since 2018. Bridging loans and guarantees were awarded during the COVID-19 pandemic by WIBank, primarily as a way of supporting retail companies and medium-sized enterprises in Hesse, although professional sports clubs also benefited here too. WIBank is part of Landesbank Hessen-Thüringen (Helaba). As such, it is a legally dependent public law institution (Anstalt öffentlichen Rechts) with organisational and financial independence. As the promotional bank of the sub-sovereign of Hesse, WIBank has an explicit guarantee from the Land in accordance with Section 6 of the Act governing Wirtschafts- und Infrastrukturbank Hessen (WI-Bank-Gesetz). Furthermore, Hesse bears liability through guarantor liability.

### General information

[Homepage](#)

[Investor Relations](#)

### Owner(s)

100% Helaba  
(Owners: 8.1% Federal State of Hesse,  
4.05% Federal State of Thuringia,  
68.85% SGVHT, 19.0% others)

### Guarantor(s)

Federal State of Hesse

### Liability mechanism

Explicit guarantee  
and guarantor liability

### Legal form

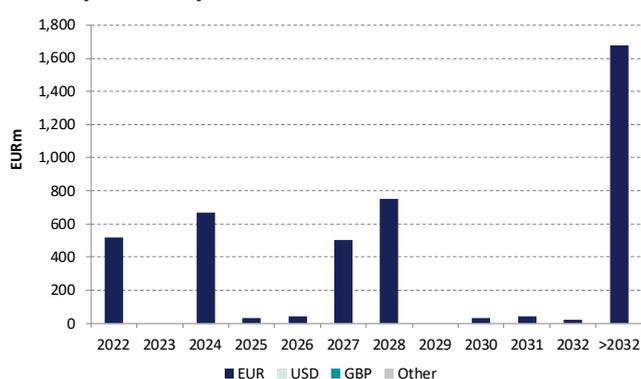
Public law institution

### Bloomberg ticker

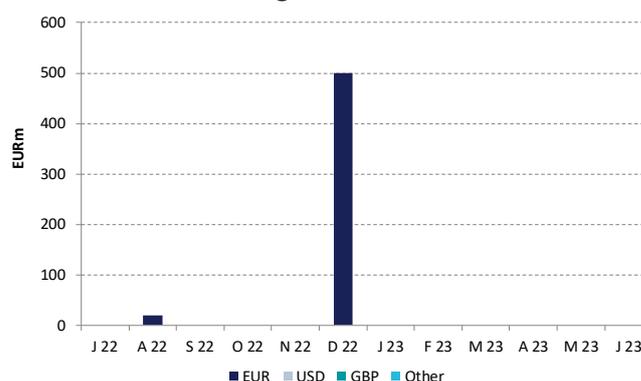
WIBANK

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	-	-
S&P	AA+	stab

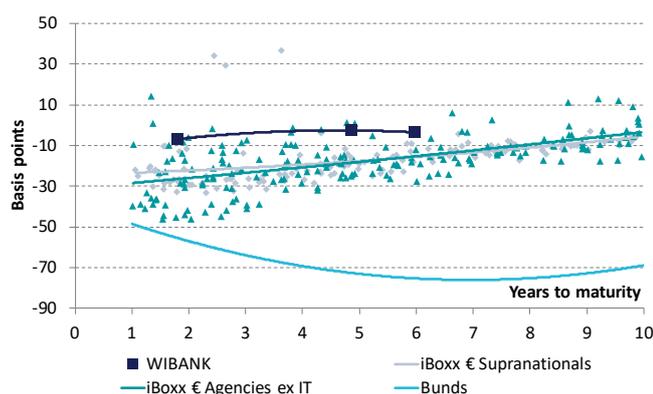
### Bonds by currency



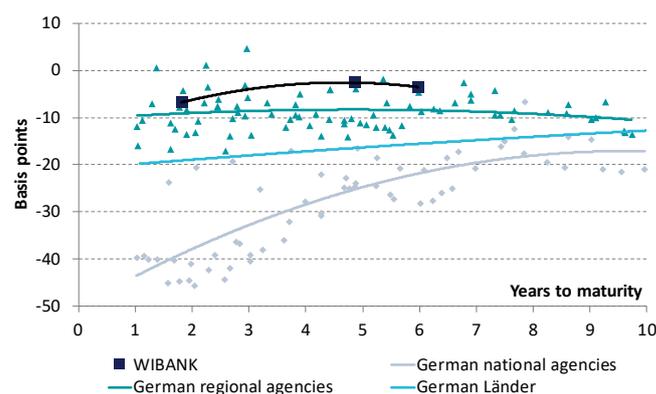
### Bond amounts maturing in the next 12 months



### WIBANK vs. iBoxx € indices & Bunds



### WIBANK vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

**Regulatory details**

<b>Risk weighting according to CRR/Basel III (standard approach)</b>	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b>	<b>Haircut category according to ECB repo rules</b>	<b>Leverage ratio/BRRD</b>
0%	Level 1	IV	Applies only at Group level; in our opinion, explicit guarantee prevents use of a bail-in

**Relative value**

<b>Attractiveness vs. Bunds (G-spread; bp)*</b>			<b>Attractiveness vs. Mid-Swap (ASW-spread; in bp)*</b>			<b>Index weighting</b>	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
58	71	73	-7	-3	-3	0.0%	0.0%

**Funding & ESG (EURbn/EUR equivalent)**

<b>Target 2022</b>	<b>Maturities 2022</b>	<b>Net Supply 2022</b>	<b>Funding instruments</b>	<b>Central bank access</b>	<b>No. of ESG bonds</b>	<b>ESG volume</b>
1.3	0.5	0.8	Benchmarks, public bonds and private placements	-	0	0.0

**Outstanding volume (EURbn/EUR equivalent)**

<b>Total</b>	<b>of which in EUR</b>	<b>No. of EUR benchmarks**</b>	<b>of which in USD</b>	<b>No. of USD benchmarks**</b>	<b>of which in other currencies</b>
4.3	4.3	5	0.0	0	0.0

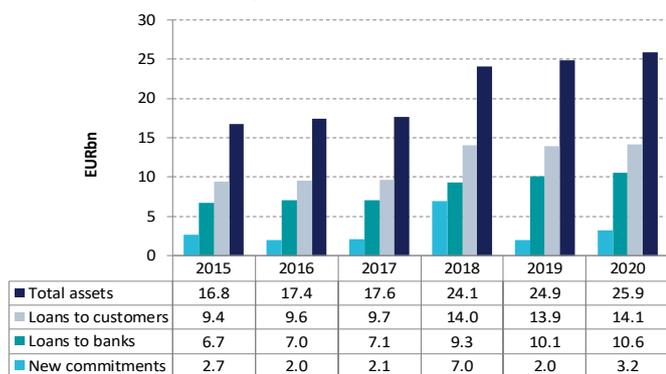
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

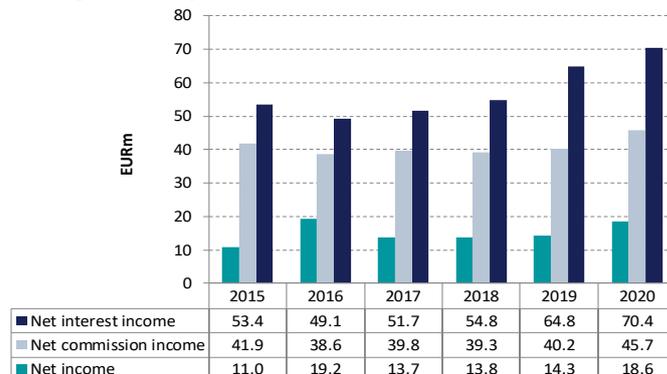
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, WIBank, NORD/LB Markets Strategy & Floor Research

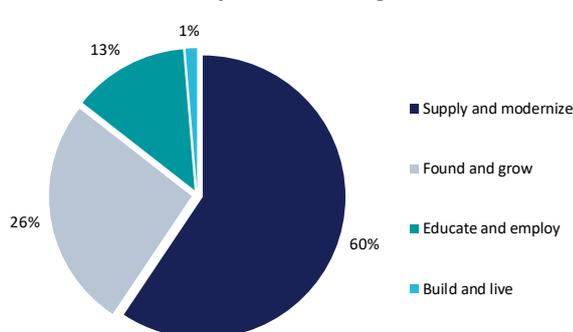
**Balance sheet development**



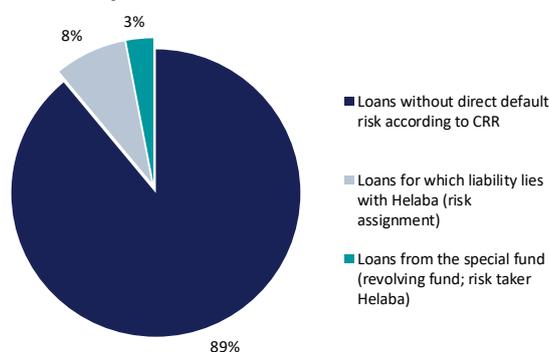
**Earnings development**



**New commitments by business segment**



**Loan portfolio by default risks**



Source: WIBank, NORD/LB Markets Strategy & Floor Research

**Strengths**

- + Explicit guarantee
- + High significance for the state of Hesse
- + Extremely low-risk loan portfolio

**Weaknesses**

- Integration in the Helaba Group
- Low leverage ratio



## General information

[Homepage](#)

[Investor Relations](#)

### Owner(s)

100% Federal State of Schleswig-Holstein

### Guarantor(s)

Federal State of Schleswig-Holstein

### Liability mechanism

Explicit guarantee, institutional liability an guarantor liability

### Legal form

Public law institution

### Bloomberg ticker

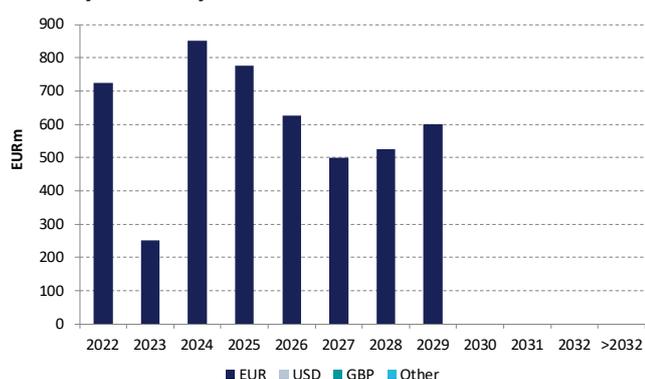
IBBSH

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

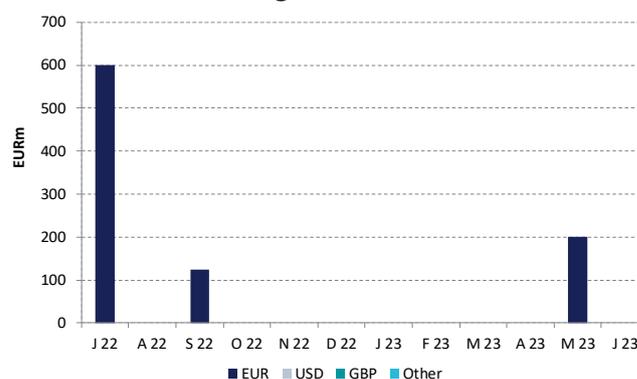
## Investitionsbank Schleswig-Holstein (IB.SH)

Investitionsbank Schleswig-Holstein (IB.SH) has been operating independently as a public law institution (Anstalt öffentlichen Rechts) since 1 June 2003. It is the promotional bank of the state of Schleswig-Holstein, having previously operated as part of the former Landesbank Schleswig-Holstein (LB Kiel) after being created from the merger of Wohnungsbaukreditanstalt and Wirtschaftsaufbaukasse. IB.SH operates as a platform for the implementation of economic policy in Schleswig-Holstein. IB.SH divides its business activities into four segments: Economy, Technology and Stabilisation (e.g. free consulting, start-up and succession financing, COVID-19 relief programmes), Real Estate and Housing Promotion (e.g. general and social housing promotion, finance consulting for home ownership measures, urban development projects), Employment, Education and European Affairs (e.g. consulting on obtaining EU financing, support for EU cooperations and interregional programmes in border regions, support for training and further education), as well as Municipalities and Infrastructure (e.g. granting municipal loans, the expansion of the broadband network, grants for infrastructure projects). With a per capita promotional volume of EUR 1,303 in 2020, IB.SH leads the way across Germany. The COVID-19 support programmes, which at just under EUR 1.0bn accounted for nearly one third of the promotional volume in 2020, led to a record value of EUR 3.8bn in the promotional business. Promotional priorities for IB.SH in 2022/23 include securing economic stability in the wake of the COVID-19 pandemic, supporting companies in their efforts to become more future-oriented and sustainable, the creation of affordable housing as well as the expansion of municipal infrastructure. Under Section 4 of the Investment Bank Act (Investitionsbankgesetz, IBG), the federal state explicitly guarantees the liabilities of IB.SH. Section 4 of the IBG also regulates guarantor liability and institutional liability on the part of the federal state of Schleswig-Holstein. IS.BH has defined an annual refinancing requirement of EUR 1.2bn. In this regard, financing is to be raised exclusively in EUR.

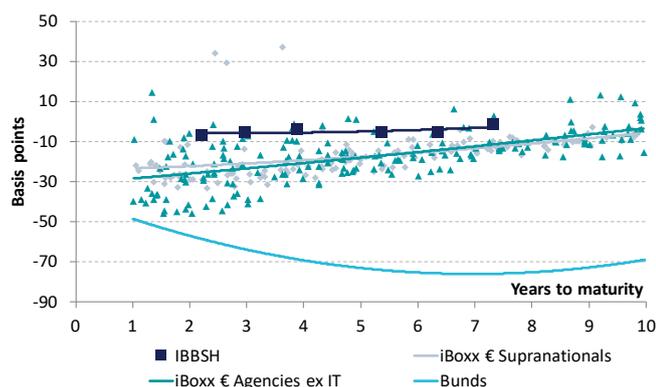
## Bonds by currency



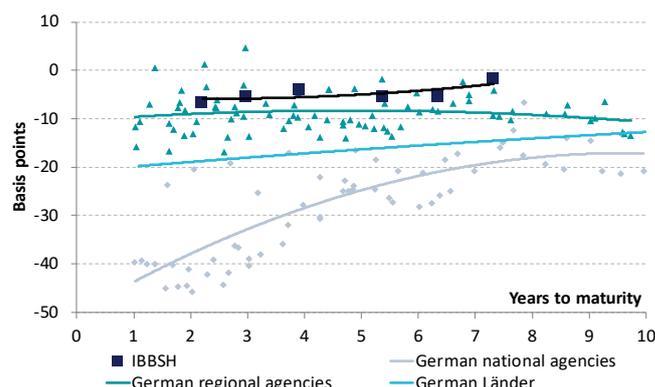
## Bond amounts maturing in the next 12 months



## IBBSH vs. iBoxx € indices & Bunds



## IBBSH vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

**Regulatory details**

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> IV	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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**Relative value**

Attractiveness vs. Bunds (G-spread; bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
63	70	78	-7	-5	-2	0.0%	0.0%

**Funding & ESG** (EURbn/EUR equivalent)

<b>Target 2022</b> 1.2	<b>Maturities 2022</b> 0.7	<b>Net Supply 2022</b> 0.5	<b>Funding instruments</b> Benchmark issues, public bonds & private placements	<b>Central bank access</b> ECB	<b>No. of ESG bonds</b> 0	<b>ESG volume</b> 0.0
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**Outstanding volume** (EURbn/EUR equivalent)

<b>Total</b> 4.9	<b>of which in EUR</b> 4.9	<b>No. of EUR benchmarks**</b> 7	<b>of which in USD</b> 0.0	<b>No. of USD benchmarks**</b> 0	<b>of which in other currencies</b> 0.0
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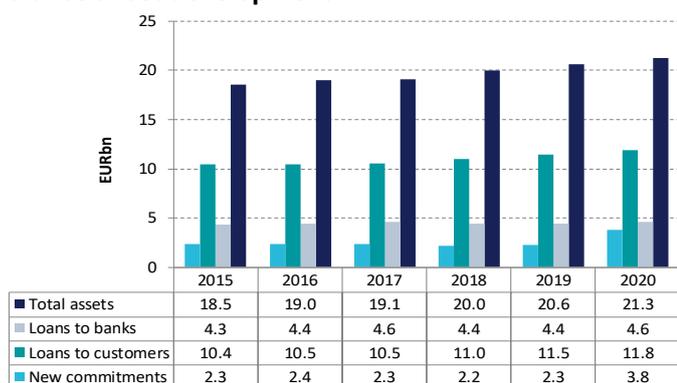
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

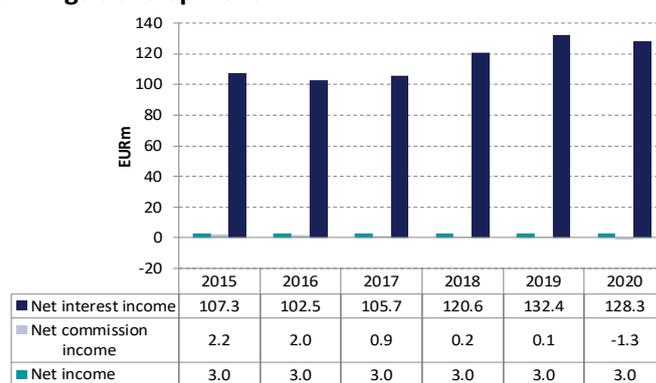
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, IB.SH, NORD/LB Markets Strategy & Floor Research

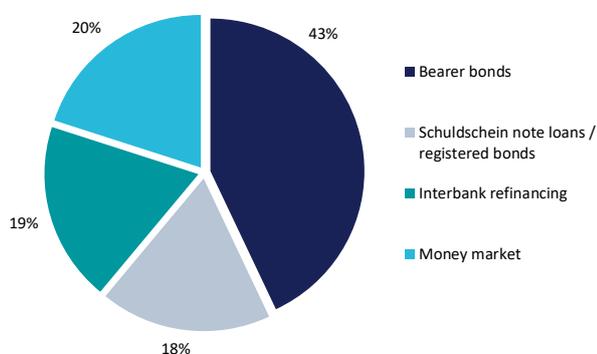
**Balance sheet development**



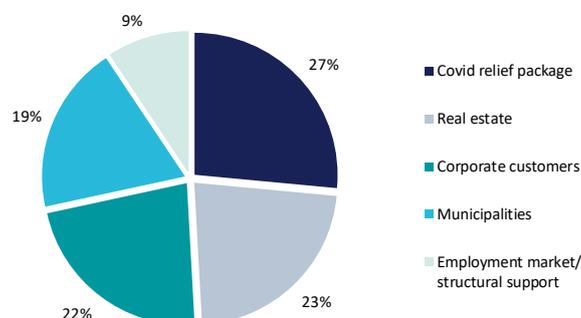
**Earnings development**



**Funding structure**



**New commitments by business segment**



Source: IB.SH, NORD/LB Markets Strategy & Floor Research

**Strengths**

- + Explicit guarantee
- + High significance for the state of Schleswig-Holstein
- + Strong capitalisation

**Weaknesses**

- Relatively high cost-income ratio



## Hamburgische Investitions- und Förderbank (IFBHH)

The forerunner of Hamburgische Investitions- und Förderbank (IFBHH) was Hamburgische Wohnungsbaukreditanstalt, founded in 1953, which initially focused on urban development and the housing promotion sector in Hamburg. After the bank's remit was expanded, its name was changed to Hamburgische Investitions- und Förderbank from 1 August 2013. IFBHH is the central promotional institution for the City of Hamburg, which it supports in implementing structural, economic and social policies in addition to meeting its public obligations. The business model is thereby derived from an extension of its predecessor's traditional housing promotion activity: IFBHH promotes projects in the areas of housing (e.g. new builds, purchasing and refurbishment of existing residential and rental properties), the environment (environmental protection, sustainability & energy efficiency), innovation (innovative start-ups, R&D projects) and business (conventional promotion of SMEs). The business model of IFBHH therefore covers traditional promotional loans, as well as equity financing and consulting services. In 2020, IFBHH launched several financing programmes to support self-employed people and small firms in addition to playing a proactive role in designing the emergency COVID-19 aid measures implemented in Hamburg. IFBHH is wholly owned by the Free and Hanseatic City of Hamburg (FHH). IFBHH's transformation and its legal framework are based on the "Act on the transition of the Hamburgische Wohnungsbaukreditanstalt to the Hamburgische Investitions- und Förderbank". This highlights the close ties between the IFBHH and the City of Hamburg: under Article 1, Section 3 (2), the Free and Hanseatic City of Hamburg guarantees IFBHH's liabilities with an explicit guarantee. In addition, Section 1 defines institutional liability (Anstaltslast), Section 3 (1) guarantor liability (Gewährträgerhaftung) and Section 16 a loss absorption mechanism (Verlustrücklagepflicht) by the City of Hamburg vis-à-vis IFBHH. While IFBHH does not issue benchmark bonds, it has established itself as an issuer of ESG-compliant sub-benchmarks (social bonds).

### General information

- [Homepage](#)
- [Investor Relations](#)

### Owner(s)

100% Free and Hanseatic City of Hamburg

### Guarantor(s)

Free and Hanseatic City of Hamburg

### Liability mechanism

Explicit guarantee, loss absorption mechanism, institutional liability and guarantor liability

### Legal form

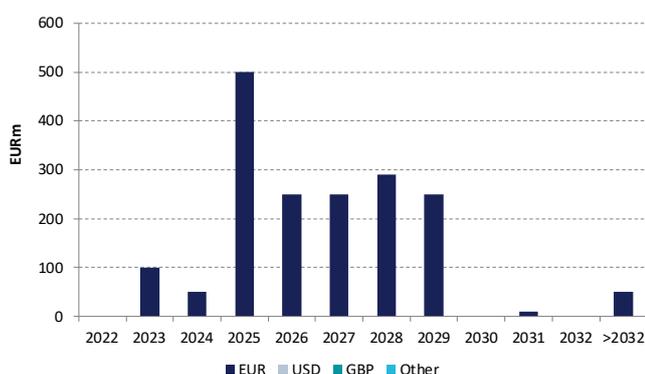
Public law institution

### Bloomberg ticker

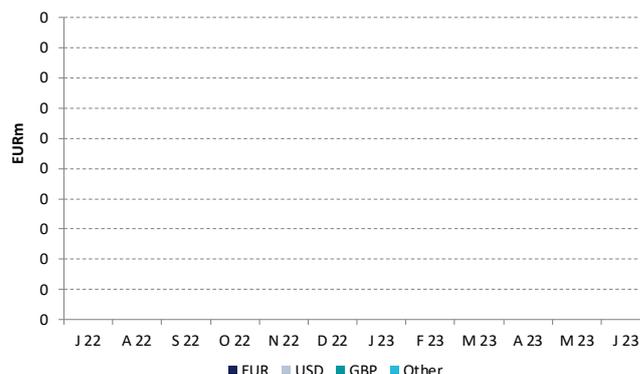
IFBHH

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

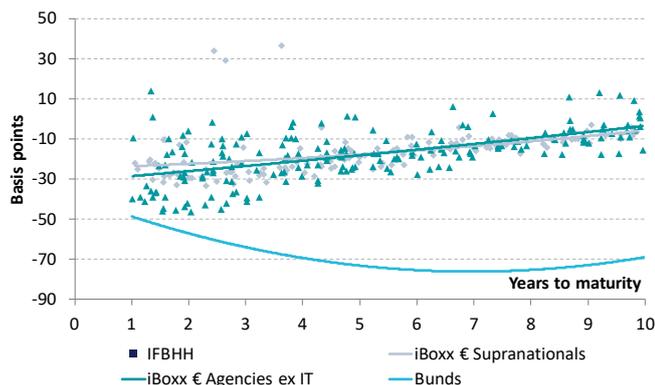
### Bonds by currency



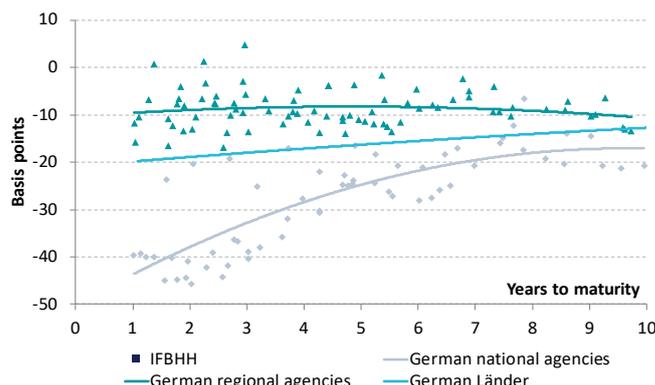
### Bond amounts maturing in the next 12 months



### IFBHH vs. iBoxx € indices & Bunds



### IFBHH vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Regulatory details

Risk weighting according to CRR/Basel III (standard approach)

0%

Liquidity category according to Liquidity Coverage Ratio (LCR)

Level 1

Haircut category according to ECB repo rules

IV

Leverage ratio/BRRD

Relevant; does not apply

## Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum

Median

Maximum

-

-

-

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum

Median

Maximum

-

-

-

Index weighting

iBoxx € Sub-Sovereigns

0.0%

iBoxx € Agencies

0.0%

## Funding & ESG (EURbn/EUR equivalent)

Target 2022

0.6

Maturities 2022

0.1

Net Supply 2022

0.5

Funding instruments

Public bonds, ESG bonds and private placements

Central bank access

ECB

No. of ESG bonds

2

ESG volume

0.4

## Outstanding volume (EURbn/EUR equivalent)

Total

1.8

of which in EUR

1.8

No. of EUR benchmarks\*\*

0

of which in USD

0.0

No. of USD benchmarks\*\*

0

of which in other currencies

0.0

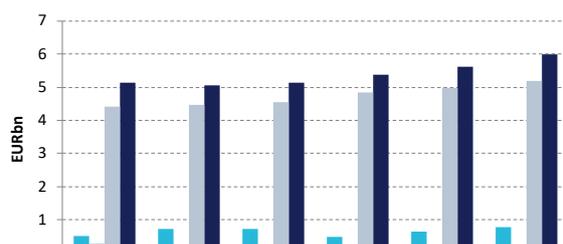
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

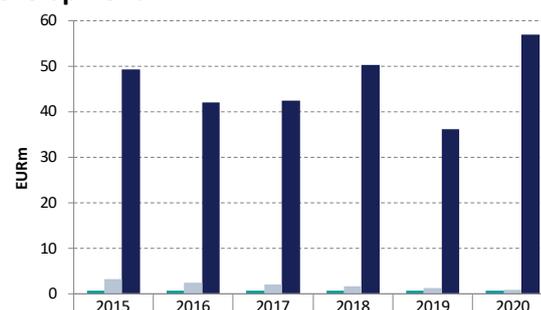
Source: Bloomberg, IFBHH, NORD/LB Markets Strategy & Floor Research

## Balance sheet development



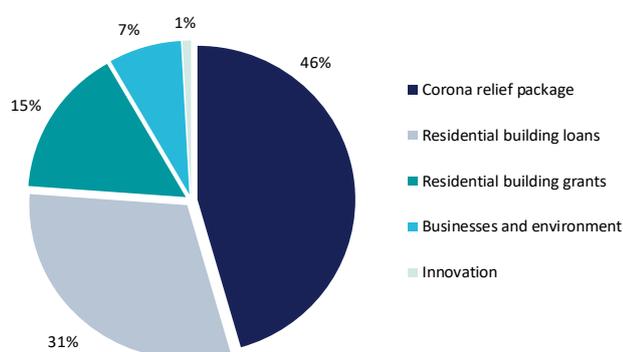
	2015	2016	2017	2018	2019	2020
Total assets	5.1	5.0	5.1	5.4	5.6	6.0
Loans to customers	4.4	4.5	4.5	4.8	5.0	5.2
Loans to banks	0.3	0.2	0.2	0.2	0.2	0.2
New commitments	0.5	0.7	0.7	0.5	0.6	0.8

## Earnings development



	2015	2016	2017	2018	2019	2020
Net interest income	49.2	42.0	42.5	50.2	36.2	56.9
Net commission income	3.3	2.3	2.1	1.6	1.3	0.9
Net income	0.6	0.6	0.6	0.7	0.6	0.6

## Total approvals by business area



Source: IFBHH, NORD/LB Markets Strategy & Floor Research

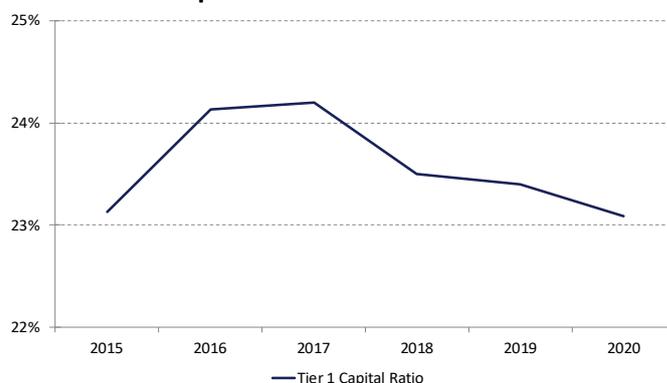
## Strengths

- + Explicit guarantee and loss absorption mechanism
- + Major importance for Hamburg
- + Strong capitalisation

## Weaknesses

- Low profitability
- Dependent on subsidy payments from the Free and Hanseatic City of Hamburg

## Trend in core capital ratio





## Sächsische Aufbaubank (SAB)

Sächsische Aufbaubank was established in 1991, initially as a business unit of L-Bank. In 1996, SAB started to operate under its own name as a GmbH (limited liability company). Since 2003, it has been a wholly-owned subsidiary of the Free State of Saxony, operating in the form of a public law institution (Anstalt öffentlichen Rechts). As a conventional promotional bank, its mission is to provide low-cost finance to improve the economic, social and ecological standing of Saxony. To this end, SAB works together with a number of public partners such as independent towns and cities, federal ministries and promotional banks of other German Laender. It also holds stakes in other promotional banks, such as Bürgschaftsbank Sachsen (BBS), for example. Its support role focuses especially on the following four client groups: private individuals, companies, public recipients and associations. These groups are offered promotional loans, subsidies and guarantees, subdivided by SAB into five different promotional areas, which include Housing Construction (e.g. supporting age-appropriate conversion projects), Infrastructure and Municipalities (municipal financing and infrastructure promotion activities), Business (e.g. support for start-ups), Training and Social Endeavours (e.g. support for inclusive measures and Upgrading Training Assistance Act [Aufstiegs-BAföG]) in addition to Environment and Agriculture (via climate loans, among other measures). During the COVID-19 pandemic, SAB also initiated aid programmes that accounted for 40% of the promotional volume in 2020 (EUR 1.6bn). Through an explicit guarantee provided by the sole shareholder, the Free State of Saxony, SAB enjoys the full financial support of the German sub-sovereign in the event of a payment default, which also includes a direct claim by creditors against the guarantor. This allows a risk weighting of 0% under CRR/Basel III and LCR classification as Level 1 assets. As of today, SAB has not issued any benchmark bonds. In 2021, the refinancing volume amounted to EUR 480m, of which EUR 280m was raised via the capital markets (with the remainder attributable to global and programme loans of promotional banks).

### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

100% Free State of Saxony

#### Guarantor(s)

Free State of Saxony

#### Liability mechanism

Explicit guarantee, guarantor liability and institutional liability

#### Legal form

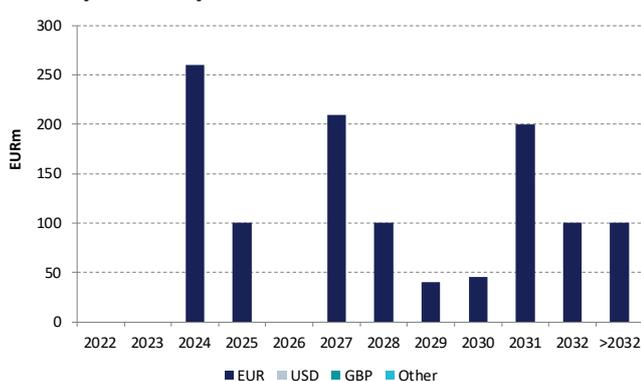
Public law institution

#### Bloomberg ticker

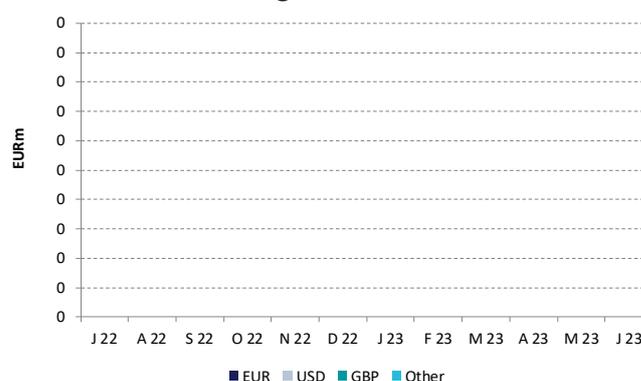
SABFOE (formerly SAUFBA)

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	-	-
S&P	AAA	neg

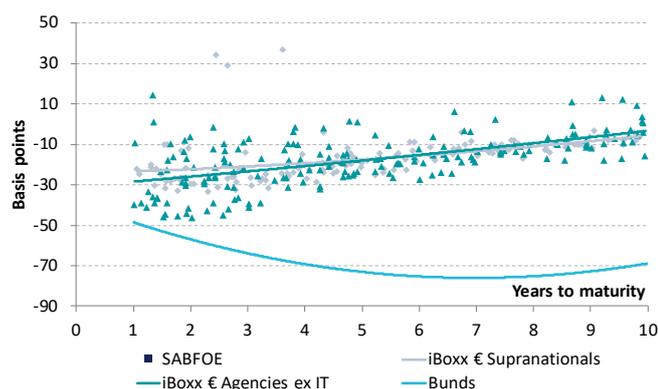
### Bonds by currency



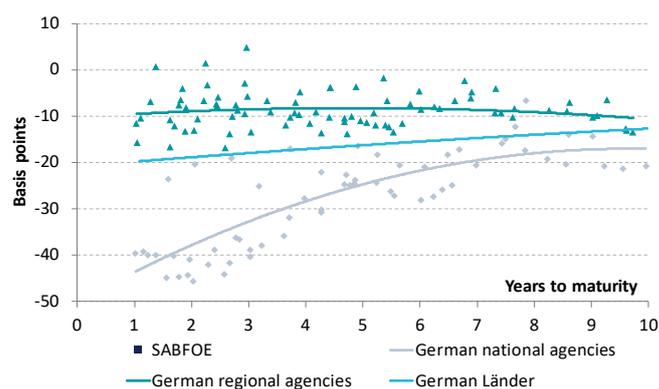
### Bond amounts maturing in the next 12 months



### SABFOE vs. iBoxx € Indices & Bunds



### SABFOE vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

### Regulatory details

<b>Risk weighting according to CRR/Basel III (standard approach)</b> 0%	<b>Liquidity category according to Liquidity Coverage Ratio (LCR)</b> Level 1	<b>Haircut category according to ECB repo rules</b> IV	<b>Leverage ratio/BRRD</b> Relevant; does not apply
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### Relative value

<b>Attractiveness vs. Bunds (G-spread; bp)*</b>			<b>Attractiveness vs. Mid-Swap (ASW-spread; in bp)*</b>			<b>Index weighting</b>	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
-	-	-	-	-	-	0.0%	0.0%

### Funding & ESG (EURbn/EUR equivalent)

<b>Target 2022</b> 0.5	<b>Maturities 2022</b> 0.3	<b>Net Supply 2022</b> 0.3	<b>Funding instruments</b> Public bonds and private placements	<b>Central bank access</b> ECB	<b>No. of ESG bonds</b> 0	<b>ESG volume</b> 0.0
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### Outstanding volume (EURbn/EUR equivalent)

<b>Total</b> 1.2	<b>of which in EUR</b> 1.2	<b>No. of EUR benchmarks**</b> 0	<b>of which in USD</b> 0.0	<b>No. of USD benchmarks**</b> 0	<b>of which in other currencies</b> 0.0
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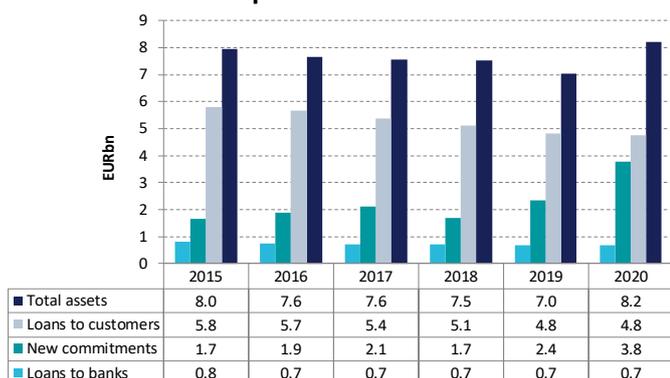
\* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

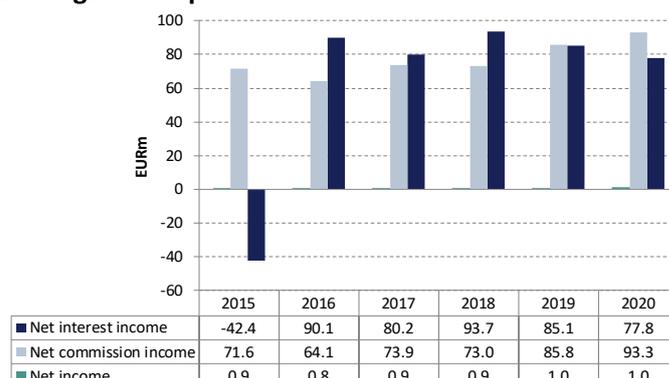
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, SAB, NORD/LB Markets Strategy & Floor Research

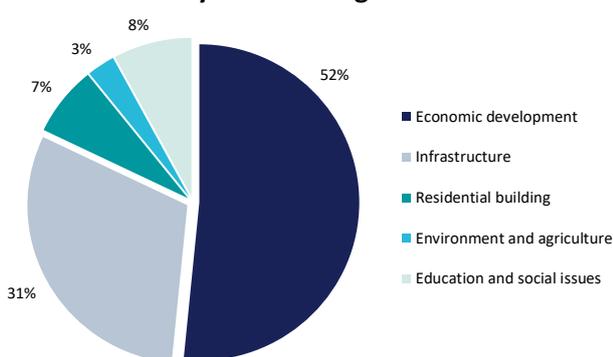
### Balance sheet development



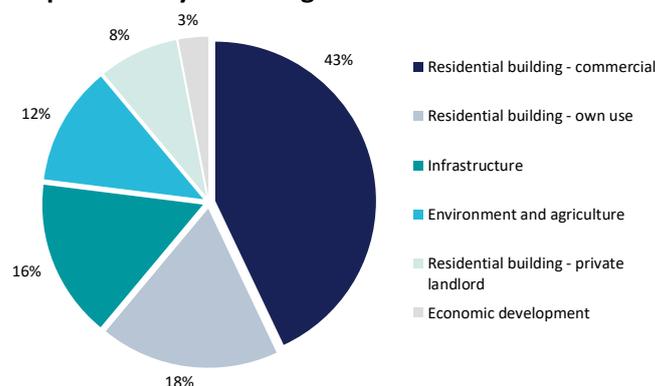
### Earnings development



### New commitments by business segment



### Loan portfolio by credit segment



Source: SAB, NORD/LB Markets Strategy & Floor Research

### Strengths

- + Strong capitalisation
- + Major significance for the Free State of Saxony
- + High gross margin of interest

### Weaknesses

- Low profitability



## Investitionsbank des Landes Brandenburg (ILB)

Investitionsbank des Landes Brandenburg (ILB) was founded on 31 March 1992, with operations at the bank then commencing on 01 July 1992. ILB is the central promotional institute of the sub-sovereign of Brandenburg. It supports both Brandenburg and other public bodies in fulfilling their tasks. ILB manages the funds of the residential housing assets pertaining to the Land of Brandenburg as well as funds for the commercial economy and in the media sector on a trustee basis. The ILB Act in Brandenburg provides the bank with a reliable basis for its business activities, with ILB able to make use of state liability guarantees in conformity with European Union requirements. The promotional fields of ILB comprise Business (conventional SME promotion as well as support for start-up founders), Labour Market (employment, training and qualification measures), Infrastructure (municipal infrastructure projects, municipal special purpose associations, municipal companies in addition to social, scientific, educational and cultural institutions) and Housing (e.g. new build projects, acquisition and modernisation of residential properties in addition to projects related to the municipal, cooperative and private housing industry). ILB's business activities therefore cover traditional low-interest promotional loans and the provision of venture and equity capital in addition to guarantees and indemnifications, all the way through to consulting services. In 2014, the ILB Act was revised. In the wake of these amendments, the promotional bank now boasts a reliable basis to support its future business operations. The ILB Act also highlights the close ties between ILB and Land Brandenburg. Section 2 (6) sets out an explicit guarantee on the part of Brandenburg for ILB liabilities. Moreover, institutional liability (Anstaltslast) is defined in Section 1 (2), with guarantor liability (Gewährträgerhaftung) on the part of shareholders towards ILB laid down in Section 2 (3). Therefore, ILB bonds can also be classified as Level 1 assets from an LCR point of view.

### General information

[Homepage](#)

[Investor Relations](#)

#### Owner(s)

50% Federal State of Brandenburg  
50% NRW.BANK

#### Guarantor(s)

Federal State of Brandenburg

#### Liability mechanism

Explicit guarantee, institutional liability and guarantor liability

#### Legal form

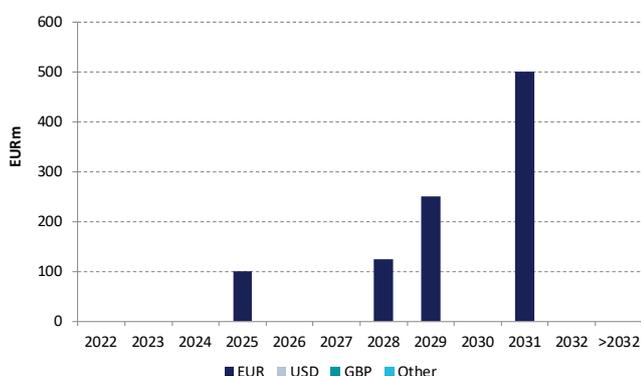
Public law institution

#### Bloomberg ticker

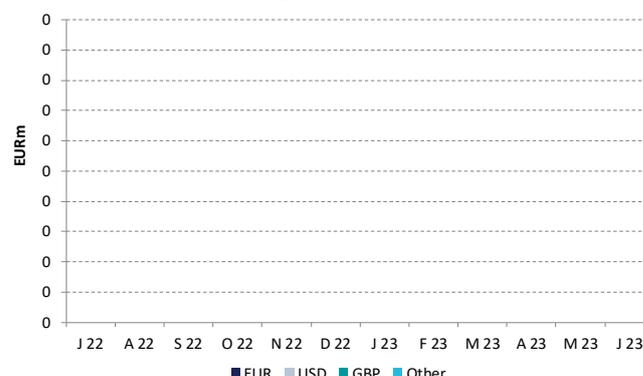
ILBB

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

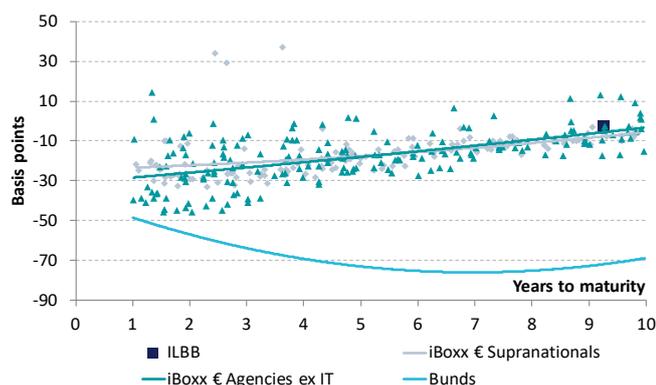
### Bonds by currency



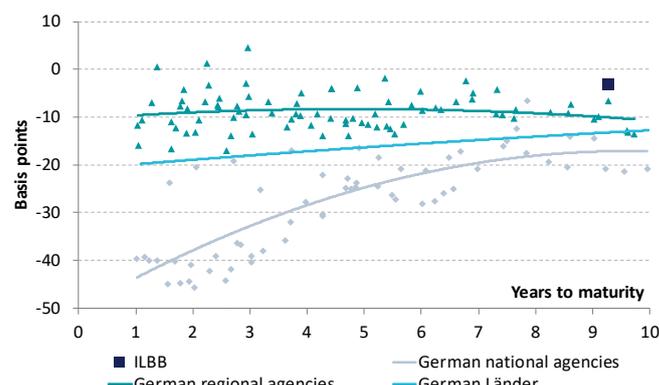
### Bond amounts maturing in the next 12 months



### ILBB vs. iBoxx € Indices & Bunds



### ILBB vs. German SSAs



NB: Foreign currencies are converted into EUR at rates as at 22 June 2022; Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn. Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

## Regulatory details

Risk weighting according to CRR/Basel III (standard approach)

0%

Liquidity category according to Liquidity Coverage Ratio (LCR)

Level 1

Haircut category according to ECB repo rules

IV

Leverage ratio/BRRD

Relevant; does not apply

## Relative value

Attractiveness vs. Bunds (G-spread; bp)\*

Minimum	Median	Maximum
77	77	77

Attractiveness vs. Mid-Swap (ASW-spread; in bp)\*

Minimum	Median	Maximum
-3	-3	-3

Index weighting

iBoxx € Sub-Sovereigns	iBoxx € Agencies
0.0%	0.0%

## Funding &amp; ESG (EURbn/EUR equivalent)

Target 2022

1.3

Maturities 2022

0.0

Net Supply 2022

1.3

Funding instruments

Public bonds, ESG bonds and private placements

Central bank access

ECB

No. of ESG bonds

1

ESG volume

0.1

## Outstanding volume (EURbn/EUR equivalent)

Total

v

of which in EUR

1,0

No. of EUR benchmarks\*\*

1

of which in USD

0,0

No. of USD benchmarks\*\*

0

of which in other currencies

0,0

\* Residual term to maturity &gt; 1 year and &lt; 10 years; outstanding volume at least EUR 0.5bn.

\*\* Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 22 June 2022.

On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

Source: Bloomberg, ILB, NORD/LB Markets Strategy &amp; Floor Research

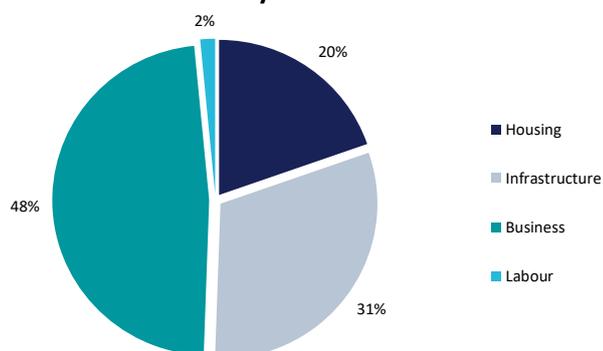
## Balance sheet development



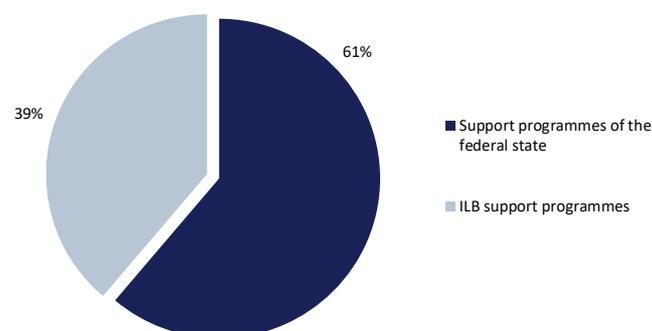
## Earnings development



## Commitment volume by business area



## Breakdown of the promotional programmes



Source: ILB, NORD/LB Markets Strategy &amp; Floor Research

## Strengths

- + Explicit guarantee from Land Brandenburg
- + Good profitability

## Weaknesses

- Relatively high cost-income ratio

## Appendix

### Publication overview

#### Covered Bonds:

[Issuer Guide Covered Bonds 2021](#)

[Risk weights and LCR levels of covered bonds \(updated semi-annually\)](#)

[Transparency requirements §28 PfandBG \(quarterly update\)](#)

[Covered bonds as eligible collateral for central banks](#)

#### SSA/Public Issuers:

[Issuer Guide – German Laender 2021](#)

[Beyond Bundeslaender: Greater Paris \(IDF/VDP\)](#)

[Spotlight on Belgian regions](#)

[Spotlight on Spanish regions](#)

#### Fixed Income Specials:

[ESG-Update 2022](#)

[ECB ready for lift-off: Every journey starts with a first step](#)

[Face-saving ECB decision: Hawks have won – for now](#)

[ECB decision: PEPP benched for now, APP comes in as Point Guard](#)

[ECB holds course, but ups the ante – PEPP running until 2022](#)

**NORD/LB:**  
[Markets Strategy & Floor Research](#)

**NORD/LB:**  
[Covered Bond Research](#)

**NORD/LB:**  
[SSA/Public Issuer Research](#)

**Bloomberg:**  
[RESP NRDR <GO>](#)

# Appendix

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### Sales

Institutional Sales	+49 511 9818-9440
Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

### Origination & Syndicate

Origination FI	+49 511 9818-6600
Origination Corporates	+49 511 361-2911

### Treasury

Collat. Management/Repos	+49 511 9818-9200
Liquidity Management	+49 511 9818-9620 +49 511 9818-9650

### Trading

Covereds/SSA	+49 511 9818-8040
Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

### Sales Wholesale Customers

Firmenkunden	+49 511 361-4003
Asset Finance	+49 511 361-8150

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