



NORD/LB Issuer Guide 2022 – Austrian Agencies

Markets Strategy & Floor Research

August 2022

Marketing communication (see disclaimer on the last pages)

NORD/LB

ISSUER GUIDE 2022

Austrian Agencies

List of authors

Dr Norman Rudschuck, CIAA
Floor analyst, SSA/Public Issuers
Director
norman.rudschuck@nordlb.de

Jan-Phillipp Hensing
Floor analyst, SSA/Public Issuers
Associate
jan-phillipp.hensing@nordlb.de

Assisted by
Robin Wieloch and David Neudeck

Contents

| | |
|---|-----------|
| The Austrian agency market – an overview | 2 |
| Österreichische Kontrollbank AG (OeKB) | 7 |
| ÖBB-Infrastruktur | 9 |
| Autobahnen- und Schnellstraßen-Finanzierungs-AG (ASFiNAG) | 11 |
| Publication overview | 13 |
| Contacts at NORD/LB | 14 |

Floor analysts:

Covered Bonds/Banks

Dr Frederik Kunze

frederik.kunze@nordlb.de

Melanie Kiene, CIIA

melanie.kiene@nordlb.de

SSA/Public Issuers

Dr Norman Rudschuck, CIIA

norman.rudschuck@nordlb.de

Jan-Phillipp Hensing

jan-phillipp.hensing@nordlb.de

NORD/LB:

[Markets Strategy & Floor Research](#)

NORD/LB:

[Covered Bond Research](#)

NORD/LB:

[SSA/Public Issuer Research](#)

Bloomberg:

[RESP NRDR <GO>](#)

The Austrian agency market – an overview

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

Three institutions dominate the Austrian agency market

The Austrian agency market is relatively small in a European comparison. Three issuers included in our coverage have already issued benchmark bonds: Österreichische Kontrollbank (OeKB), ÖBB-Infrastruktur and Autobahn- und Schnellstraßen-Finanzierungs-AG (ASFiNAG). In total, these three Austrian issuers have a total of 71 outstanding bonds with maturities amounting to the equivalent of EUR 40.4bn. The dominance of agencies involved in the management of transport infrastructure is unusual for the European agency market: while ÖBB-Infrastruktur manages the Austrian rail network, ASFiNAG is responsible for managing Austria's motorway and highway network. There is a constant funding requirement because of the need for continuous maintenance and investment, which both agencies to a large extent cover through the capital market. However, since 2017, ÖBB-Infrastruktur has been pursuing a new financing concept that is primarily based on loans from the Austrian Treasury (OeBFA). All previous bonds and their guarantees from the Republic of Austria remain unaffected by this. No new issuances are therefore to be expected in future. OeKB, whose activities are dominated by the administration of export guarantees provided by the state and the provision of export financing, is the largest Austrian agency in terms of outstanding volume. OeKB's ownership structure is unorthodox for a European agency: the company is owned solely by Austrian banks, which is among the reasons why it operates on a non-competitive basis in its main area of business. OeKB also has a constant funding requirement, with foreign currencies used to cover the vast majority of this on account of its role as an export financier.

Austrian agencies – an overview

| Institution | Type | Owner(s) | Guarantee | Risk weighting |
|---|-----------------------|---------------------|---|----------------|
| Österreichische Kontrollbank (OeKB) | Export financier | 100% Austrian banks | Explicit guarantee for bonds covered by the rules of the Export Financing Guarantees Act (AFFG) | 0% |
| ÖBB-Infrastruktur | Rail network operator | 100% ÖBB-Holding | Explicit guarantee for the EMTN programme and maintenance obligation | 0% |
| Autobahnen- und Schnellstraßen-Finanzierungs-AG (ASFiNAG) | Motorway operator | 100% Austria | Explicit guarantee for the EMTN programme and maintenance obligation | 0% |

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

Explicit guarantees for bonds issued by OeKB, ÖBB-Infrastruktur and ASFiNAG

As a general rule, the bond programmes operated by Austrian agencies are guaranteed by the state. The EMTN programmes of ÖBB-Infrastruktur and ASFiNAG are covered by explicit guarantees on the part of the Austrian government. Bonds issued by OeKB, which is the largest Austrian agency, are explicitly guaranteed by the Austrian state, provided that they were or are issued as part of the Export Financing Guarantees Act (AFFG).

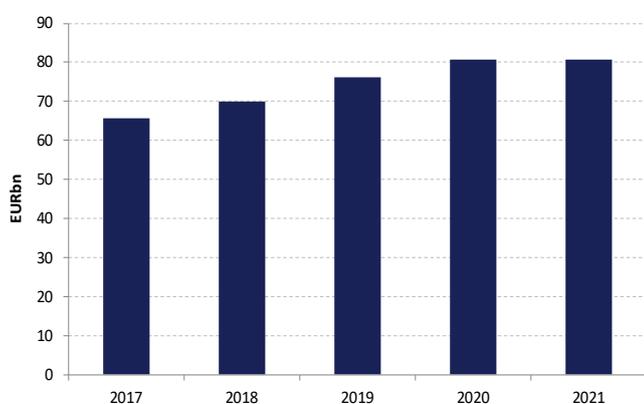
Maintenance obligations for ÖBB-Infrastruktur and ASFiNAG

Aside from explicit guarantees, ÖBB-Infrastruktur and ASFiNAG each enjoy a maintenance obligation. The Austrian Federal Railway Act and the ASFiNAG Act stipulate that the state must make the necessary funds available to cover the expenditure of both agencies. The resulting maintenance obligation then obliges the state to ensure that its agencies can meet their payment obligations.

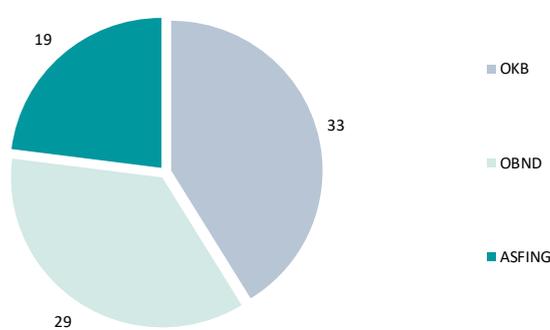
0% risk weighting under CRR/Basel III

The explicit guarantees on the part of the Austrian state for the bond issuance programmes of Austrian agencies mean that the bonds placed by these respective issuers qualify for a risk weighting of 0% according to Basel III, given that OeKB's Bonds are issued under the AFFG.

Balance sheet growth of Austrian agencies



Comparison of balance sheet totals (EUR bn)

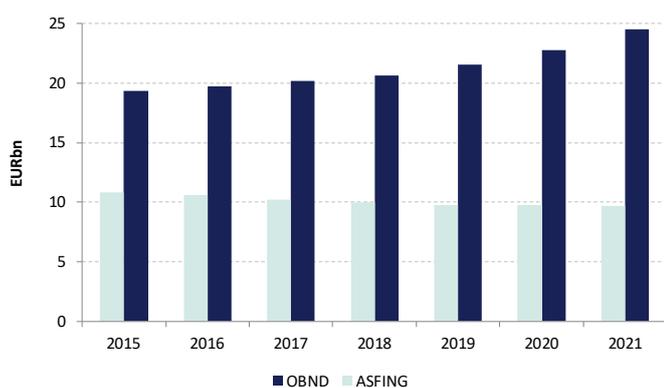


Source: Issuers, NORD/LB Markets Strategy & Floor Research

Increased balance sheet totals

Stronger increases in the cumulative total assets of the Austrian agencies included in this Issuer Guide were again recorded during the years 2018 to 2021. Having already risen by +6.0% in 2020, the cumulative value increased only marginally by EUR +0.1bn (+0.1%) in 2021. OeKB posted a balance sheet decline of EUR -2.2bn in 2021, while ÖBB-Infrastruktur and ASFiNAG recorded increases of EUR +2.1bn and EUR +0.3bn respectively (rounding differences). OeKB partially attributes the fall in its balance sheet total to the declining volume of export financing schemes. The aggregated balance sheet total of the three agencies therefore now stands at EUR 80.7bn (EUR +0.1bn Y/Y). Net financial liabilities on the part of Austrian issuers (excluding OeKB) again rose in 2021 by EUR +1.7bn year on year.

Net debt of Austrian agencies (excl. OeKB)

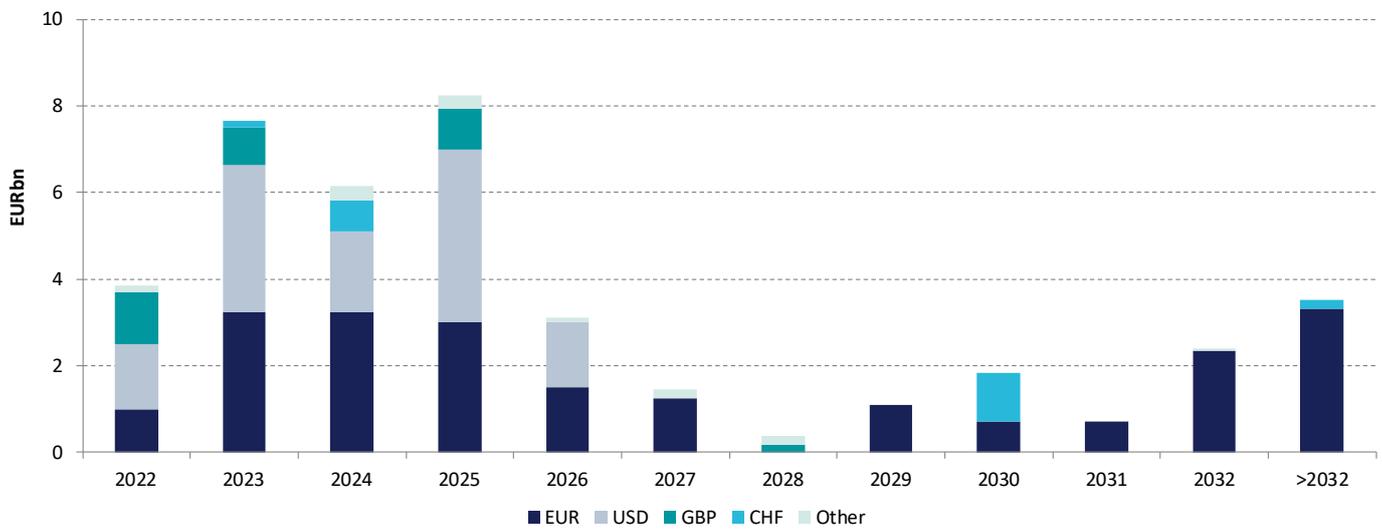


Net debt to EBITDA ratio (excl. OeKB)

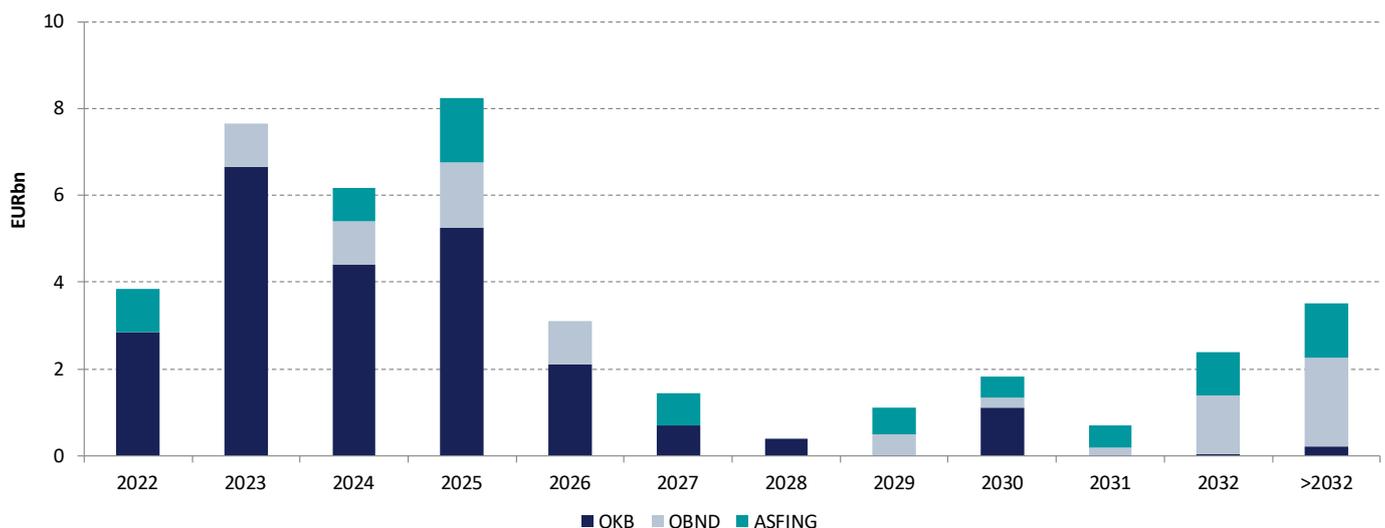


Source: Issuers, NORD/LB Markets Strategy & Floor Research

Austrian agencies: outstanding bonds by currency



Austrian agencies: outstanding bonds by issuer



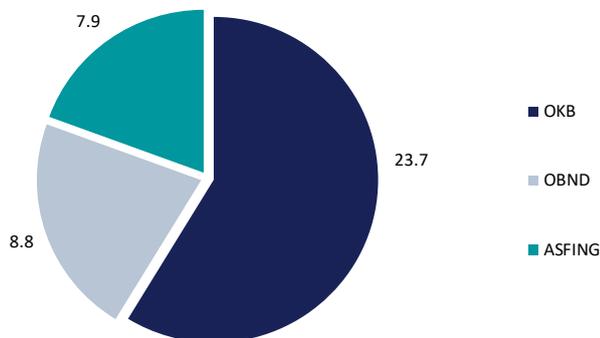
NB: Foreign currencies are converted into EUR at rates as at 31 August 2022.

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

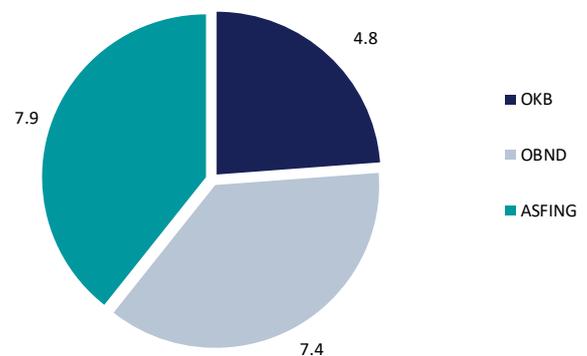
Slight decline in outstanding bond volumes of Austrian agencies

After temporarily rising due to the pandemic, outstanding volumes are again on the slide, a trend that was already discernible in the years before the onset of COVID-19. While the outstanding volume of OeKB has risen, further bonds from ÖBB-Infrastruktur have fallen due in the same period, thereby reducing its volume still outstanding. Fresh supply – above all in EUR – has in the meantime become limited, with new bonds in this context having generally been more likely to be brought to market by OeKB and, to a slightly lesser extent, by the infrastructure operator ASFiNAG. However, Österreichische Kontrollbank is regularly active in the US Dollar. As a rule, sufficient liquidity should be available for investors here. Since 2017, ÖBB-Infrastruktur issuance activities have been conducted exclusively in conjunction with the Austrian Treasury (OeBFA). As such, it is no longer independently active on the primary market. The picture for ÖBB-Personenverkehr AG, which is part of the ÖBB Group, looks slightly different: since 2017 it has been placing SSD deals under the identical ticker (OBND). Of course, these deals do not come with an ISIN.

Outstanding bond volumes (EURbn)



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

Austrian 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 |
|--------------|--------|-------------------------------|-----------------------|---------------|------------------------|--------------------|--------------------|------------------------|---------------|
| OeKB | OKB | -/Aa1/AA+ | 23.7 | 4.8 | 4.0 | 6.9 | -2.9 | 3 | 1.1 |
| ÖBB-Infra | OBND | -/Aa1/AA+ | 8.8 | 8.8 | 0.0 | 1.5 | -1.5 | 0 | 0.0 |
| ASFINAG | ASFING | -/Aa1/AA+ | 7.9 | 7.9 | 0.7 | 1.0 | -0.3 | 0 | 0.0 |
| Total | | | 40.4 | 21.4 | 4.7 | 9.4 | -4.7 | 3 | 1.1 |

NB: Foreign currencies are converted into EUR at rates as at 31 August 2022.

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

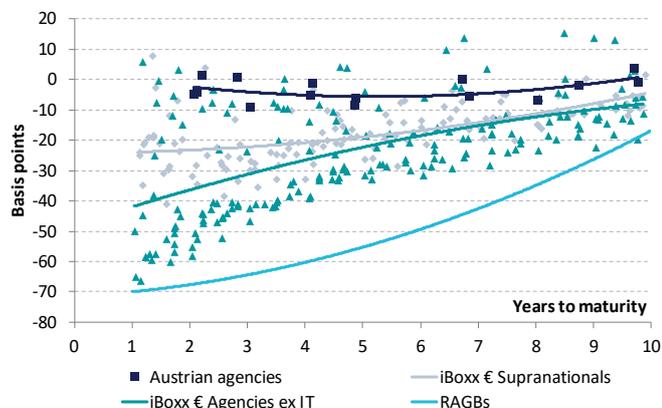
Source: Bloomberg, issuers, NORD/LB Markets Strategy & Floor Research

Comment

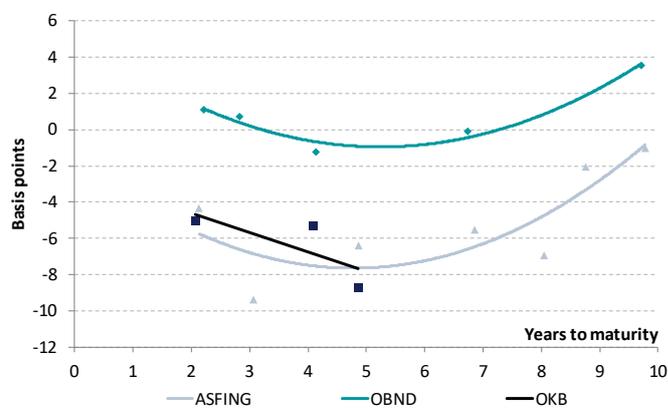
Measured in terms of outstanding bond volumes, the Austrian agency market is relatively small in relation to other European markets. Nevertheless, there is a modest supply of EUR benchmarks, offering a comparatively wide range of choice at the (ultra-)long end especially. However, primary market activities have declined over recent years, which can be primarily attributed to the fall in OeKB's funding requirements caused by the economic situation. Moreover, ÖBB will no longer make independent capital market appearances, with an agreement now in place for refinancing activities to be conducted directly via the Republic of Austria instead. Therefore, ÖBB-Infrastruktur AG will have at its disposal funding via the Austrian Treasury as well as project funding via the European Investment Bank (EIB). Following a period of absence in 2017 and 2018, ASFINAG has been active on the primary market again since 2019. However, the smaller volumes in conjunction with a less frequent supply of fresh bonds (above all in EUR) is increasingly posing a bit of a problem for investors, who require a certain degree of liquidity from these bonds. In addition, the Eurosystem is purchasing Austrian bonds under the APP and the PEPP, further exhausting the already scarce liquidity of the supply.

Austria A comparison of spreads

Austrian agencies vs. iBoxx € indices & RAGBs



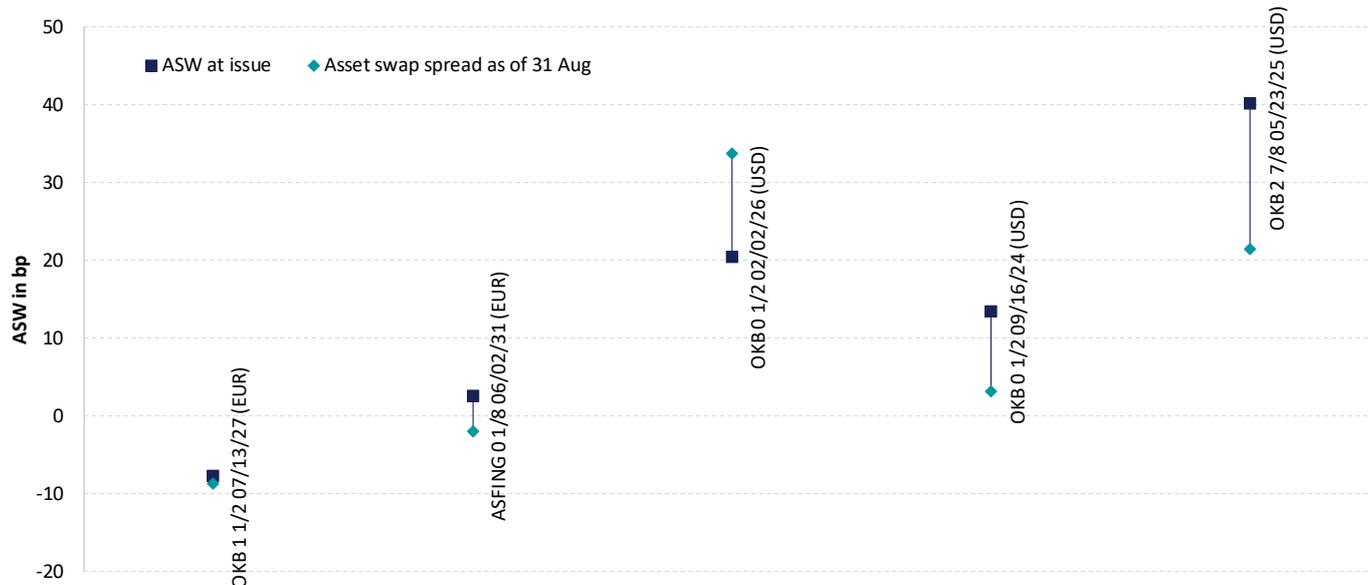
Austrian agencies – a comparison



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

Austria Primary market activities – an overview

Development of benchmark issues 2021/22 (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

Primary market activities at a stable level

The primary market funding activities of Austrian agencies total around EUR 4.7bn for 2022. However, these refinancing activities are primarily driven by Österreichische Kontrollbank, which in turn conducts a significant portion of its funding in foreign currencies. This year, ASFING expects to conduct new issuances in the amount of EUR 0.6-0.7bn in euro, which is its main currency. Moreover, the refinancing plans of ÖBB-Infrastruktur are to be exclusively managed by OeBFA – the Austrian Treasury. For this reason, further capital market activity on the part of this issuer is no longer to be expected in the future.



Österreichische Kontrollbank AG (OeKB)

Österreichische Kontrollbank (OeKB) was established in 1946 to administer export guarantees issued by the Austrian government, while OeKB's remit was also defined to include funding activities for exports. The bank's range of services has expanded considerably since then. In addition to its original tasks, OeKB now offers funding for foreign investments, capital market services for market players, energy market services for the electricity, gas and CO₂ markets, information services for decision-makers and general services for and on behalf and on account of the Republic of Austria. Additional subsidiaries have also gradually been established in which specialist segments, such as loan insurance, are combined. These were followed in 2008 by the establishment of Österreichische Entwicklungsbank (OeEB), which is the Republic of Austria's official development bank for developing countries and underlines the close relationship between OeKB and the Austrian central government. However, OeKB's ownership structure is unusual in this context: the institution, which operates under the legal form of a joint stock company (Aktiengesellschaft, AG), is 100% owned by Austrian banks, and not therefore by public-sector institutions. With a stake of 24.8%, the largest shareholder in OeKB is CABET- Holding-GmbH (part of the UniCredit Bank Austria banking group). To this extent, a direct guarantee from the Austrian government for the issuer's respective bonds is necessary from a regulatory perspective in order to ensure a 0% risk weighting in the CRR and to qualify as Level 1 assets in the LCR. OeKB bonds, which are issued under the Export Financing Guarantees Act (Ausfuhrfinanzierungsförderungsgesetzes, AFFG), are guaranteed by the Austrian state up to a total figure of EUR 40bn, with the guarantees having been continuously extended. OeKB attributes great importance to the issue of sustainability. A total of three sustainability bonds have so far been issued under its Sustainable Finance Framework with the aim of financing and promoting social and environmental projects. The bonds were issued in EUR and NOK with a term to maturity until 2027.

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

100% Austrian banks

Guarantor(s)

Austria

Liability mechanism

Explicit guarantee for bonds covered by the rules of the AFFG

Legal form

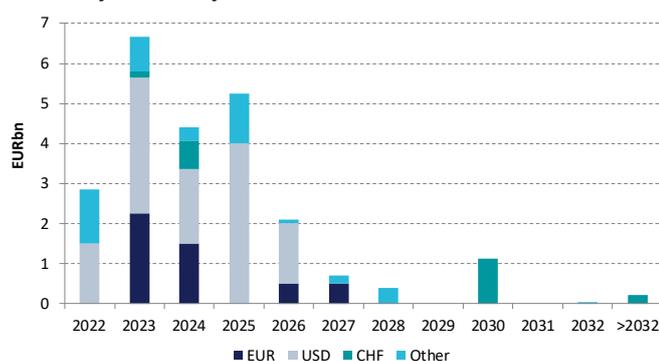
Aktiengesellschaft (AG)

Bloomberg ticker

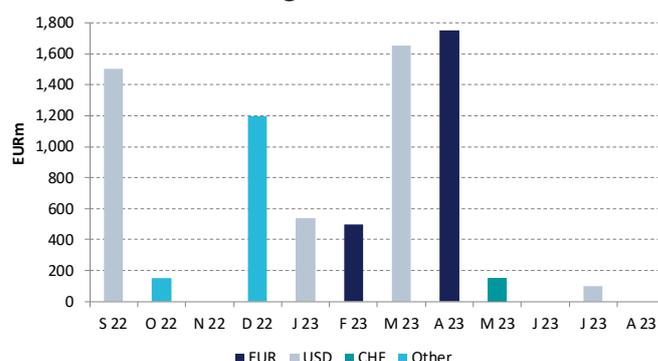
OKB

| Ratings | Long-term | Outlook |
|---------|-----------|---------|
| Fit | - | - |
| Moody's | Aa1 | stab |
| S&P | AA+ | stab |

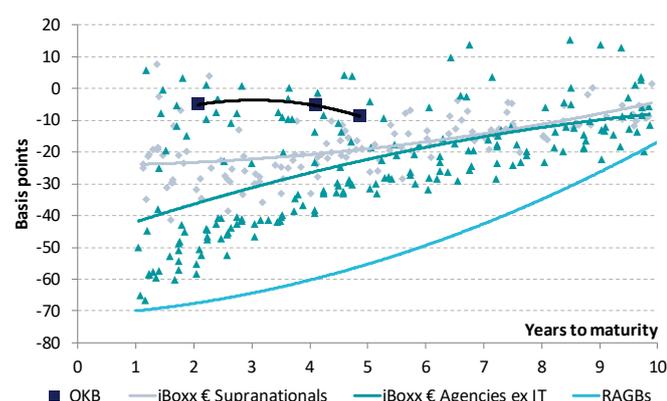
Bonds by currency



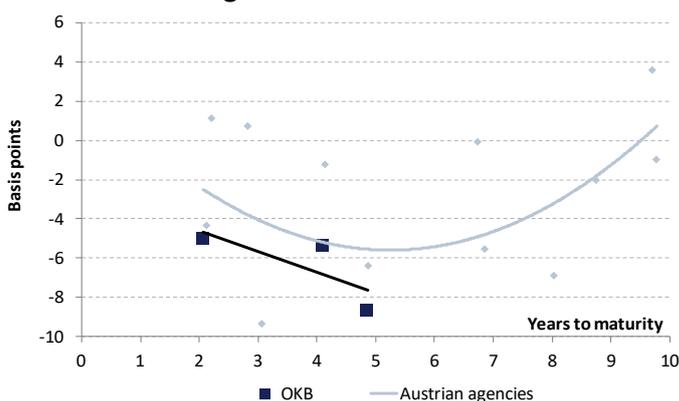
Bond amounts maturing in the next 12 months



OKB vs. iBoxx € indices & RAGBs



OKB vs. Austrian agencies



NB: Foreign currencies are converted into EUR at rates as at 31 August 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% (for bonds covered by the rules of the AFFG) | Liquidity category according to Liquidity Coverage Ratio (LCR) Level 1 | Haircut category according to ECB repo rules II | Leverage ratio/BRRD Does not apply |
|---|--|---|--|

Relative value

| | | | | | | | |
|---|--------|---------|---|--------|---------|------------------------|----------------------|
| Attractiveness vs. RAGBs (G-spread; bp)* | | | Attractiveness vs. Mid-Swap (ASW-spread; in bp)* | | | Index weighting | |
| Minimum | Median | Maximum | Minimum | Median | Maximum | iBoxx € Sub-Sovereigns | iBoxx € Public Banks |
| 49 | 64 | 82 | -9 | -5 | -5 | 0.1% | 2.1% |

Funding & ESG (EURbn/EUR equivalent)

| | | | | | | |
|--------------------|------------------------|------------------------|--|-----------------------------------|------------------------------|--------------------------|
| Target 2022 | Maturities 2022 | Net Supply 2022 | Funding instruments Benchmarks, ESG bonds, other public bonds, private placements and commercial paper | Central bank access ECB | No. of ESG bonds 3 | ESG volume 1.1 |
| 4.0 | 6.9 | -2.9 | | | | |

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 |
| 23.7 | 4.8 | 5 | 12.3 | 8 | 6.7 |

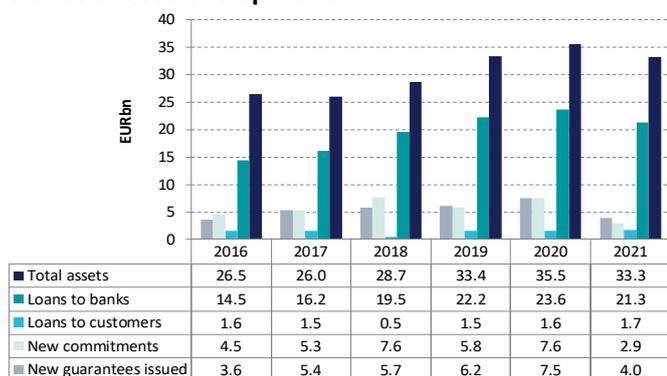
* Residual term to maturity > 1 year and < 10 years; outstanding volume at least EUR 0.5bn.

** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies converted into EUR at rates as at 31 August 2022.

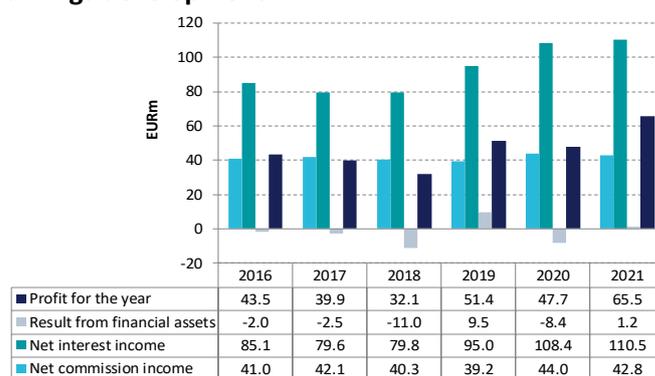
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.

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

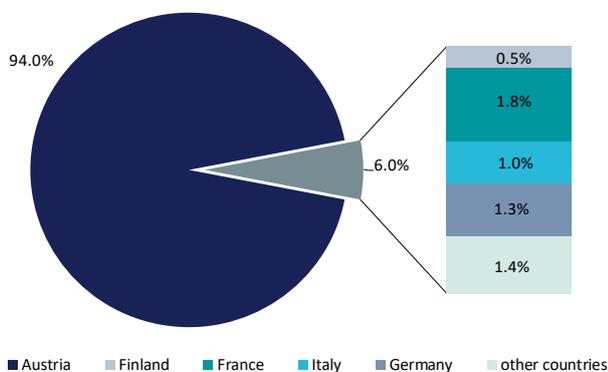
Balance sheet development



Earnings development



Country breakdown by volume of guarantees granted

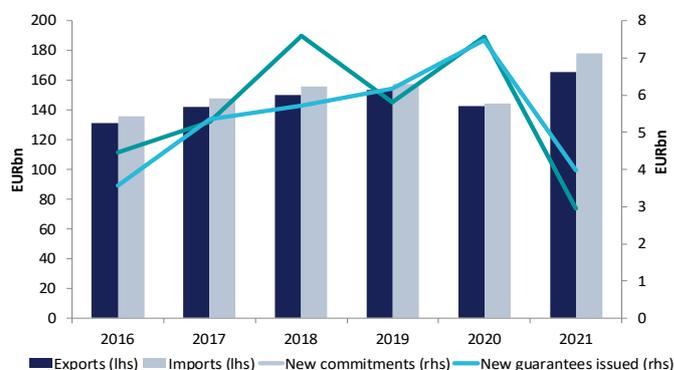


Source: OeKB, Statistics Austria, NORD/LB Markets Strategy & Floor Research

Strengths

- + Explicit guarantee under the AFFG
- + Low-risk loan portfolio
- + Major significance for the Austrian export sector

Development of Austrian imports and exports vs. new commitments



Weaknesses

- Low leverage ratio



ÖBB-Infrastruktur

Having been formed in 2009 following the merger between ÖBB-Infrastruktur Bau and ÖBB-Infrastruktur Betrieb, ÖBB-Infrastruktur is the sole owner of the Austrian railway network. The role of the company, which is integrated in the holding company of the Österreichische Bundesbahnen (ÖBB-Holding), is to manage railway infrastructure across Austria, including the planning, construction, maintenance and operation of the rail network, which covers approximately 5,000 km in Austria. According to the framework plan, an average of EUR 3.0bn is to be invested in the rail network each year until 2026, the majority of which is to be allocated to the construction of new tracks. The Brenner Base Tunnel alone (planned completion in 2032) will require investments totalling EUR 4.8bn from the Austrian side. The remit of ÖBB-Infrastruktur also includes activities in connection with energy supply and property management. The company owns nine hydro-electric power stations, eight of which are used to generate power for the railways and which cover around one third of the rail network’s energy requirements. It also leases a total of 3,786 buildings in addition to 1,038 passenger stations and other stations. The Austrian Railways Act (Bundesbahngesetz) provides the legal basis for ÖBB-Holding and ÖBB-Infrastruktur. Section 42 (2) stipulates that the government has to provide subsidies for maintenance, planning and construction. Section 42 (1) and Section 47 (1) also state that the Austrian government must pay additional subsidies if the revenues generated by ÖBB-Infrastruktur are not sufficient to cover its expenses (maintenance obligation). ÖBB-Infrastruktur, which operates under the legal form of an Aktiengesellschaft (AG: joint stock company), is wholly owned by ÖBB-Holding, which is in turn wholly owned by the Austrian government. While there is no state guarantee for ÖBB-Infrastruktur itself, the Austrian state does guarantee all bonds issued as part of the EMTN programme. Since 2017, ÖBB-Infrastruktur has been pursuing a new financing concept that is primarily based on refinancing from the Austrian government, with only ÖBB-Personenverkehr AG (part of the ÖBB Group) issuing SSDs on the capital market since this time.

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

100% ÖBB-Holding AG
(Owner: 100% Austria)

Guarantor(s)

Austria

Liability mechanism

Explicit guarantee* & maintenance obligation

Legal form

Aktiengesellschaft (AG)

Bloomberg ticker

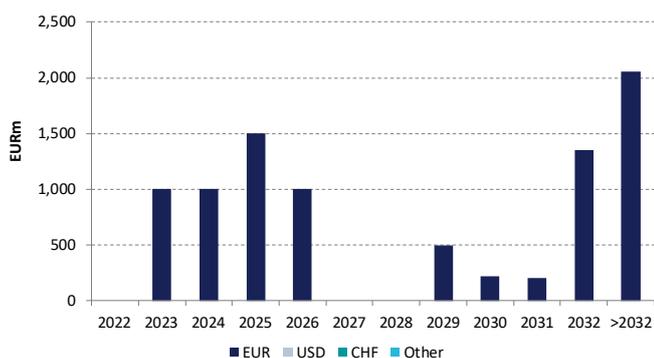
OBND

Ratings

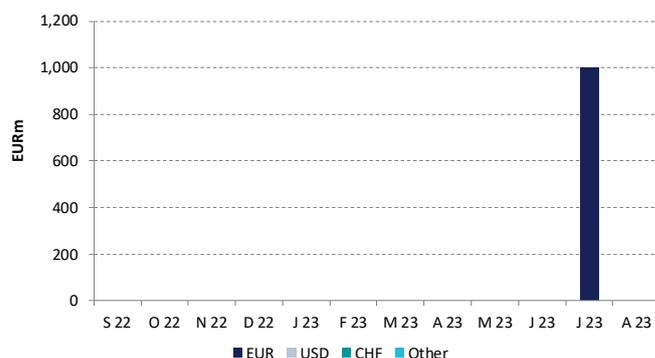
| | Long-term | Outlook |
|---------|-----------|---------|
| Fitch | - | - |
| Moody's | Aa1 | stab |
| S&P | AA+ | stab |

*Explicit guarantee for bonds issued within the framework of the EMTN programme

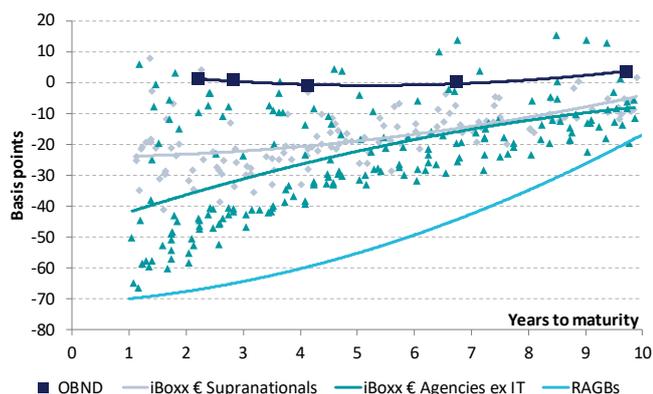
Bonds by currency



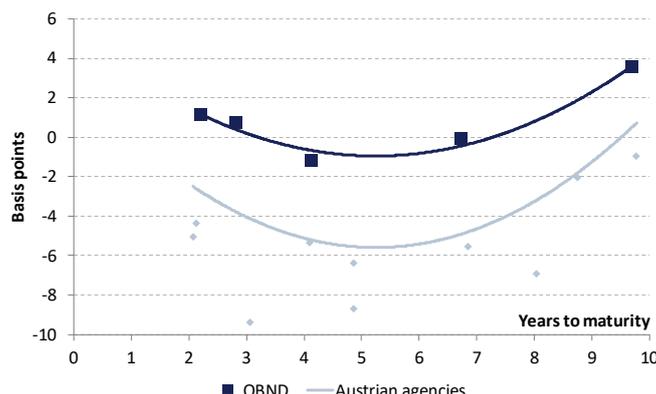
Bond amounts maturing in the next 12 months



OBND vs. iBoxx € indices & RAGBs



OBND vs. Austrian agencies



NB: Foreign currencies are converted into EUR at rates as at 31 August 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 Does not apply |
|--|--|---|--|

Relative value

| | | | | | | | |
|---|--------|---------|---|--------|---------|------------------------|------------------|
| Attractiveness vs. RAGBs (G-spread; bp)* | | | Attractiveness vs. Mid-Swap (ASW-spread; in bp)* | | | Index weighting | |
| Minimum | Median | Maximum | Minimum | Median | Maximum | iBoxx € Sub-Sovereigns | iBoxx € Agencies |
| 26 | 67 | 80 | -1 | 1 | 4 | 0.4% | 1.3% |

Funding & ESG (EURbn/EUR equivalent)

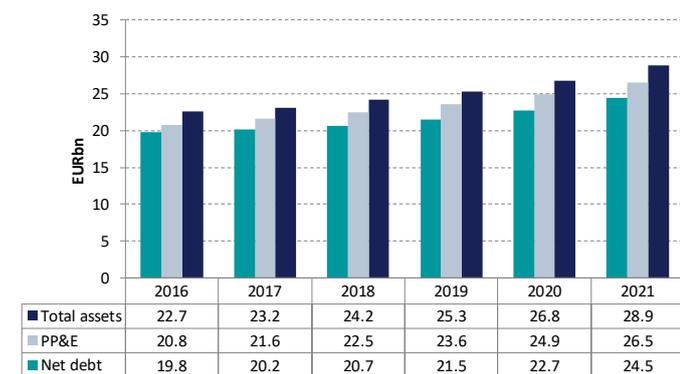
| | | | | | | |
|--------------------|------------------------|------------------------|---|----------------------------|-------------------------|-------------------|
| Target 2022 | Maturities 2022 | Net Supply 2022 | Funding instruments | Central bank access | No. of ESG bonds | ESG volume |
| 0.0 | 1.5 | -1.5 | Benchmark issues, other public bonds and private placements | - | 0 | 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 |
| 8.8 | 8.8 | 7 | 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 31 August 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, ÖBB-Infrastruktur, NORD/LB Markets Strategy & Floor Research

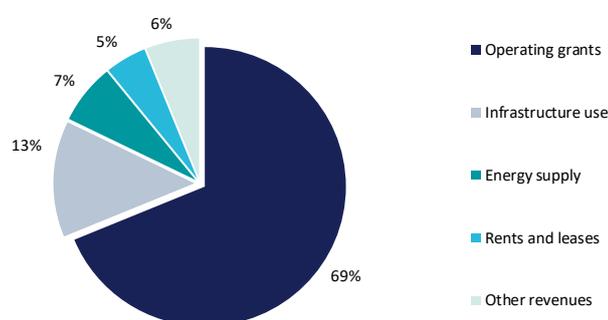
Balance sheet development



Earnings development

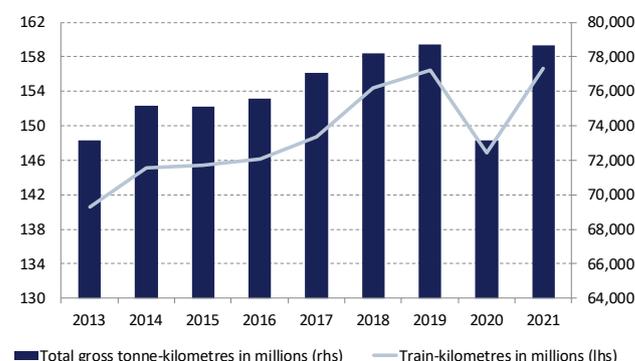


ÖBB-Infrastruktur investment planning



Source: ÖBB-Infrastruktur, NORD/LB Markets Strategy & Floor Research

Trend in Austrian rail traffic



Strengths

- + Explicit guarantee for the EMTN programme
- + High strategic significance

Weaknesses

- Dependence on government subsidies
- Substantial leverage
- No longer active on the capital market



Autobahnen- und Schnellstraßen-Finanzierungs-AG (ASFiNAG)

Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft (ASFiNAG), which was established in 1982, manages the Austrian motorway and highway network. The responsibilities of ASFiNAG include the planning, construction, maintenance, operation and financing of the road infrastructure as well as levying tolls. The road network managed by ASFiNAG covers just under 2,249km in total and is owned by the Austrian government. The latter assigned a right of usufruct to ASFiNAG in 1997, which has allowed it to charge tolls and usage fees since then. Its main activities are divided into three core areas: Planning and Construction (planning and management of construction projects), Operation (e.g. road monitoring and maintenance of roads during the winter) and Tolls (collection). The tolls and usage fees collected may only be used to construct, finance and maintain roads. In its vision statement from 2020, ASFiNAG lays out its aim to place greater importance on sustainability in particular. For example, business activities shall focus more on decarbonising the transport system, environmental protection, climate change and innovation. The company is wholly owned by the Austrian government. ASFiNAG has very close links to the Austrian government: although the road network operator issues recommendations for the amounts that should be charged for tolls and usage fees, the level of these charges is ultimately set by the Austrian government. The state is also significantly involved in planning the investment programme. The ASFiNAG Act (Article II Section 10) declares that the government must ensure, in accordance with the authorisation granted in the annual Federal Finance Act, that ASFiNAG has the funds needed to fulfil its responsibilities and to maintain liquidity and equity (maintenance obligation). The Austrian state also guarantees the bonds issued by the road network operator under the EMTN programme up to an amount of EUR 12bn.

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

100% Austria

Guarantor(s)

Austria

Liability mechanism

Explicit guarantee* & maintenance obligation

Legal form

Aktiengesellschaft (AG)

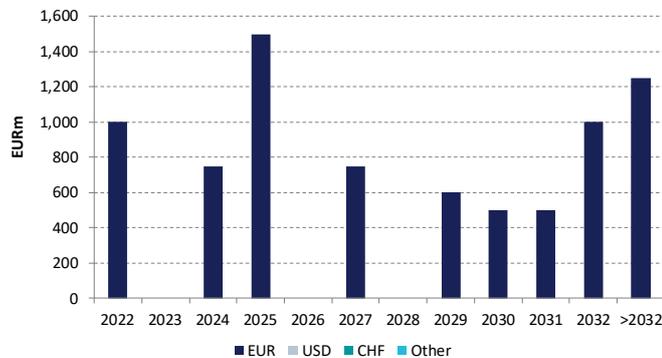
Bloomberg ticker

ASFING

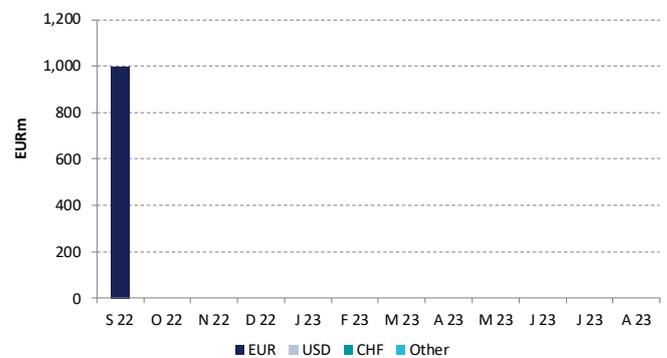
| Ratings | Long-term | Outlook |
|---------|-----------|---------|
| Fitch | - | - |
| Moody's | Aa1* | stab |
| S&P | AA+ | stab |

*Explicit guarantee for bonds issued within the framework of the EMTN programme

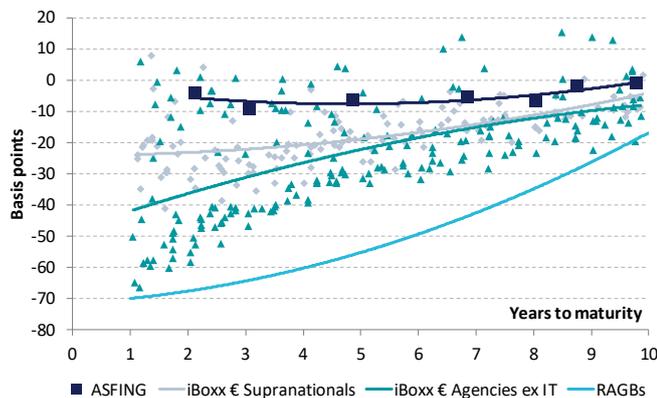
Bonds by currency



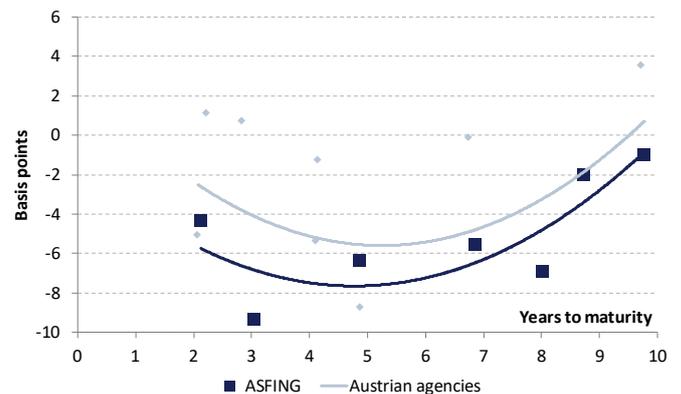
Bond amounts maturing in the next 12 months



ASFING vs. iBoxx € indices & RAGBs



ASFING vs. Austria agencies



NB: Foreign currencies are converted into EUR at rates as at 31 August 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. RAGBs (G-spread; bp)*

| Minimum | Median | Maximum |
|---------|--------|---------|
| 21 | 32 | 79 |

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

| Minimum | Median | Maximum |
|---------|--------|---------|
| -9 | -6 | -1 |

Index weighting

| iBoxx € Sub-Sovereigns | iBoxx € OSSNF |
|------------------------|---------------|
| 0.2% | 4.8% |

Funding & ESG (EURbn/EUR equivalent)

Target 2022

0.7

Maturities 2022

1.0

Net Supply 2022

-0.3

Funding instruments

Benchmarks, other public bonds, commercial paper

Central bank access

-

No. of ESG bonds

0

ESG volume

0.0

Outstanding volume (EURbn/EUR equivalent)

Total

7.9

of which in EUR

7.9

No. of EUR benchmarks**

10

of which in USD

0.0

No. of USD benchmarks**

0

of which in other currencies

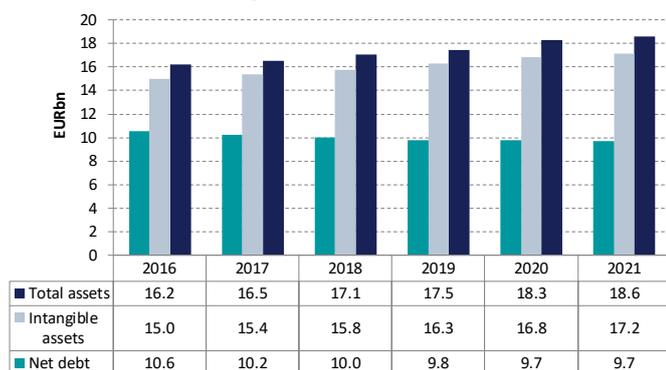
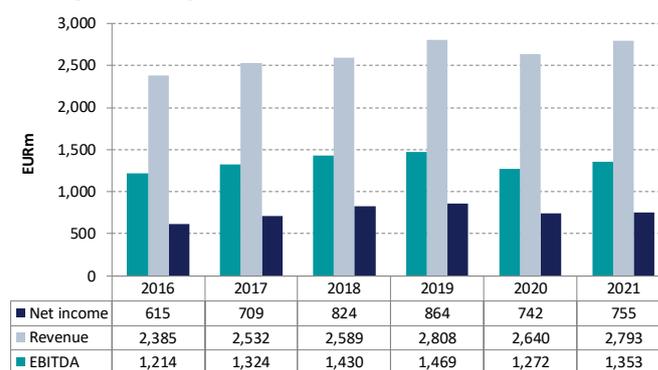
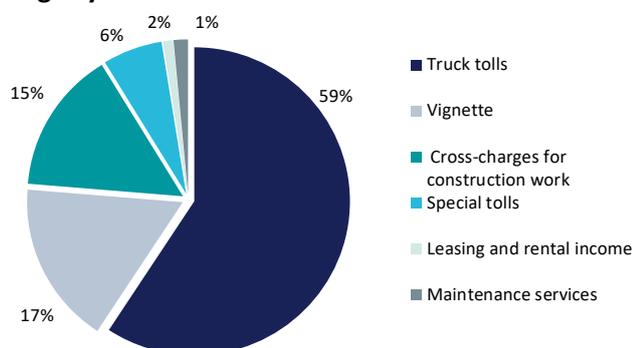
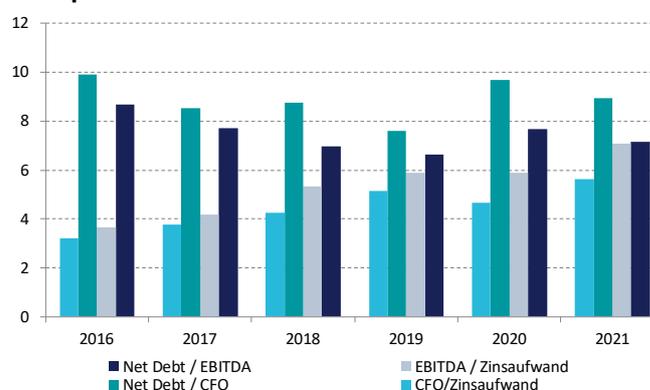
0.0

* 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 31 August 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, ASFINAG, NORD/LB Markets Strategy & Floor Research

Balance sheet development**Earnings development****Earnings by revenue source****Development of selected credit metrics**

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

Strengths

- + Explicit guarantee for the EMTN programme
- + Relatively high profitability
- + Improvement in credit metrics

Weaknesses

- Privatisation risk
- Substantial leverage

Appendix

Publication overview

Issuer Guides:

[German Agencies 2022](#)

[Dutch Agencies 2022](#)

French Agencies 2022 (tba)

Supranationals 2022 (tba)

[Issuer Guide – German Laender 2021](#)

[Issuer Guide Covered Bonds 2021](#)

SSA/Public Issuers:

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

[Spotlight on Belgian regions](#)

[Spotlight on Spanish regions](#)

Fixed Income Specials:

[ESG-Update 2022](#)

[ECB frontloads rate hike by +50bp and breaches pre-commitment](#)

[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](#)

Appendix

Contacts at NORD/LB

Markets Strategy & Floor Research



Jan-Phillipp Hensing
SSA/Public Issuers
+49 172 425 2877
jan-phillipp.hensing@nordlb.de



Dr Frederik Kunze
Covered Bonds/Banks
+49 172 354 8977
frederik.kunze@nordlb.de



Melanie Kiene, CIAA
Covered Bonds/Banks
+49 172 169 2633
melanie.kiene@nordlb.de



Dr Norman Rudschuck, CIAA
SSA/Public Issuers
+49 152 090 24094
norman.rudschuck@nordlb.de

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 |

Disclaimer

The present report (hereinafter referred to as “information”) was drawn up by NORDDEUTSCHE LANDESBANK GIROZENTRALE (NORD/LB). The supervisory authorities responsible for NORD/LB are the European Central Bank (ECB), Sonnemannstraße 20, D-60314 Frankfurt am Main, and the Federal Financial Supervisory Authority in Germany (Bundesanstalt für Finanzdienstleistungsaufsicht; BaFin), Graurheindorfer Str. 108, D-53117 Bonn and Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main. The present report and the products and services described herein have not been reviewed or approved by the relevant supervisory authority.

The present information is addressed exclusively to Recipients in Austria, Belgium, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Indonesia, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Singapore, Portugal, Spain, Sweden, Switzerland, the Republic of China (Taiwan), Thailand, the United Kingdom and Vietnam (hereinafter referred to as “Relevant Persons” or “Recipients”). The contents of the information are disclosed to the Recipients on a strictly confidential basis and, by accepting such information, the Recipients shall agree that they will not forward it to third parties, copy and/or reproduce this information without the prior written consent of NORD/LB. The present information is addressed solely to the Relevant Persons and any parties other than the Relevant Persons shall not rely on the information contained herein. In particular, neither this information nor any copy thereof shall be forwarded or transmitted to the United States of America or its territories or possessions, or distributed to any employees or affiliates of Recipients resident in these jurisdictions.

The present information does not constitute financial analysis within the meaning of Art. 36 (1) of the Delegate Regulation (EU) 2017/565, but rather represents a marketing communication for your general information within the meaning of Art. 36 (2) of this Regulation. Against this background, NORD/LB expressly points out that this information has not been prepared in accordance with legal provisions promoting the independence of investment research and is not subject to any prohibition of trading following the dissemination of investment research. Likewise, this information does not constitute an investment recommendation or investment strategy recommendation within the meaning of the Market Abuse Regulation (EU) No. 596/2014.

This report and the information contained herein have been compiled and are provided exclusively for information purposes. The present information is not intended as an investment incentive. It is provided for the Recipient’s personal information, subject to the express understanding, which shall be acknowledged by the Recipient, that it does not constitute any direct or indirect offer, recommendation, solicitation to purchase, hold or sell or to subscribe for or acquire any securities or other financial instruments nor any measure by which financial instruments might be offered or sold.

All actual details, information and statements contained herein were derived from sources considered reliable by NORD/LB. For the preparation of this information, NORD/LB uses issuer-specific financial data providers, own estimates, company information and public media. However, since these sources are not verified independently, NORD/LB cannot give any assurance as to or assume responsibility for the accuracy and completeness of the information contained herein. The opinions and prognoses given herein on the basis of these sources constitute a non-binding evaluation of the employees of the Markets Strategy & Floor Research division of NORD/ LB. Any changes in the underlying premises may have a material impact on the developments described herein. Neither NORD/LB nor its governing bodies or employees can give any assurances as to or assume any responsibility or liability for the accuracy, appropriateness and completeness of this information or for any loss of return, any indirect, consequential or other damage which may be suffered by persons relying on the information or any statements or opinions set forth in the present Report (irrespective of whether such losses are incurred due to any negligence on the part of these persons or otherwise).

Past performance is not a reliable indicator of future performance. Exchange rates, price fluctuations of the financial instruments and similar factors may have a negative impact on the value and price of and return on the financial instruments referred to herein or any instruments linked thereto. Fees and commissions apply in relation to securities (purchase, sell, custody), which reduce the return on investment. An evaluation made on the basis of the historical performance of any security does not necessarily provide an indication of its future performance.

The present information neither constitutes any investment, legal, accounting or tax advice nor any assurance that an investment or strategy is suitable or appropriate in the light of the Recipient’s individual circumstances, and nothing in this information constitutes a personal recommendation to the Recipient thereof. The securities or other financial instruments referred to herein may not be suitable for the Recipient’s personal investment strategies and objectives, financial situation or individual needs.

Moreover, the present report in whole or in part is not a sales or other prospectus. Accordingly, the information contained herein merely constitutes an overview and does not form the basis for any potential decision to buy or sell on the part of an investor. A full description of the details relating to the financial instruments or transactions which may relate to the subject matter of this report is given in the relevant (financing) documentation. To the extent that the financial instruments described herein are NORD/LB’s own issues and subject to the requirement to publish a prospectus, the conditions of issue applicable to any individual financial instrument and the relevant prospectus published with respect thereto as well NORD/LB’s relevant registration form, all of which are available for download at www.nordlb.de and may be obtained free of charge from NORD/LB, Georgsplatz 1, 30159 Hanover, shall be solely binding. Furthermore, any potential investment decision should be made exclusively on the basis of such (financing) documentation. The present information cannot replace personal advice. Before making an investment decision, each Recipient should consult an independent investment adviser for individual investment advice with respect to the appropriateness of an investment in financial instruments or investment strategies subject to this information as well as for other and more recent information on certain investment opportunities.

Each of the financial instruments referred to herein may involve substantial risks, including capital, interest, index, currency and credit risks in addition to political, fair value, commodity and market risks. The financial instruments could experience a sudden and substantial deterioration in value, including a total loss of the capital invested. Each transaction should only be entered into on the basis of the relevant investor’s assessment of his or her individual financial situation as well as of the suitability and risks of the investment.

NORD/LB and its affiliated companies may participate in transactions involving the financial instruments described in the present information or their underlying basis values for their own account or for the account of third parties, may issue other financial instruments with the same or similar features as those of the financial instruments presented in this information and may conduct hedging transactions to hedge positions. These measures may affect the price of the financial instruments described in the present information.

If the financial instruments presented in this information are derivatives, they may, depending on their structure, have an initial negative market value from the customer's perspective at the time the transaction is concluded. NORD/LB further reserves the right to transfer its economic risk from a derivative concluded with it to a third party on the market by means of a mirror-image counter transaction.

More detailed information on any commission payments which may be included in the selling price can be found in the "Customer Information on Securities Business" brochure, which is available to download at www.nordlb.de.

The information contained in the present report replaces all previous versions of corresponding information and refers exclusively to the time of preparation of the information. Future versions of this information will replace this version. NORD/LB is under no obligation to update and/or regularly review the data contained in such information. No guarantee can therefore be given that the information is up-to-date and continues to be correct.

By making use of this information, the Recipient shall accept the terms and conditions outlined above.

NORD/LB is a member of the protection scheme of Deutsche Sparkassen-Finanzgruppe. Further information for the Recipient is indicated in clause 28 of the General Terms and Conditions of NORD/LB or at www.dsgv.de/sicherungssystem.

Additional information for Recipients in Australia:

NORD/LB IS NOT A BANK OR DEPOSIT TAKING INSTITUTION AUTHORISED UNDER THE 1959 BANKING ACT OF AUSTRALIA. IT IS NOT SUPERVISED BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY. NORD/LB does not provide personal advice with this information and does not take into account the objectives, financial situation or needs of the Recipient (other than for the purpose of combating money laundering).

Additional information for Recipients in Austria:

None of the information contained herein constitutes a solicitation or offer by NORD/LB or its affiliates to buy or sell any securities, futures, options or other financial instruments or to participate in any other strategy. Only the published prospectus pursuant to the Austrian Capital Market Act should be the basis for any investment decision of the Recipient. For regulatory reasons, products mentioned herein may not be on offer in Austria and therefore not available to investors in Austria. Therefore, NORD/LB may not be able to sell or issue these products, nor shall it accept any request to sell or issue these products to investors located in Austria or to intermediaries acting on behalf of any such investors.

Additional information for Recipients in Belgium:

Evaluations of individual financial instruments on the basis of past performance are not necessarily indicative of future results. It should be noted that the reported figures relate to past years.

Additional information for Recipients in Canada:

This report has been prepared solely for information purposes in connection with the products it describes and should not, under any circumstances, be construed as a public offer or any other offer (direct or indirect) to buy or sell securities in any province or territory of Canada. No financial market authority or similar regulatory body in Canada has made any assessment of these securities or reviewed this information and any statement to the contrary constitutes an offence. Potential selling restrictions may be included in the prospectus or other documentation relating to the relevant product.

Additional information for Recipients in Cyprus:

This information constitutes an analysis within the meaning of the section on definitions of the Cyprus Directive D1444-2007-01 (No. 426/07). Furthermore, this information is provided for information and promotional purposes only and does not constitute an individual invitation or offer to sell, buy or subscribe to any investment product.

Additional information for Recipients in the Czech Republic:

There is no guarantee that the invested amount will be recouped. Past returns are no guarantee of future results. The value of the investments may rise or fall. The information contained herein is provided on a non-binding basis only and the author does not guarantee the accuracy of the content.

Additional information for Recipients in Denmark:

This Information does not constitute a prospectus under Danish securities law and consequently is not required to be, nor has been filed with or approved by the Danish Financial Supervisory Authority, as this Information either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

Additional information for Recipients in Estonia:

It is advisable to closely examine all the terms and conditions of the services provided by NORD/LB. If necessary, Recipients of this information should consult an expert.

Additional information for Recipients in Finland:

The financial products described herein may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, in the case of shares, such shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act (746/2012, as amended). The value of investments may go up or down. There is no guarantee of recouping the amount invested. Past performance is no guarantee of future results.

Additional information for Recipients in France:

NORD/LB is partially regulated by the “Autorité des Marchés Financiers” for the conduct of French business. Details concerning the extent of our regulation by the respective authorities are available from us on request. The present information does not constitute an analysis within the meaning of Article 24 (1) Directive 2006/73/EC, Article L.544-1 and R.621-30-1 of the French Monetary and Financial Code, but does represent a marketing communication and does qualify as a recommendation pursuant to Directive 2003/6/EC and Directive 2003/125/EC.

Additional information for Recipients in Greece:

The information contained herein gives the view of the author at the time of publication and may not be used by its Recipient without first having confirmed that it remains accurate and up to date at the time of its use. Past performance, simulations or forecasts are therefore not a reliable indicator of future results. Investment funds have no guaranteed performance and past returns do not guarantee future performance.

Additional information for Recipients in Indonesia:

This report contains generic information and has not been tailored to the circumstances of any individual or specific Recipient. This information is part of NORD/LB's marketing material.

Additional information for Recipients in the Republic of Ireland:

This information has not been prepared in accordance with Directive (EU) 2017/1129 (as amended) on prospectuses (the “Prospectus Directive”) or any measures made under the Prospectus Directive or the laws of any Member State or EEA treaty adherent state that implement the Prospectus Directive or such measures and therefore may not contain all the information required for a document prepared in accordance with the Prospectus Directive or the laws.

Additional information for Recipients in Japan:

This information is provided to you for information purposes only and does not constitute an offer or solicitation of an offer to enter into securities transactions or commodity futures transactions. Although the actual data and information contained herein has been obtained from sources which we believe to be reliable and trustworthy, we are unable to vouch for the accuracy and completeness of this actual data and information.

Additional information for Recipients in South Korea:

This information has been provided to you free of charge for information purposes only. The information contained herein is factual and does not reflect any opinion or judgement of NORD/LB. The information contained herein should not be construed as an offer, marketing, solicitation to submit an offer or investment advice with respect to the financial investment products described herein.

Additional information for Recipients in Luxembourg:

Under no circumstances shall the present information constitute an offer to purchase or issue or the solicitation to submit an offer to buy or subscribe for financial instruments and financial services in Luxembourg.

Additional information for Recipients in New Zealand:

NORD/LB is not a bank registered in New Zealand. This information is for general information only. It does not take into account the Recipient's financial situation or objectives and is not a personalised financial advisory service under the 2008 Financial Advisers Act.

Additional information for Recipients in the Netherlands:

The value of your investment may fluctuate. Past performance is no guarantee for the future.

Additional information for Recipients in Poland:

This information does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers thereof dated 19 October 2005.

Additional information for Recipients in Portugal:

This information is intended only for institutional clients and may not be (i) used by, (ii) copied by any means or (iii) distributed to any other kind of investor, in particular not to retail clients. The present information does not constitute or form part of an offer to buy or sell any of the securities covered by the report, nor should it be understood as a request to buy or sell securities where that practice may be deemed unlawful. The information contained herein is based on information obtained from sources which we believe to be reliable, but is not guaranteed as to accuracy or completeness. Unless otherwise stated, all views contained herein relate solely to our research and analysis and are subject to change without notice.

Additional information for Recipients in Sweden:

This information does not constitute (or form part of) a prospectus, offering memorandum, any other offer or solicitation to acquire, sell, subscribe for or otherwise trade in shares, subscription rights or other securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The present information has not been approved by any regulatory authority. Any offer of securities will only be made pursuant to an applicable prospectus exemption under the EC Prospectus Directive (Directive (EU) 2017/1129), and no offer of securities is being directed to any person or investor in any jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, other offer documentation, registrations or other actions.

Additional information for Recipients in Switzerland:

This information has not been approved by the Federal Banking Commission (merged into the Swiss Financial Market Supervisory Authority (FINMA) on 1 January 2009). NORD/LB will comply with the Directives of the Swiss Bankers Association on the Independence of Financial Research (as amended). The present information does not constitute an issuing prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. The information is published solely for the purpose of information on the products mentioned herein. The products do not qualify as units of a collective investment scheme pursuant to the Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to supervision by FINMA.

Additional information for Recipients in the Republic of China (Taiwan):

This information is provided for general information only and does not take into account the individual interests or requirements, financial status and investment objectives of any specific investor. Nothing herein should be construed as a recommendation or advice for you to subscribe to a particular investment product. You should not rely solely on the information provided herein when making your investment decisions. When considering any investment, you should endeavour to make your own independent assessment and determination on whether the investment is suitable for your needs and seek your own professional financial and legal advice. NORD/LB has taken all reasonable care in producing this report and trusts that the information is reliable and suitable for your situation at the date of publication or delivery. However, no guarantee of accuracy or completeness is given. To the extent that NORD/LB has exercised the due care of a good administrator, we accept no responsibility for any errors, omissions, or misstatements in the information given. NORD/LB does not guarantee any investment results and does not guarantee that the strategies employed will improve investment performance or achieve your investment objectives.

Information for Recipients in the United Kingdom:

NORD/LB is subject to partial regulation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Details of the scope of regulation by the FCA and the PRA are available from NORD/LB on request. The present information is "financial promotion". Recipients in the United Kingdom should contact the London office of NORD/LB, Investment Banking Department, telephone: 0044 / 2079725400, in the event of any queries. An investment in financial instruments referred to herein may expose the investor to a significant risk of losing all the capital invested.

Time of going to press: Wednesday, 31 August 2022 (15:59h)