

The Sub-Sovereigns & Agencies Chartbook

SSA Credit Research – Valentina Stadler & Amey Dyckmans

15 July 2013

CIB CORE CLIENT OFFER

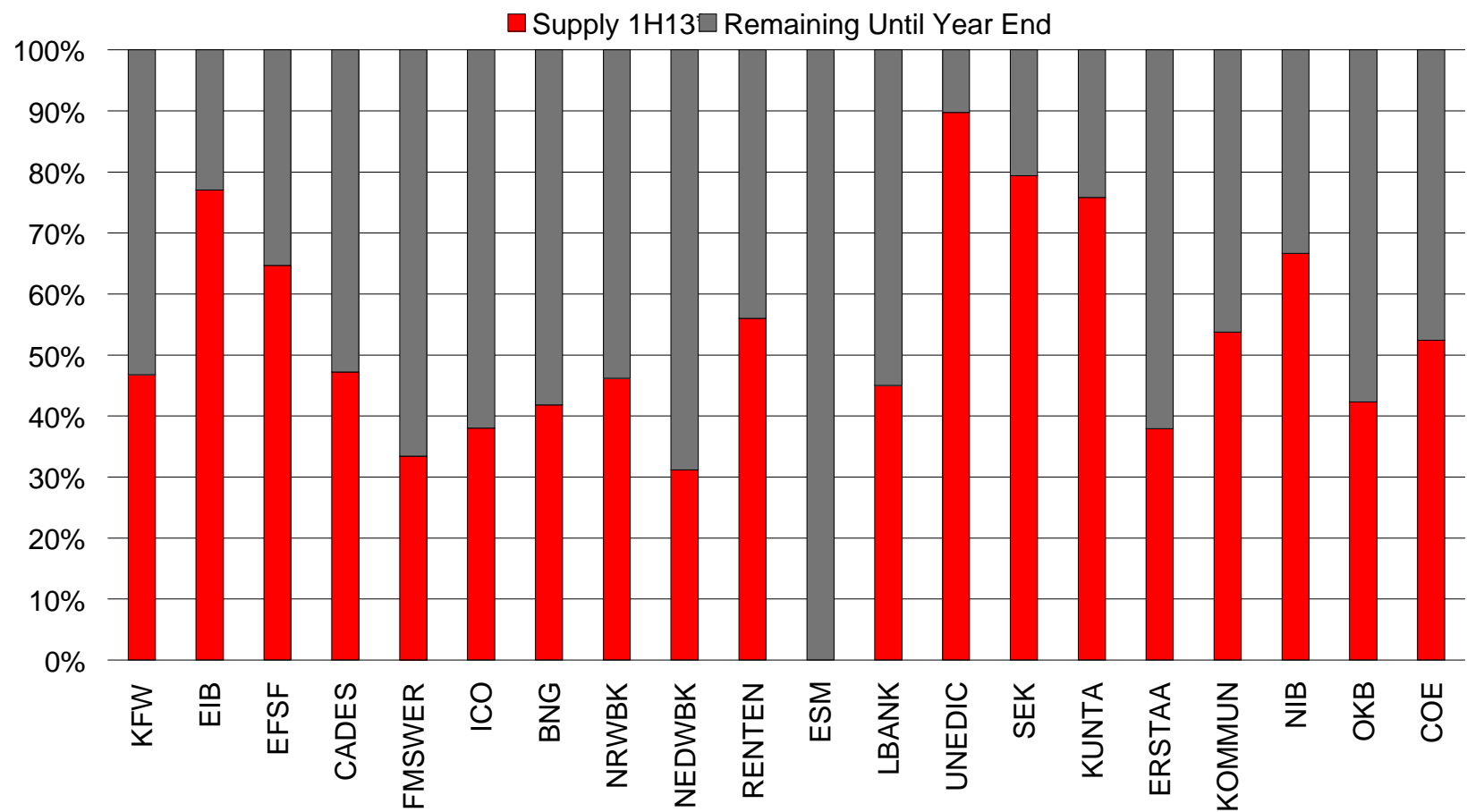
1. Corporate Banking and Transaction Services
2. Structured Finance, Capital Markets and Investment Products
3. Access to Western, Central and Eastern Europe

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- Market Structure
- Spread Landscape
- Maturity Profiles
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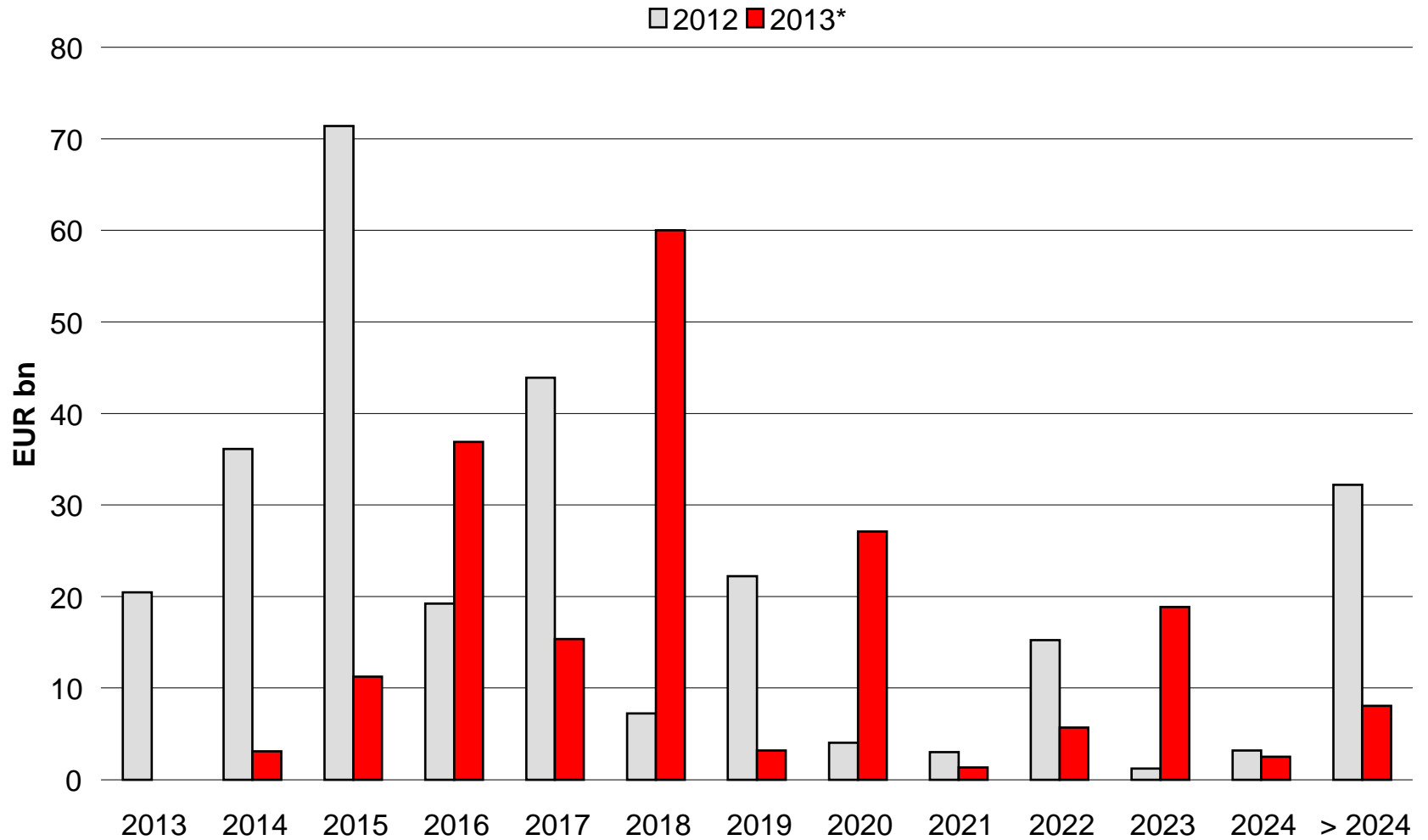
- **Special feature:** Supply wrap-up of the major European agencies and supranationals at the end of 1H13

Supply progress at the end of 1H13 (agencies & supras)



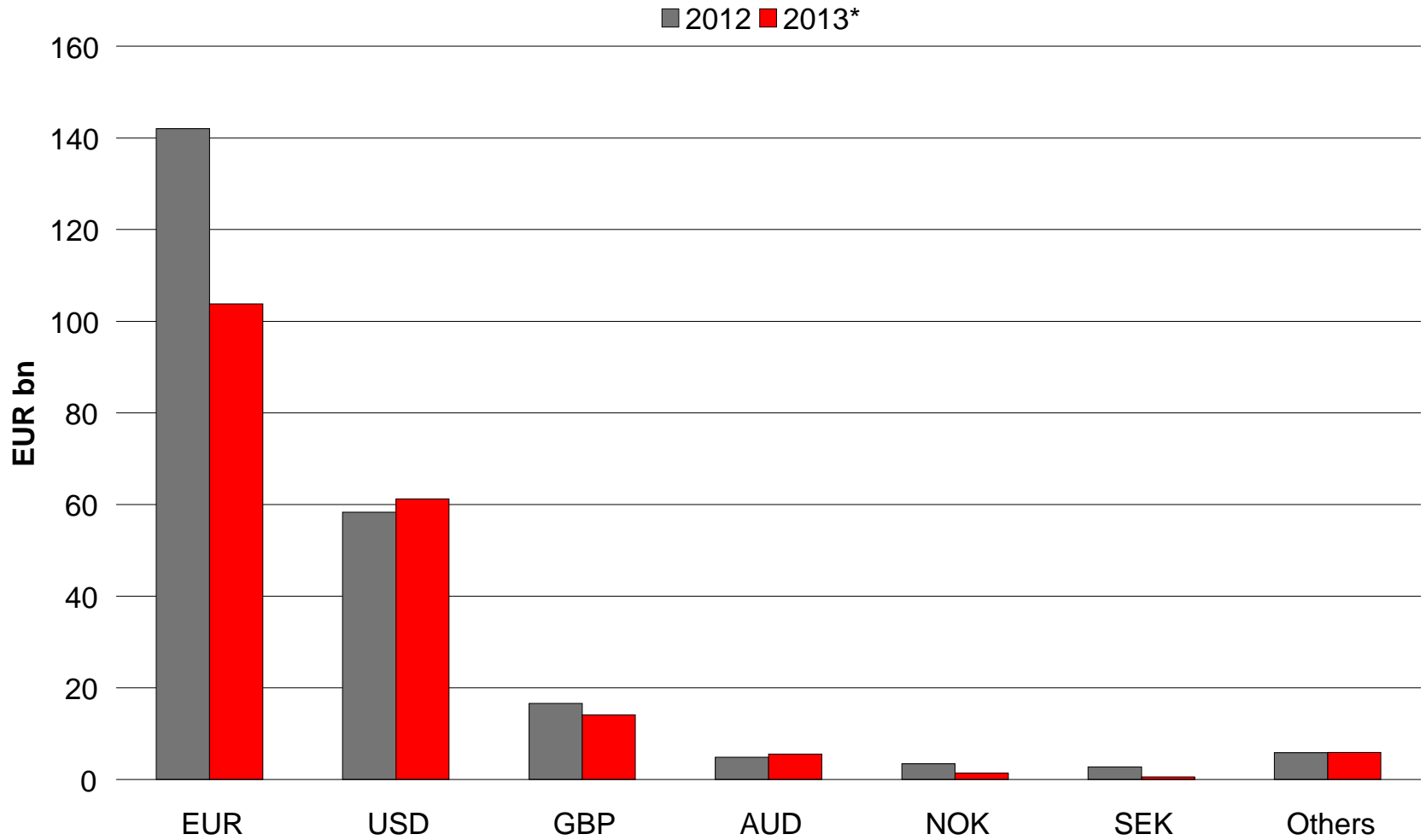
* Based on the original funding target of KFW (EUR 70-75bn), which was lowered to EUR 65-70bn on 8 July 2013. Source: Dealogic, UniCredit Research

Supply by maturities at the end of June (agencies & supras)



* Based on the original funding target of KfW (EUR 70-75bn), which was lowered to EUR 65-70bn on 8 July 2013. Source: Dealogic, UniCredit Research

Supply by currency at the end of June (agencies & supras)



* Based on the original funding target of KfW (EUR 70-75bn), which was lowered to EUR 65-70bn on 8 July 2013. Source: Dealogic, UniCredit Research

Funding targets & supply at the end of 1H (agencies & supras)

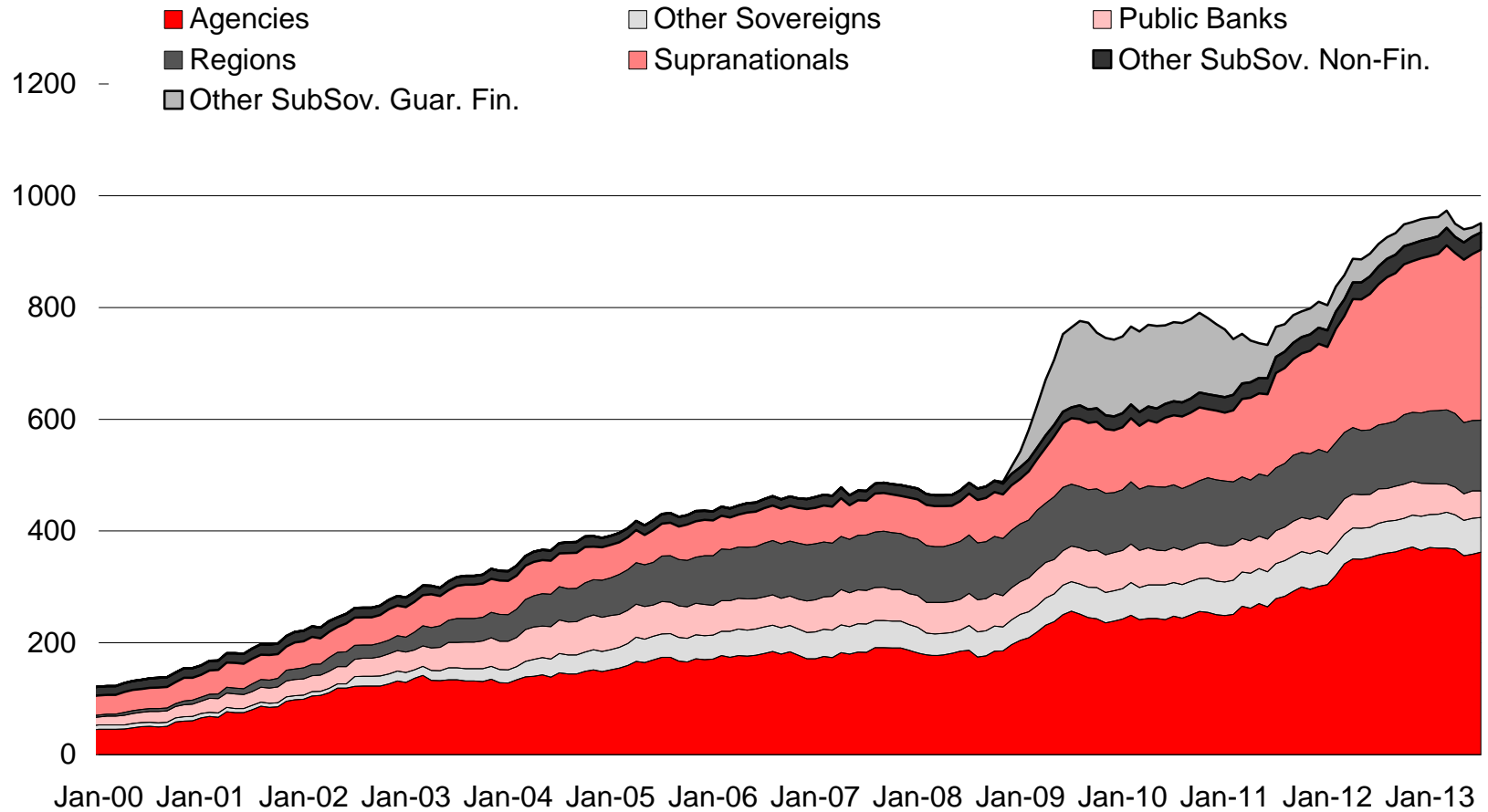
Issuer	Funding target 2013*	Funding target 2012	Supply YTD 2013	Supply 1H13 2012	Supply YTD % 2013*	Supply 1H13 % 2012	Supply 2H13*
KFW	70-75	78	35	50	47%	65%	40
EIB	70	71	54	47	77%	66%	16
EFSF	58	45	38	18	65%	40%	21
CADES	20	30	9	26	47%	88%	11
FMSWER	15	30	5	20	33%	66%	10
ICO	14-15	19	6	13	38%	87%	9
BNG	15	15	6	9	42%	53%	9
NRWBK	10-13	13	6	11	46%	77%	7
NEDWBK	10	12	3	8	31%	63%	7
RENTEN	10	10	6	6	56%	63%	4
ESM	9	--	0	--	0%	--	9
LBANK	7-10	9	4.5	3	50%	37%	5
UNEDIC	5	7	4	7	90%	93%	1
SEK	7	6	6	4	79%	58%	1
KUNTA	9.5	6	7	5	76%	82%	2
ERSTAA	5	26	2	20	38%	77%	3
KOMMUN	7-8	4.5	4	3	54%	58%	4
NIB	4.5	3	3	2	67%	63%	2
OKB	4	4	2	3	42%	75%	2
COE	4	4	2	3	52%	75%	2
EU	0	16	0.05	13	16%	81%	0.2
Total	366	410	201	256	55%	63%	165

* Based on the original funding target of KFW (EUR 70-75bn), which was lowered to EUR 65-70bn on 8 July 2013. Source: Issuer, Dealogic, UniCredit Research

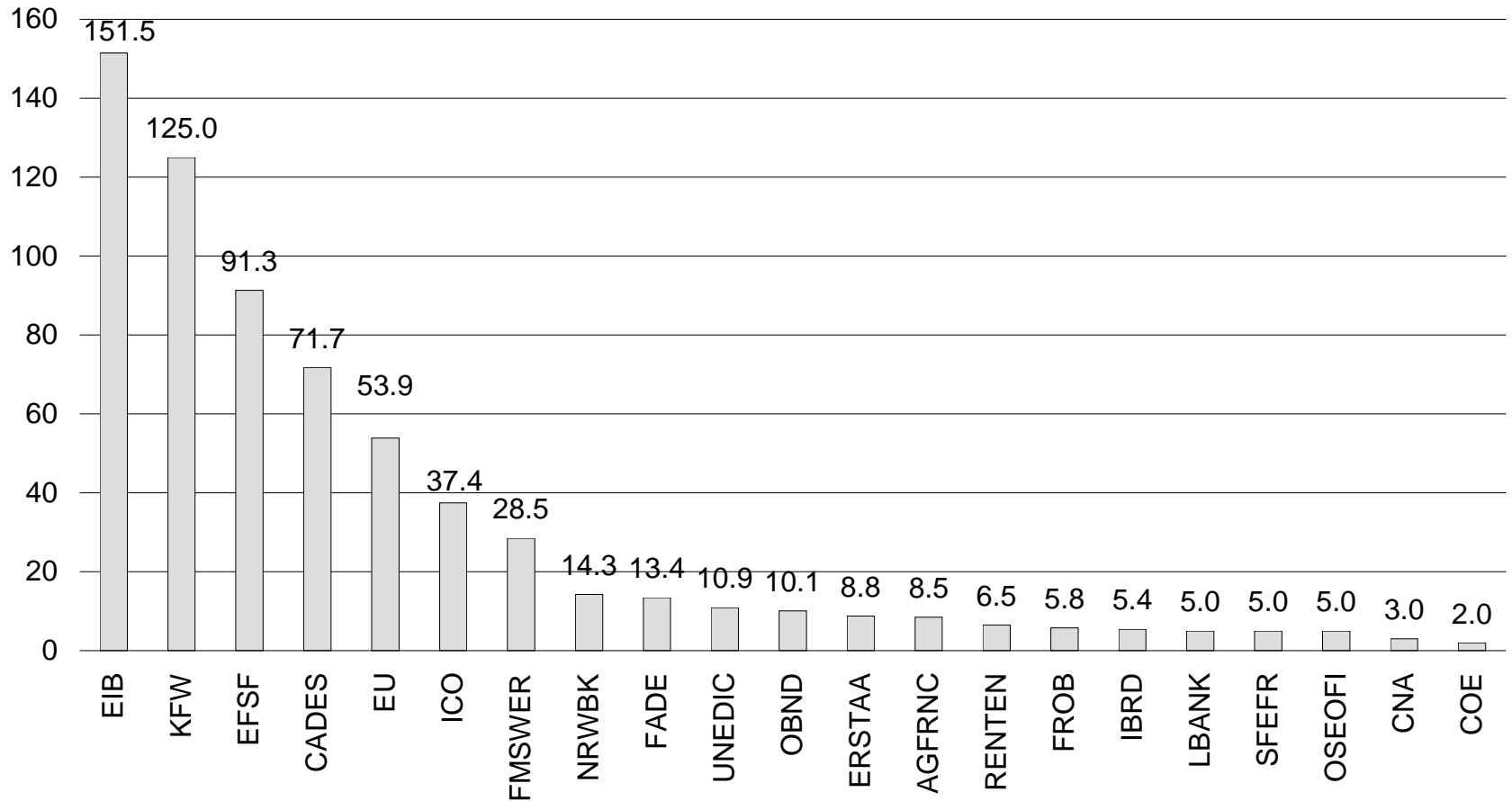
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Overall Outstanding Volumes* (EUR bn)

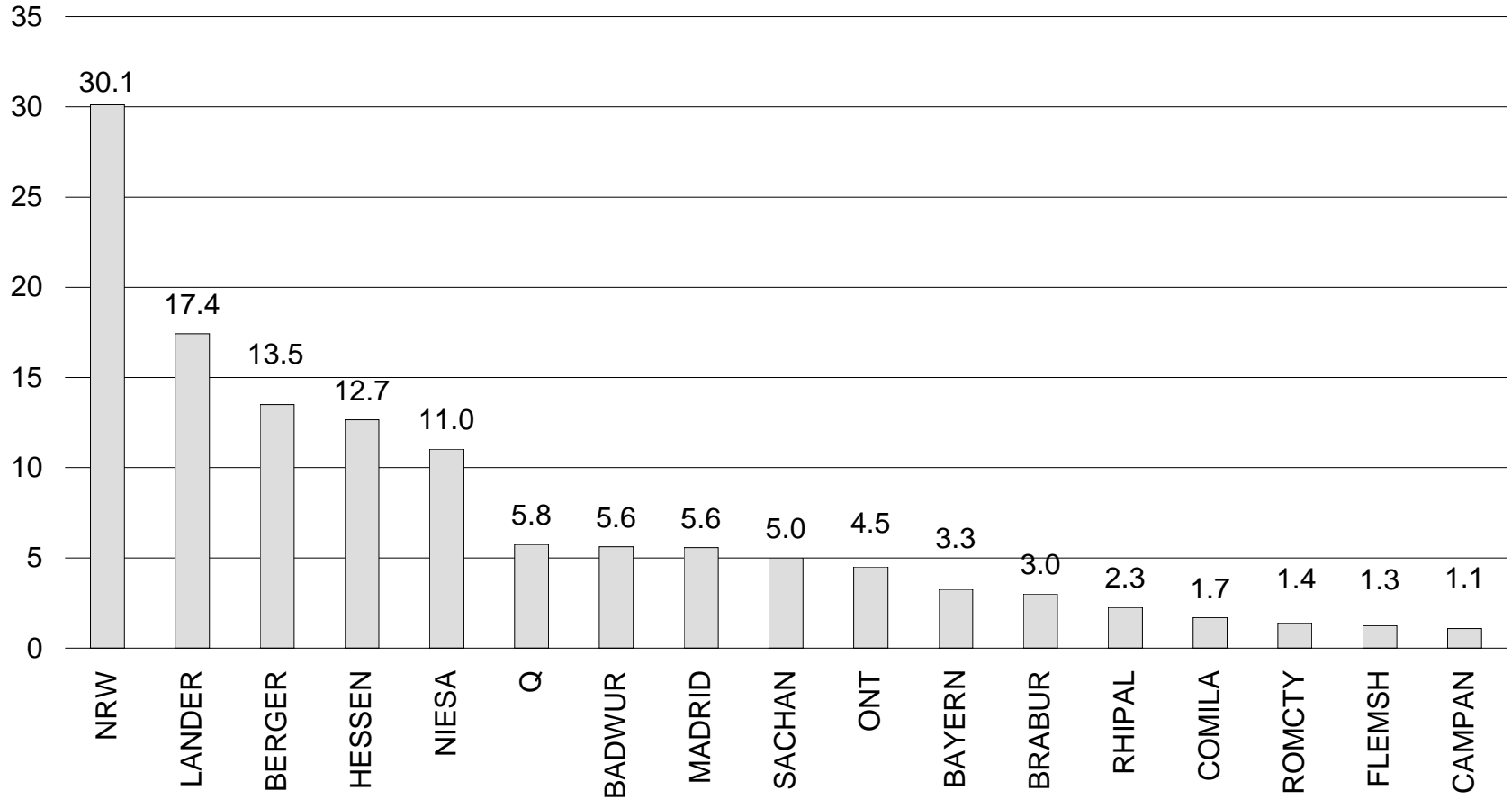


Outstanding Volumes* by Issuer: Agencies/Supras (EUR bn)

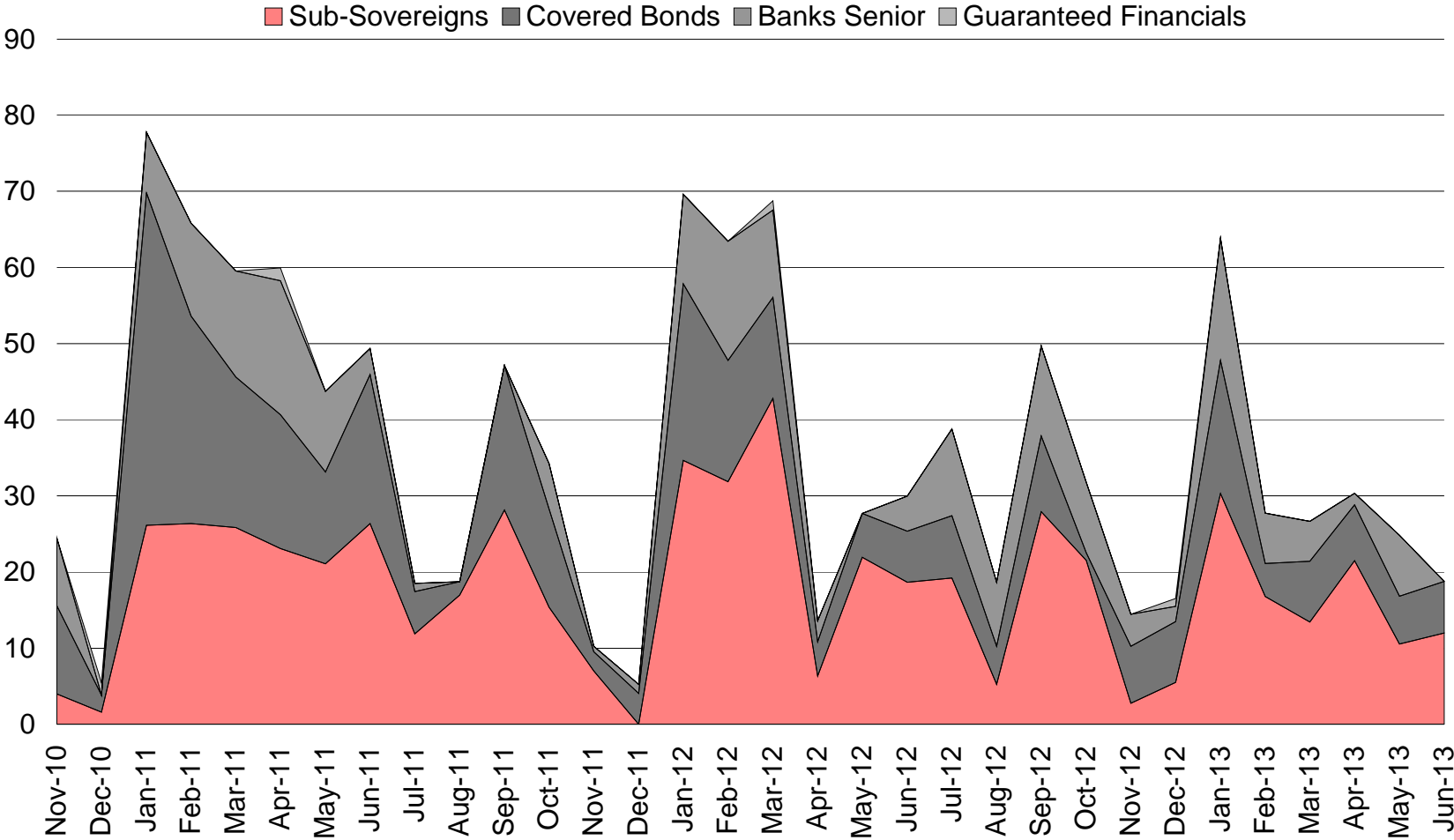


*Figures are based on iBoxx data, i.e. inclusion criteria for iBoxx: minimum outstanding of EUR 1bn; minimum time to maturity of one year; EUR-denomination;
Source: iBoxx, UniCredit Research

Outstanding Volumes* by Issuer: Regions (EUR bn)

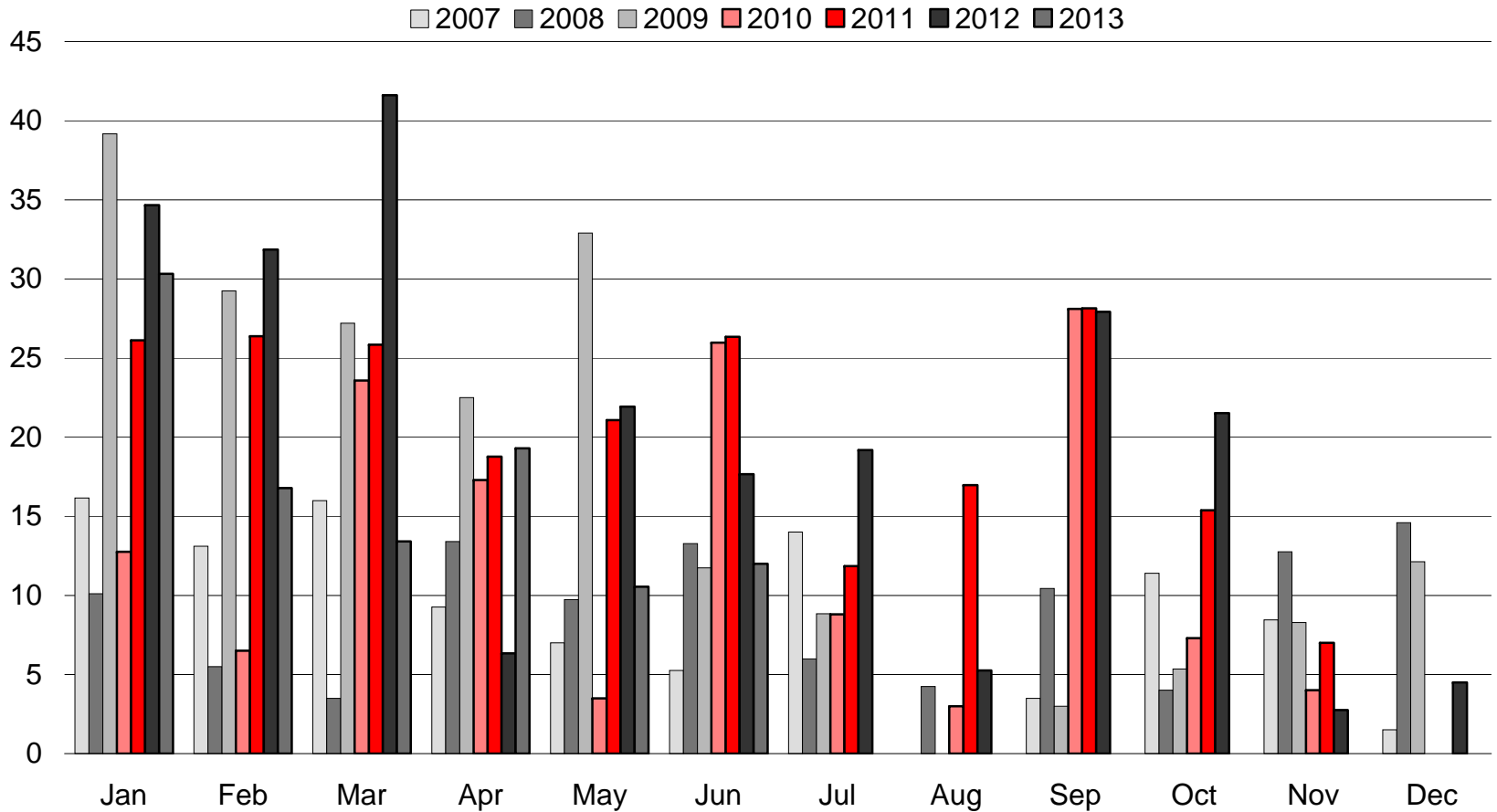


Monthly Issuance by Sector* (EUR bn)

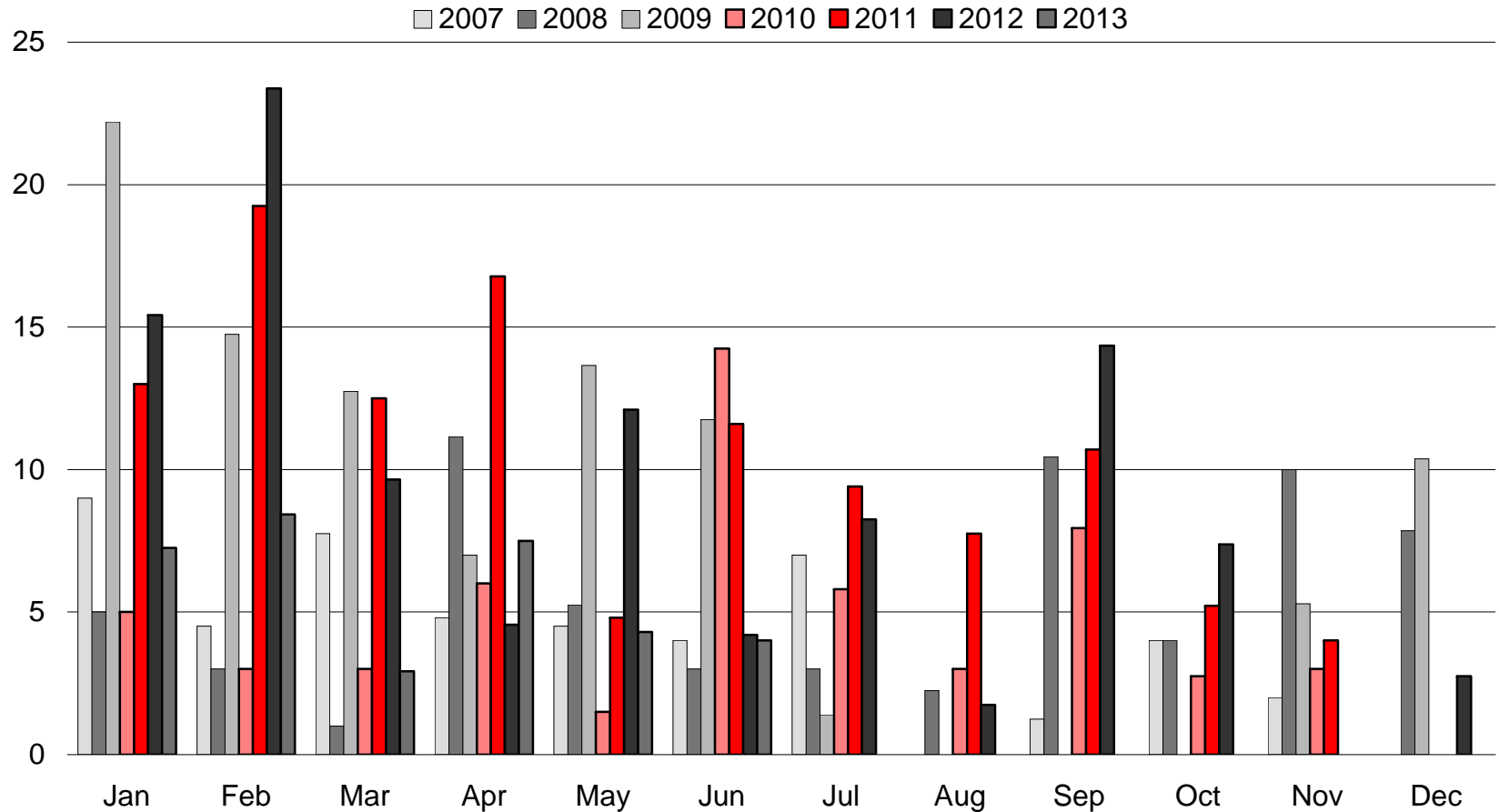


*Figures are based on iBoxx data, i.e. inclusion criteria for iBoxx: minimum outstanding of EUR 1bn; minimum time to maturity of one year; EUR-denomination;
Source: iBoxx, UniCredit Research

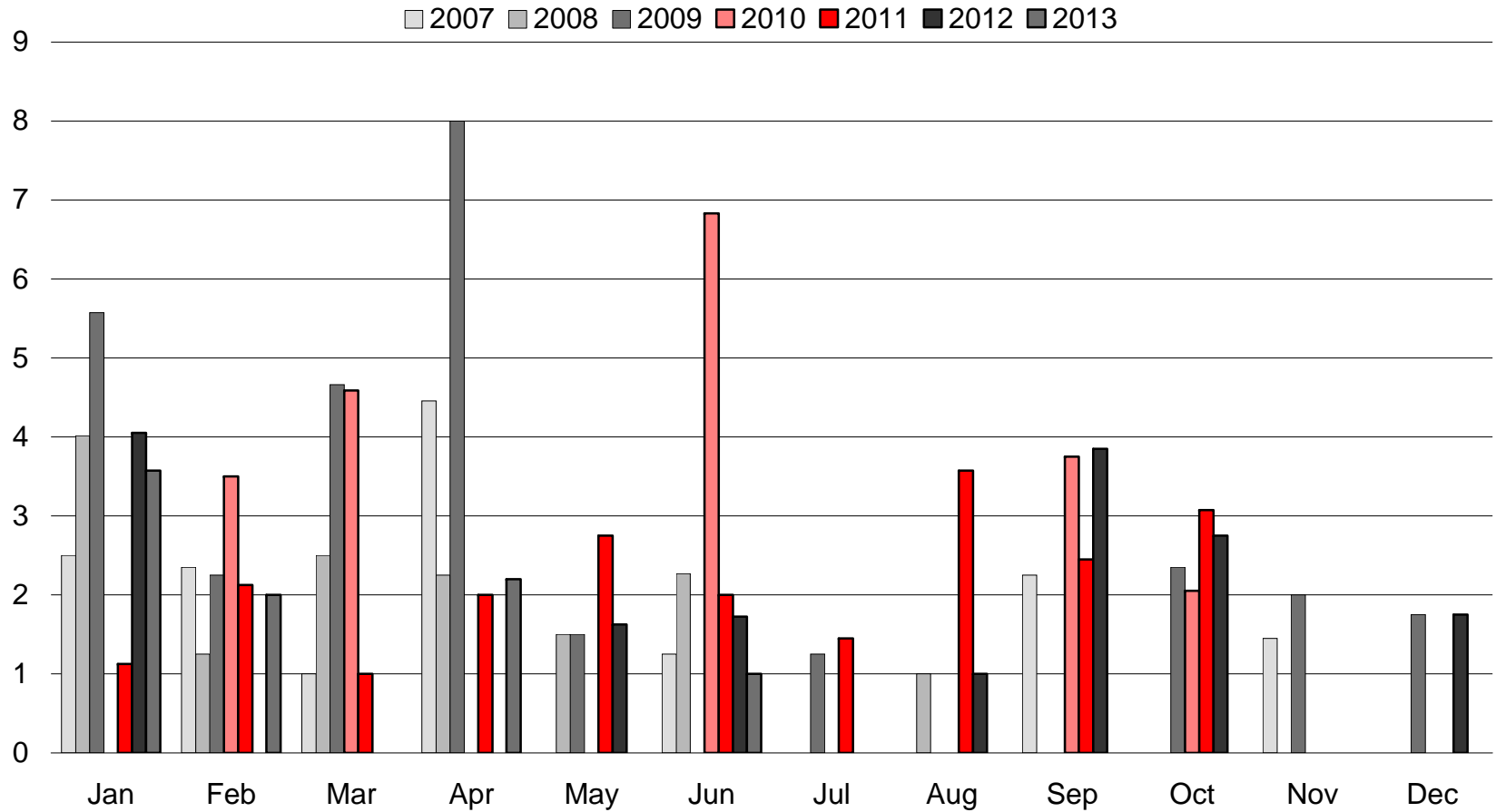
Monthly Supply Volumes (iBoxx Sub-Sovereign Index, EUR bn)



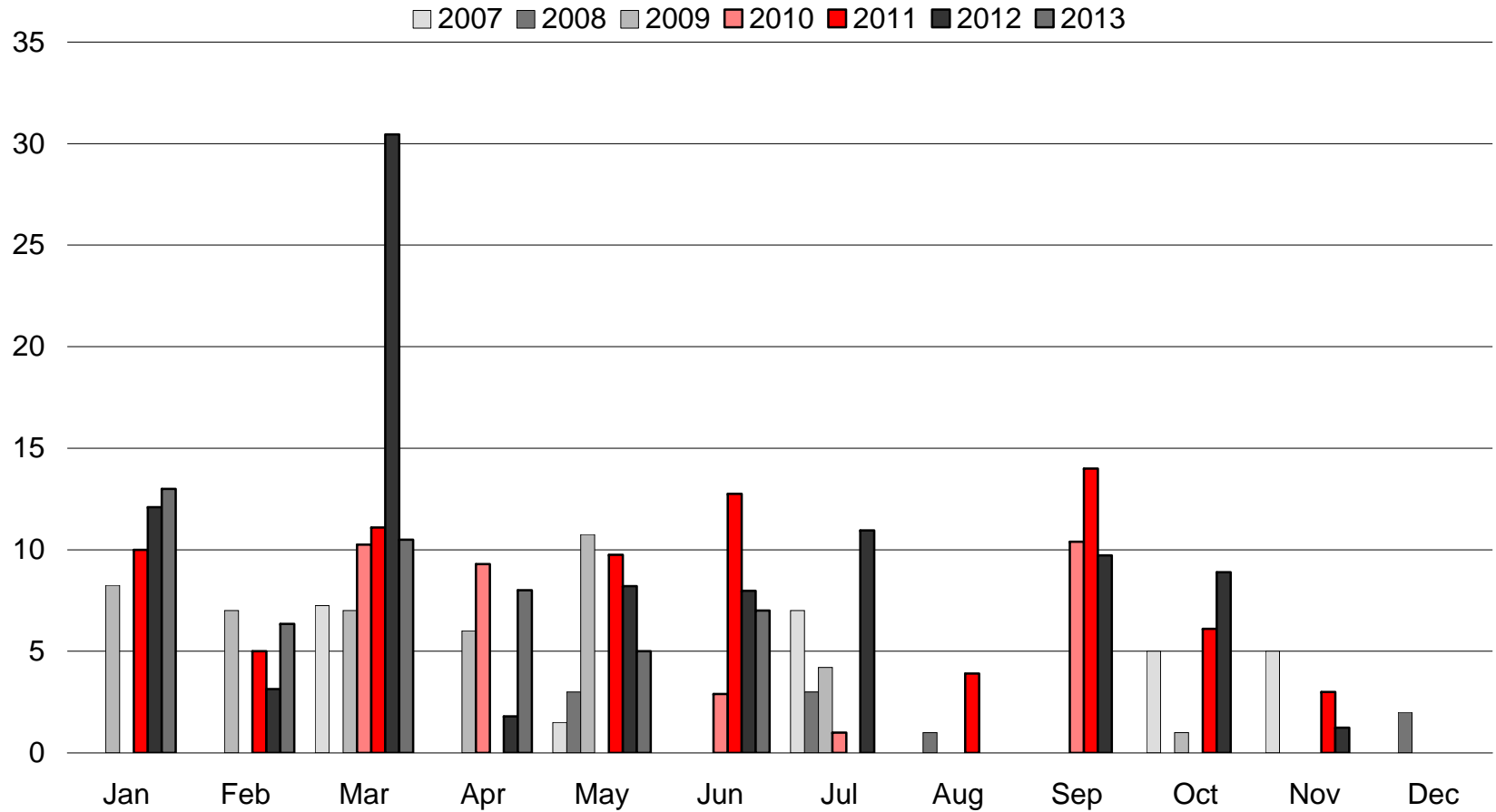
Monthly Supply Volumes (iBoxx Agencies Index, EUR bn)



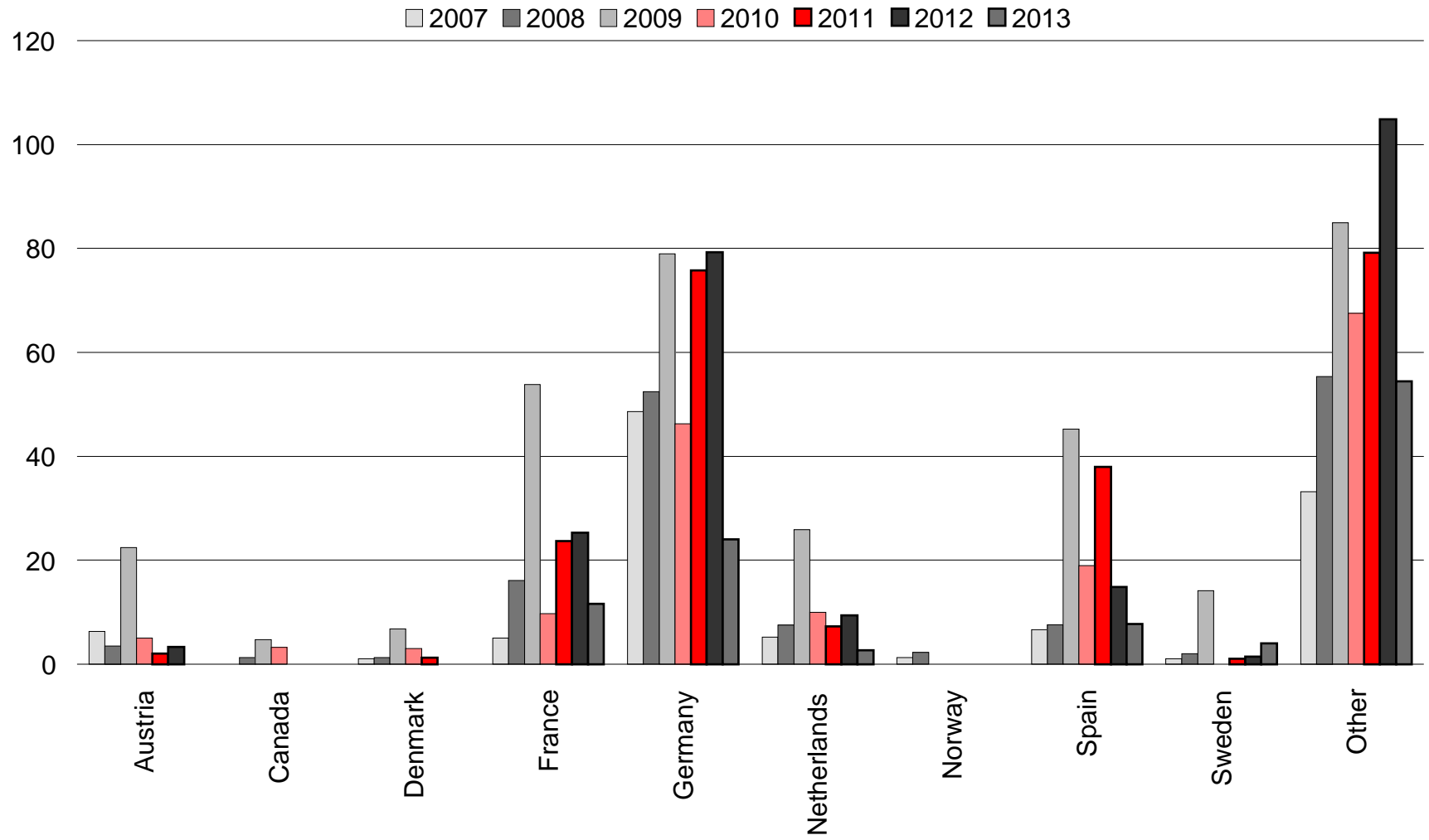
Monthly Supply Volumes (iBoxx Regions Index, EUR bn)



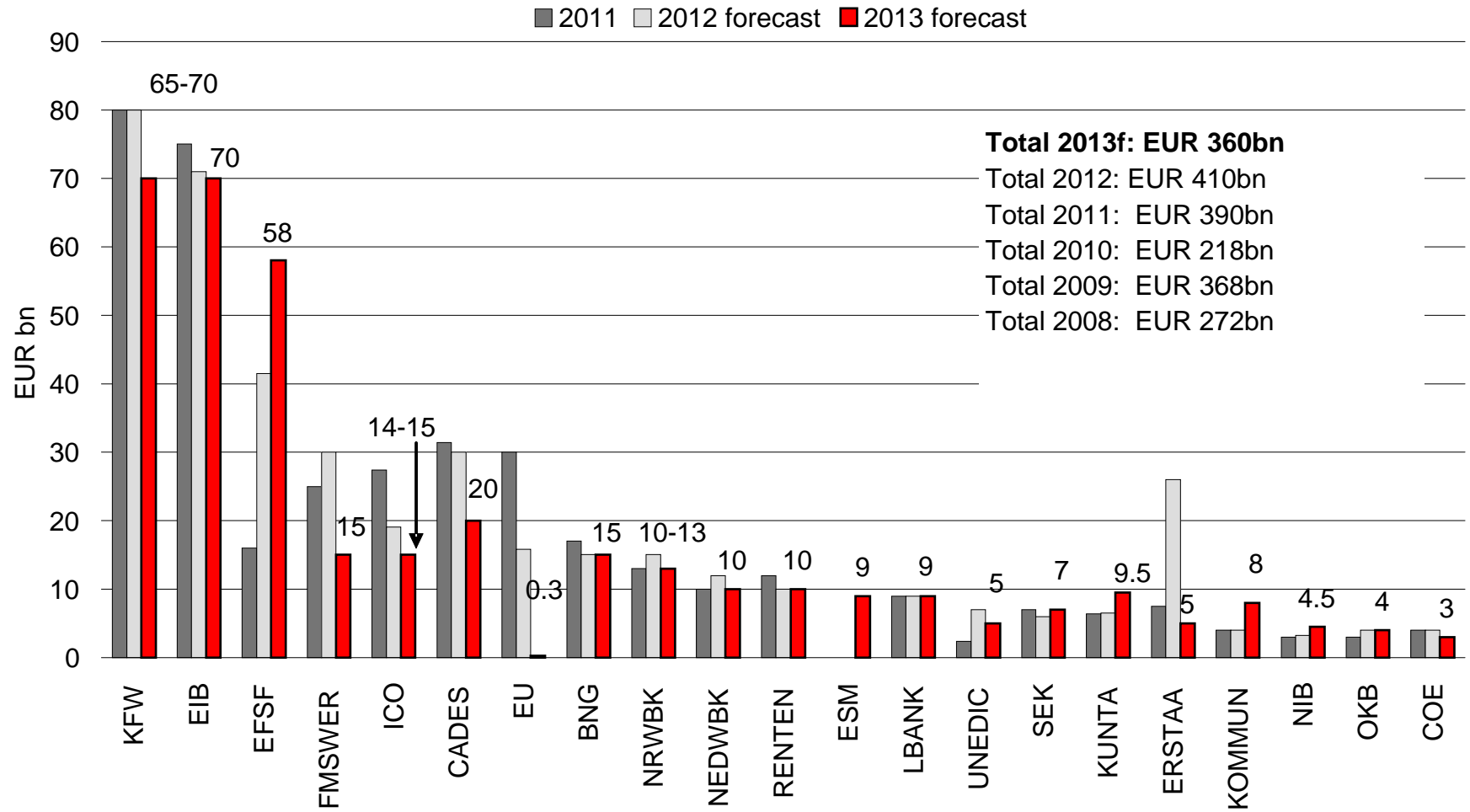
Monthly Supply Volumes (iBoxx Supranational Index, EUR bn)



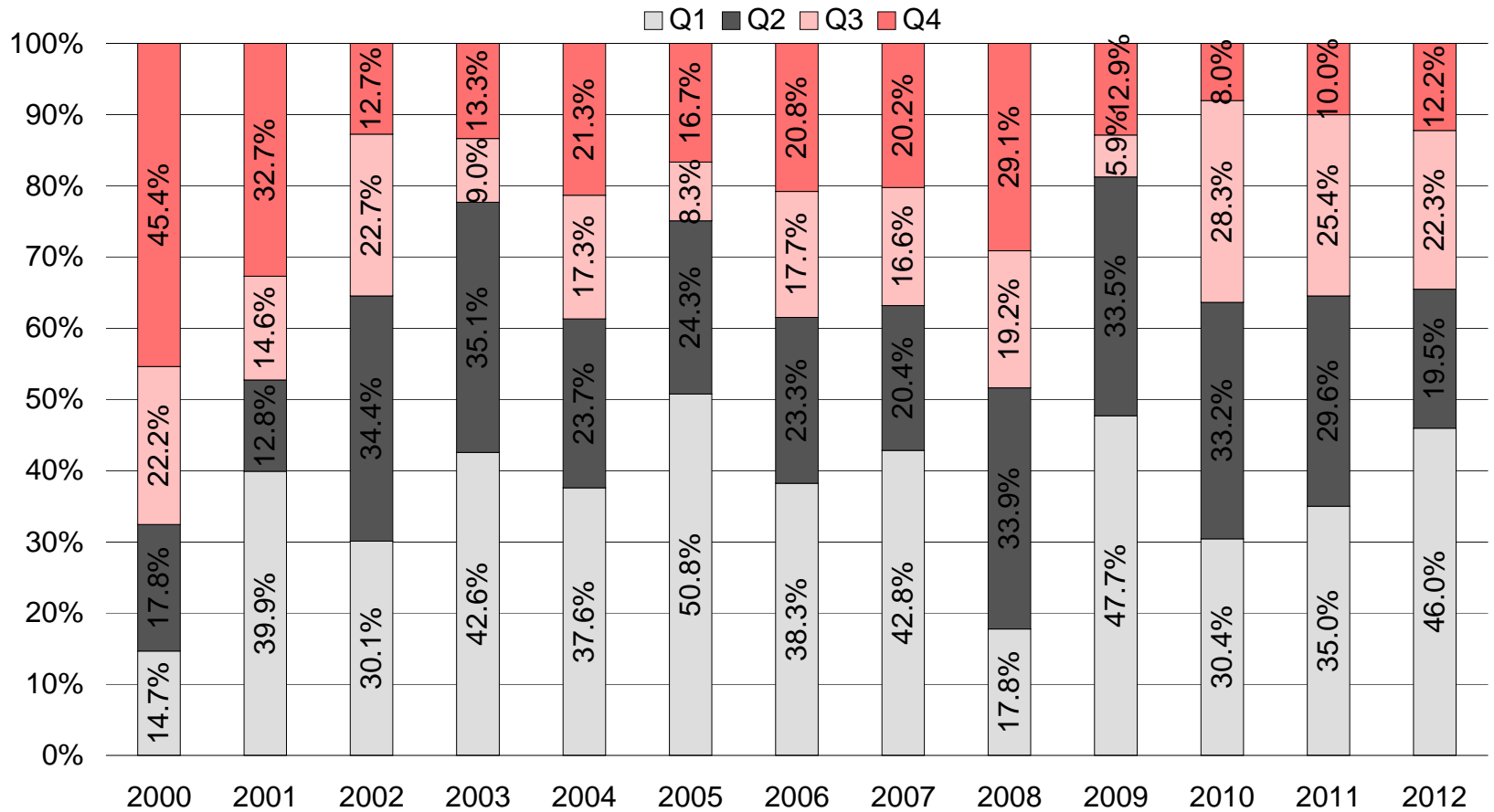
Annual Supply Volumes by Country (iBoxx Sub-Sovereign Index, EUR bn)



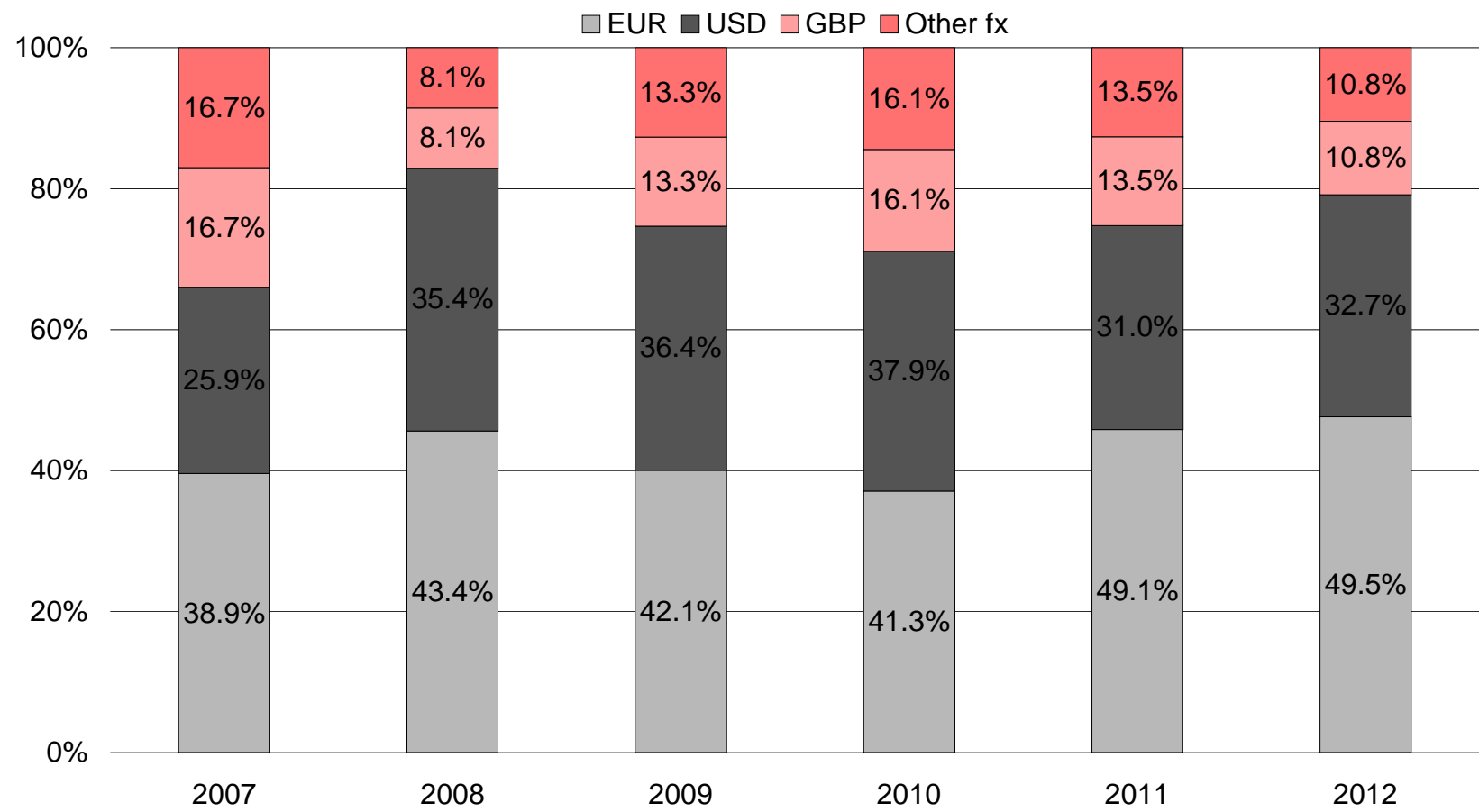
Annual Funding Volumes of Agencies & Supras



Seasonality of SSA Supply (iBoxx Sub-Sovereign Index)

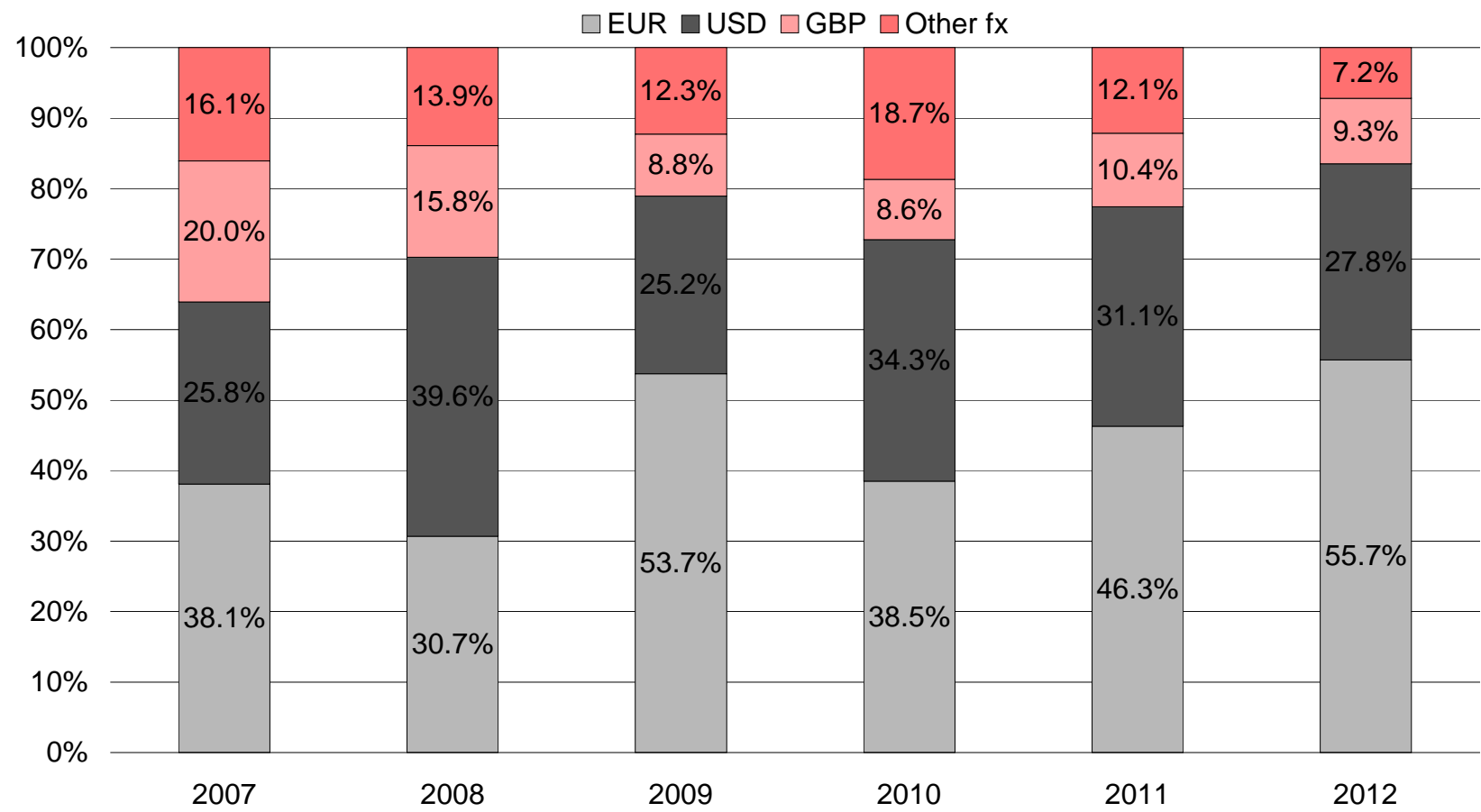


KFW: Currency distribution new issuance



Source: Dealogic, UniCredit Research

EIB: Currency distribution new issuance

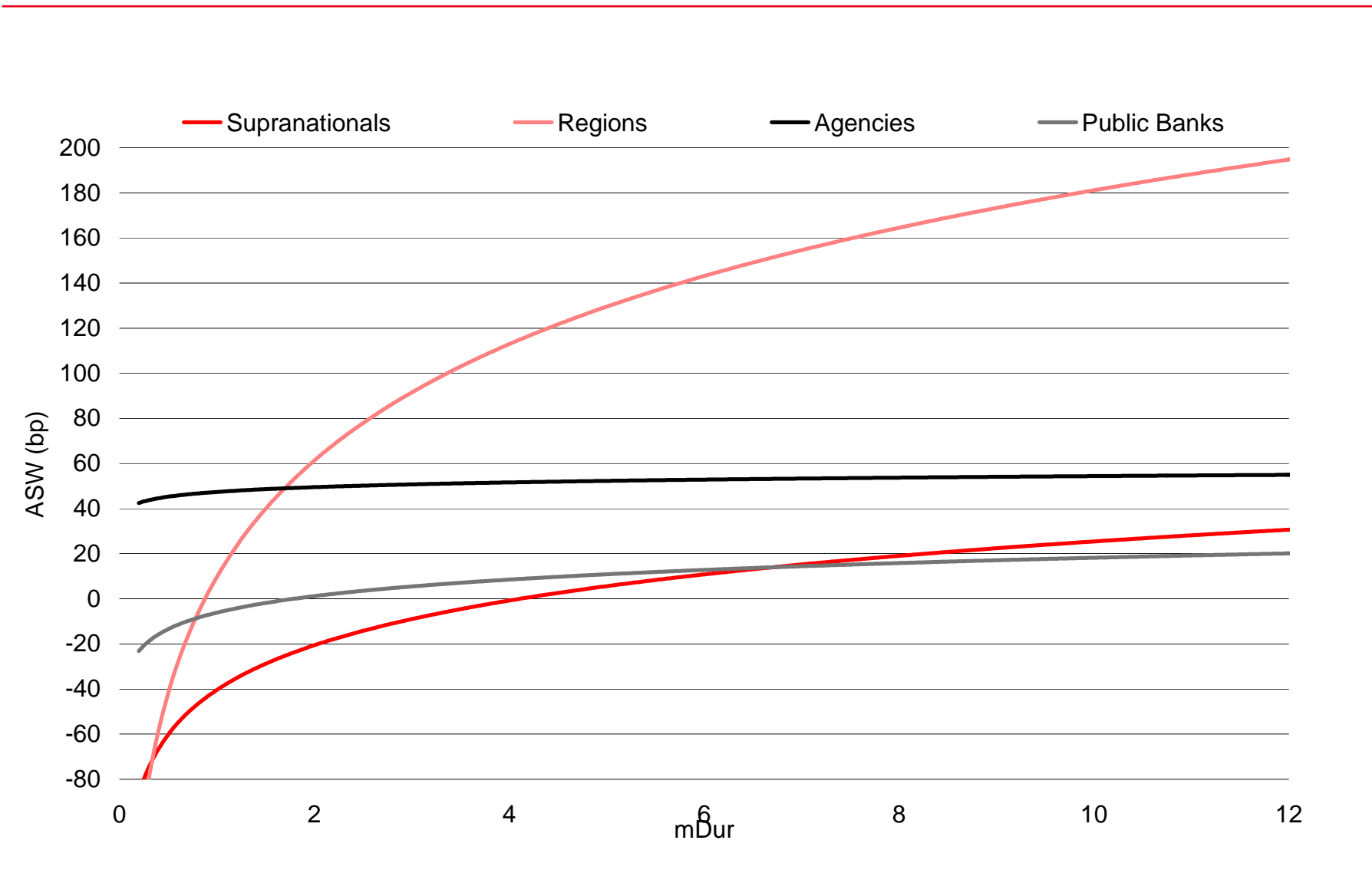


Source: Dealogic, UniCredit Research

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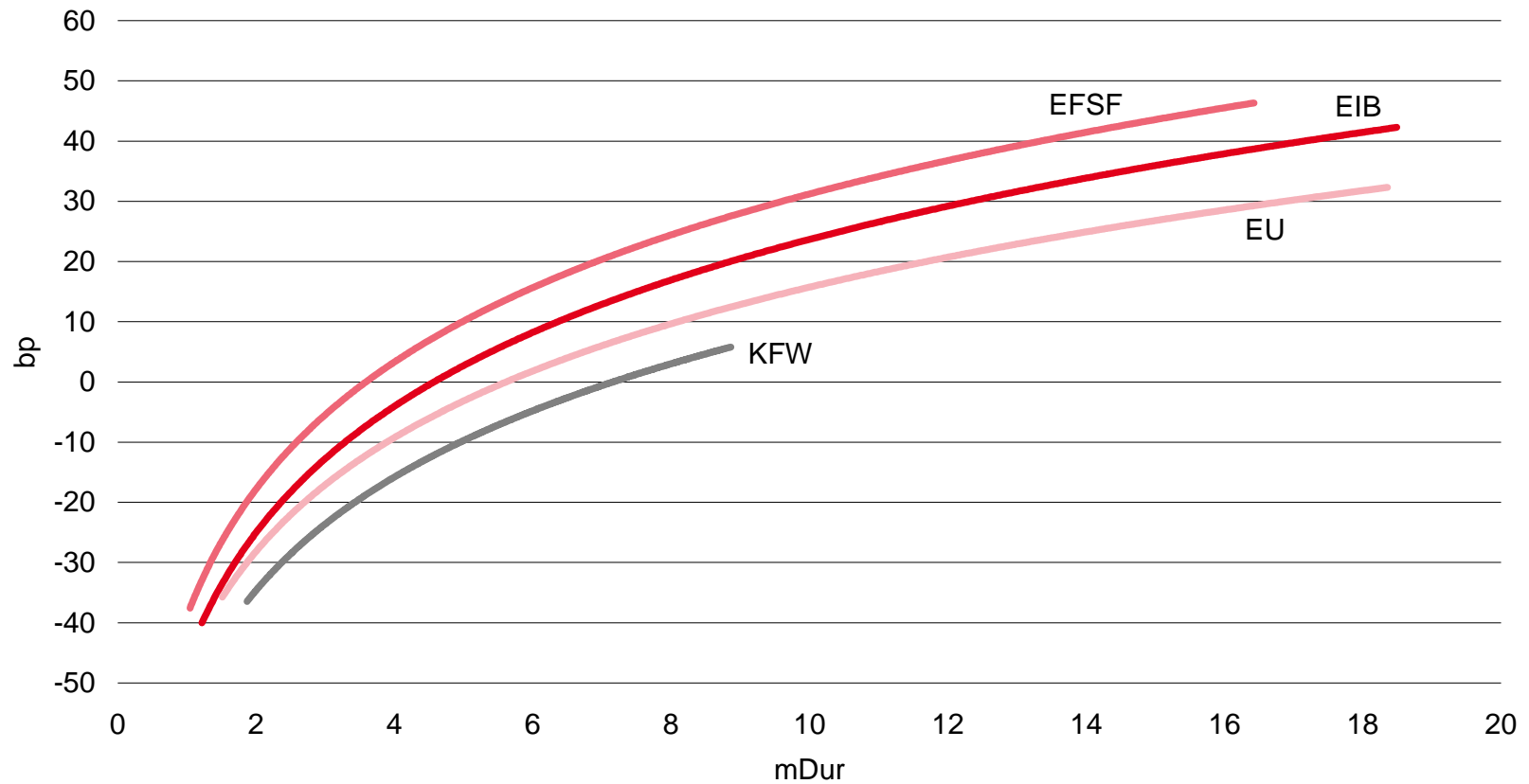
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Spread Landscape of iBoxx indices

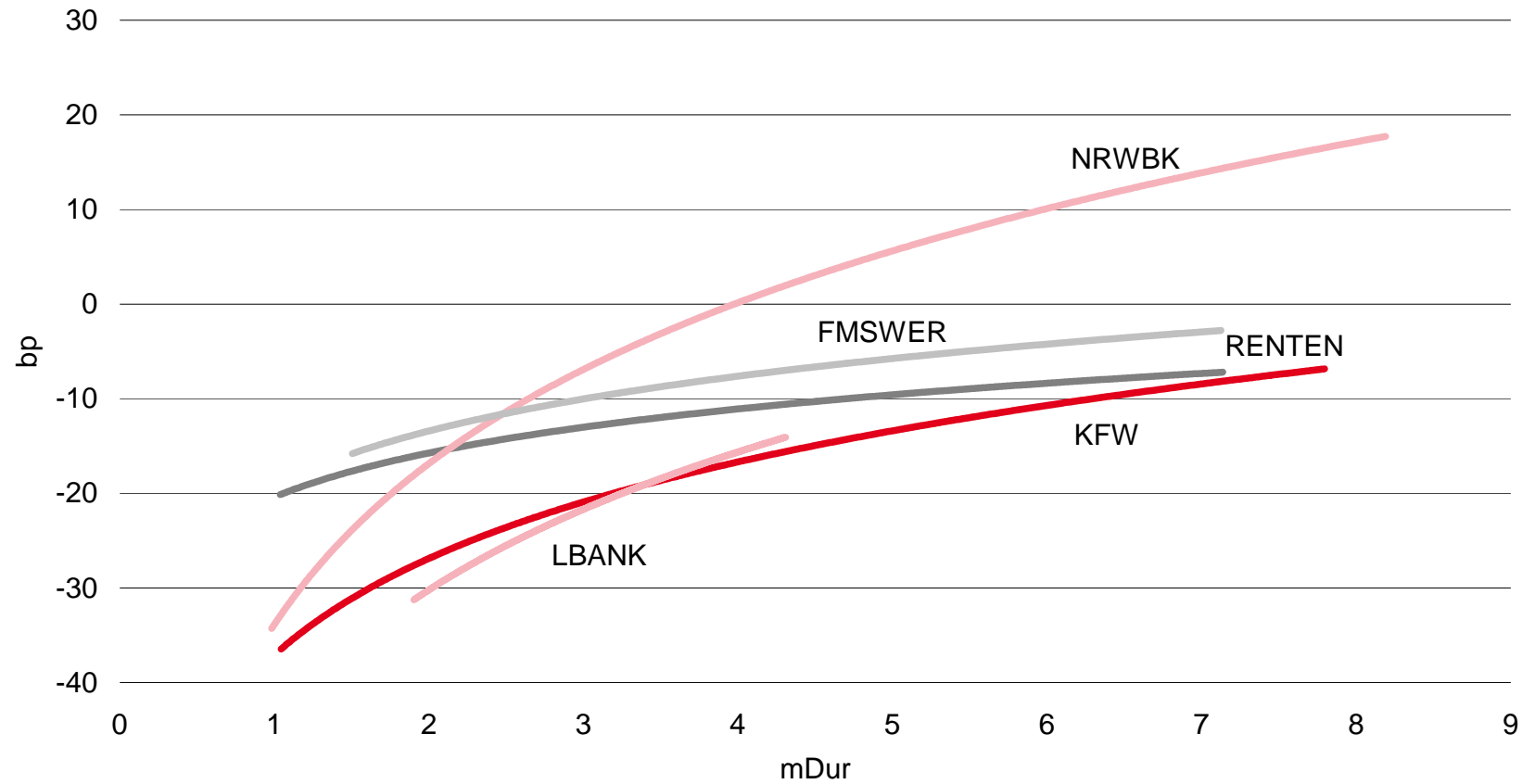


Source: iBoxx, UniCredit Research

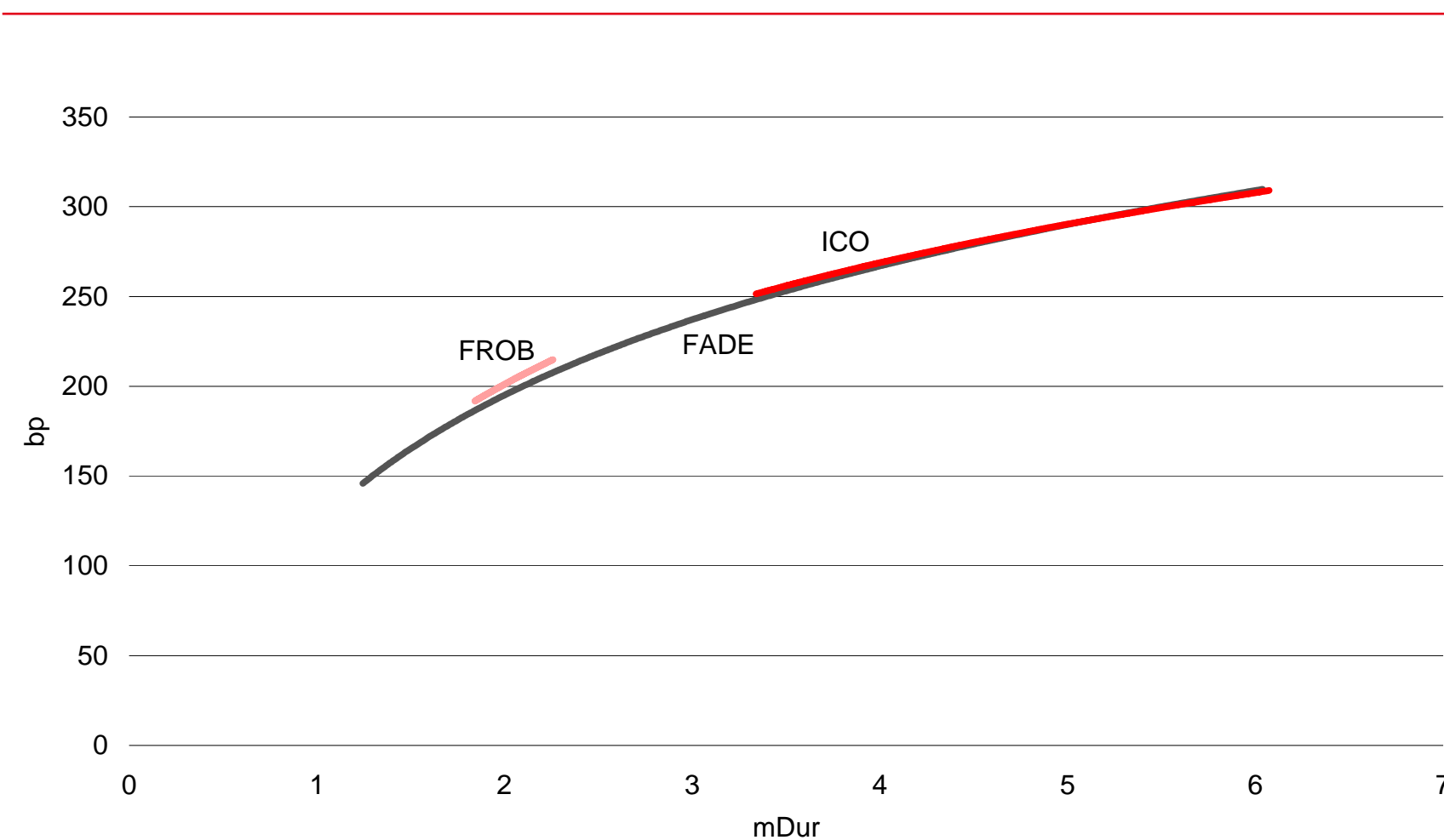
Spread Landscape of Supranationals and KFW



Spread Landscape of German Agencies

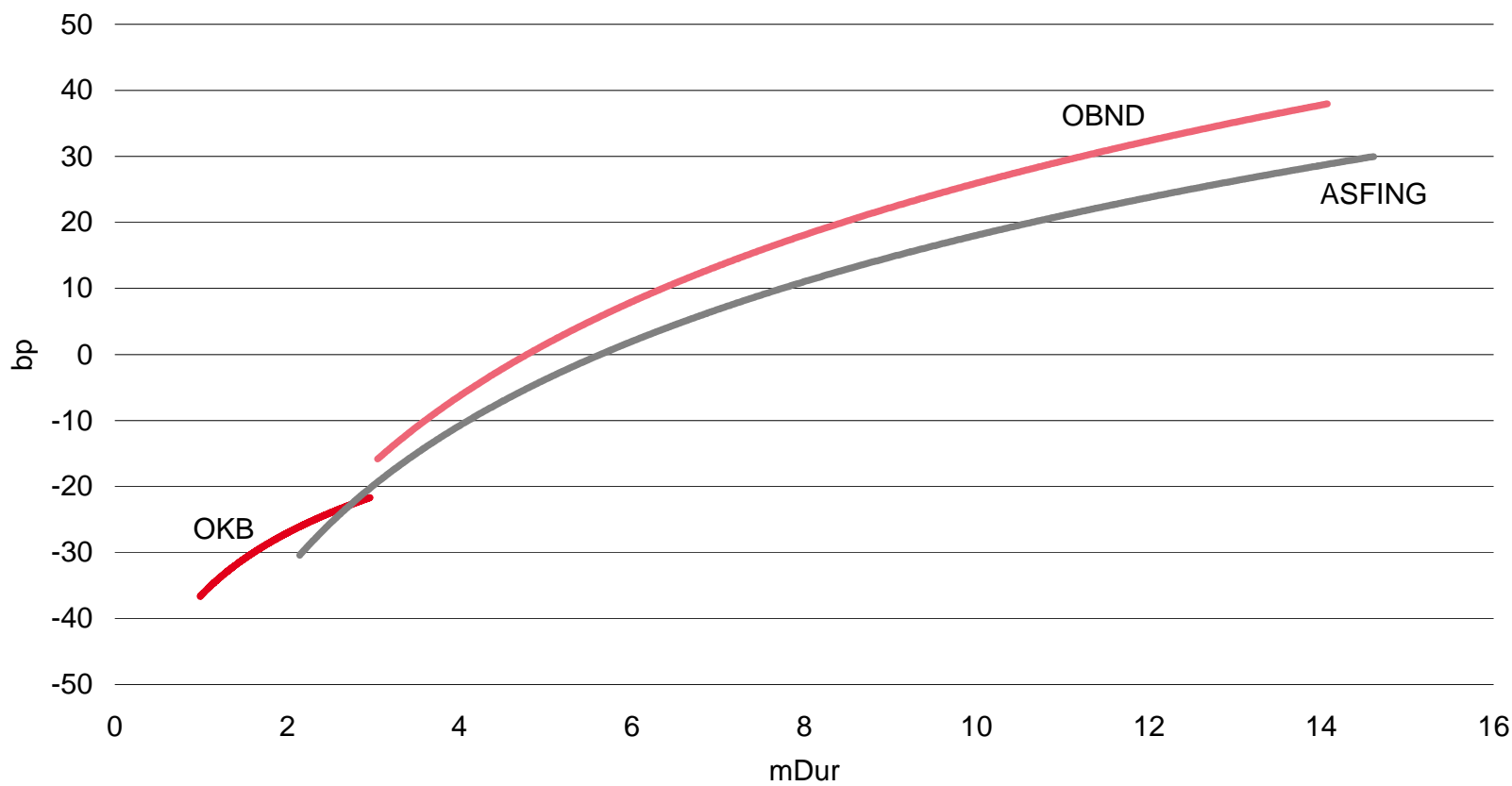


Spread Landscape of Spanish Agencies



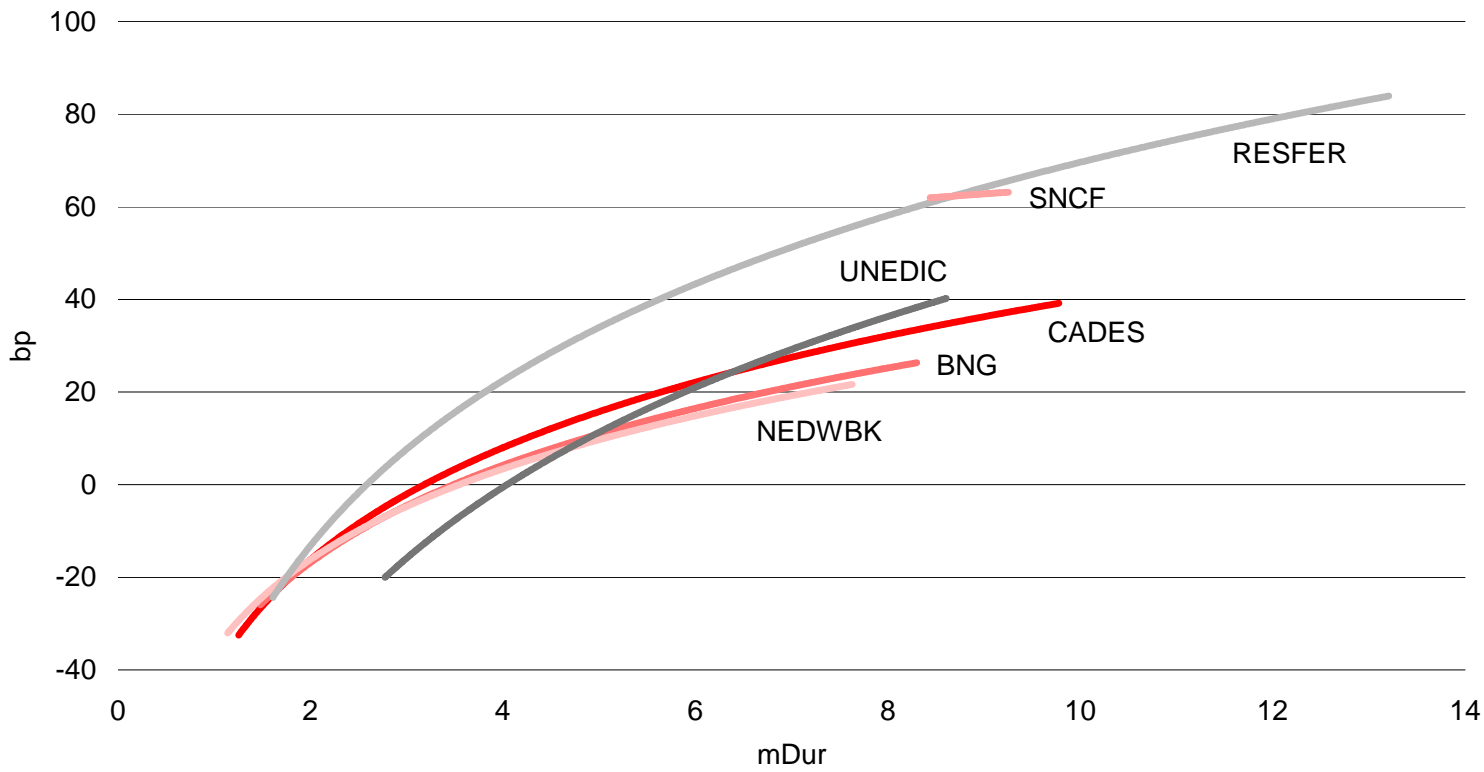
Source: UniCredit Research

Spread Landscape of Austrian Agencies



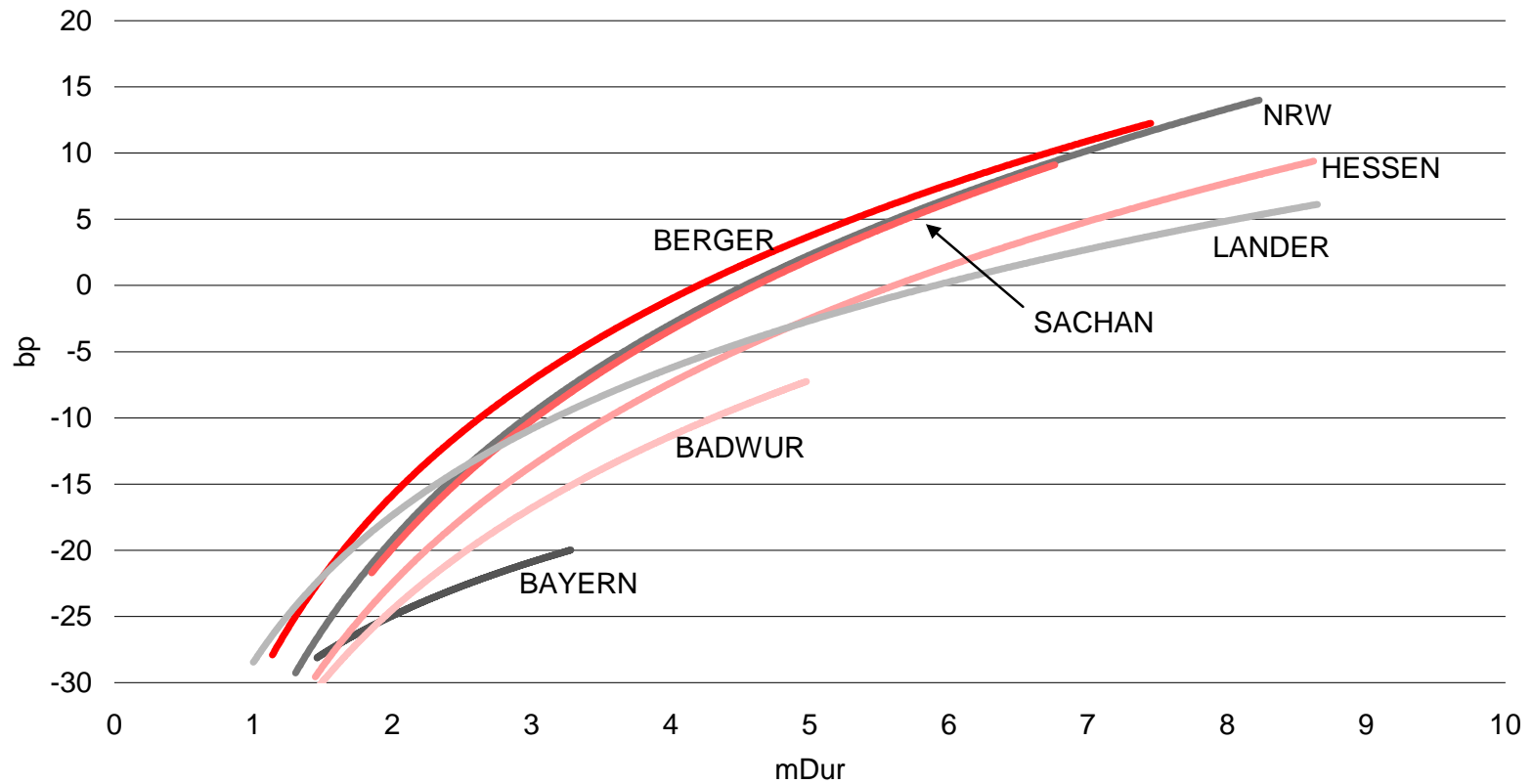
Source: UniCredit Research

Spread Landscape of French and Dutch Agencies



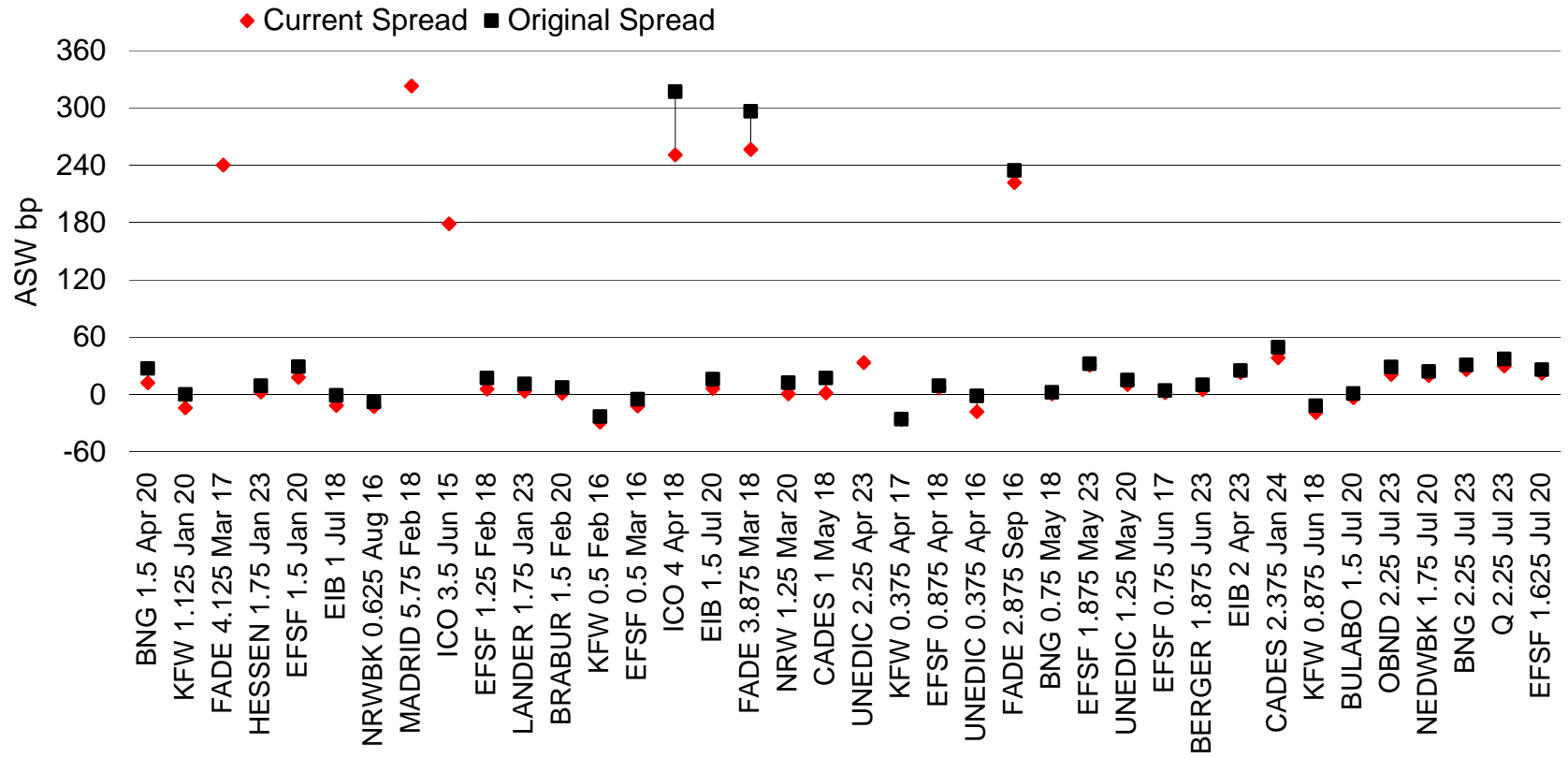
Source: UniCredit Research

Spread Landscape of German states



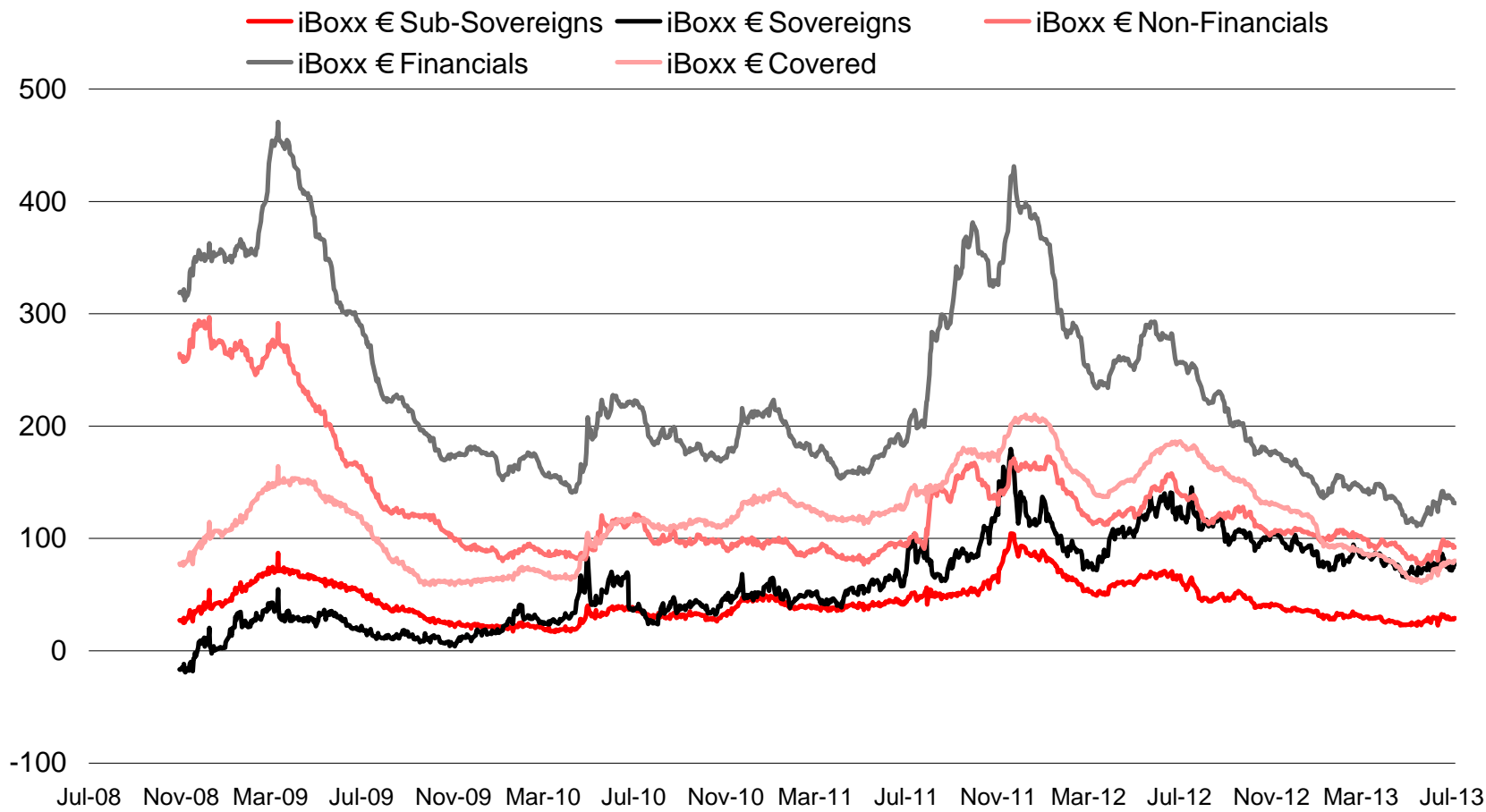
Source: UniCredit Research

New issue vs. current spread

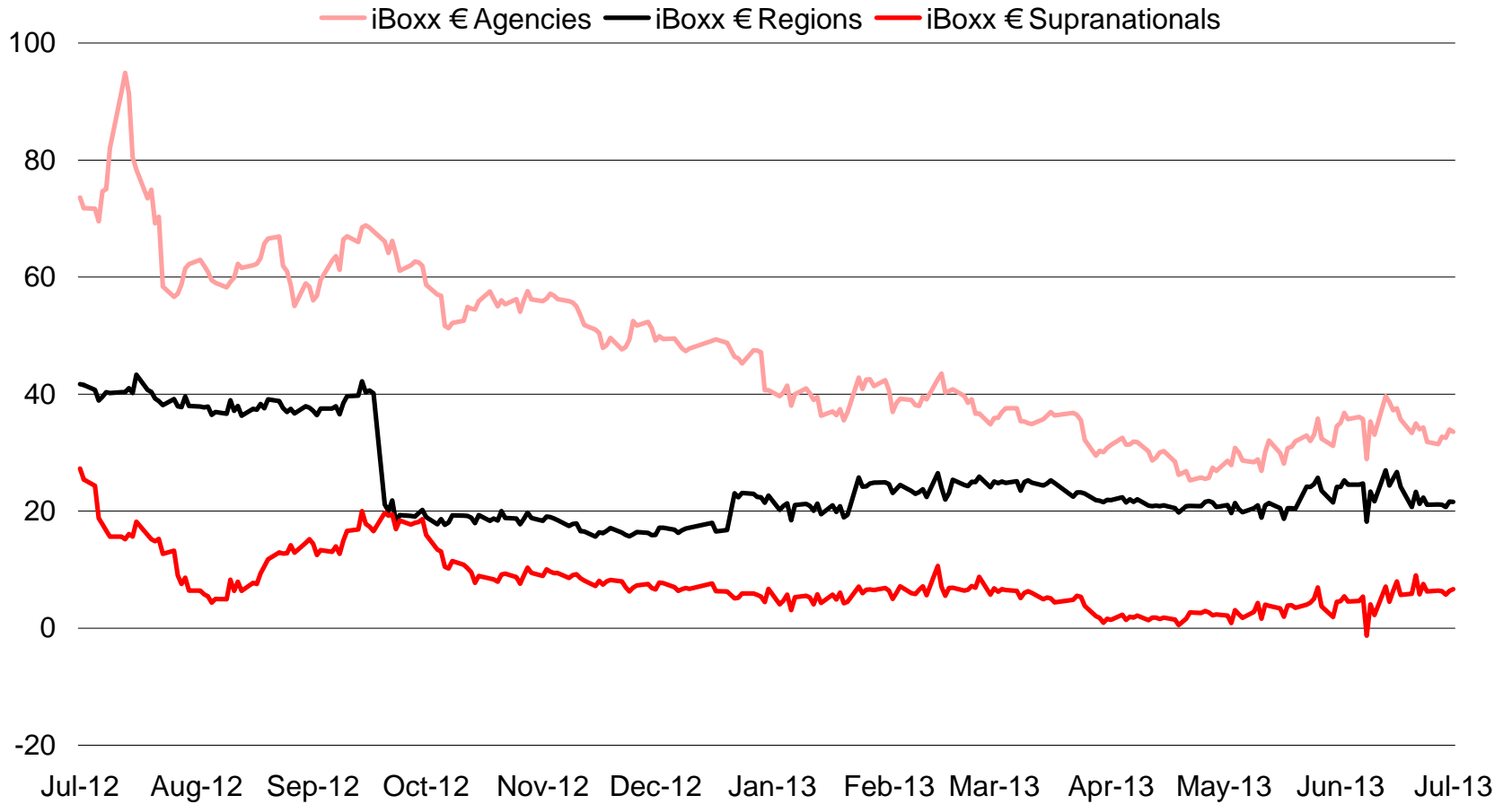


Source: Bloomberg, UniCredit Research

Spread Development of iBxx Indices



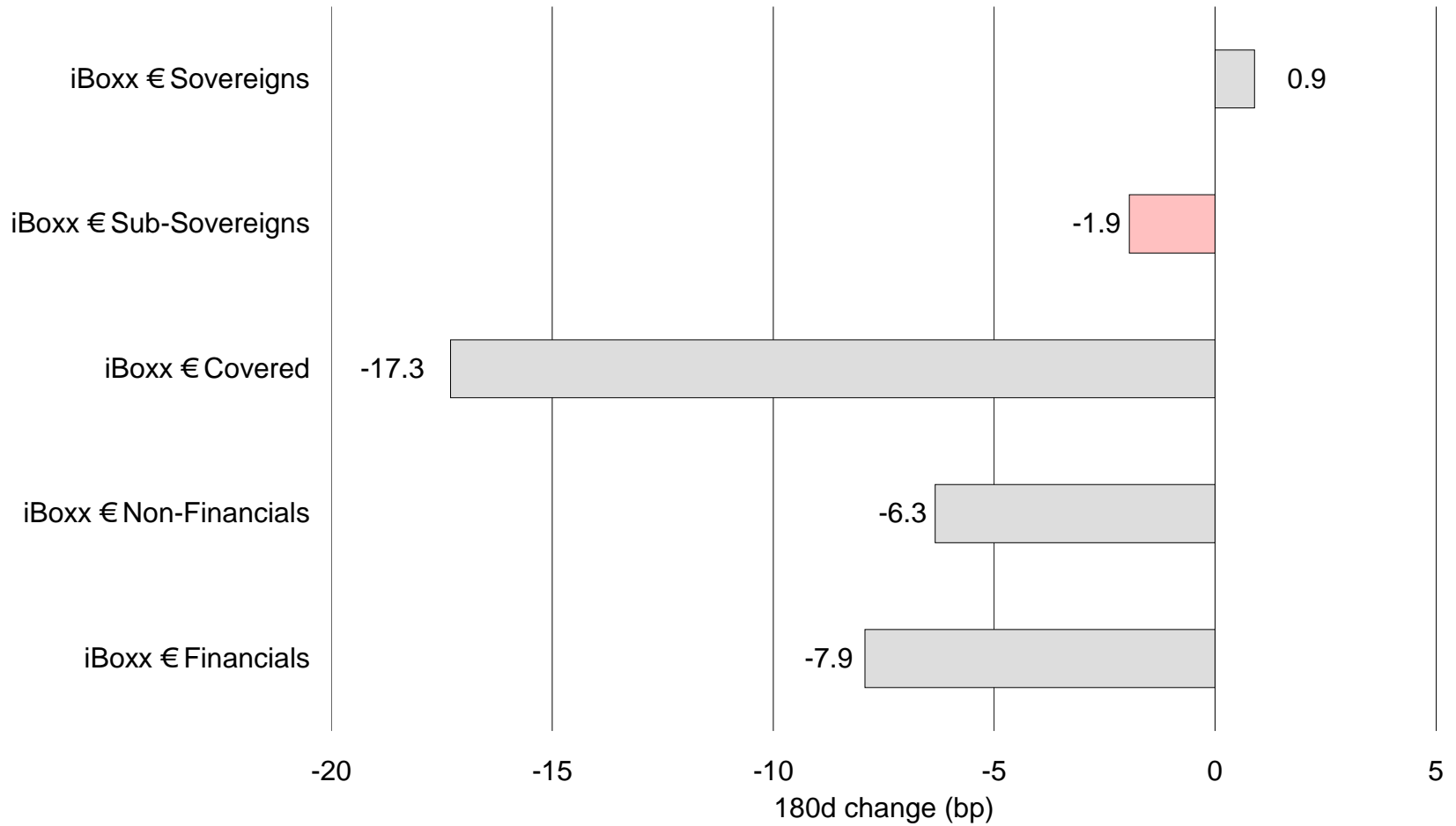
Spread Development of SSA iBoxx Indices



The sharp decrease in the spread level in the iBoxx Regions Index is due to GENCAT bonds being taken out of the index and NIESA bonds being included in the index in October.

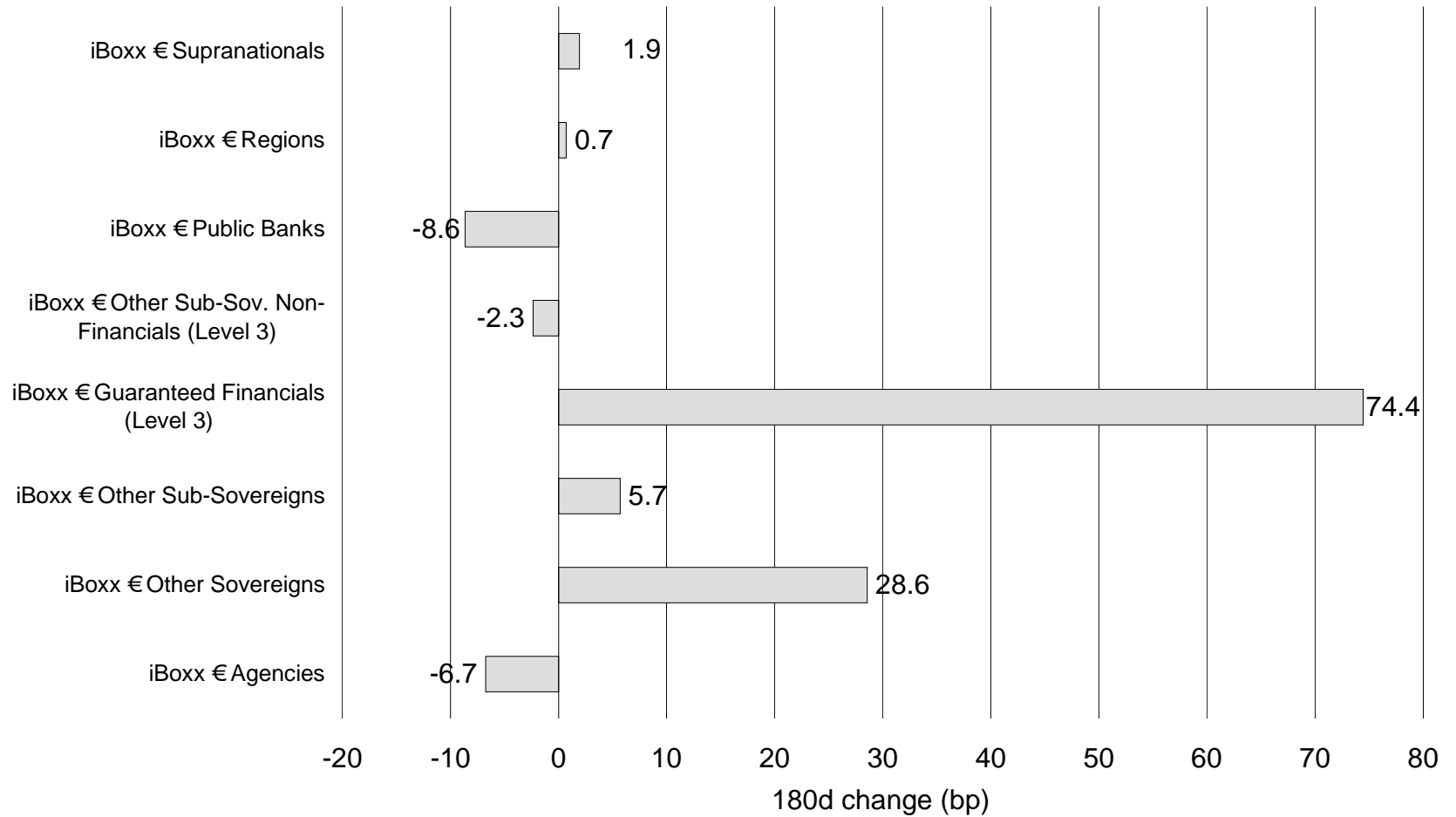
Source: iBoxx, UniCredit Research

Spread Performance by Credit Asset Classes (180 days)



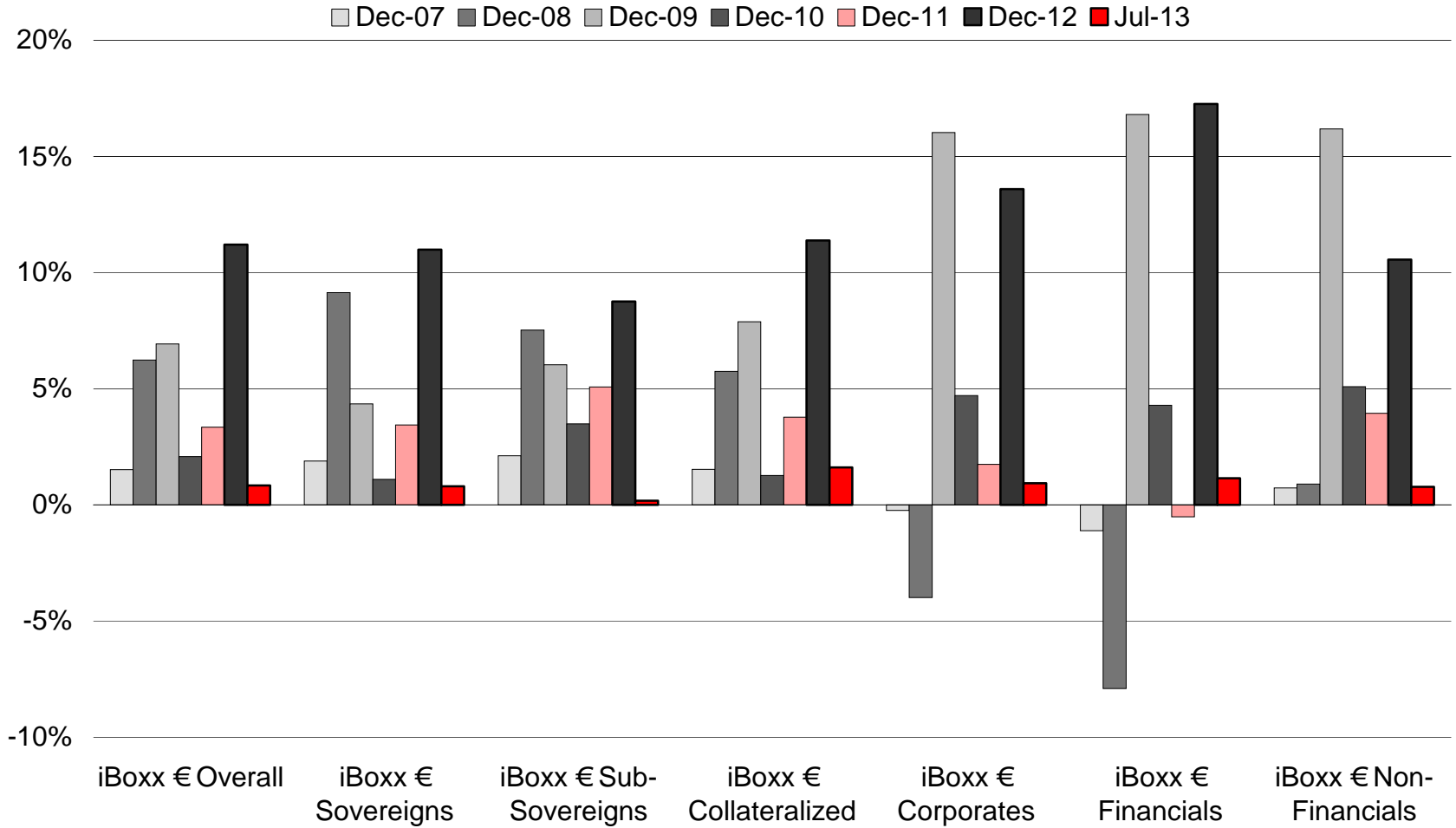
Source: iBoxx, UniCredit Research

Spread Performance by Sector (180 days)

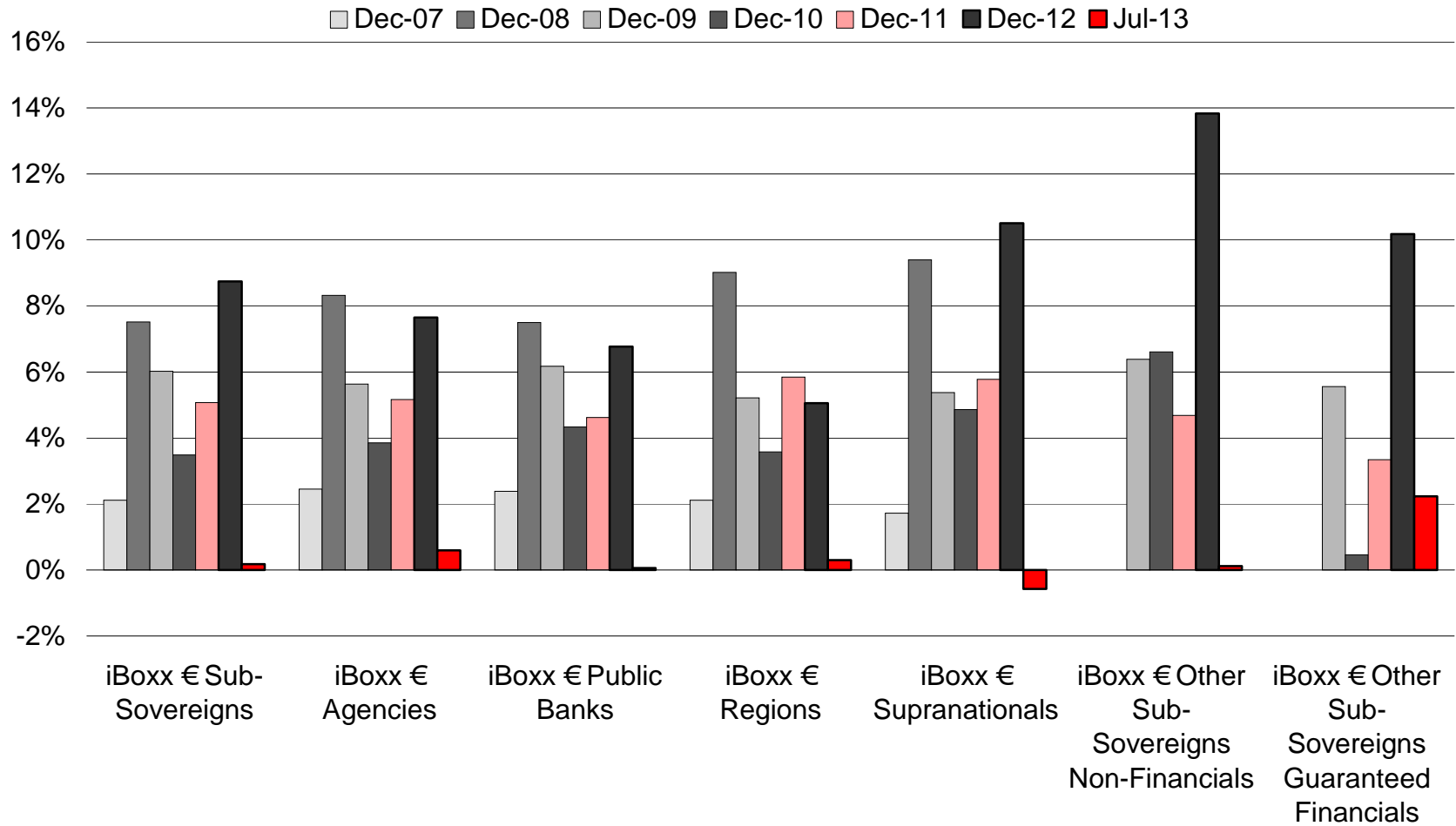


Source: iBoxx, UniCredit Research

Total Return of Credit Asset Classes YTD



Total Return of iBoxx Sub-Sovereign Indices YTD

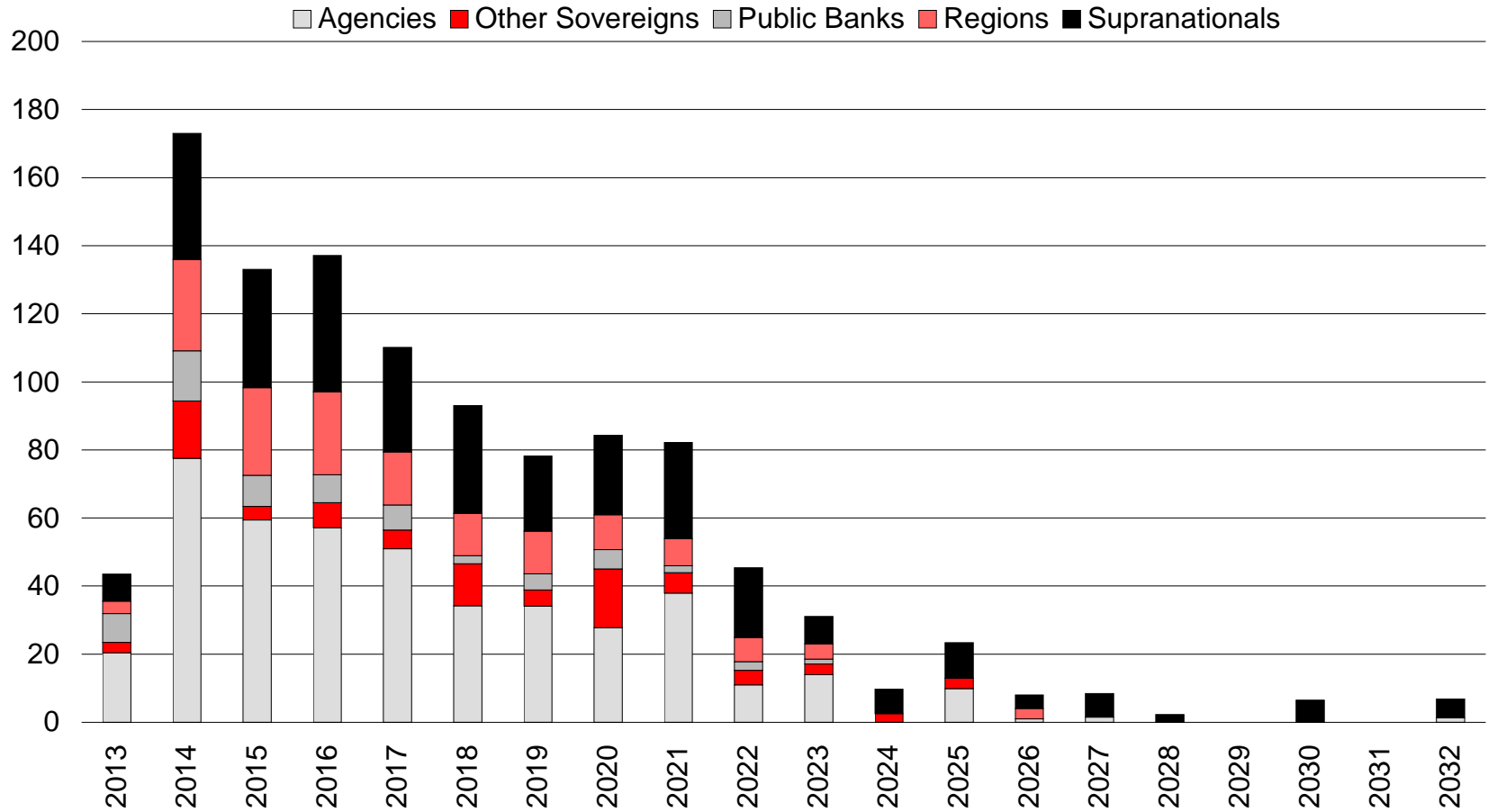


Source: iBoxx, UniCredit Research

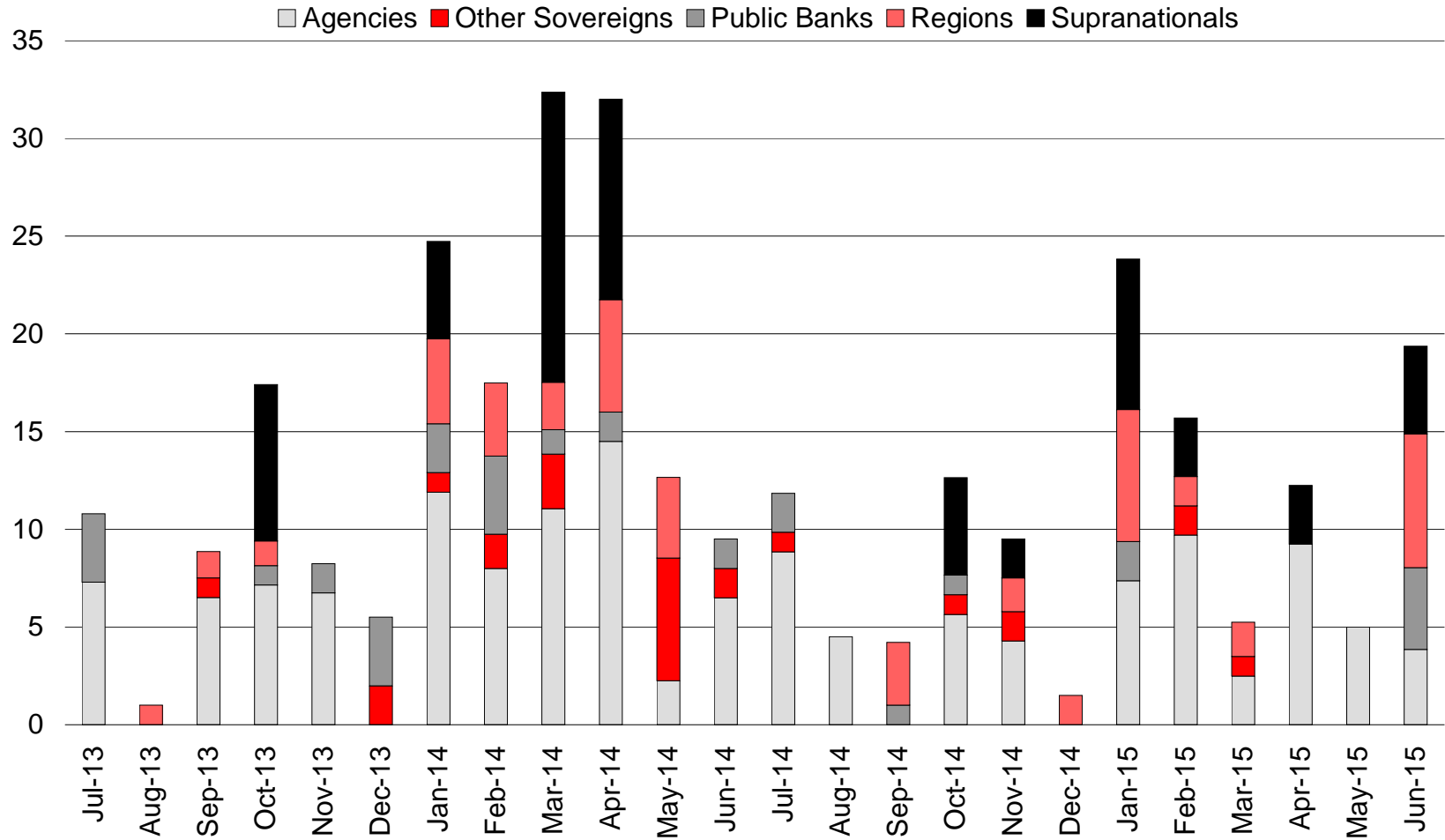
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Yearly Maturity Profile* by Sector (EUR bn)



Monthly Maturity Profile* by Sector (EUR bn)



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European agencies – an overview (part I)

Issuer	Ticker	Ratings	RW	Guarantee/Support	Profile	Ownership
Germany						
Erste Abwicklungsanstalt	ERSTAA	Aa1n/AA-s/AAAs	0%	Loss compensation mechanism, ("Verlustrückstellungspflicht") which requires its owners to offset any loss incurred by EAA	Winding down a portfolio of assets that were taken over from WestLB AG	German state of North Rhine-Westphalia (48.2%); Regional Association of Savings Banks Westphalia (25.0%); Regional Association of Savings Banks Rhineland (25.0%); Regional Association Rhineland (0.9%); Regional Association Westphalia (0.9%).
FMS Wertmanagement	FMSWER	Aaan/AAAs/AAAs	0%	Direct, explicit, irrevocable and unconditional government guarantee	Winding down a portfolio of assets taken over by Hypo Real Estate Group	Public sector vehicle with partial legal capacity ("Anstalt in der Anstalt")
KfW Bankengruppe	KfW	Aaan/AAAs/AAAs	0%	Direct, explicit, irrevocable and unconditional government guarantee	Federal development bank	German central government (80%), German states (20%)
L-Bank	LBANK	Aaan/AAAs/AAAs	0%	Explicit, unlimited and irrevocable guarantee by German state of Baden-Württemberg; maintenance obligation (Anstaltslast); guarantee obligation (Gewährträgerhaftung)	Development bank for Baden-Württemberg	German state of Baden-Württemberg (100%)
NRW.Bank	NRWBK	Aa1n/AA-s/AAAs	0%	Explicit, unlimited and irrevocable guarantee by German state of North Rhine Westphalia maintenance obligation (Anstaltslast); guarantee obligation (Gewährträgerhaftung)	Development bank for North-Rhine Westphalia	German state of North-Rhine Westphalia (100%)
Landwirtschaftliche Rentenbank	RENTEN	Aaan/AAAs/AAAs	0%	Maintenance obligation (Anstaltslast)	Promotes agriculture and forestry	Public law institution; capital provided by agricultural sector
France						
CADES	CADES	Aa1n/ ---/AAAn	0%	Very strong implicit support from French government; legal status of EPA	Assumes obligations from social security system	French government (100%)
Netherlands						
Bank Nederlandse Gemeenten	BNG	Aaan/AAAn/AAAn	20%	50% government owned & strong implicit support	Lends to local governments & healthcare	Dutch government (50%); remainder owned by municipalities; small percentage by a number of provincial authorities and a water control board
Nederlandse Waterschapsbank	NEDWBK	Aaan/AAAn/--	20%	17% government owned & strong implicit support	Lends to water related projects & local governments	Water control boards (81%), Dutch government (17%); provinces (2%)

Source: Rating Agencies, UniCredit Research

European agencies – an overview (part II)

Issuer	Ticker	Ratings	RW	Guarantee/Support	Profile	Ownership
Austria						
Autobahnen- und Schnellstrassen Finanzierungs AG	ASFING	Aaan/AA+s/--	0%	MTN-program guaranteed by Austrian government	Plans, builds and finances Austrian motorways and high-speed road network	Austrian government (100%)
Oesterreichische Kontrollbank	OKB	Aaan/AA+s/--	0%	Debt issued under the Export Financing Guarantees Act is guaranteed by Austrian government	Lends to Austrian export industry	Austrian government (100%)
OeBB Infrastruktur Bau AG	OBND	Aaan/AA+s/--	0%	MTN-program guaranteed by Austrian government	Plans, builds, maintains and finances Austrian railway network	100% ÖBB Holding, which, in turn, is 100% owned by the Austrian government
Spain						
Instituto de Credito Oficial	ICO	Baa3n/BBB-n/BBBn	0%	Direct, explicit, irrevocable and unconditional government guarantee	Development bank of the Kingdom of Spain	Spanish government (100%)
FADE - Fondo de Amortizacion del Deficit Electrico	FADE	BBB-/BBB-/BBB	0%	Direct, explicit, irrevocable and unconditional government guarantee	Spanish Electricity Amortization Fund established to securitize the accumulated tariff deficit	
FROB - Fondo de Reestructuracion Ordenada Bancaria	FROB	Baa3n/BBB-/BBB	0%	Direct, explicit, irrevocable and unconditional government guarantee	Manages the restructuring of Spanish credit institutions	75% Spanish government; 25% Deposit Guarantee Funds
Corporación de Reservas Estratégicas de Productos Petrolíferos	CORES	Ba1n/BBB-n/BBBn	20%	Strong implicit government support due to high strategic importance	Manages strategic petroleum reserves	Owned by its members
Nordics						
KommuneKredit	KOMMUN	Aaas/AAAs/--	0%	Joint and several guarantee by its members	Local authority financing	98 Danish municipalities and five regions are members
Municipality Finance	KUNTA	Aaas/AAAs/--	0%	Guaranteed by the Municipal Guarantee Board (local governments)	Local authority financing	30.7% Local Government Pension Institute, 16% Finish government, and remainder held by 302 local governments
Swedish Export Cred. Corp	SEK	Aa1s/AA+s/--	20%	Government owned	Lends to Swedish export industry	Swedish government (100%)
Slovenia						
SID Bank	SEDABI	Baa2n/--/--	0%	Direct, explicit, irrevocable and unconditional government guarantee	Export credit agency and promotional development bank	Slovenian government (100%)

For a detailed overview on European agencies, please refer to our Sector Report on European Agency & Supra Issuers, published on 9 July 2013 ([Link](#)).

Source: Rating Agencies, UniCredit Research

Ratings of German States

States	Moody's	S&P	Fitch
Baden-Wuerttemberg	Aaa n	AAA s	--
Bavaria	Aaa n	AAA s	--
Berlin	Aa1 n	--	AAA s
Brandenburg	Aa1 n	--	--
Bremen	--	--	--
Hamburg	--	--	AAA s
Hessen	--	AA s	--
Lower Saxony	--	--	AAA s
Mecklenburg-W. Pomerania	--	--	--
North Rhine-Westphalia	Aa1 n	AA- s	AAA s
Rhineland-Palatinate	--	--	AAA s
Saarland	--	--	--
Saxony	--	AAA s	--
Saxony-Anhalt	Aa1 n	AA+ s	AAA s
Schleswig-Holstein	--	--	AAA s
Thuringia	--	--	AAA s*
German Federal Republic	Aaa n	AAA s	AAA s

s = Stable; p = Positive; n = Negative; wn – Watch negative; wp – Watch positive

*Bond rating

Source: Rating Agencies

Ratings of Spanish Autonomous Communities

Autonomous Community	Moody's	S&P	Fitch
Andalucía	Ba2 n	BBB- n	BBB- n
Aragón	--	BBB- n	--
Asturias	--	--	BBB n
Baleares (Balearic Islands)	--	BBB- n	--
Canarias (Canary Islands)	--	BBB- n	BBB- n
Cantabria	--	--	BBB n
Castilla La Mancha	Ba3 n	--	BBB- n
Castilla y León	Baa3 n	--	--
Catalunya	Ba3 n	BB n	BBB- n
Extremadura	Ba1 n	--	--
Galicia	Baa3 n	BBB- n	--
La Rioja	--	--	--
Madrid	Baa3 n	BBB- n	BBB n
Murcia	Ba3 n	--	BBB-n
Navarra	--	BBB+ n	--
País Vasco (Basque Country)	Baa2 n	BBB+ n	BBB+ n
Valencia	B1 n	BB- wn	--
Kingdom of Spain	Baa3 n	BBB- n	BBB n

s = Stable; p = Positive; n = Negative; wn – Watch negative; wp – Watch positive
Source: Rating Agencies

Ratings of Italian Regions

Region	Moody's	S&P	Fitch
Abruzzo	Baa3 n	--	--
Basilicata	Baa2 n	--	--
Calabria	Baa3 n	--	BBB+ n
Campania	Ba1 n	BBB n	--
Emilia-Romagna	--	--	--
Friuli-Venezia Giulia	--	BBB+ n	A n
Lazio	Ba2 n	BBB+ n	BBB n
Liguria	Baa2 n	BBB+ n	--
Lombardy	Baa1 n	--	BBB+ n
Marche	--	BBB+ n	--
Molise	Baa3 n	--	--
Piemonte	Ba1 n	--	BBB n
Puglia	Baa2 n	--	--
Sardegna	Baa2 n	--	A- n
Sicilia	Ba1 n	BBB+n	BBB n
Toscana	--	--	--
Trentino – Alto Adige	--	--	--
– Trento*	A3 n	--	A n
– Bolzano*	A3 n	--	A n
Umbria	Baa2 n	BBB+ n	BBB+**
Valle d'Aosta	--	--	A n
Veneto	Baa2 n	--	BBB+ n
Republic of Italy	Baa2 n	BBB n	BBB+ n

Special status region in bold

*Autonomous provinces

**Rating applies to a bond issued by Umbria to finance the restructuring from the 1997 earthquake where Republic of Italy is the counterparty

s = Stable; p = Positive; n = Negative; wn – Watch negative; wp – Watch positive

Source: Rating Agencies

Ratings of French Regions

Region	Moody's	S&P	Fitch
Alsace	--	--	--
Aquitaine	--	AA s	--
Auvergne	--	AA-s	--
Basse-Normandie	--	--	--
Bourgogne	--	--	--
Bretagne	--	--	AA s
Centre	--	AA s	--
Champagne-Ardenne	--	AA- s	--
Corse (special status)	--	--	--
Franche-Comté	--	AA s	--
Haute-Normandie	--	--	--
Ile-de-France	--	AA+ n	AAA n
Languedoc-Roussillon	--	--	--
Limousin	--	AAs	--
Lorraine	--	--	--
Midi-Pyrénées	--	--	AA+ s
Nord-Pas de Calais	--	AA- n	--
Pays de la Loire	--	AA s	--
Picardie	--	--	AA- n
Poitou-Charentes	--	--	--
Provence-Alpes-Côte d'Azur	--	--	AA n
Rhône-Alpes	--	--	AAA n
Outre-Mer			
Guadeloupe	--	--	AA- s
Martinique	--	--	--
French Guiana	--	--	--
Réunion	A1 s	--	--
Republic of France	Aa1 n	AA+ n	AA+ s

s = Stable; p = Positive; n = Negative; wn – Watch negative; wp – Watch positive
Source: Rating Agencies

Appendix

- The data base for the SSA Chartbook is the iBoxx universe.
- Inclusion criteria for the iBoxx: fixed and zero-coupon bonds incl. step-up and even-driven bonds; EUR-denomination; minimum time to maturity of one year; minimum amount outstanding of EUR 1bn; minimum one rating.
- Index changes occur at the beginning of each month, thus beginning of the month spread changes may be impacted by changes in the index.

iBoxx Sub-Sovereign Index Structure

Sub-Sovereigns						
Agencies	Public Banks	Regions	Supranationals	Other Sovereigns	Other Sub-Sovereigns	
					Non-Financial	Government Guaranteed

Source: iBoxx, UniCredit Research

Level 2 & 3 categories of the iBoxx Sub-Sovereign Index

Agencies	Public Banks	Regions	Supras	Other SubSov.	Other SubSov.	Other Sovereigns
				Non-Financials	Guaranteed Financials	
AGFRNC	BNG	ANDAL	COE	ASFING	AIB	CANADA
CADES	BYLABO	BADWUR	EFSF	DBHNGR	BFASM	CHINA
CDCEPS	LBBER	BAYERN	EIB	FRPTT	BKIR	CZECH
CNA	NDB	BERGER	EU	PEUGOT	CAIXAC	DENK
ERSTAA	NEDWBK	BRABUR	EUROF	RESFER	EBSBLD	ISRAEL
FADE	OKB	CAMPAN	IBRD	SNCF	HAA	LITHUN
FMSWER		COMILA		RURAIL	IPMID	MEX
FROB		FLEMSH			SABSM	MOROC
ICO		HESSEN				POLAND
KFW		LANDER				ROMANI
LBANK		MADRID				ROMGB
NRWBK		NIESA				SWED
OBND		NRW				TURKEY
OSEOFI		ONT				
RENTEN		Q				
SFEFR		RHIPAL				
UNEDIC		ROMCTY				
VEBBNK		SACHAN				

Source: iBoxx, UniCredit Research

Recent SSA Publications – Agencies & Supranationals

- [Credit View](#) – European Investment Bank – 11 July 2013
- [Credit View](#) – European Financial Stability Facility and European Stability Mechanism – 10 July 2013
- [Sector Report](#) – European Agencies & Supranationals – 9 July 2013
- [Credit Flash](#) – KfW lowers funding target to EUR 65-70bn – 8 July 2013
- [Credit Flash](#) – RENTEN and FMSWER to receive explicit guarantee on 1 Jan 2014 – 8 July 2013
- [Sector Flash](#) – Agencies & Supras: Supply Update 1H13 – 3 July 2013
- [Credit View](#) – Landwirtschaftliche Rentenbank – 20 June 2013
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Company	Date	Rec.	Company	Date	Rec.	Company
	Date	Rec.				
IPMID	3/27/2013	Marketweight				

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