

Euro Rates Update

Nordea Research, 03 June 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.89	1.36	1.82	2.60
Δ 1D	-0.4	-0.7	-1.2	-2.1
Δ 1W	-2.9	-5.8	-5.9	-6.8

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.38	0.13	0.82
Δ 1D	0.4	0.4	-0.5	-1.2
Δ 1W	-0.4	-1.6	-4.1	-6.3

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-13.8	-50.1	-63.9	-69.3
Δ 1D	0.0	-1.0	-1.0	-0.7
Δ 1W	-1.1	-2.5	-3.6	-2.2

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-16.3	-53.0	-69.3	-56.8
Δ 1D	0.6	-0.3	0.3	-0.1
Δ 1W	-0.6	-1.4	-2.0	0.9

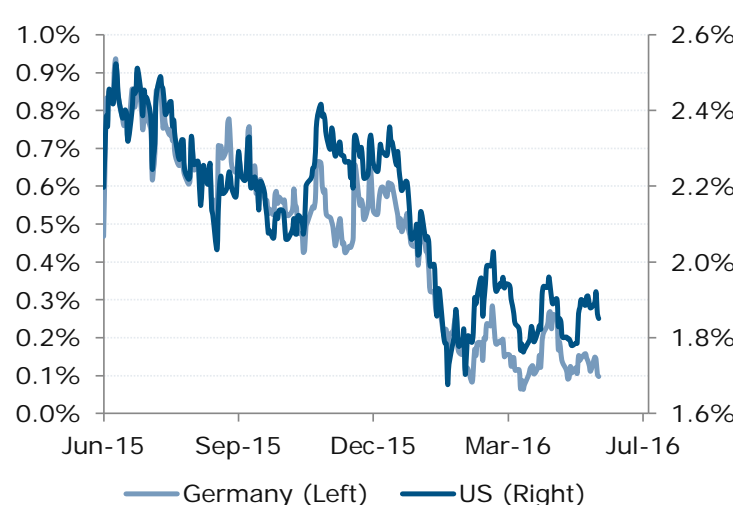
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-35.2	-35.9	-37.1	-26.6
Δ 1D	0.0	-0.4	-1.3	-2.5
Δ 1W	0.1	0.1	-1.2	-5.4

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.126	-0.5	-	-
FRA	0.472	0.2	32.5	0.8
ITA	1.396	0.5	130.6	1.0
ESP	1.497	-0.5	135.8	0.1
BEL	0.504	0.6	35.2	1.2
HOL	0.339	-0.5	18.3	0.1
AUT	0.308	-0.2	23.2	0.3
GRE	6.462	1.8	634.4	2.4
POR	3.123	2.0	296.6	2.5
FIN	0.395	-0.3	26.1	0.3
IRL	0.799	0.2	65.5	0.7

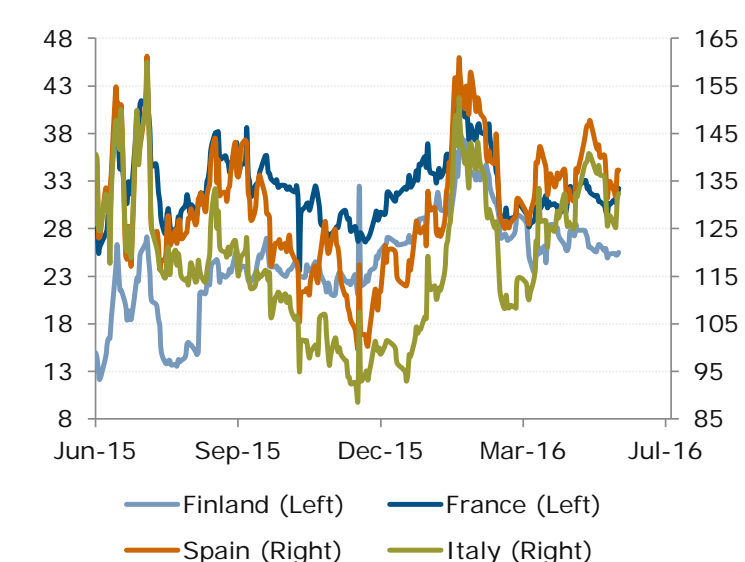
Spread = Maturity interpolated spread to German government par yield curve

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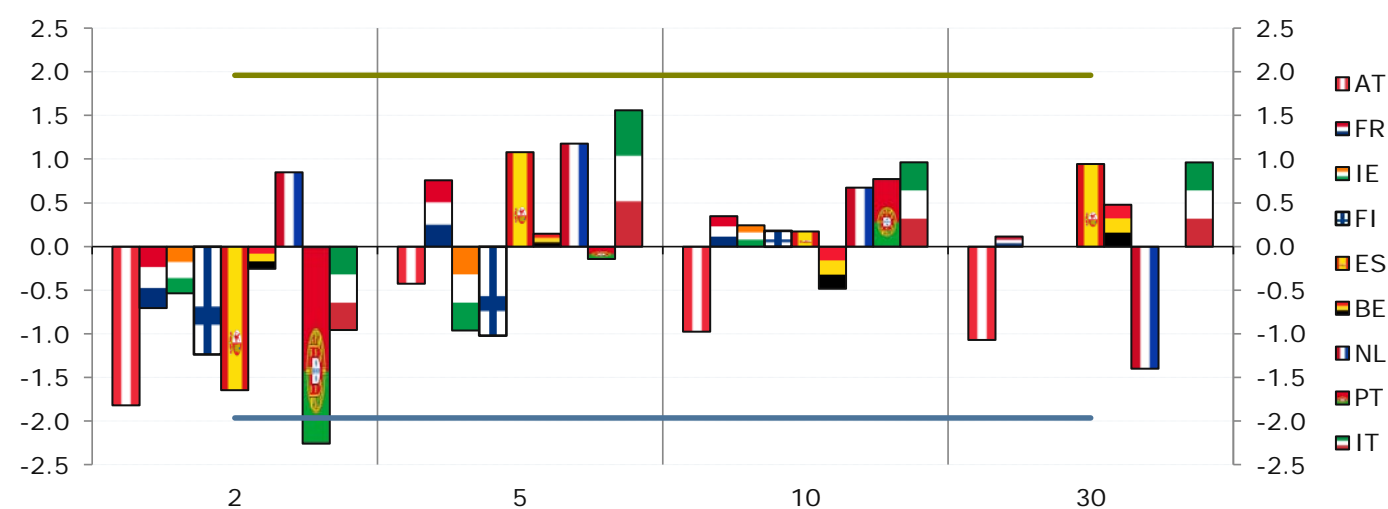
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)							
Date		Country	Coupon		Maturity		Amount (EURbn)
06 Jun		LN			2021		
07 Jun		AS					
08 Jun		GE	0.00%		2018		5bn
13 Jun		IT					
13 Jun		LN	2.10%		2024		

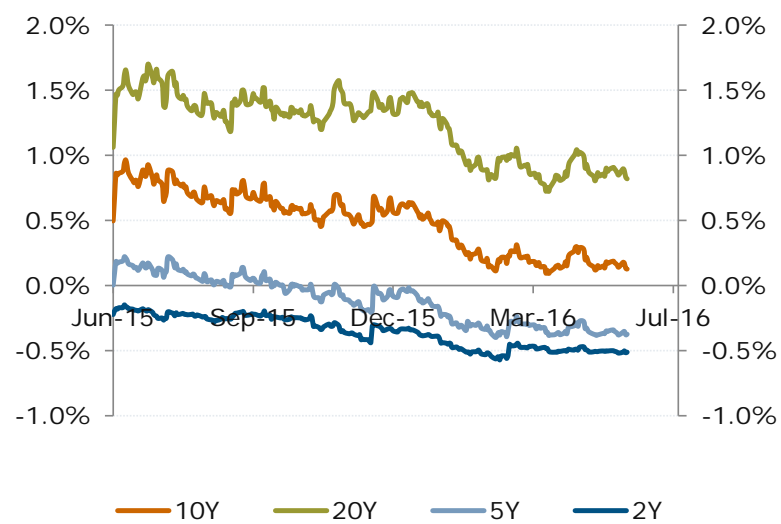
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

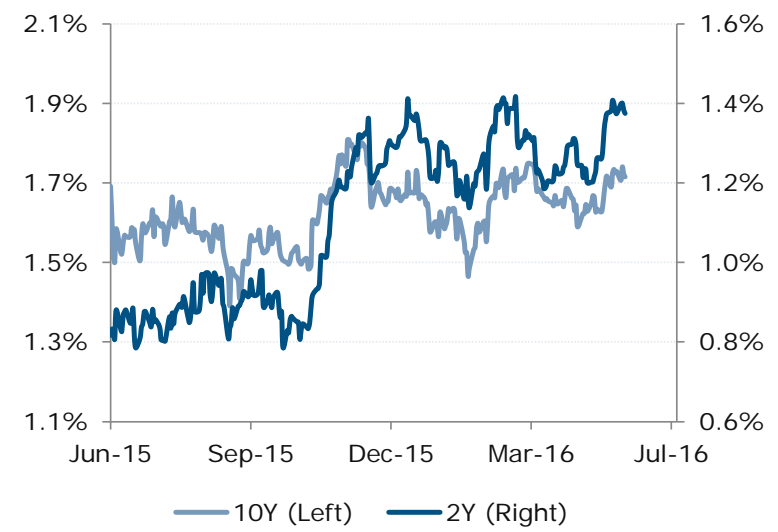
Yield Levels

German & US benchmark bonds on-the-run Nordea Analytics benchmarks.

German benchmark bond yields, %



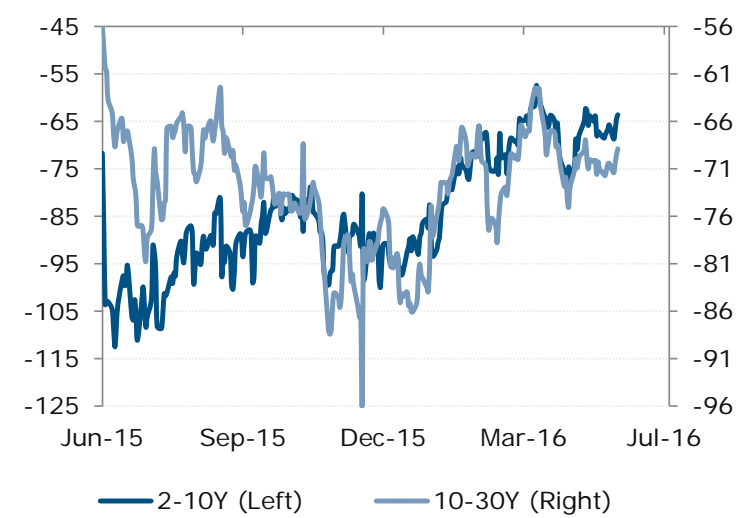
USA-Germany spreads, annualized yields, %



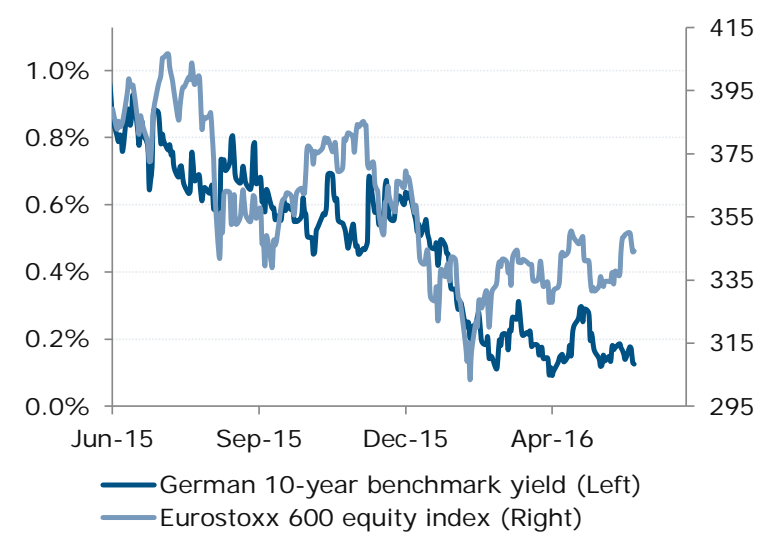
Bond Curve Shape

German curve slopes are yield spreads between Nordea Analytics benchmark bonds.

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

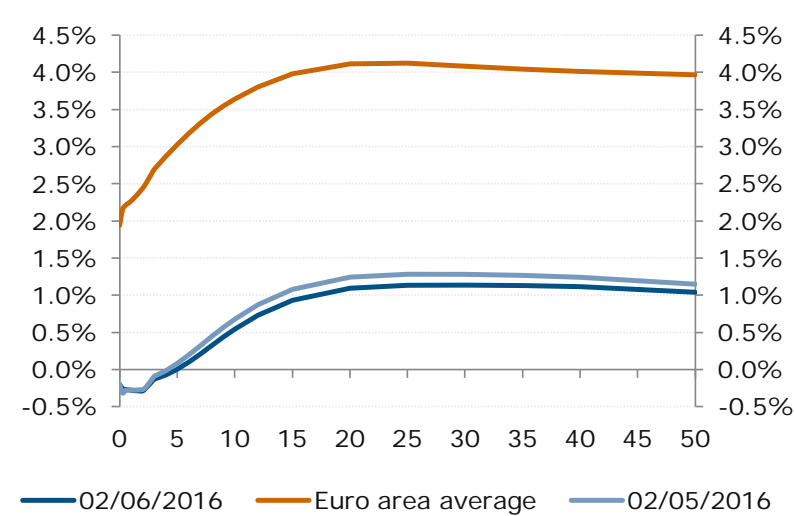
EUR swap rates and implied forwards, %



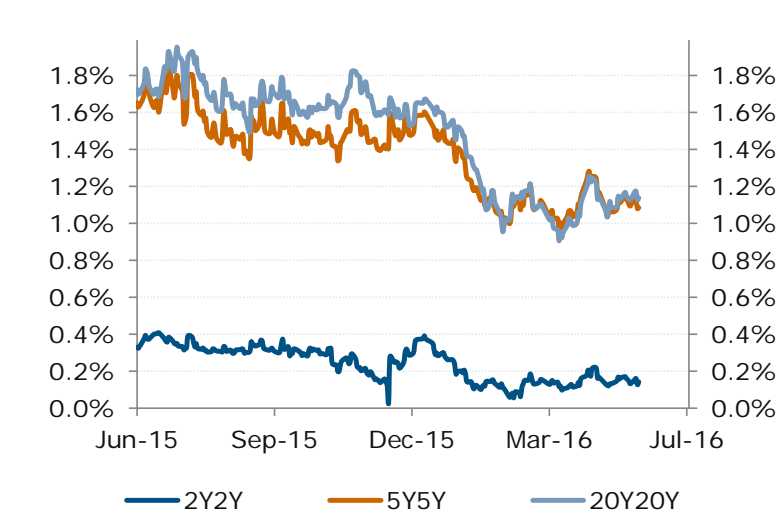
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



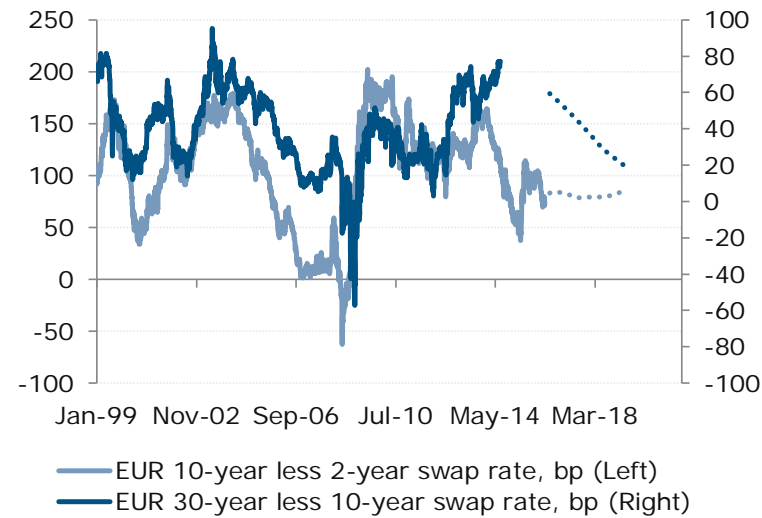
Historical forward rates, %



E.g. 2Y2Y swap rate illustrates the rate of a 2-year swap with a 2-year forward start.

5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.

EUR swap curve slopes and forwards



Curvature (EUR swap curve)

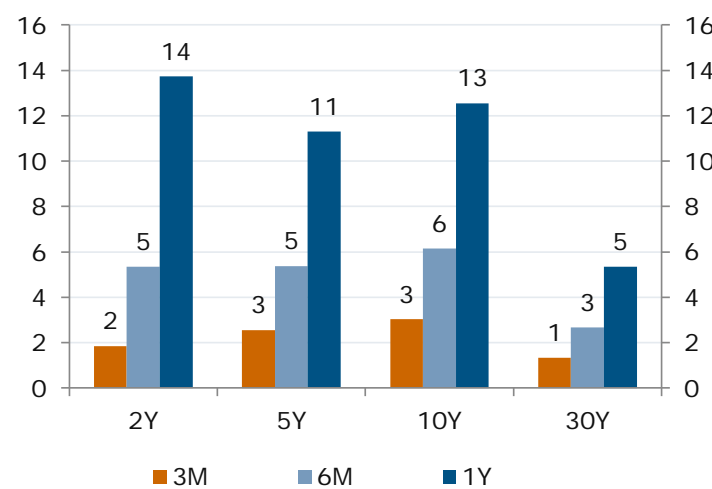


Carry

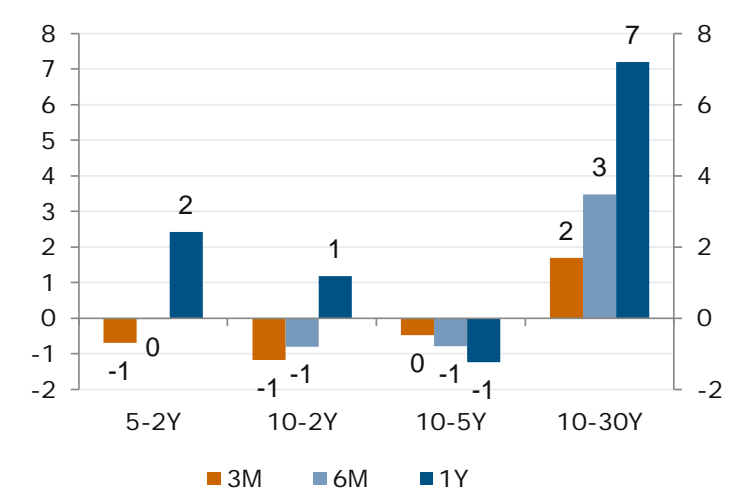
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

Yield buffers for steepeners tell how much the curve may flatten in order to result in a zero-profit in a forward starting steepener position.

Yield buffers for forward-starting swaps, bp



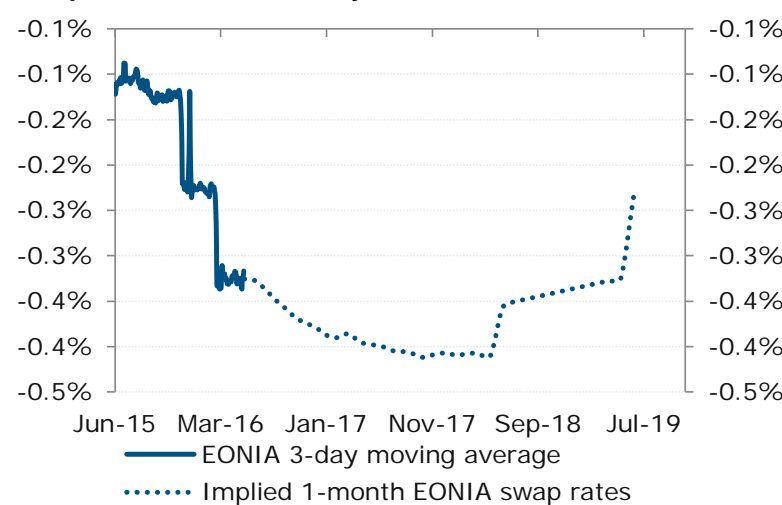
Yield buffers for duration-neutral steepeners, bp



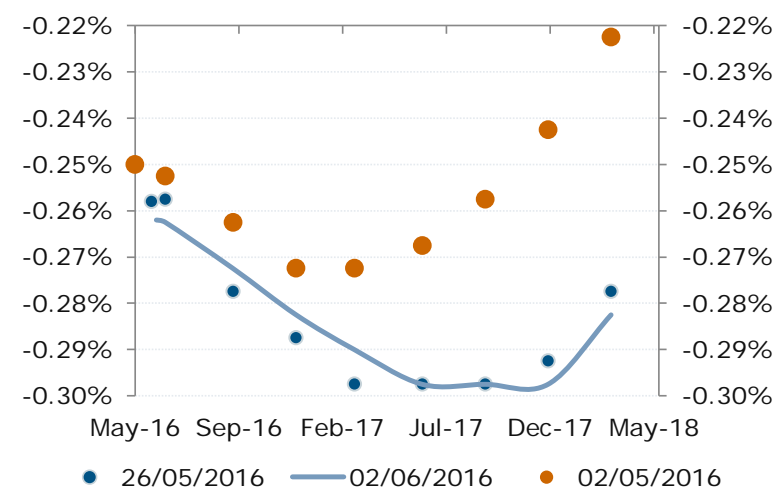
Money Market Rates

The EONIA (Euro Overnight Index - Average) rate is the effective overnight reference rate for the euro.

Expectations and history for EONIA



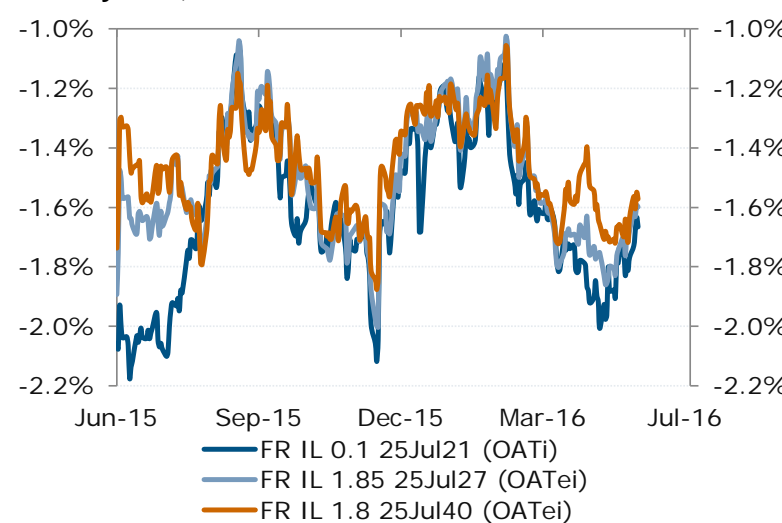
Euribor futures curve, now, 1 wk & 1M ago



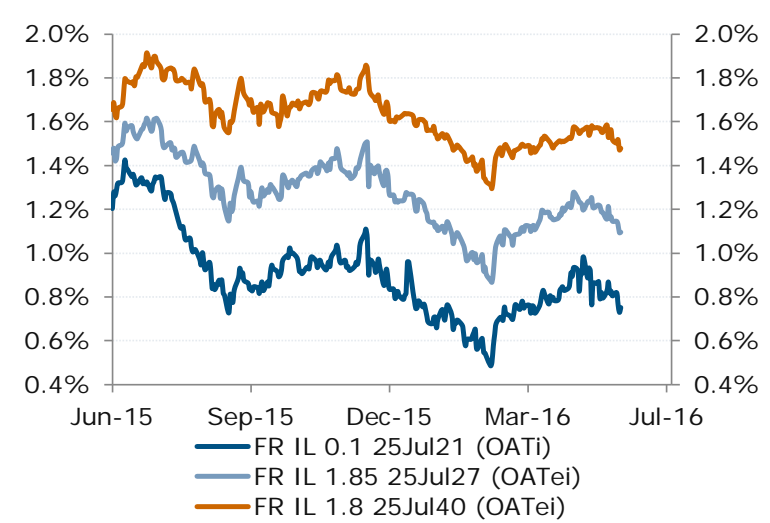
Inflation-linked Bonds

Break-even inflation calculated as a yield spread to a nominal comparable bond.

Real yields, %



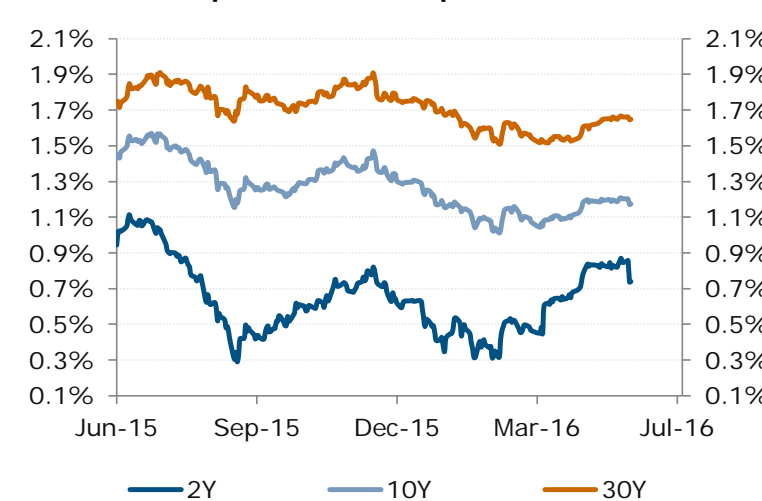
Break-even inflation history, %



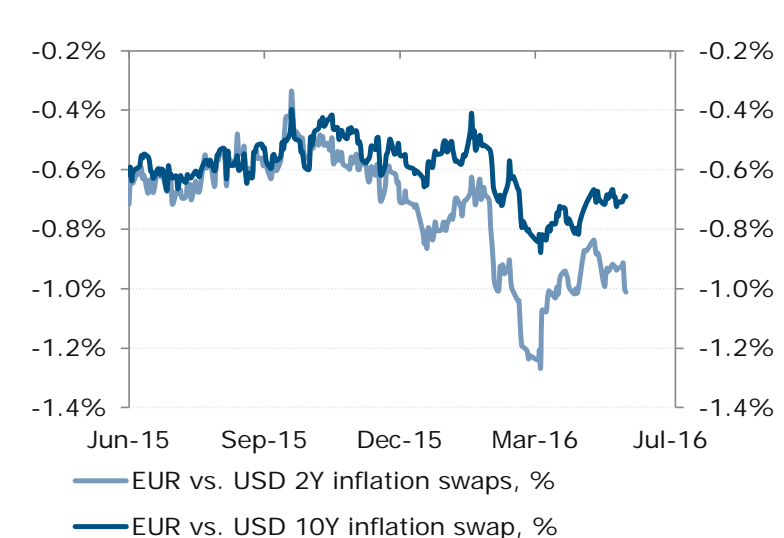
Inflation Swaps

A zero-coupon inflation swap is a derivative contract, in which one party pays a fixed rate (the break-even inflation rate) and the other party pays a floating rate based on realized inflation. The zero-coupon inflation swap illustrates the average expected inflation rate during the life of the swap.

EUR zero-coupon inflation swaps



EUR vs. USD inflation swaps



Credit & Money Market Spreads

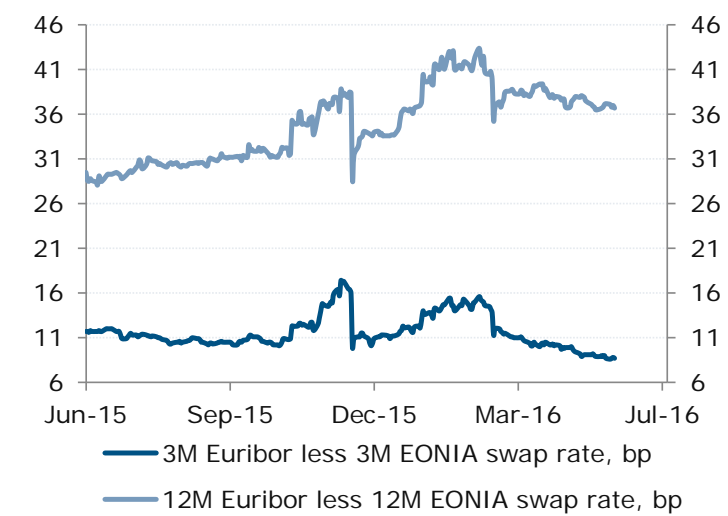
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

The spread between Euribor and EONIA swap rate illustrates the money market credit risk premium, i.e. the difference between Euribor rates and the expected future ECB minimum bid rate.

iTraxx® credit default swap spreads



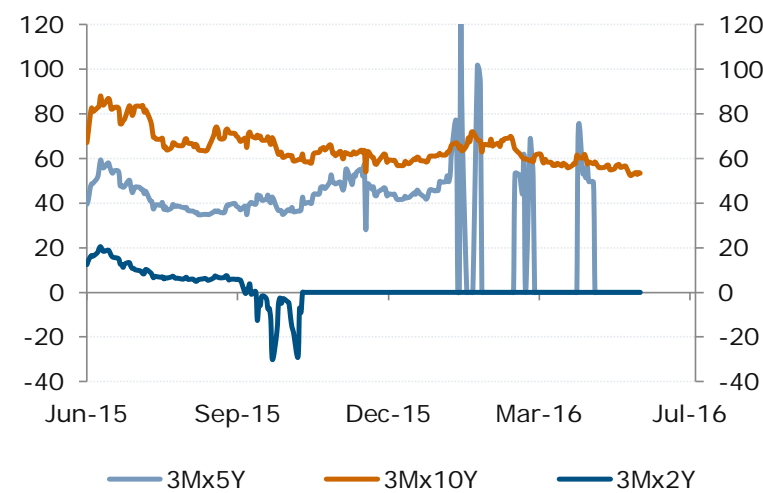
Money market rates vs. EONIA swap rates



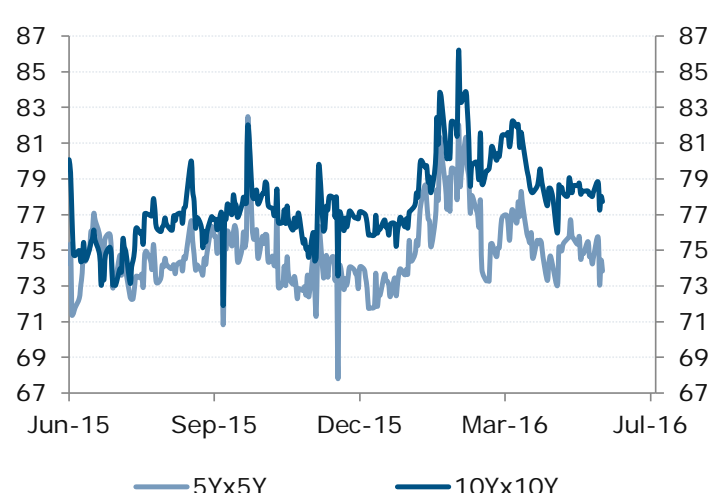
Swaption Volatilities

ATMF (At The Money Forward) swaption bp vol measures the normalized volatility, i.e. the absolute changes in the forward rate in basis points.

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol



Swap & Cross-country Spreads

Swap spread:
Benchmark bond's spread to EUR swap curve.

10Y country spreads are maturity interpolated spreads against the German government curve.

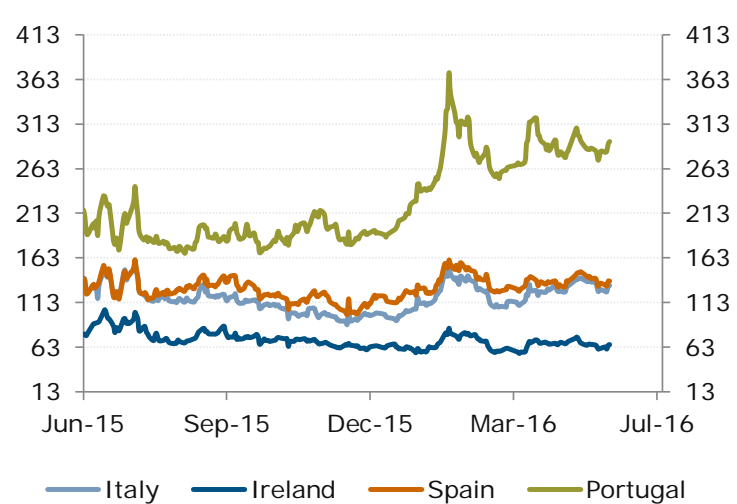
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

The break-even spread change is based on the spread against the following two German benchmark bonds:
DE TB 15Jun18
DE 0.5 15Feb26

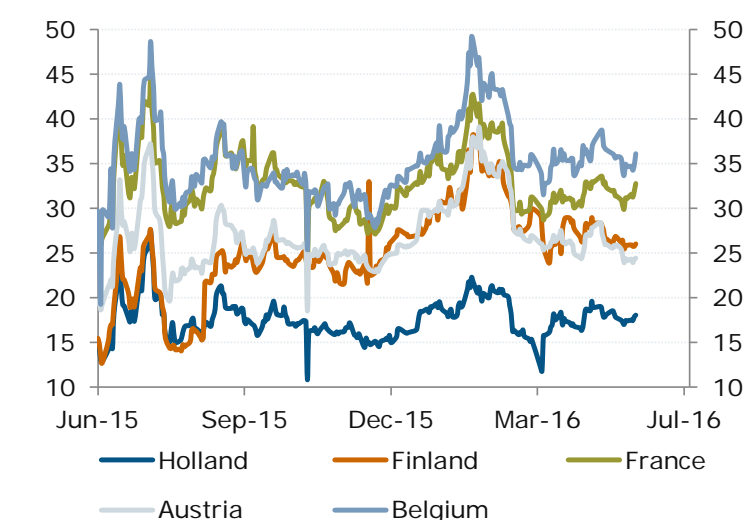
German swap spreads, bp



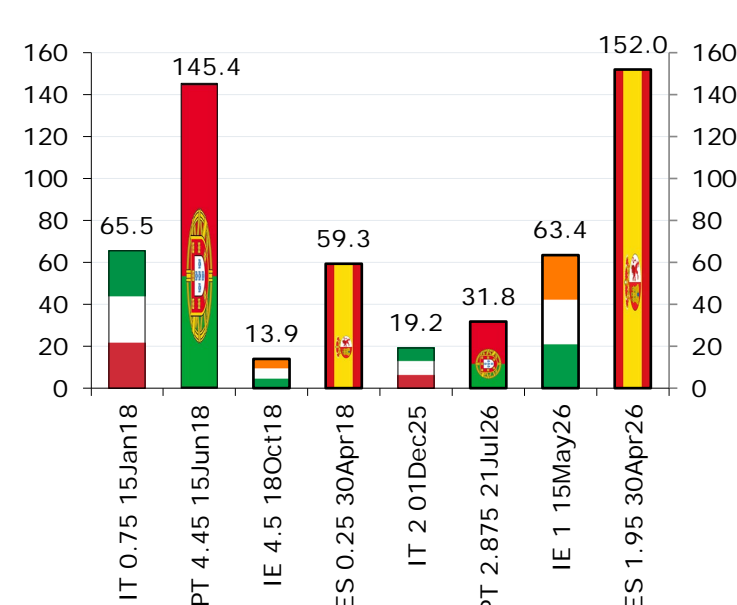
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



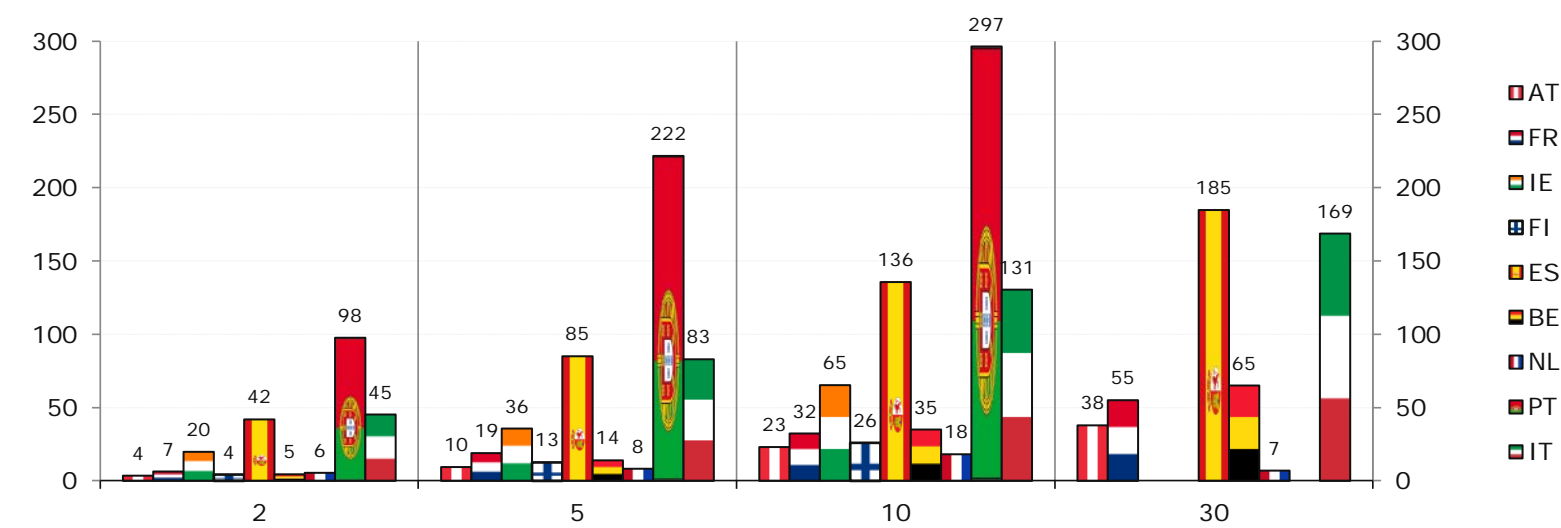
1Y B/E spread changes against Germany, bp



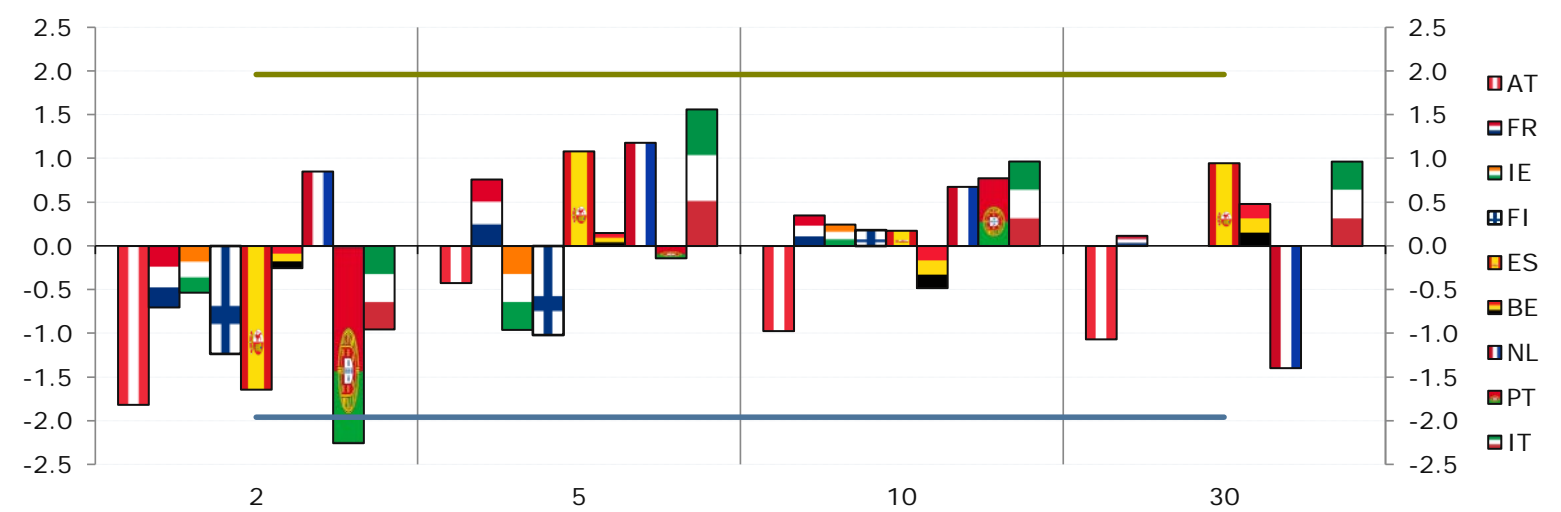


Country Relative Value

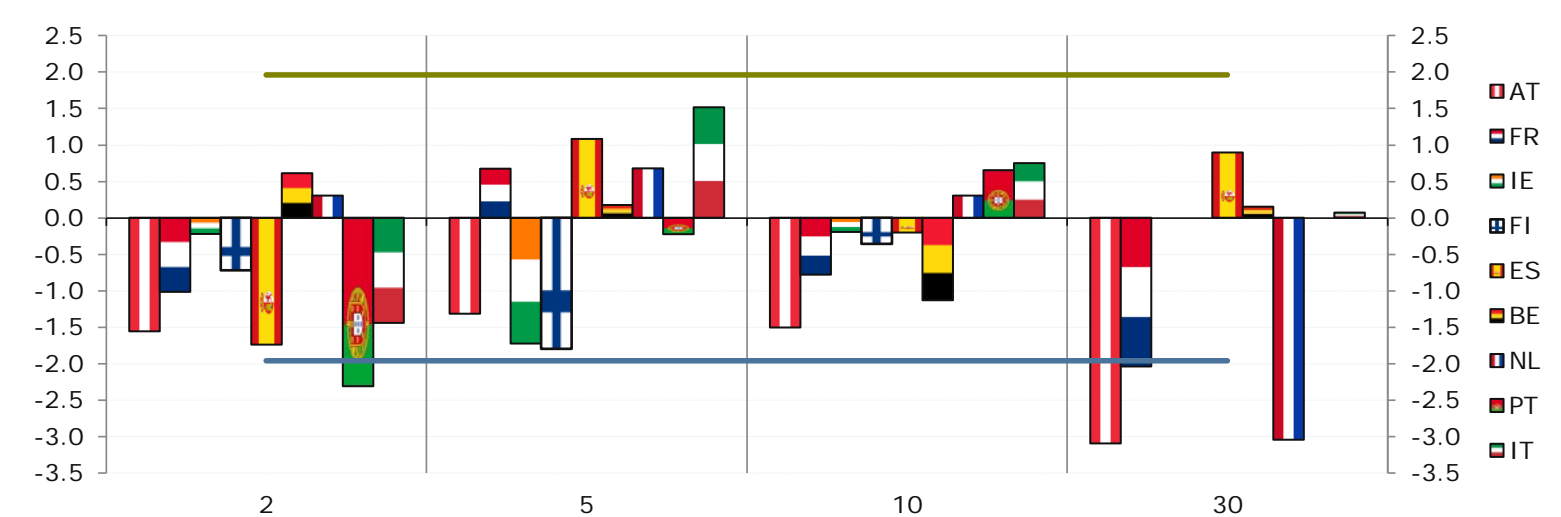
Benchmark spreads over the maturity-interpolated German par curve, bp



Z-scores of benchmark vs. Germany



Z-scores of benchmark vs. swap curve



The richest and cheapest benchmark bonds against Germany and the swap curve by sectors:

Against German Curve						Against Swap Curve				
	Issue	Maturity	Coupon	Spread	Z-score	Issue	Maturity	Coupon	Spread	Z-score
2Y: Rich	PT	15 Jun 18	4.450	97.8	-2.17	PT	15 Jun 18	4.450	66.4	-2.38
	NL	15 Apr 18	0.000	5.7	0.91	DE	15 Jun 18	0.000	-35.2	0.25
5Y: Rich	AT	20 Apr 22	3.650	12.5	-1.59	IE	18 Oct 20	5.000	2.0	-1.72
	NL	15 Jul 20	3.500	6.3	1.63	FR	25 May 21	0.000	-17.6	0.92
7Y: Rich	FI	15 Apr 24	2.000	20.3	-2.11	KfW	11 Jun 24	1.500	-32.2	-2.46
	NL	15 Jul 23	1.750	15.4	1.02	NL	15 Jul 22	2.250	-25.9	0.72
10Y: Rich	KfW	15 Jan 25	0.625	16.5	-1.84	EIB	13 Nov 26	1.250	-16.1	-4.25
	IT	01 Dec 25	2.000	130.6	0.96	IT	01 Dec 25	2.000	93.6	0.77
15Y: Rich	AT	15 Mar 37	4.150	25.1	-1.84	AT	15 Mar 37	4.150	5.1	-3.33
	EIB	15 Mar 35	2.625	36.1	2.12	IT	01 Mar 32	1.650	93.3	0.80
20Y: Rich	FI	04 Jul 42	2.625	12.9	-1.60	AT	20 Feb 47	1.500	16.4	-3.20
	EIB	15 Sep 45	1.750	35.4	2.86	PT	15 Feb 45	4.100	294.1	0.45

To exploit the historical cheapness/ richness of bonds, we calculate 60-day z-scores:

Current spread - 60-day average
standard deviation

Bond is

- rich if z-score < -1.96
- cheap if z-score > 1.96

We evaluate bonds included in the country specific tables below. Bonds are ranked by z-scores.



	15	16	17
GDP, %, y/y	1.5	1.5	2.0
Public balance	0.4	0.2	0.2
Debt/GDP	74.2	71.9	68.9

Source: European Commission, Winter 2015 forecast

Rating	Aaa/AAA/AAA
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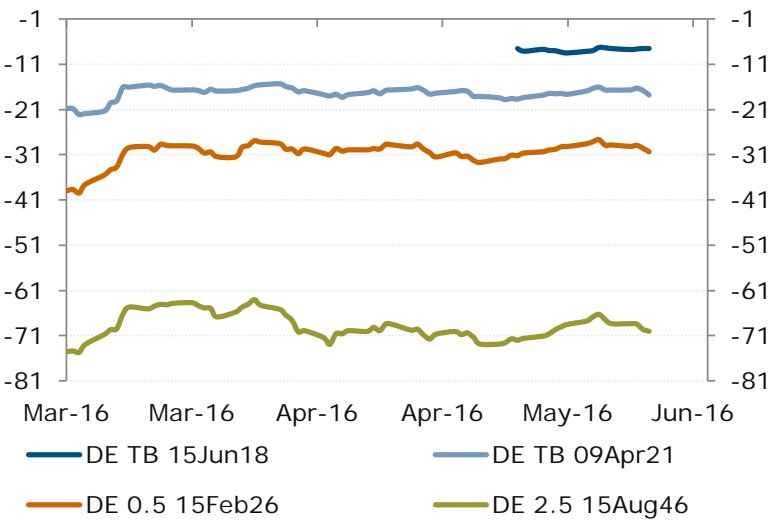
Moody's / S&P / Fitch

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

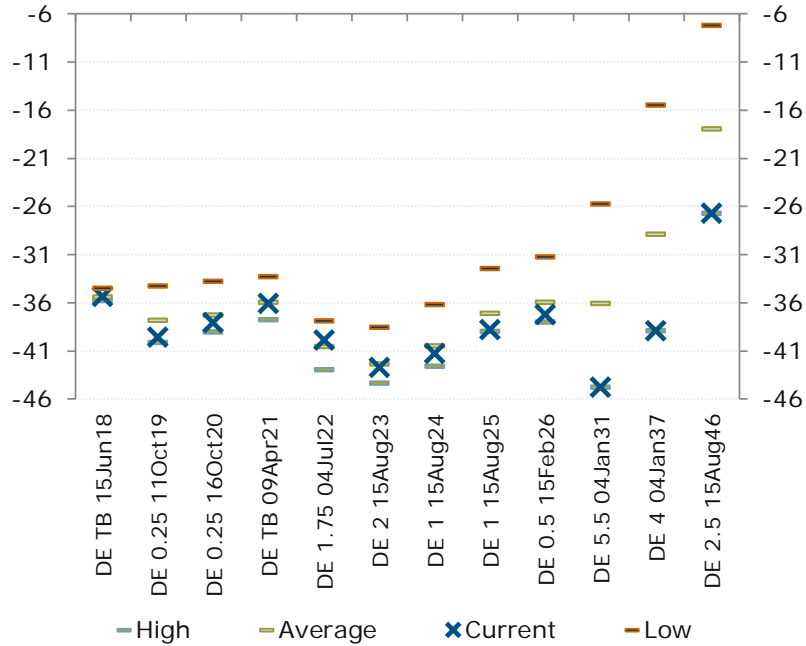
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.000	15 Jun 18	5.0B	-0.513	-7.8	-8.1	0.87	-1.2	-35.2	-35.3	0.25
0.250	11 Oct 19	16.0B	-0.509	-15.2	-15.3	0.16	0.2	-39.4	-37.7	-1.34
0.250	16 Oct 20	19.0B	-0.432	-17.6	-17.6	0.00	0.4	-37.9	-37.1	-0.66
0.000	09 Apr 21	21.0B	-0.375	-18.1	-17.6	-0.44	10.3	-35.9	-35.8	-0.13
1.750	04 Jul 22	24.0B	-0.295	-22.5	-23.3	0.59	0.1	-39.7	-40.4	0.51
2.000	15 Aug 23	18.0B	-0.205	-27.1	-27.2	0.08	0.1	-42.5	-42.2	-0.33
1.000	15 Aug 24	18.0B	-0.079	-28.7	-28.3	-0.19	3.8	-41.1	-40.3	-0.81
1.000	15 Aug 25	23.0B	0.054	-30.3	-29.7	-0.37	-0.7	-38.6	-36.9	-1.61
0.500	15 Feb 26	22.0B	0.126	-30.7	-30.7	0.04	-0.9	-37.1	-35.8	-1.35
5.500	04 Jan 31	17.0B	0.383	-50.5	-49.9	-0.27	-0.4	-44.6	-35.9	-2.28
4.000	04 Jan 37	23.0B	0.637	-60.6	-61.5	0.32	0.2	-38.7	-28.7	-2.00
2.500	15 Aug 46	16.0B	0.819	-70.3	-69.0	-0.52	-0.1	-26.6	-17.8	-2.40

Spreads against the French curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	0.4	1.0	1.8
Public balance	-4.3	-4.1	-4.1
Debt/GDP	95.3	97.1	98.2

Source: European Commission, Winter 2015 forecast

Rating	Aa1/AA/AA
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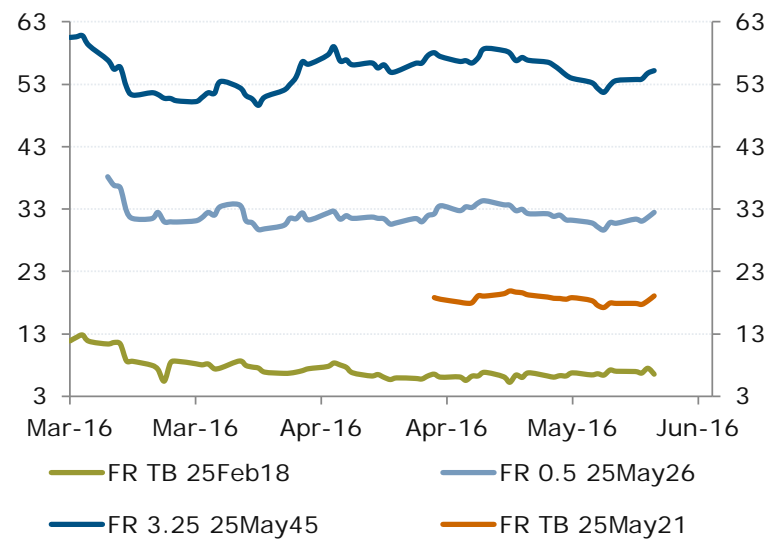
Moody's / S&P / Fitch

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

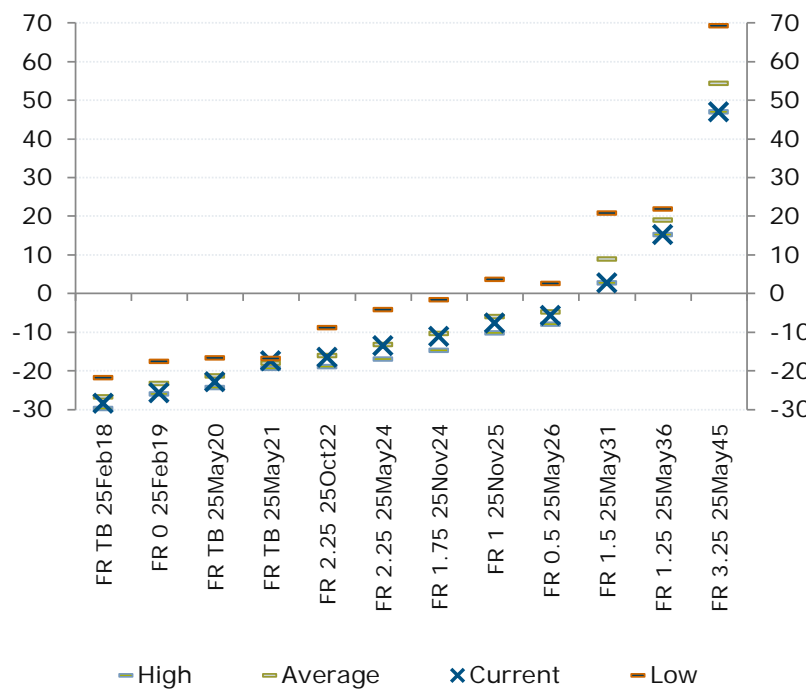
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.000	25 Feb 18	19.98B	-0.448	6.6	7.4	-0.68	-1.1	-28.5	-26.9	-0.74
0.000	25 Feb 19	12.81B	-0.402	11.3	12.9	-1.10	-0.4	-25.7	-23.3	-1.15
0.000	25 May 20	22.01B	-0.303	16.1	16.0	0.11	12.9	-22.9	-21.4	-0.90
0.000	25 May 21	8.99B	-0.179	19.1	18.5	0.92	0.5	-17.6	-18.2	0.92
2.250	25 Oct 22	30.02B	-0.048	21.3	21.8	-0.41	0.6	-16.6	-16.1	-0.29
2.250	25 May 24	32.01B	0.150	25.5	24.3	0.74	-0.2	-13.5	-13.3	-0.12
1.750	25 Nov 24	30.99B	0.234	27.2	26.3	0.56	0.0	-11.2	-10.4	-0.39
1.000	25 Nov 25	25.99B	0.390	30.2	30.0	0.17	-0.2	-7.7	-6.0	-0.80
0.500	25 May 26	19.02B	0.472	32.5	32.0	0.49	0.1	-5.8	-4.8	-0.65
1.500	25 May 31	16.99B	0.901	44.9	44.2	0.31	-0.4	2.6	8.8	-2.31
1.250	25 May 36	6.0B	1.207	50.5	50.6	-0.05	0.0	15.1	18.9	-1.93
3.250	25 May 45	19.99B	1.414	55.2	54.8	0.16	0.0	46.9	54.2	-2.06

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	-0.5	0.6	1.3
Public balance	-3.0	-2.6	-2.0
Debt/GDP	131.9	133.0	131.9

Source: European Commission, Winter 2015 forecast

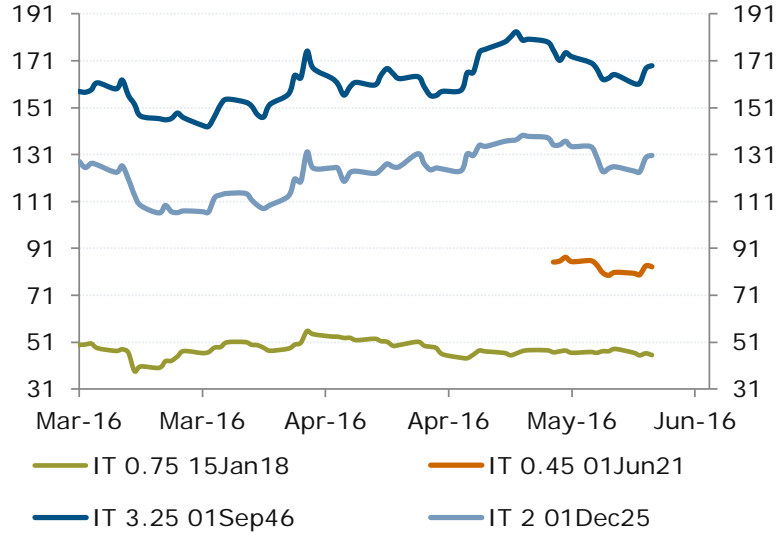
Rating	Baa2/BBB-/BBB+
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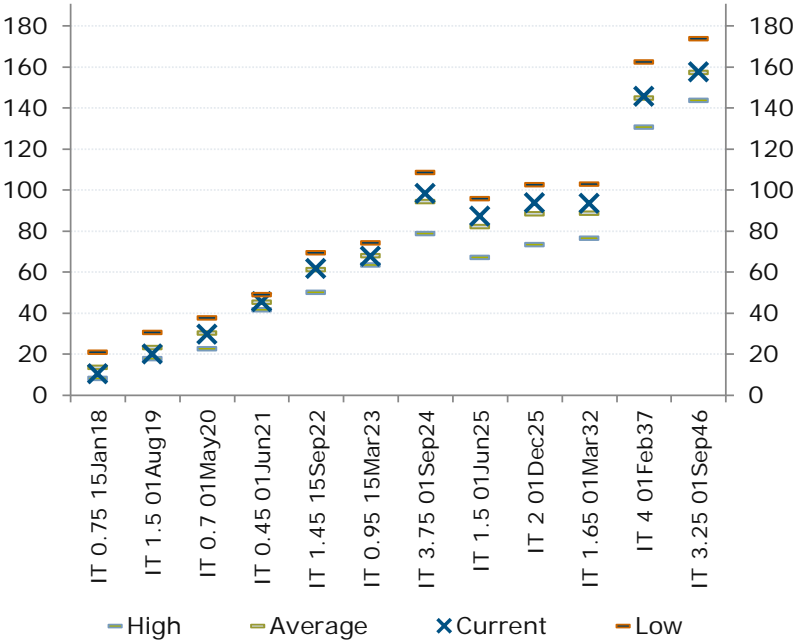
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.059	45.4	47.8	-0.92	3.7	10.2	13.4	-1.30
1.500	01 Aug 19	16.01B	0.070	57.6	59.2	-0.53	1.2	20.0	23.1	-1.21
0.700	01 May 20	15.99B	0.214	68.1	67.4	0.15	-0.5	29.5	30.2	-0.17
0.450	01 Jun 21	9.03B	0.463	83.1	83.1	0.00	0.2	45.4	45.1	0.13
1.450	15 Sep 22	17.03B	0.730	99.9	99.7	0.03	-0.4	61.6	61.0	0.12
0.950	15 Mar 23	10.44B	0.866	109.5	109.7	-0.07	-0.1	67.7	67.8	-0.05
3.750	01 Sep 24	19.01B	1.201	127.0	121.8	0.75	0.3	98.1	94.3	0.55
1.500	01 Jun 25	19.99B	1.307	127.7	120.8	0.93	0.2	87.0	82.0	0.77
2.000	01 Dec 25	17.01B	1.396	130.6	123.3	0.96	-0.2	93.6	88.3	0.77
1.650	01 Mar 32	17.01B	1.922	142.2	129.8	1.35	0.8	93.3	88.6	0.80
4.000	01 Feb 37	26.01B	2.278	155.5	146.9	1.05	0.0	145.6	144.8	0.13
3.250	01 Sep 46	13.24B	2.559	168.9	161.4	0.93	0.3	157.5	157.1	0.07

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	1.4	2.3	2.5
Public balance	-5.6	-4.5	-3.7
Debt/GDP	98.3	101.5	102.5

Source: European Commission, Winter 2015 forecast

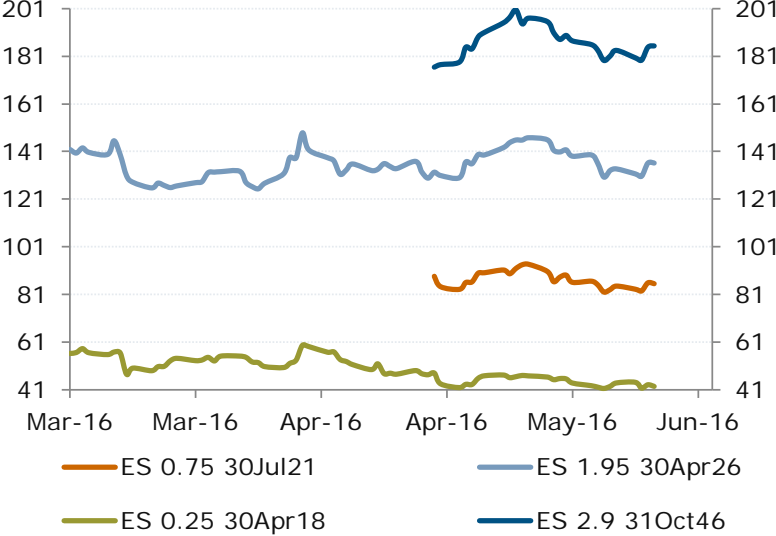
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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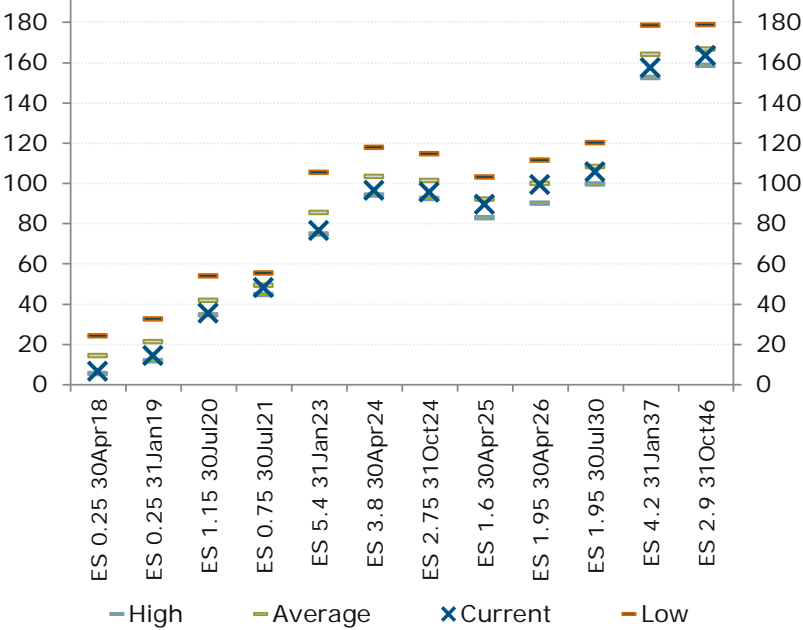
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	-0.094	42.1	49.2	-1.59	7.0	6.5	14.2	-1.50
0.250	31 Jan 19	6.93B	0.001	51.6	57.5	-1.27	10.9	14.4	21.1	-1.33
1.150	30 Jul 20	17.02B	0.278	72.6	77.8	-1.13	11.4	35.2	41.7	-1.59
0.750	30 Jul 21	6.02B	0.496	85.2	86.5	-0.45	10.6	47.9	49.1	-0.45
5.400	31 Jan 23	21.99B	0.765	100.3	108.2	-1.60	1.1	76.3	85.3	-1.71
3.800	30 Apr 24	21.99B	1.137	124.9	130.2	-1.16	0.8	96.3	103.2	-1.54
2.750	31 Oct 24	23.99B	1.241	128.8	133.2	-0.94	2.3	95.4	101.2	-1.36
1.600	30 Apr 25	19.09B	1.311	129.3	130.5	-0.25	1.6	89.5	92.0	-0.59
1.950	30 Apr 26	17.52B	1.497	135.8	134.8	0.20	1.2	99.2	99.8	-0.12
1.950	30 Jul 30	13.21B	1.929	152.7	149.0	0.66	-1.2	105.6	108.1	-0.59
4.200	31 Jan 37	17.02B	2.353	163.0	162.2	0.13	-1.0	157.1	163.8	-1.26
2.900	31 Oct 46	6.11B	2.721	185.0	185.9	-0.17	0.1	163.2	166.7	-0.66

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	0.7	1.4	1.7
Public balance	-2.8	-2.2	-1.8
Debt/GDP	69.5	70.5	70.5

Source: European Commission, Winter 2015 forecast

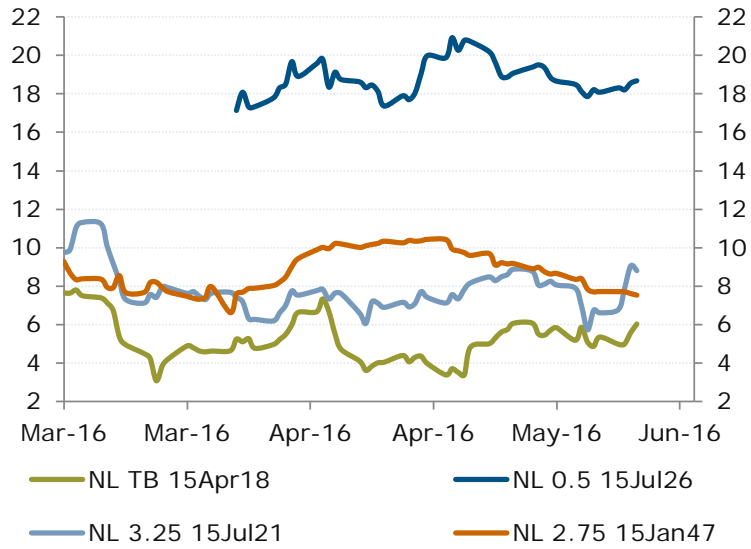
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

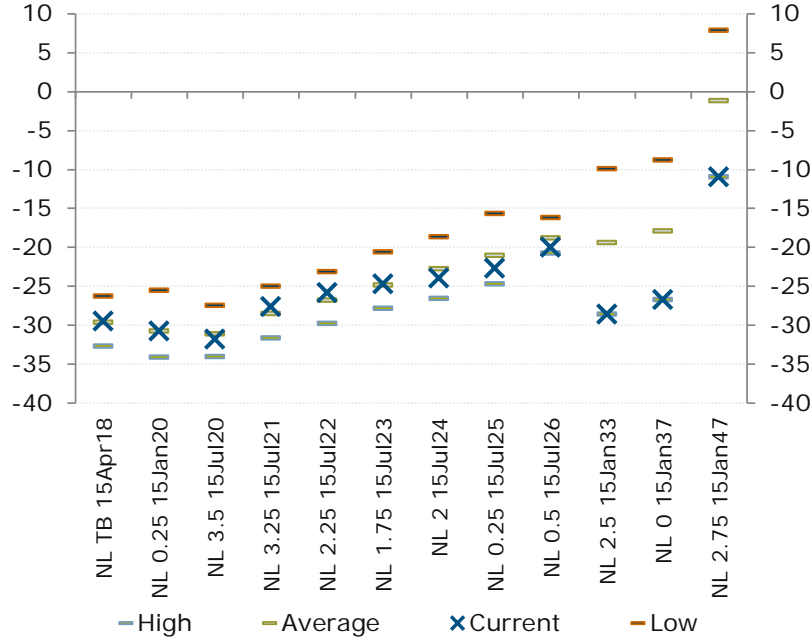
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.000	15 Apr 18	14.66B	-0.458	5.7	4.9	0.91	1.2	-29.5	-29.7	0.12
0.250	15 Jan 20	15.84B	-0.409	7.4	6.0	1.32	12.7	-30.8	-30.8	0.00
3.500	15 Jul 20	15.02B	-0.388	6.3	5.4	1.63	-0.6	-31.9	-31.2	-0.47
3.250	15 Jul 21	16.99B	-0.275	8.4	7.4	1.23	-0.9	-27.7	-28.5	0.63
2.250	15 Jul 22	15.01B	-0.163	12.0	11.3	0.87	-0.5	-25.9	-26.9	0.72
1.750	15 Jul 23	15.63B	-0.045	15.4	14.6	1.02	0.2	-24.7	-24.9	0.13
2.000	15 Jul 24	15.32B	0.069	15.6	15.1	0.49	-0.2	-24.0	-22.8	-0.80
0.250	15 Jul 25	15.01B	0.213	16.9	16.9	0.03	-0.4	-22.8	-21.1	-0.99
0.500	15 Jul 26	8.51B	0.339	18.3	18.3	-0.05	0.7	-20.0	-18.8	-1.57
2.500	15 Jan 33	12.01B	0.639	8.5	9.6	-0.83	0.0	-28.6	-19.4	-2.83
0.000	15 Jan 37	0.0B	0.816	9.4	11.7	-1.56	0.3	-26.8	-17.9	-2.50
2.750	15 Jan 47	11.01B	0.944	7.2	8.4	-1.35	0.1	-11.0	-1.2	-2.92

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	1.0	1.1	1.4
Public balance	-3.2	-2.6	-2.4
Debt/GDP	106.4	106.8	106.6

Source: European Commission, Winter 2015 forecast

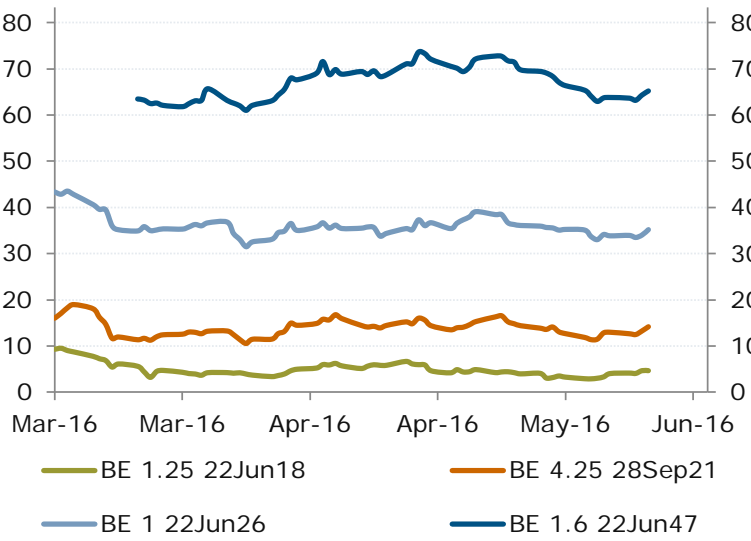
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

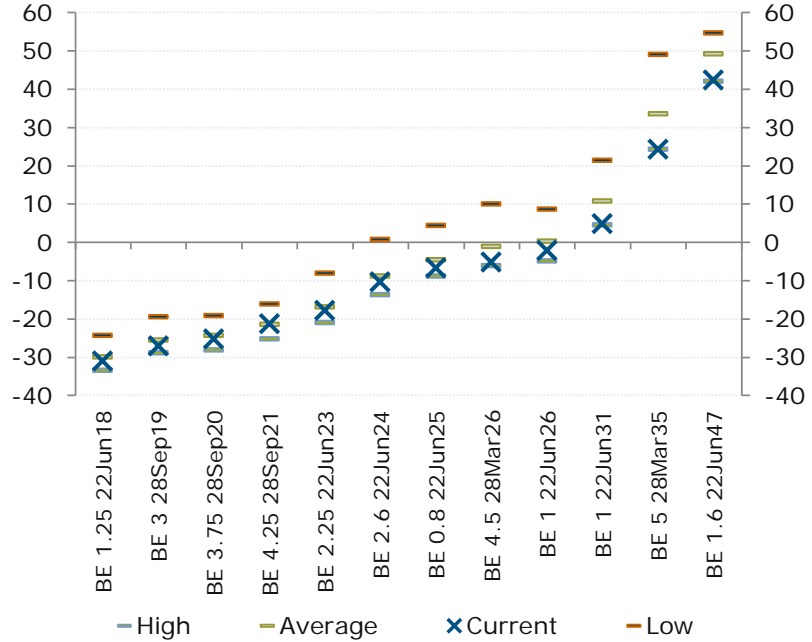
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.469	4.6	4.9	-0.21	0.2	-30.9	-29.9	-0.60
3.000	28 Sep 19	12.01B	-0.387	11.1	11.0	0.04	0.9	-27.0	-25.5	-0.82
3.750	28 Sep 20	19.01B	-0.314	11.8	11.3	0.33	1.7	-25.2	-24.2	-0.62
4.250	28 Sep 21	16.45B	-0.202	14.2	13.9	0.17	1.8	-21.2	-21.4	0.11
2.250	22 Jun 23	13.99B	0.010	21.5	21.8	-0.16	0.5	-17.8	-16.8	-0.48
2.600	22 Jun 24	15.85B	0.183	27.8	27.7	0.05	0.0	-10.4	-8.8	-0.67
0.800	22 Jun 25	16.02B	0.361	32.5	32.9	-0.27	-0.8	-6.6	-4.5	-0.97
4.500	28 Mar 26	9.02B	0.373	24.5	25.6	-0.61	-0.9	-5.1	-1.1	-1.52
1.000	22 Jun 26	7.79B	0.504	35.2	35.9	-0.44	-0.9	-2.1	0.3	-1.09
1.000	22 Jun 31	5.59B	0.953	49.6	49.0	0.21	-0.6	4.8	10.8	-1.98
5.000	28 Mar 35	19.28B	1.064	39.9	39.8	0.03	-0.5	24.3	33.6	-2.00
1.600	22 Jun 47	3.5B	1.527	65.2	66.9	-0.49	0.5	42.3	49.2	-2.56

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	0.0	0.8	1.4
Public balance	-2.7	-2.5	-2.2
Debt/GDP	58.9	61.2	62.6

Source: European Commission, Winter 2015 forecast

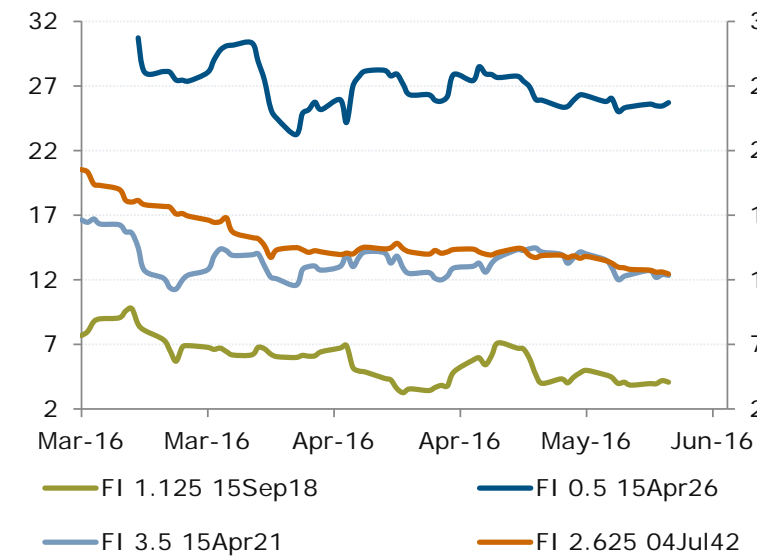
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

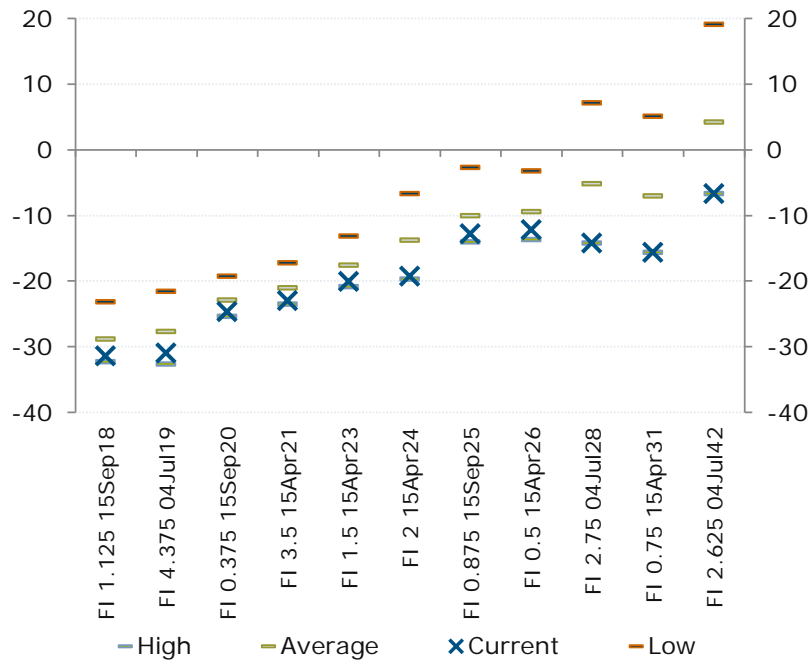
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.471	4.5	6.1	-1.19	0.0	-31.4	-28.8	-1.16
4.375	04 Jul 19	5.0B	-0.434	7.7	9.2	-0.90	-0.2	-30.9	-27.6	-1.15
0.375	15 Sep 20	6.03B	-0.307	12.9	13.4	-0.63	-0.1	-24.7	-22.9	-1.41
3.500	15 Apr 21	6.0B	-0.253	12.7	13.8	-1.00	0.0	-23.0	-21.1	-1.57
1.500	15 Apr 23	5.0B	-0.025	19.7	21.9	-1.48	-0.1	-20.0	-17.6	-1.55
2.000	15 Apr 24	5.0B	0.087	20.3	24.3	-2.11	-0.2	-19.2	-13.8	-2.03
0.875	15 Sep 25	4.03B	0.320	25.6	26.5	-0.66	-0.1	-12.8	-10.1	-1.36
0.500	15 Apr 26	4.0B	0.395	26.1	27.1	-0.77	0.0	-12.2	-9.4	-1.42
2.750	04 Jul 28	5.0B	0.518	24.6	27.4	-1.51	-0.4	-14.2	-5.2	-2.08
0.750	15 Apr 31	3.5B	0.738	29.2	31.3	-0.96	0.1	-15.6	-7.1	-2.10
2.625	04 Jul 42	4.03B	0.973	12.9	15.4	-1.60	-0.1	-6.6	4.2	-2.05

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	0.2	0.8	1.5
Public balance	-2.9	-2.0	-1.4
Debt/GDP	86.8	86.4	84.5

Source: European Commission, Winter 2015 forecast

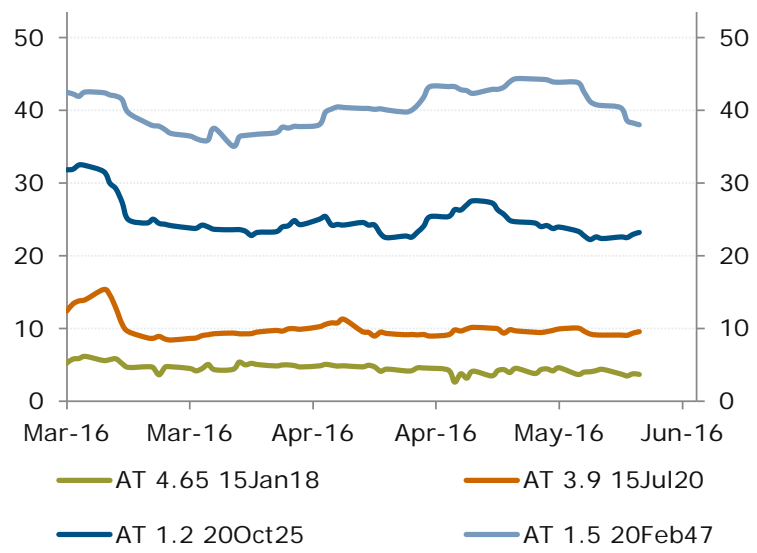
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

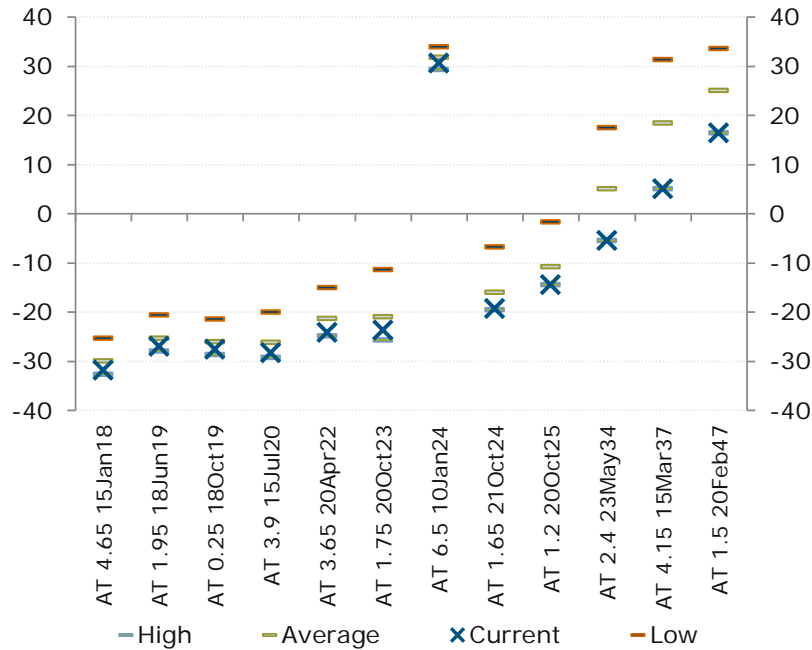
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.476	3.7	4.6	-1.75	1.5	-31.9	-30.0	-1.15
1.950	18 Jun 19	7.21B	-0.400	11.3	11.4	-0.19	0.3	-27.0	-25.4	-1.15
0.250	18 Oct 19	7.97B	-0.391	10.5	10.6	-0.18	0.0	-27.6	-26.1	-1.06
3.900	15 Jul 20	13.01B	-0.356	9.6	10.0	-0.40	0.4	-28.3	-26.2	-1.27
3.650	20 Apr 22	8.71B	-0.176	12.5	15.5	-1.59	0.3	-24.2	-21.3	-1.70
1.750	20 Oct 23	9.99B	-0.007	16.3	18.1	-0.66	-0.2	-23.7	-21.0	-0.89
6.500	10 Jan 24	1.02B	0.425	57.0	56.7	0.26	4.6	30.6	31.8	-1.29
1.650	21 Oct 24	10.35B	0.147	19.8	21.3	-0.85	-0.4	-19.3	-16.0	-1.20
1.200	20 Oct 25	9.28B	0.308	23.2	24.9	-0.97	-0.6	-14.4	-10.8	-1.50
2.400	23 May 34	6.16B	0.896	26.1	28.9	-1.55	0.4	-5.4	5.1	-2.69
4.150	15 Mar 37	12.22B	0.978	25.1	28.2	-1.84	0.2	5.1	18.5	-3.33
1.500	20 Feb 47	1.95B	1.253	38.0	40.3	-1.03	-1.2	16.4	25.1	-3.20

Spreads against the German curve, bp



Asset swap term structure, bp





Greece

	15	16	17
GDP, %, y/y	1.0	2.5	3.6
Public balance	-2.5	1.1	1.6
Debt/GDP	176.3	170.2	159.2

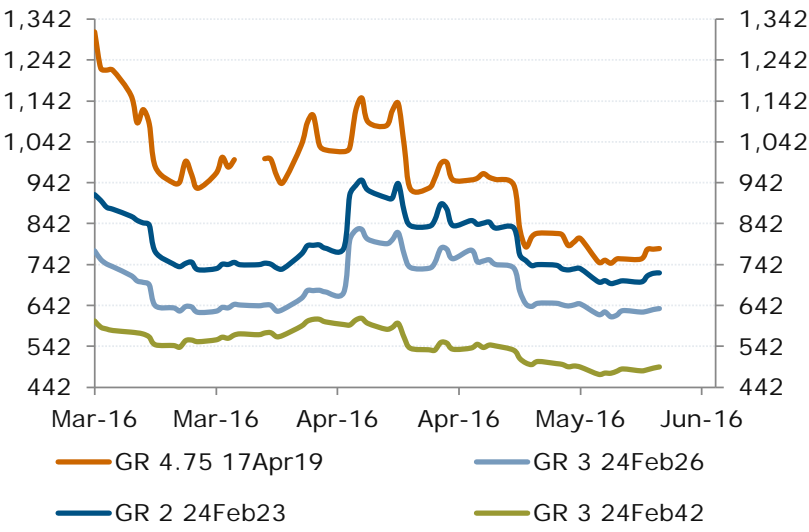
Source: European Commission, Winter 2015 forecast

Rating	Caa1/B-/CCC
Moody's / S&P / Fitch	

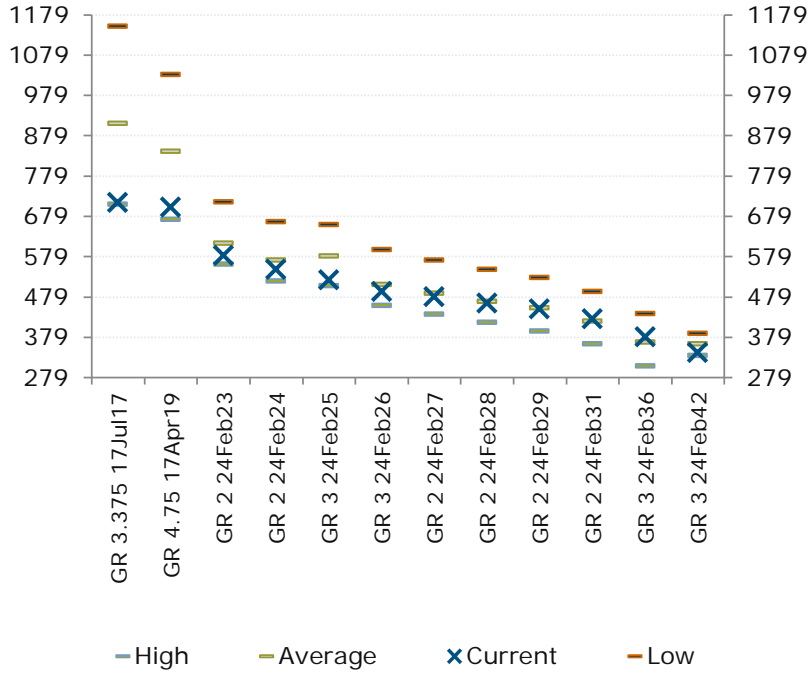
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	7.357	786.8	1,018.9	-2.05	47.6	713.0	908.5	-2.09
4.750	17 Apr 19	4.02B	7.298	781.3	961.4	-1.64	5.6	701.3	839.3	-1.66
3.000	24 Feb 23	1.04B	6.983	721.7	794.4	-1.08	14.4	580.9	612.2	-0.74
3.000	24 Feb 24	1.25B	6.778	691.0	751.9	-0.99	10.2	547.4	570.2	-0.59
3.000	24 Feb 25	1.84B	6.659	666.5	772.9	-1.67	10.0	521.4	580.1	-1.67
3.000	24 Feb 26	1.37B	6.462	634.4	690.0	-0.95	8.0	492.4	509.8	-0.48
3.000	24 Feb 27	1.21B	6.496	630.4	673.1	-0.80	8.9	478.9	488.0	-0.27
3.000	24 Feb 28	1.84B	6.463	621.3	657.2	-0.71	7.3	462.8	468.1	-0.16
3.000	24 Feb 29	1.48B	6.433	612.1	643.6	-0.62	5.5	448.0	451.1	-0.09
3.000	24 Feb 31	1.29B	6.371	593.3	611.0	-0.36	9.2	423.5	418.2	0.16
3.000	24 Feb 36	1.33B	6.191	549.7	552.7	-0.06	1.8	379.6	366.0	0.37
3.000	24 Feb 42	1.05B	5.759	491.7	547.5	-1.55	10.2	339.8	362.5	-1.54

Spreads against the German curve, bp



Asset swap term structure, bp



Portugal

	15	16	17
GDP, %, y/y	1.0	1.6	1.7
Public balance	-4.6	-3.2	-2.8
Debt/GDP	128.9	124.5	123.5

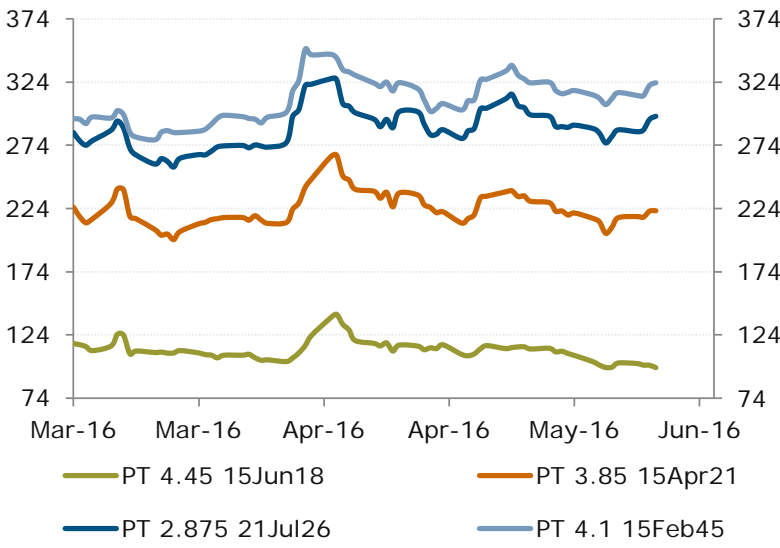
Source: European Commission, Winter 2015 forecast

Rating	Ba1/BB/BB+
Moody's / S&P / Fitch	

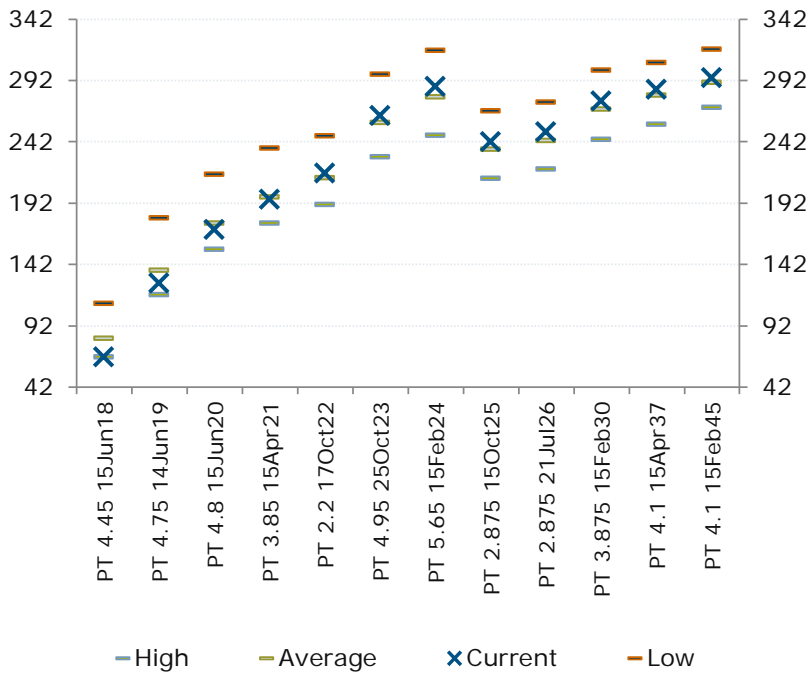
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.463	97.8	111.5	-2.17	-9.6	66.4	81.6	-2.38
4.750	14 Jun 19	10.99B	1.046	156.0	164.2	-0.99	1.7	126.3	136.7	-1.23
4.800	15 Jun 20	10.99B	1.500	195.9	199.3	-0.33	-0.2	170.0	175.3	-0.54
3.850	15 Apr 21	10.01B	1.838	221.9	223.4	-0.14	-0.1	194.5	196.6	-0.20
2.200	17 Oct 22	4.0B	2.339	260.1	256.8	0.27	0.0	216.0	212.3	0.36
4.950	25 Oct 23	8.02B	2.661	282.9	276.5	0.48	0.1	262.8	257.2	0.46
5.650	15 Feb 24	12.02B	2.856	299.0	289.4	0.71	0.8	286.8	278.2	0.67
2.875	15 Oct 25	10.52B	2.930	285.6	277.2	0.68	0.7	241.6	235.4	0.61
2.875	21 Jul 26	6.02B	3.123	296.6	286.9	0.75	0.4	249.8	242.6	0.70
3.875	15 Feb 30	4.05B	3.561	318.8	304.6	0.95	-0.2	275.1	268.5	0.64
4.100	15 Apr 37	8.02B	3.906	317.7	303.6	0.92	-0.4	284.5	279.8	0.49
4.100	15 Feb 45	3.0B	4.092	323.1	309.8	0.88	0.0	294.1	290.0	0.45

Spreads against the German curve, bp



Asset swap term structure, bp





Ireland

	15	16	17
GDP, %, y/y	4.8	3.5	3.6
Public balance	-4.0	-2.9	-3.1
Debt/GDP	110.8	110.3	107.9

Source: European Commission, Winter 2015 forecast

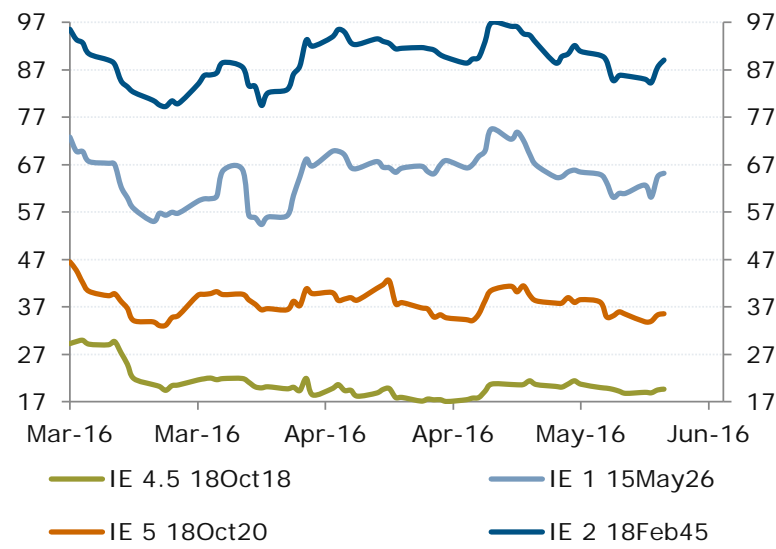
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

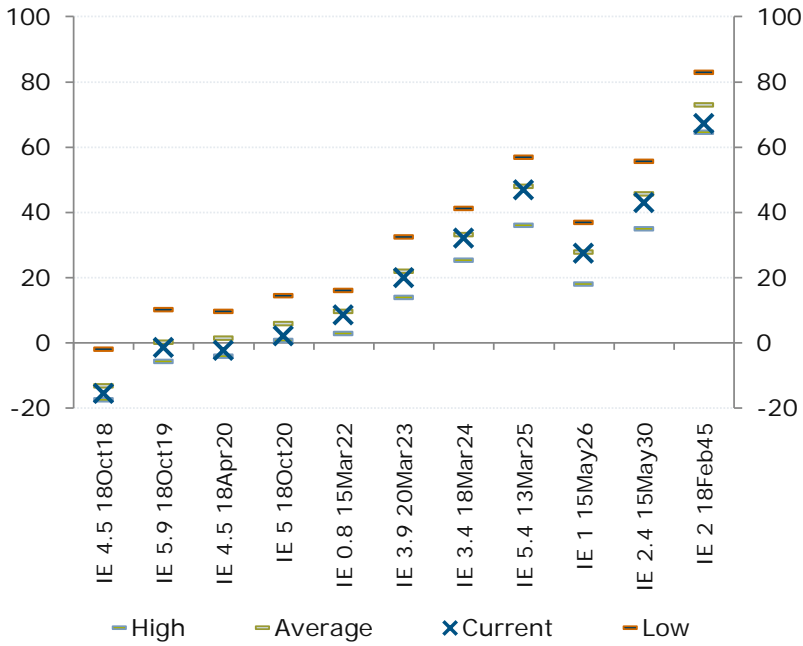
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.316	20.0	21.0	-0.51	1.4	-15.5	-13.3	-0.72
5.900	18 Oct 19	6.58B	-0.156	33.9	33.7	0.09	1.1	-1.4	0.1	-0.54
4.500	18 Apr 20	11.77B	-0.134	33.6	35.4	-0.92	0.1	-2.3	1.4	-1.64
5.000	18 Oct 20	8.99B	-0.068	35.9	37.9	-0.92	-0.3	2.0	5.9	-1.72
0.800	15 Mar 22	5.25B	0.152	46.1	47.7	-0.49	-0.4	8.5	9.5	-0.41
3.900	20 Mar 23	5.95B	0.307	53.5	55.1	-0.42	0.0	19.8	21.9	-0.57
3.400	18 Mar 24	8.01B	0.531	65.6	65.6	0.01	0.3	32.0	33.2	-0.30
5.400	13 Mar 25	11.01B	0.699	69.8	68.6	0.32	0.2	46.8	47.8	-0.24
1.000	15 May 26	4.75B	0.799	65.5	64.3	0.28	1.7	27.4	27.8	-0.12
2.400	15 May 30	7.78B	1.200	81.1	76.9	0.86	0.3	42.9	45.5	-0.67
2.000	18 Feb 45	5.95B	1.754	89.3	88.8	0.14	1.6	67.1	72.8	-1.59

Spreads against the German curve, bp



Asset swap term structure, bp



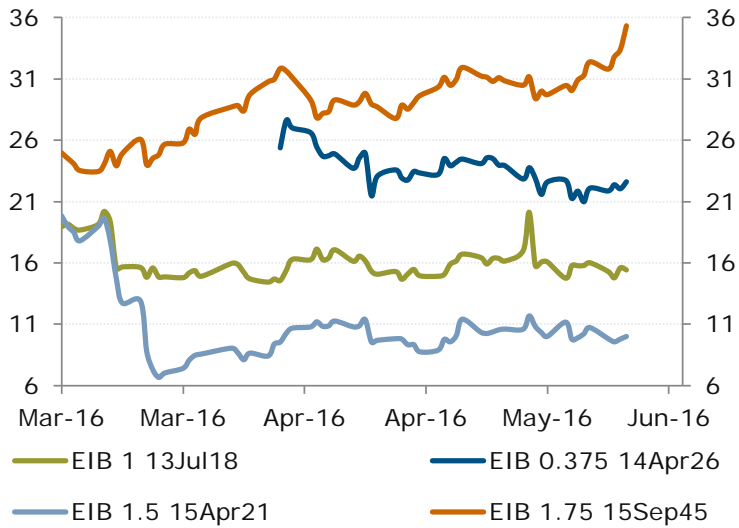


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

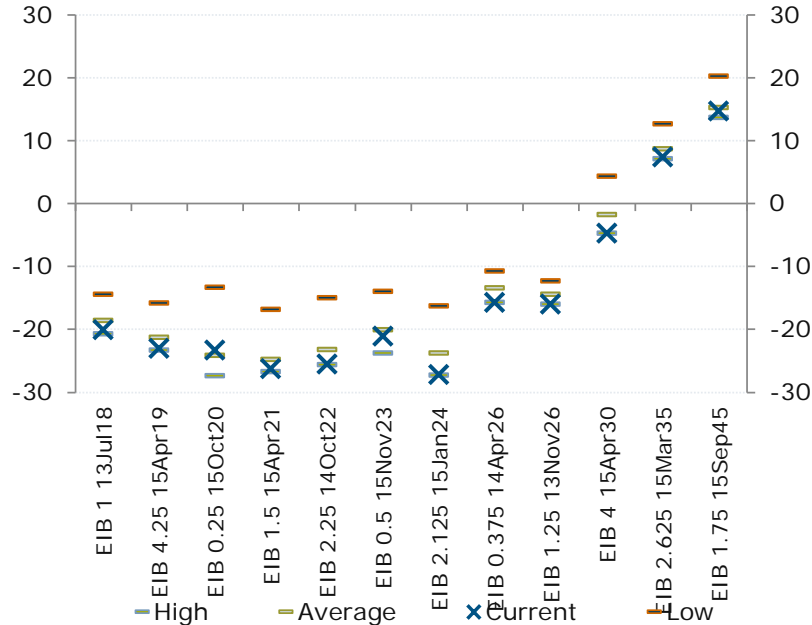
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.360	15.5	16.1	-0.63	-0.2	-20.1	-18.7	-1.03
4.250	15 Apr 19	5.0B	-0.371	14.4	14.8	-0.38	0.7	-23.0	-21.4	-1.04
0.250	15 Oct 20	4.0B	-0.287	14.0	12.1	0.84	3.2	-23.3	-24.2	0.34
1.500	15 Apr 21	5.0B	-0.280	10.1	10.9	-0.40	-0.1	-26.3	-24.8	-0.73
2.250	14 Oct 22	5.75B	-0.136	12.7	15.0	-1.06	0.1	-25.6	-23.2	-0.99
0.500	15 Nov 23	1.5B	0.038	20.0	20.3	-0.15	3.1	-21.1	-20.1	-0.40
2.125	15 Jan 24	5.0B	-0.017	12.7	15.0	-1.09	0.0	-27.3	-23.8	-1.43
0.375	14 Apr 26	5.0B	0.360	22.7	23.7	-0.81	-0.8	-15.8	-13.4	-2.05
1.250	13 Nov 26	1.5B	0.396	22.0	21.9	0.19	-0.6	-16.1	-14.5	-4.25
4.000	15 Apr 30	6.5B	0.683	29.9	25.5	1.99	-0.7	-4.8	-1.8	-1.98
2.625	15 Mar 35	1.7B	1.025	36.1	29.8	2.12	-0.2	7.3	8.6	-1.47
1.750	15 Sep 45	1.55B	1.218	35.4	28.9	2.86	-0.2	14.6	15.2	-0.68

Spreads against the German curve, bp



Asset swap term structure, bp

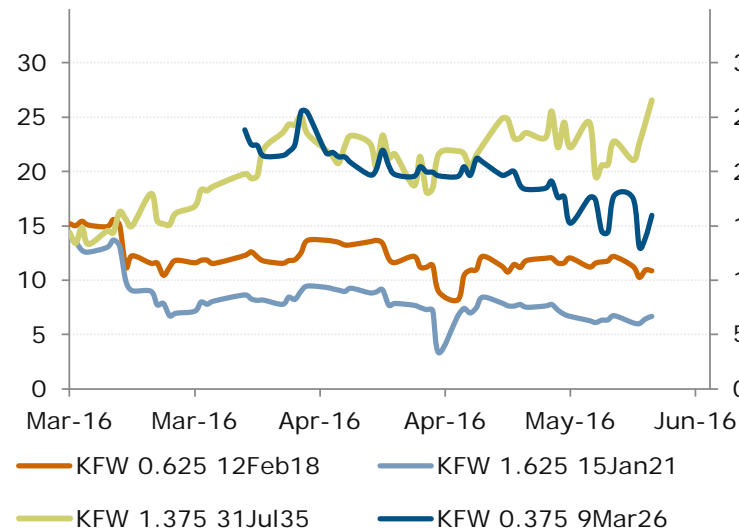


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

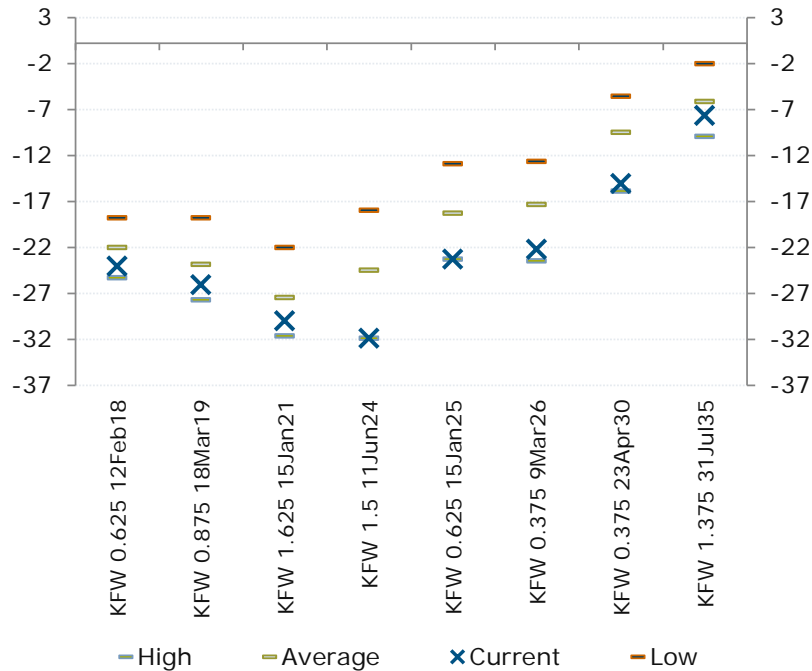
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	02-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	02-Jun	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.405	10.9	12.1	-1.13	-0.4	-24.3	-22.3	-1.27
0.875	18 Mar 19	5.0B	-0.405	11.0	12.2	-0.86	0.6	-26.3	-24.1	-1.07
1.625	15 Jan 21	5.0B	-0.337	6.7	8.2	-1.08	0.0	-30.3	-27.7	-1.36
1.500	11 Jun 24	3.0B	-0.015	8.4	14.1	-2.05	-0.1	-32.2	-24.7	-2.46
0.625	15 Jan 25	4.0B	0.145	16.5	19.9	-1.84	0.2	-23.5	-18.5	-2.53
0.375	09 Mar 26	4.0B	0.281	16.0	19.6	-1.72	0.9	-22.5	-17.6	-2.28
0.375	23 Apr 30	2.0B	0.699	31.4	30.5	0.33	0.6	-15.3	-9.8	-2.65
1.375	31 Jul 35	1.0B	0.942	26.6	20.5	2.07	-0.2	-7.9	-6.4	-1.11

Spreads against the German curve, bp



Asset swap term structure, bp



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