

Weekly NBI: News on the Banking Industry
Monte is back to the primary market

27/02/2023 17:03 CET



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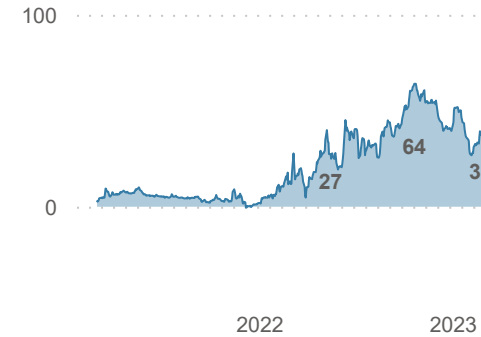
Table of Contents

29/12/2022

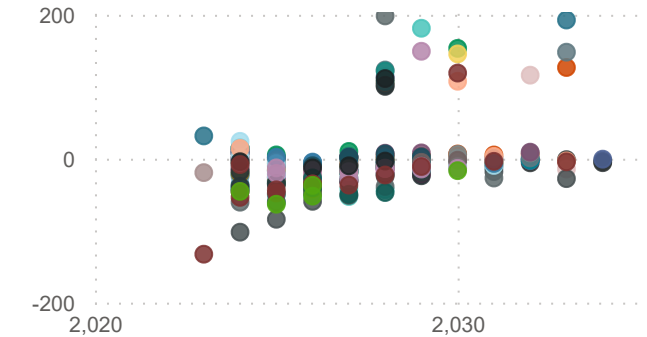
24/02/2023

1. Executive Summary
2. The Week in Review
3. Macro drivers
4. Credit Risk appetite indicators
5. Banks performance (Cash and CDS)
6. Banks Primary Review
7. Banks Senior bonds mapping
8. Banks subordinated bond mapping
9. Equity monitoring
10. Banks ESG overview
11. Recommendation
12. Recent publications
13. Calendar of earnings reports

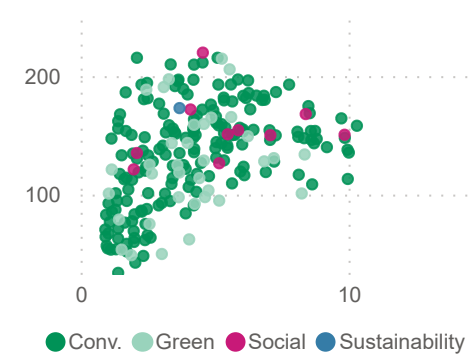
Senior bail-in vs Non Fin (bp)



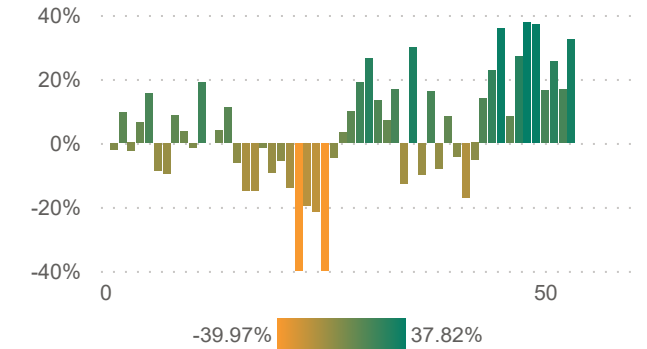
Weekly senior bail-in bond performance



Senior bail-in bonds mapping (bp)



Senior bail in net RfQs (bp)



Source all charts: CMIT by Crédit Agricole CIB

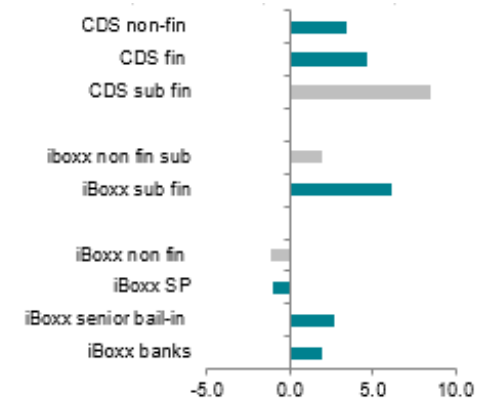
CSG woes continue

> **Cautious mood in a context of inflation worries:** both credit and equity markets were in a cautious mood amid a context of inflation worries (Europe inflation rate for February on Tuesday) and rates impact (2Y German yield: peak above the bar of 3% vs negative territory in April 2022). Banks outperformed on equities, with the Stoxx Banks down 0.6% vs Stoxx 600 down 1.4%. Banks are the best performers YTD. Conversely, financials paused last week on cash credit markets, with spreads on senior bail-in +2.7bp (and subordinated +6bp), compared to -1.2bp on non-financials. Credit Suisse Group and RBI (US regulators - the OFAC - had sought information on its Russian payments business, Russia represented 59% of the group's PBT over 9M22) were by far the worst performers of the week. On the opposite end of the spectrum, Nordic banks were the best performers. Focus this week will be on the Eurozone which is likely to avoid recession, but the outlook has worsened with below-expectation domestic demand. After Germany, Italy Q422 GDP is expected to provide a similar picture this week.

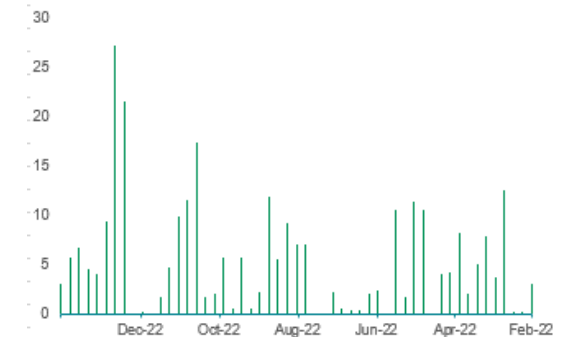
> **Credit Suisse Group woes continue:** both CSG bonds and shares (hit record low last week) continued to suffer after Reuters reported that the Swiss regulator is reviewing comments made to the media on client outflows by Credit Suisse's chairman. As a reminder, chairman Axel Lehman said on 1 December in media interviews that after strong outflows in October, they had "completely flattened out" and "partially reversed". Credit Suisse shares rose 9.3% on 2 December. But, the Swiss bank faced deposit (customer deposits: down by CHF138m in Q422) and net asset outflows in early Q422 (AuM: net asset outflow CHF111bn, down 8% vs Q322). See the breaking news: [Credit Suisse: record outflow in Q422 and substantial loss for 2023](#). CSG indicated during its Q422 results that "more than 85% of the outflows in the last quarters were in October and November", suggesting that 15% of the outflows happened in December. Finma declined to comment while a Credit Suisse spokesperson said the bank did "not comment on speculation".

> **Monte Paschi back to the primary market.** In a primary market fuelled by SSA (EUR20.8bn, volume YTD: more than twice the average weekly volume in 2022), last week represented the FIG EUR lowest volume week of the year so far (excluding covered bonds: EUR2.95bn through four issuers from senior to subordinated paper, vs EUR5.65bn previous week) with a new high NICs averaging 21.25bp (NIC prior week: 18.28bp). It was the second successive week with no EUR ESG FIG supply. In addition to the BPCE EUR1bn 7NC6 SNP and Natwest Group EUR700m 11NC6 Tier 2, it is worth noting Monte Paschi returned to the market with a 6.75% EUR750m senior preferred 3NC2 (IPT: 7-7.125%, books > EUR1.5bn, first senior preferred deal since December 2020). Last week Moody's senior rating was revised up to B1 from Caa1: Moody's considered that over the last few years BMPS has made significant progress that has buttressed its viability. Furthermore, the recent capital increase of EUR2.5bn in November 2022 has completed the actions needed to shore up the bank's solvency (CET1 ratio fully loaded 15.6%) and rebuild its capacity to generate some profitability. Now that the earnings season is almost done for European banks (Erste Bank to report tomorrow), banks are likely to stay attentive to any open window on the primary market (c.40% of the 2023 funding needs already fulfilled). Today saw the Barclays Plc GBP PNC6 AT1 (IPT: 9.625% area, books over EUR4bn).

Banks underperformed (bp)



EUR FIG weekly issuance - lowest volume YTD (EURbn)



Source all charts: CMIT by Crédit Agricole CIB, banks, Bloomberg, ECB, EBA

Week in Review

Tuesday 21 February

> **Raiffeisen under pressure due to its Russian presence.** Raiffeisen said US regulators (the OFAC) had sought information on its Russian payments business: “the questions are of general nature, seeking to clarify payments business and related processes maintained by RBI in light of the recent developments related to Russia and Ukraine”. RBI indicated it was maintaining policies and procedures that ensure compliance with all applicable embargoes and financial sanctions and managed to extend the deadline to give information to the OFAC until April-May. This is a very tricky situation for Raiffeisen since Russia represented 59% of the group's PBT over 9M22 and was showing a massive increase YoY (+308% vs +120% for the group), even though it froze any new lending and reduced its number of Russian clients (from more than 4m to more than 3m). As a reminder, Raiffeisen has been assessing strategic options for its Russian subsidiary since March 2022, including a carefully managed exit, but the room for manoeuvre is currently very limited as a Russian decree prevents the sale of the bank. From there, even in the worst case scenario (walk away from Russia, ie, assuming zero valuation for Russia), the bank's MDA buffer would remain well above the minimum requirements (from 446bp to 292bp). Nevertheless, the story is going to weigh on spreads as uncertainties are high, and likely for a long time, notably when it comes to suspicion of breach sanctions and/or a deeper investigation by the US authorities. As an illustration, the yield to call on the AT1 4% EUR500m callable in Jun-25 jumped by 110bp to more than 18% yesterday. As a reminder, the bank did not call an AT1 in Dec-22 (next call in Jun-26). Unicredit, the other European bank that still has significant positions in Russia, said it had not received any requests for Russia-related information by the US.

Wednesday 22 February

> **Lloyds: Q422 adjusted profit in line with estimates; new 2024/26 targets.** Q422 adjusted PBT was up 21% YoY to GBP1.97bn, 1% below market estimates. FY22 ROTE was 13.5%, driven by strong revenue growth (NII boost) while costs and provisions were in line with guidance.

- Revenues were up 21% YoY, with NII +26% (NIM 322bp, +24bp QoQ & +65bp YoY).
- Costs were up 7% YoY (CI ratio 51.3%) due to inflationary pressures, alongside higher planned strategic investment and new business costs.
- LLPs GBP465m (38bp cost of risk), vs GBP532m reversals in Q421 and including GBP82m macro-economic scenario charges for updated outlook on higher interest rates and inflation.

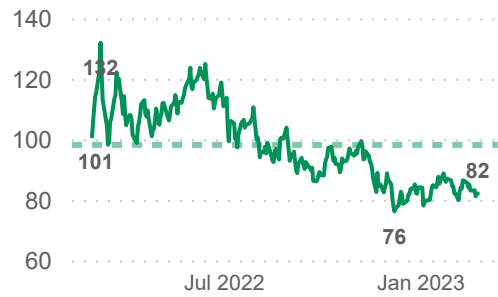
CET1 ratio was down 90bp QoQ to 14.1% (MDA buffer 470bp) after GBP400m additional pension contribution in Q4 and upcoming GBP2bn share buyback. CET1 target remains at 13.5% (12.5% +1% management buffer). FY23 guidance: NIM above 305bp (below Q422 given mortgage headwinds, deposits & funding costs), cost of risk 30bp, ROTE 13%, costs GBP9.1bn (ie, +3%) and capital generation 175bp. Mid-term guidance: costs GBP9.2bn in FY24 (CI ratio below 50% by 2026), cost of risk 30bp in FY24, ROTE 13% in FY24 and above 15% by 2026. The bank will pay down to target CET1 by end-2024.

Friday 24 February

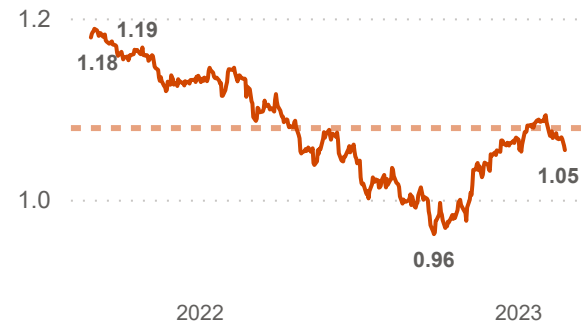
> **Nordea: new share buyback programme submitted at the next AGM.** At the next AGM on 23 March, Nordea will seek permission from shareholders to buy back up to 350m shares, corresponding to c.9.6% of its share capital, as it will “continuously assess the opportunity to use share buybacks as a tool to distribute excess capital”. This resolution is subject to the condition that the Company has obtained the necessary regulatory permissions from the ECB. Nordea's dividend policy stipulates a dividend pay-out ratio of 60-70%, applicable to profit for the financial year. As a reminder, the bank has proposed a dividend of EUR0.80 per share for FY22, an increase of 16% from 2021. Together with its share buy-backs during 2022, the distribution to the shareholders will be more than EUR1.5 per share, or 15% of the current market capitalisation. The authorisation shall remain in force and in effect for 18 months from the resolution of the Annual General Meeting of the Company. If this authorisation is granted, it will not revoke the authorisation to decide on the repurchase of the Company's own shares granted to the Board of Directors by the Annual General Meeting on 24 March 2022. Share buybacks are becoming the new normal for banks. That was initially a convenient way to catch up after the dividend ban imposed during the Covid crisis. Now, it appears as the easiest way to return excess capital due notably to solid capital buffers and limited M&A activity, while regulators seem more willing on those specific plans than on higher dividend pay-outs.

EU carbon price above the bar of EUR100/t for the first time

Brent price index (USD/bl)



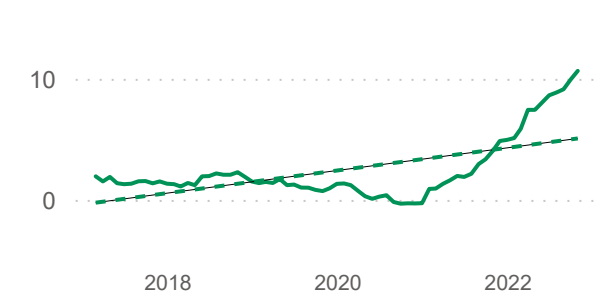
EUR/USD



US 10Y (%)



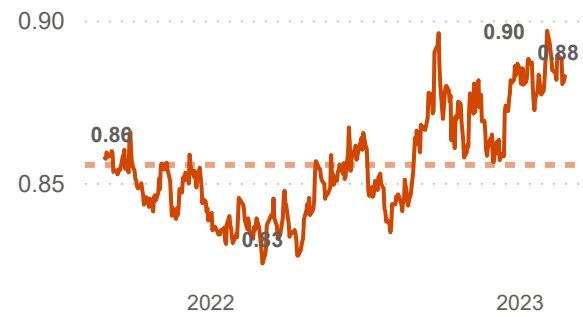
Eurozone headline inflation (%)



Carbon price index (EUR/T)



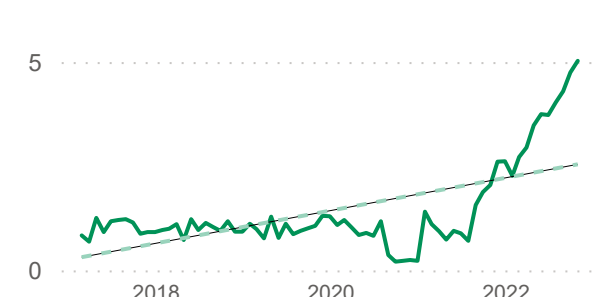
EUR/GBP



DE 10Y (%)



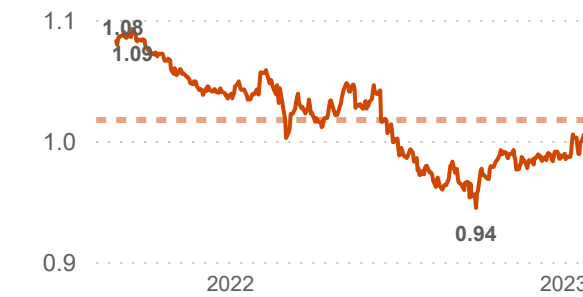
Eurozone core inflation (%)



Gold price index (USD)



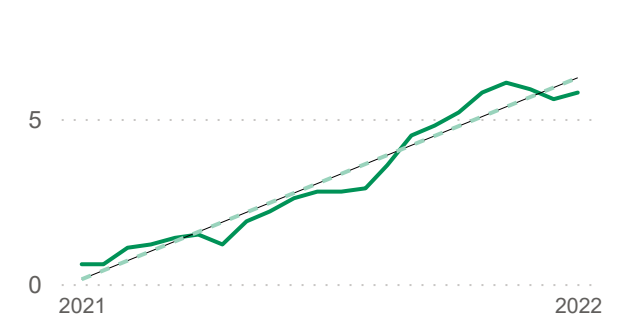
EUR/CHF



BTP / Bund spread (%)



France headline inflation (%)



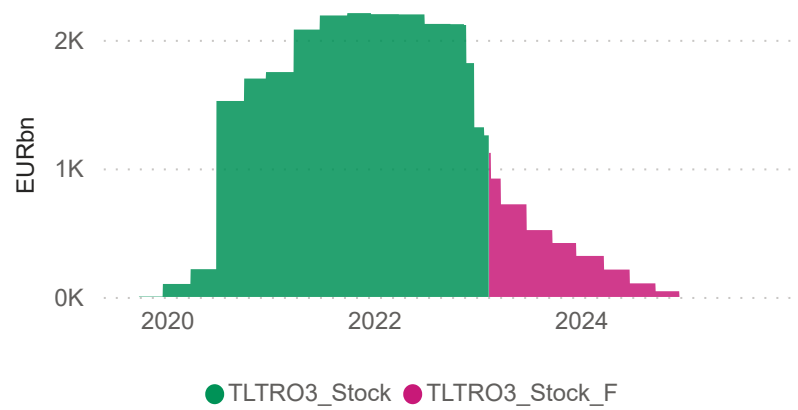
Source all charts: Bloomberg, Crédit Agricole CIB

Excess retail deposits helped to early repay TLTRO III

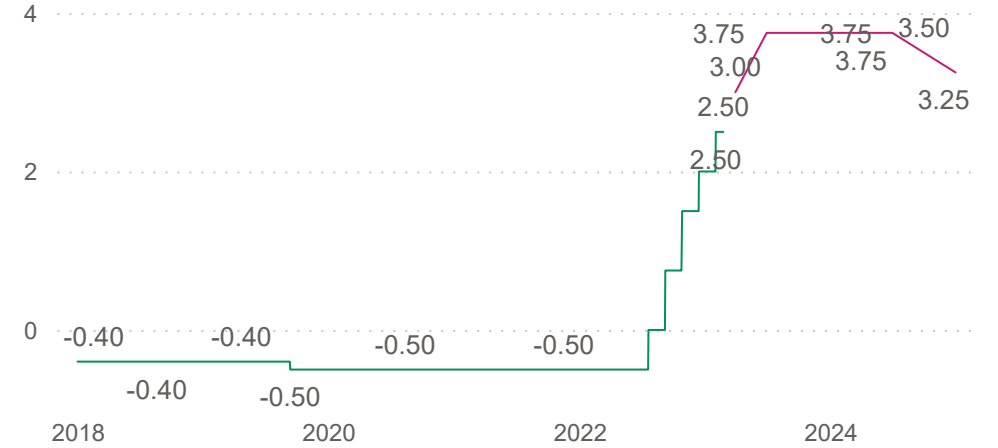
VIX S&P500 Volatility



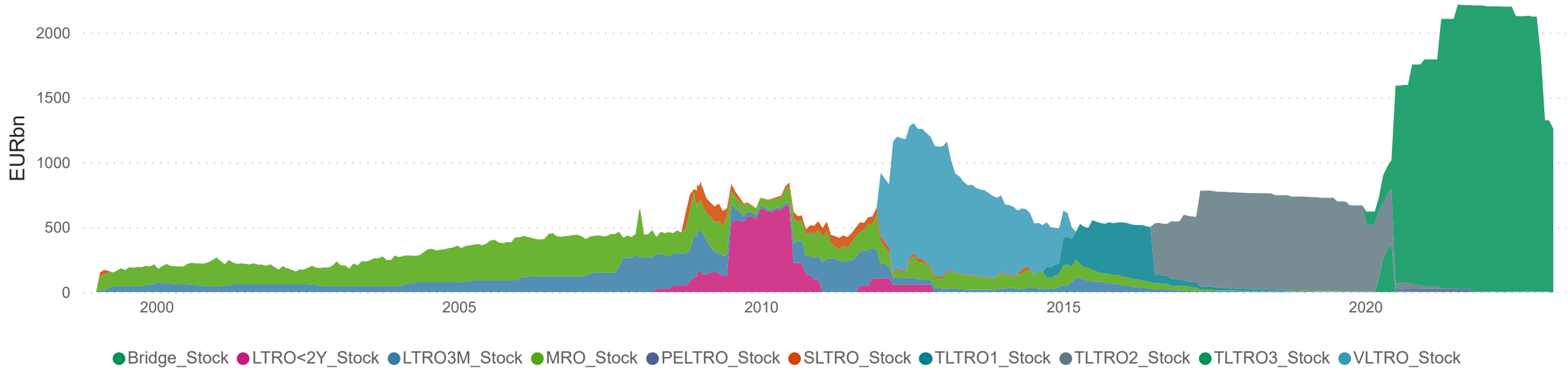
Holdings and our ECB strategist's forecasts



ECB deposit rate



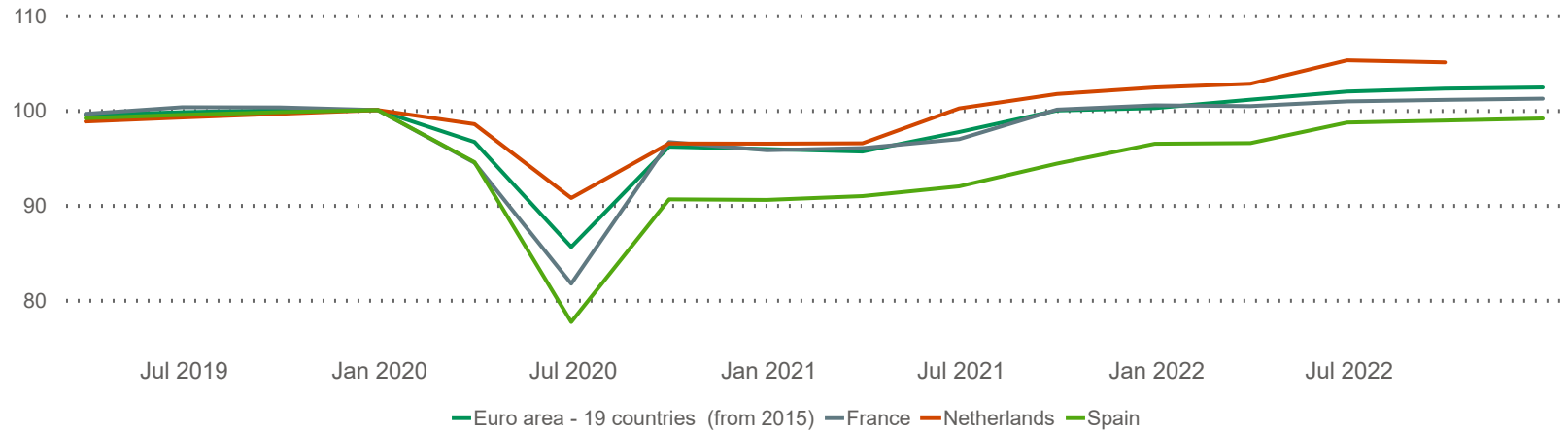
TLTROs - Holdings



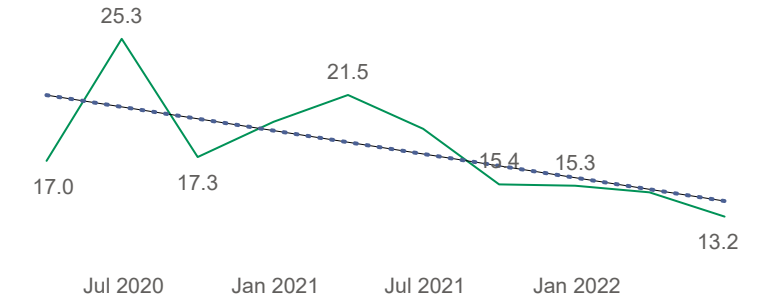
Source all charts: ECB, Eurostat, CMIT by Crédit Agricole CIB

Eurozone: softish landing, eyes on inflation for February

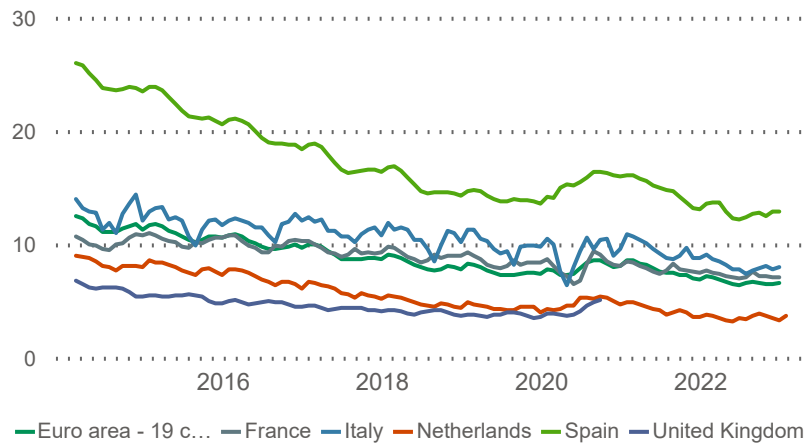
GDP and main components , index 2019=100



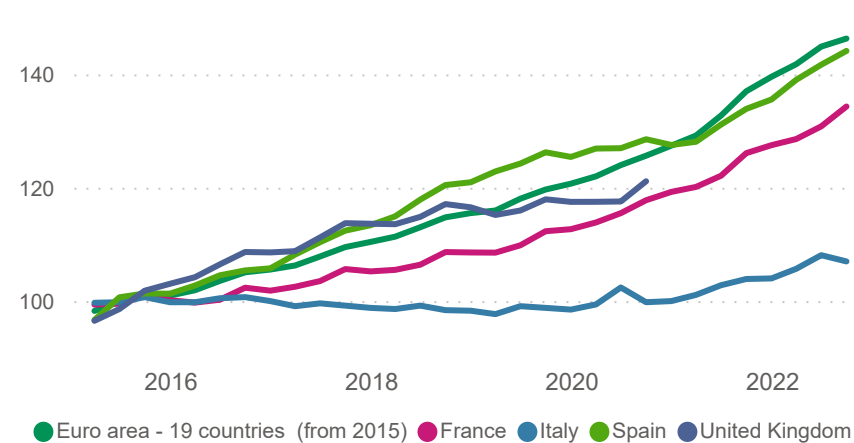
Eurozone Saving rate (%)



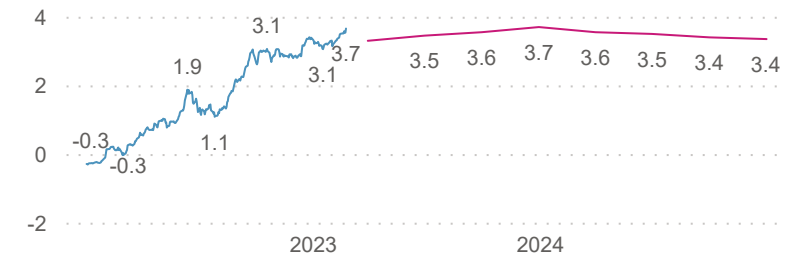
Unemployment rate (%)



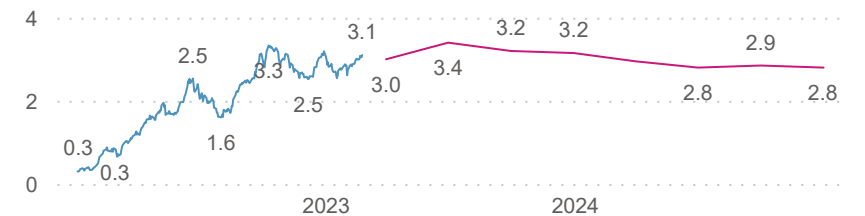
House price index (2015 = 100) - quarterly data



2Y Euro swap



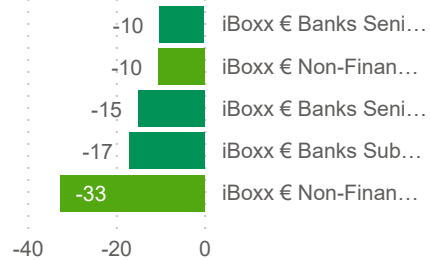
10Y Euro swap



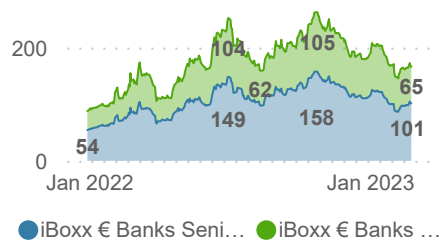
Source all charts: Eurostat, CMIT by Crédit Agricole CIB

Credit market: resilient

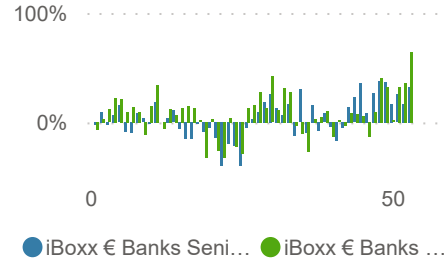
YTD spread performance (bp)



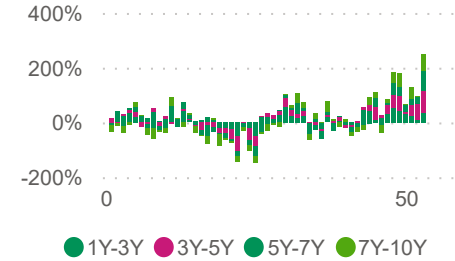
Banks Sen bonds (bp)



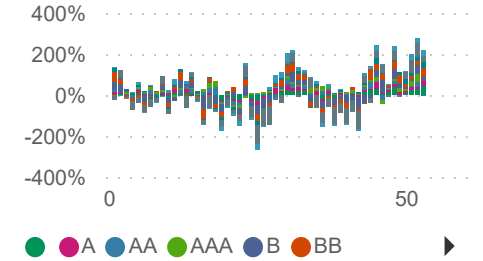
Weekly Senior Banks flows



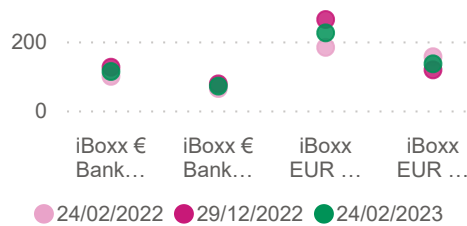
Banks net flows per maturity



Net flows per rating bucket



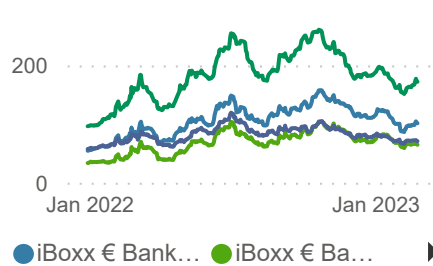
Sector performance (bp)



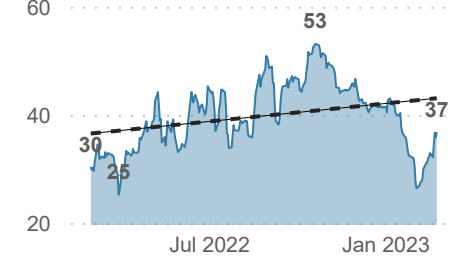
Banks vs non-financials (bp)



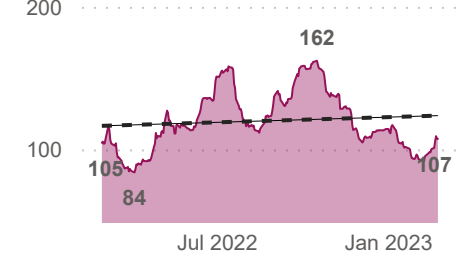
Banks vs non-fin (spread, bp)



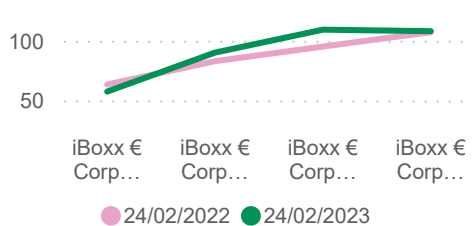
Banks SNP vs pref (spread - bp)



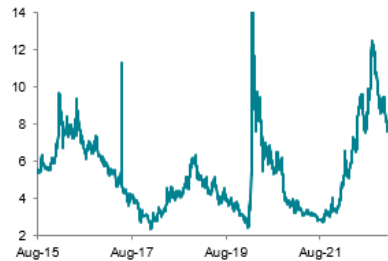
Banks Sub vs Senior Pref (bp)



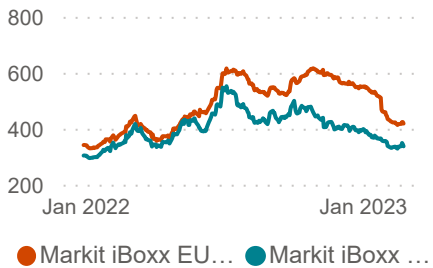
Spread curve / maturity bucket



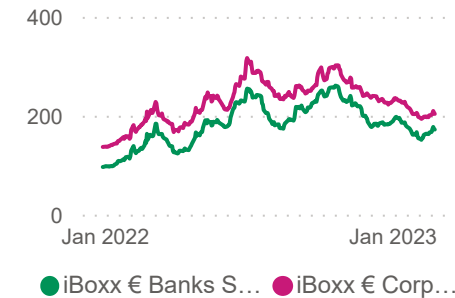
AT1 - YTW (%)



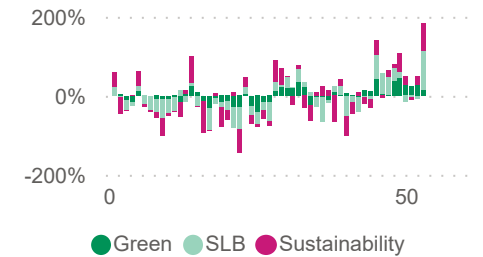
Banks HY vs non-fin HY (bp)



Banks sub vs corp sub (bp)



Net flows per ESG type

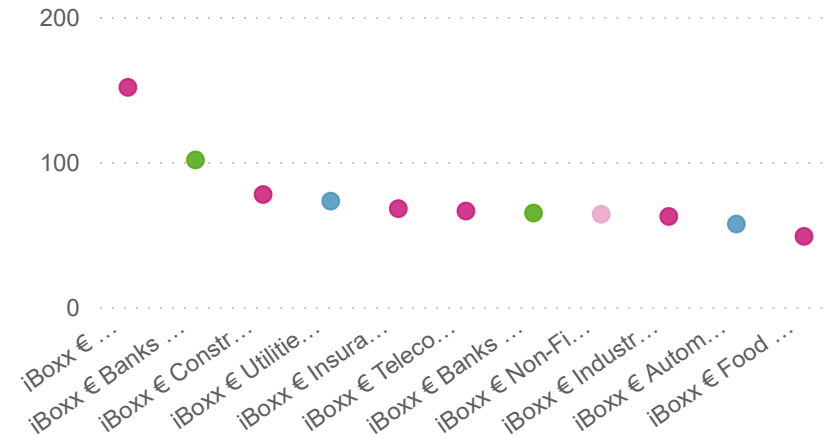


Source all charts: CMIT by Crédit Agricole CIB

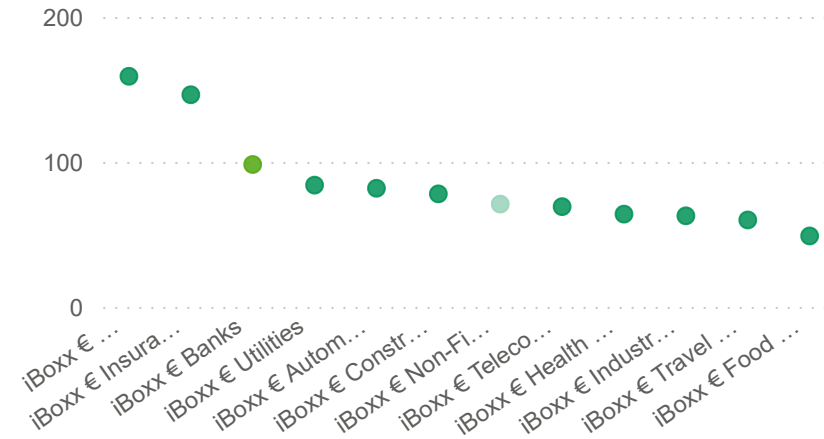
Banks – a recent bad run

Mapping 16/02/2023
24/02/2023 23/02/2023

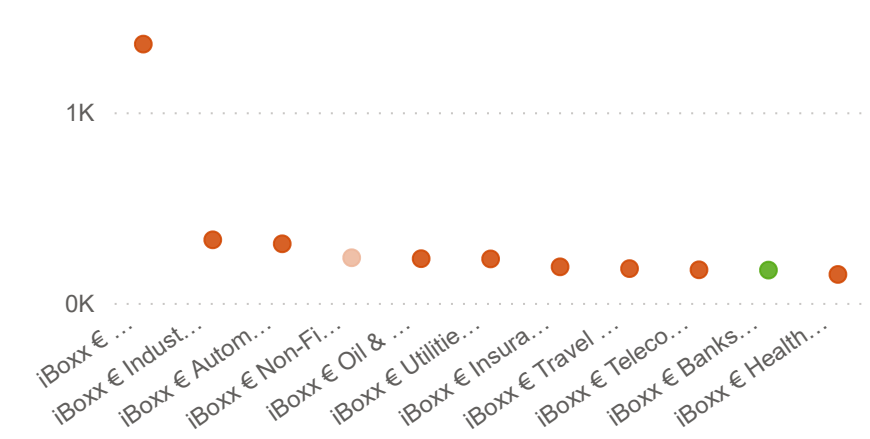
Senior iBoxx indices - Mapping (bp)



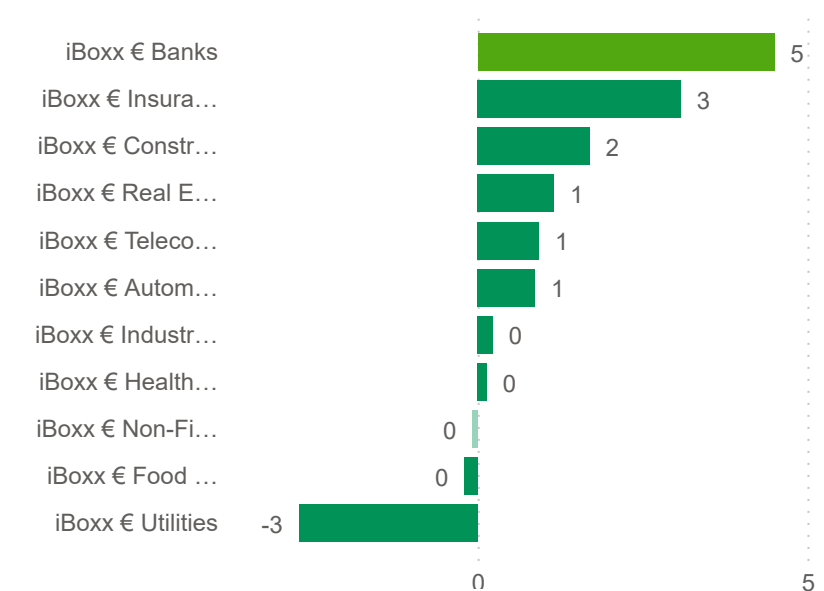
iBoxx indices - Mapping (bp)



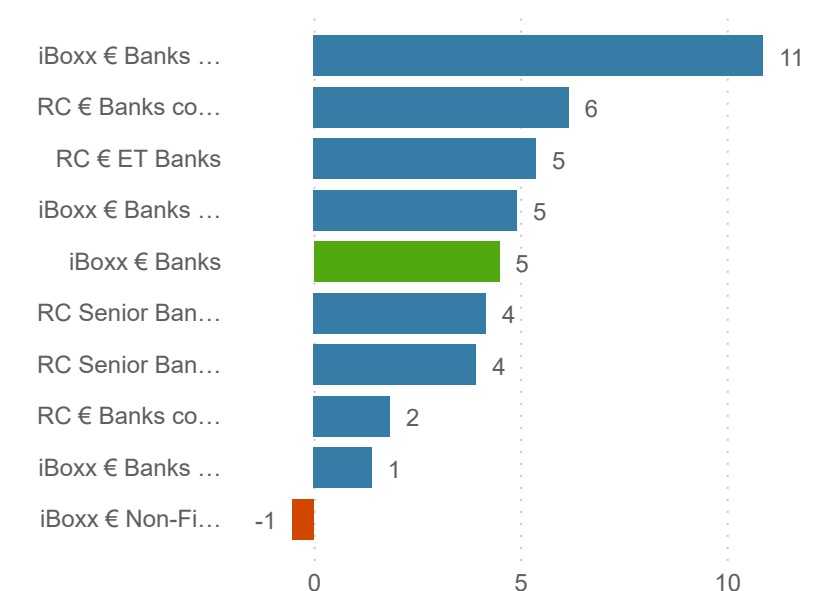
Subordinated iBoxx indices - Mapping (bp)



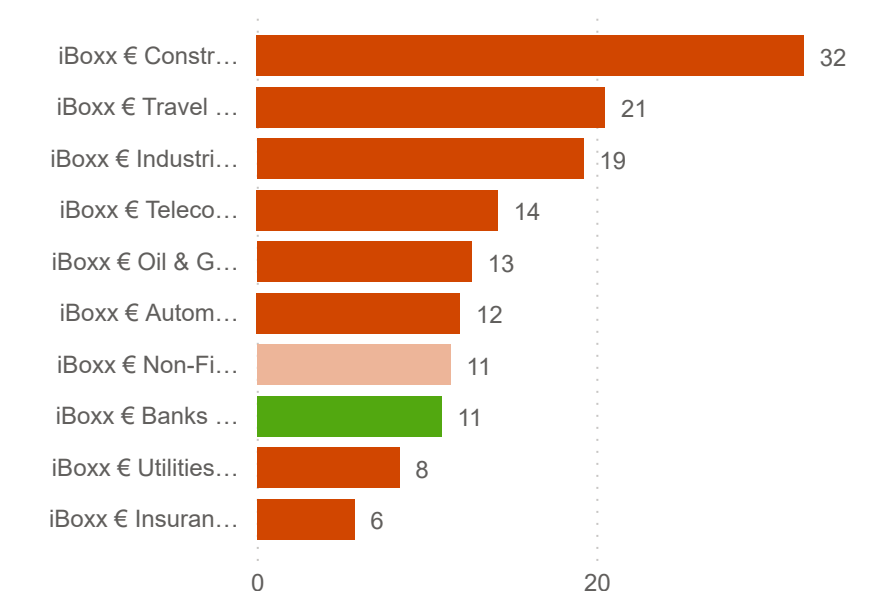
iBoxx indices - Performance (bp)



Banks indices - Performance (bp)



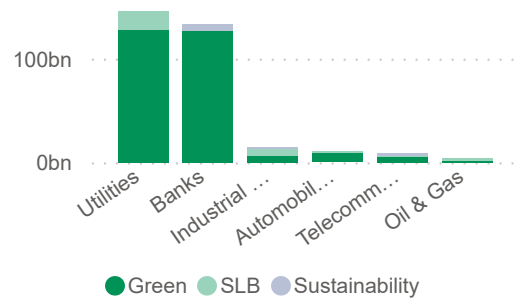
Subordinated iBoxx indices - Performance (bp)



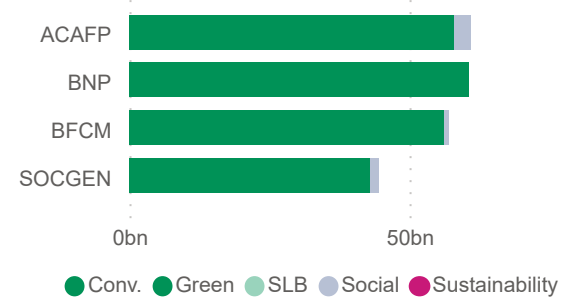
Source all charts: CMIT by Crédit Agricole CIB

Primary – Monte back to the market with EUR750m SP 3NC2

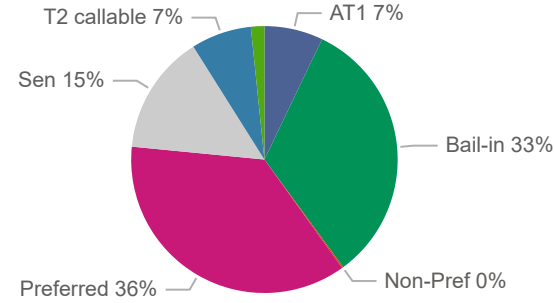
Sustainable debt outstanding (EUR)



Issuer debt outstanding (EUR)



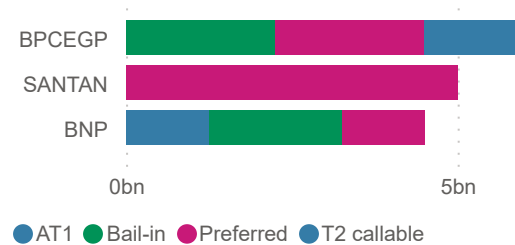
2023 Breakdown by seniority



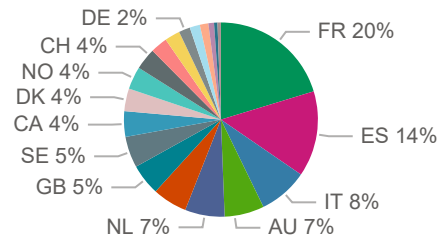
Latest EUR IG issuances

Bond	seniority	spread variation since issuance
ICCREA 6.875 27	Preferred	▲
IFIM 6.125 27	Preferred	▲
EUROB 7 28	Preferred	▲
CRELAN 5.75 28	Bail-in	▲
DANBNK 4 26	Preferred	▲
KBCBB 4.875 28	T2 callable	▲
UCGIM 4.8 28	Preferred	▲
DANBNK 4.125 30	Preferred	▲
BAMIIM 4.875 27	Preferred	▲
RABKAS 7.125 25	Bail-in	▲
SANTAN 3.75 26	Preferred	▲
LANSBK 4 27	Preferred	▲
BAWAG 4.125 27	Preferred	▲
SRBANK 3.75 27	Preferred	▲
NWG 4.25 28	Bail-in	▲
WSTP 3.703 26	Preferred	▲
BPCEGP 3.5 28	Preferred	▲
ACAFP 4 33	Preferred	▲
ANZ 3.652 26	Preferred	▲
BNG 3 33	Sen	▲
BKIR 4.875 27	Sen	▲
SANTAN 3.875 28	Preferred	▲
NACN 3.75 28	Bail-in	▲
CMZB 5.125 29	Bail-in	▲
ERSTBK 4 30	Preferred	▲
UBS 4.375 30	Bail-in	▲
BFCM 3.875 28	Bail-in	▲
SWEDA 4.25 28	Bail-in	▲
BNP 4.375 28	Bail-in	▲
ABNAV 3.625 26	Preferred	▲
WSTP 3.799 30	Preferred	▲
BPCEGP 4.375 28	Bail-in	▲
LLOYDS 4.5 28	Bail-in	▲
BPCEGP 5.125 30	T2 callable	▲
BFCM 5.125 33	T2 non-callable	▲
ACAFP 4.25 28	Bail-in	▲

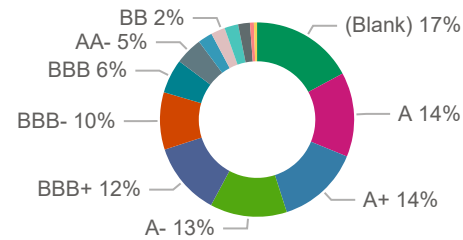
YTD Issuer debt outstanding (EUR)



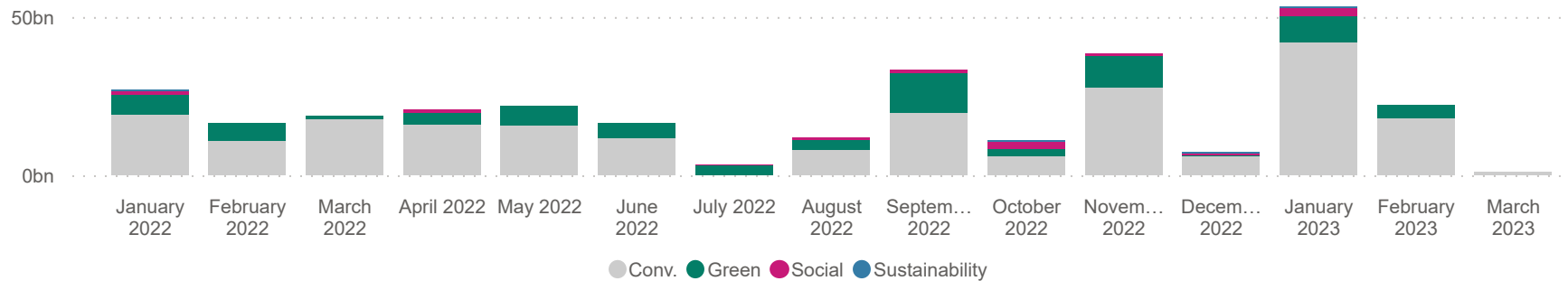
2023 Breakdown by country



2023 Breakdown by avg Rating



Breakdown of issuances by month (EUR)



Source all charts: CMIT by Crédit Agricole CIB

Source all charts: Bloomberg, CMIT Crédit Agricole CIB

Banks - RBI and CSG are the worst performers

17/02/2023

24/02/2023

Senior bail-in bonds: top Losers (bp)

Issuer	Maturity	Spread performance
CS	13/10/2025	25.61
CS	02/04/2025	16.94
CS	17/07/2024	16.69
CS	24/06/2026	16.36
CS	10/09/2029	15.17
CS	14/01/2027	14.48
UBS	21/03/2024	12.60
NWG	26/02/2029	11.55
UCGIM	03/07/2024	11.19
NWG	14/09/2028	10.67
CMZB	21/03/2027	10.64
CS	01/03/2028	10.59
BACR	02/04/2024	10.23
BNP	15/07/2024	9.90
SANUK	28/02/2024	9.81
KBCBB	29/06/2024	9.71
UCGIM	22/07/2026	9.48
UCGIM	15/11/2026	8.94
NWG	06/09/2027	8.84
BNP	27/06/2024	8.59
BACR	09/06/2024	8.59
HSBC	06/09/2024	8.06
BPCEGP	26/09/2024	8.03
BPCEGP	02/03/2028	7.70
HSBC	24/09/2028	7.70
DB	17/01/2028	7.54
BPCEGP	15/09/2026	7.53
CS	18/01/2033	7.51
LBBW	24/05/2024	7.51
BNP	28/05/2029	7.34

Senior bail-in bonds: top Winners (bp)

Issuer	Maturity	Spread performance
DB	15/10/2026	-12.57
ISPIM	24/02/2026	-6.03
DANBNK	17/02/2026	-4.49
CABKSM	13/04/2025	-3.65
LLOYDS	01/04/2025	-2.78
ISPIM	06/09/2027	-2.61
ERSTBK	22/05/2026	-2.50
SEB	09/11/2026	-2.35
ISPIM	24/02/2031	-2.05
FRLBP	17/06/2025	-1.90
UBS	29/01/2025	-1.46
BBVASM	13/01/2030	-1.28
CMZB	19/09/2025	-1.02
NWG	13/01/2028	-0.88
BNP	17/11/2025	-0.73
SHBASS	03/09/2026	-0.72
BACR	29/01/2033	-0.67
DANBNK	09/06/2028	-0.33
UBS	17/04/2024	-0.23
BBVASM	21/06/2026	-0.18
DNBNO	23/02/2028	0.02
CABKSM	19/06/2026	0.09
SANTAN	24/03/2026	0.10
CABKSM	18/11/2025	0.11
LLOYDS	12/11/2024	0.33
ISPIM	21/04/2025	0.41
BNP	17/04/2024	0.43
CMZB	24/03/2025	0.50
NDASS	02/11/2028	0.57
INTNED	16/02/2026	0.59

Subordinated bonds: top Losers (bp)

Issuer	Maturity	Spread performance
RBI AV	12/03/2025	170.35
RBI AV	18/06/2027	80.61
RBI AV	20/09/2027	71.36
RBI AV	17/03/2028	57.69
UCGIM	23/09/2024	29.91
UCGIM	20/02/2024	23.26
NWG	14/06/2027	12.86
BBVASM	22/02/2024	12.54
INTNED	26/09/2024	12.50
STANLN	09/09/2025	11.49
FRLBP	09/06/2028	11.40
DANBNK	21/06/2024	11.07
BACR	22/03/2026	10.69
NWIDE	25/07/2024	9.71
STANLN	23/09/2026	9.17
BFCM	15/11/2027	9.12
BNP	17/02/2025	7.97
CMARK	25/10/2024	7.90
ABNAV	22/11/2027	7.73
INTNED	16/08/2027	7.43
CMZB	30/03/2027	7.38
SANTAN	18/03/2025	7.31
BBVASM	16/01/2025	7.29
SOCGEN	06/09/2027	7.28
DEVOBA	22/10/2025	7.13
DB	19/05/2026	7.11
BFCM	24/03/2026	6.93
CABKSM	15/02/2024	6.89
CABKSM	17/04/2025	6.80
DANBNK	02/09/2025	6.67

Subordinated bonds: top Winners (bp)

Issuer	Maturity	Spread performance
KBCBB	25/01/2028	-9.02
DNBNO	28/11/2027	-3.57
BFCM	13/01/2033	-3.07
ZKB	13/04/2027	-2.60
CMARK	01/06/2026	-2.33
BPCEGP	25/01/2030	-1.26
SWEDA	23/08/2027	-0.96
DB	17/02/2025	-0.57
SANTAN	08/02/2028	-0.56
NDASS	18/05/2026	0.69
ACAFP	05/06/2025	0.73
DB	19/02/2026	1.04
BFCM	19/11/2031	2.17
SHBASS	01/06/2028	2.31
INTNED	26/05/2026	2.57
CCBGBB	19/04/2028	2.59
BFCM	11/09/2025	2.65
INTNED	24/05/2028	2.72
CMARK	09/02/2029	2.73
BFCM	16/06/2027	2.82
BPCEGP	22/04/2026	2.84
SOCGEN	24/11/2025	2.90
BNP	31/03/2027	3.11
CCBGBB	06/01/2029	3.23
KBCBB	07/09/2026	3.37
BBVASM	10/02/2027	3.50
CCBGBB	11/05/2026	3.52
ACAFP	25/03/2029	3.53
BNP	02/07/2031	3.65
DB	24/03/2027	3.68

Source all charts: CMIT by Crédit Agricole CIB

CDS performance: Nordics - low beta ruling

17/02/2023

24/02/2023

CDS bail-in: performances (bp)

ShortName	perf 5Y
Commerzbank AG	6.98
Mediobanca SpA	5.74
UniCredit SpA	5.68
Deutsche Bk AG	5.64
Societe Generale	5.61
Intesa Sanpaolo SpA	5.42
Bco Bilbao Vizcaya Argentaria S A	4.89
Coooperative Rabobank UA	3.93
Cr Agricole SA	3.67
Bco SANTANDER SA	3.66
Danske Bk A S	3.52
BNP Paribas	2.49

CDS Pref: performances (bp)

ShortName	perf 5Y
Cr Suisse Group AG	16.79
Commerzbank AG	7.31
UniCredit SpA	4.29
Lloyds Bkg Group plc	3.52
Deutsche Bk AG	2.97
NATIXIS	2.96
Natl Grid Gas Plc	2.27
LLOYDS BK PLC	2.23
Danske Bk A S	2.19
Barclays PLC	1.75
Bco Bilbao Vizcaya Argentaria S A	1.58
Bco SANTANDER SA	1.33
Std Chartered Bk	1.31
ABN AMRO Bk NV	1.11
Raiffeisen Bk Intl AG	0.96
BNP Paribas	0.67
Barclays Bk plc	0.50
CaixaBank SA	0.19
STANDARD CHARTERED PLC	0.16
Bay Landbk Giroz	0.13
FCE Bk PLC	-0.05
Bqe Federative Du Cr Mutuel	-0.08
KBC Bk	-0.25
Bco Comercial Portugues SA	-0.53
Bca Monte dei Paschi di Siena S p A	-2.22
Skandinaviska Enskilda Banken AB	-2.54
DNB Bk ASA	-2.82
Swedbank AB	-5.23
Svenska Handelsbanken AB	-6.12

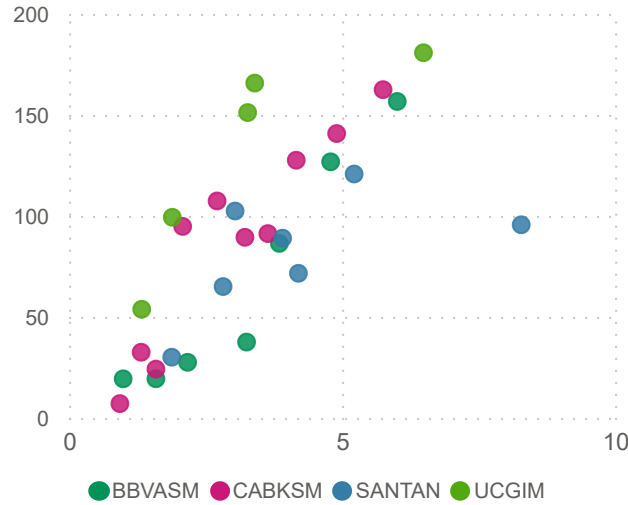
CDS Sub: performances (bp)

ShortName	perf 5Y
Cr Suisse Group AG	17.85
UniCredit SpA	16.68
Commerzbank AG	13.76
Deutsche Bk AG	11.05
Lloyds Bkg Group plc	11.05
Bco Bilbao Vizcaya Argentaria S A	9.38
Bco SANTANDER SA	7.82
Danske Bk A S	7.20
Barclays PLC	6.58
STANDARD CHARTERED PLC	6.54
NATIXIS	5.99
Std Chartered Bk	3.55
BPCE	3.01
BNP Paribas	2.94
Bca Monte dei Paschi di Siena S p A	2.75
ABN AMRO Bk NV	2.23
Barclays Bk plc	0.04
Bqe Federative Du Cr Mutuel	-0.33
Bay Landbk Giroz	-0.36
LLOYDS BK PLC	-3.60
Skandinaviska Enskilda Banken AB	-3.61
DNB Bk ASA	-7.81
Svenska Handelsbanken AB	-8.96
Swedbank AB	-10.02

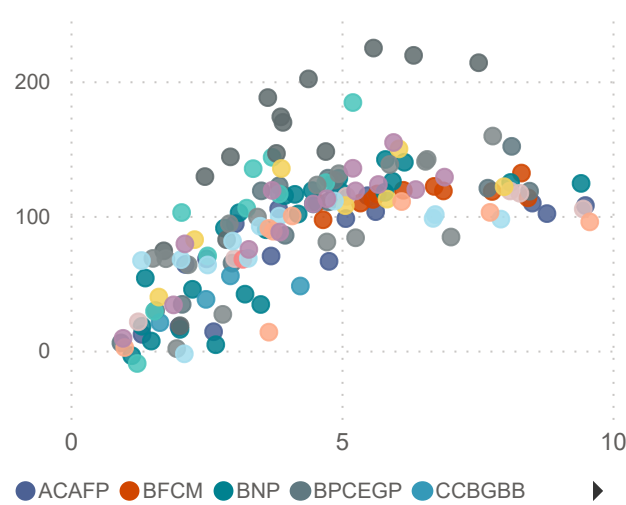
A stock-picking strategy

Mapping 17/02/2023
 24/02/2023 24/02/2023

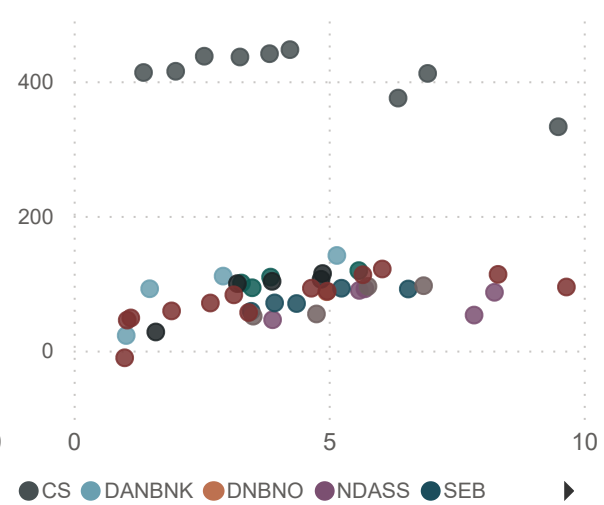
Italy & Spain - Cash mapping (bp)



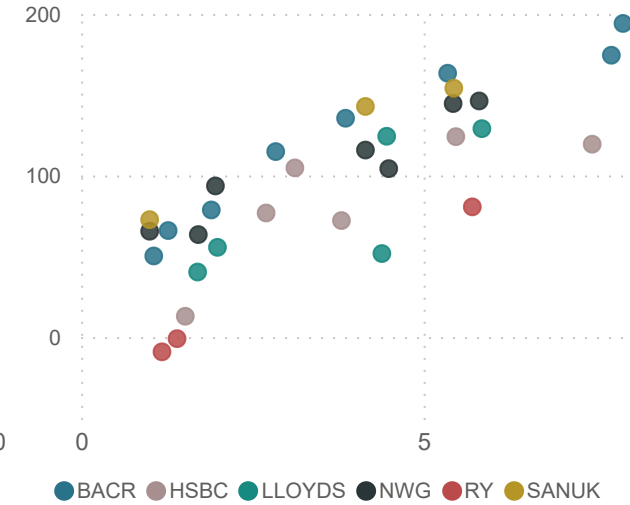
Fr, Ger, Neth, Belg, Aus - Cash mapping (bp)



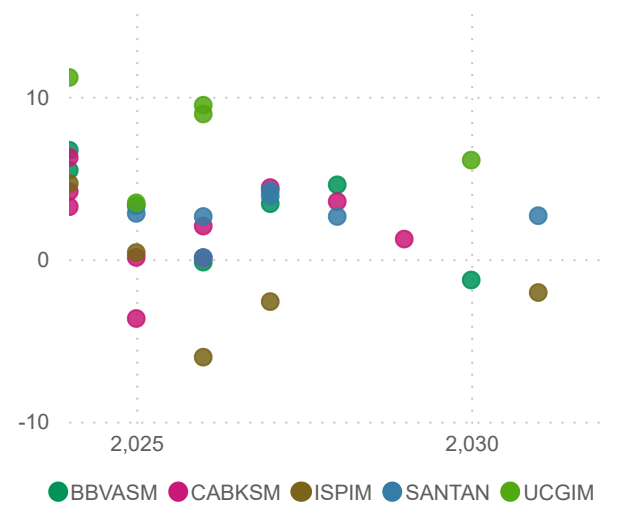
Swiss & Nordics - Cash mapping (bp)



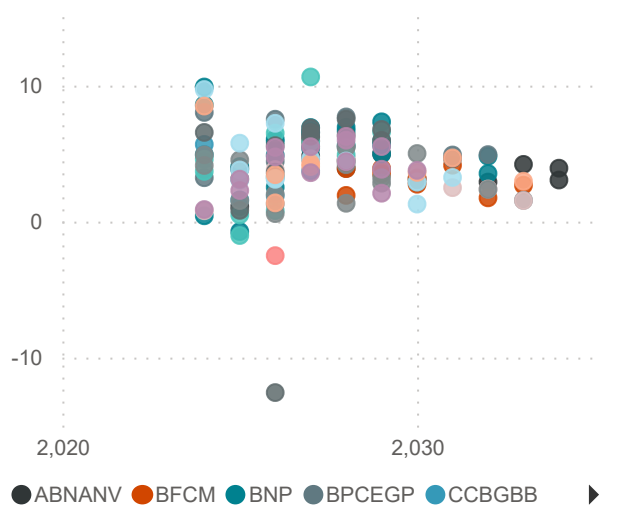
UK - Cash mapping (bp)



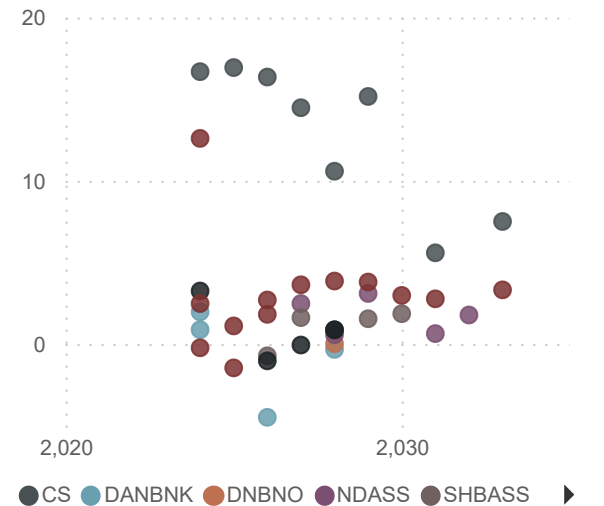
Italy & Spain - Spread perf (bp)



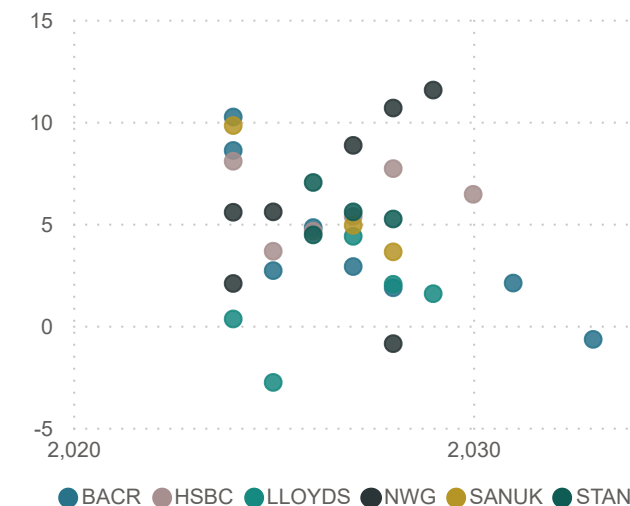
Fr, Ger, Neth, Belg, Aus - Spread perf (bp)



Swiss & Nordics - Spread perf (bp)



UK - Spread perf (bp)



Source all charts: CMIT by Crédit Agricole CIB

UK banks active on subordinated segments

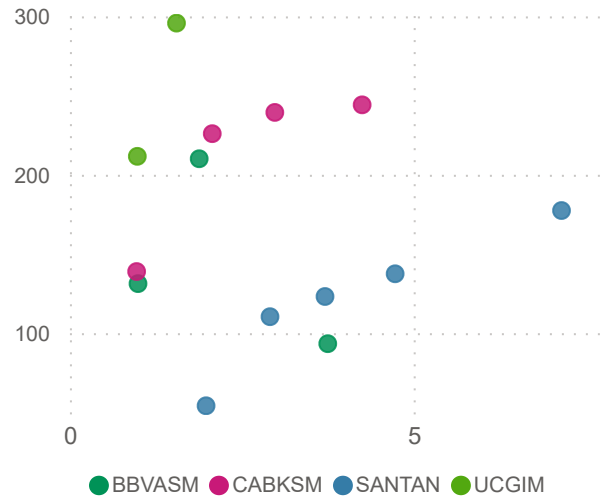
Mapping

24/02/2023

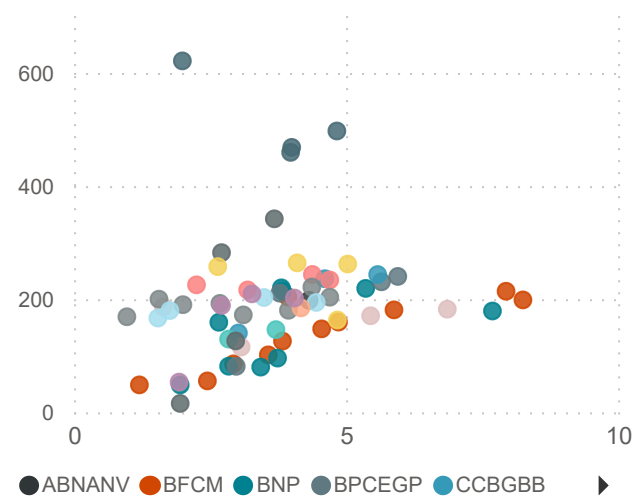
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24/02/2023

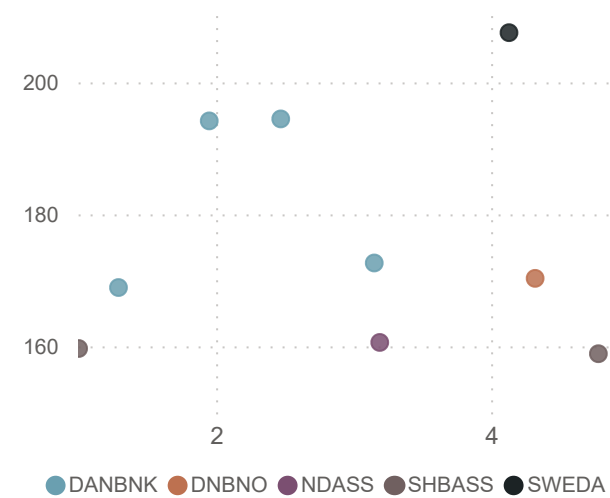
Italy & Spain - Cash mapping (bp)



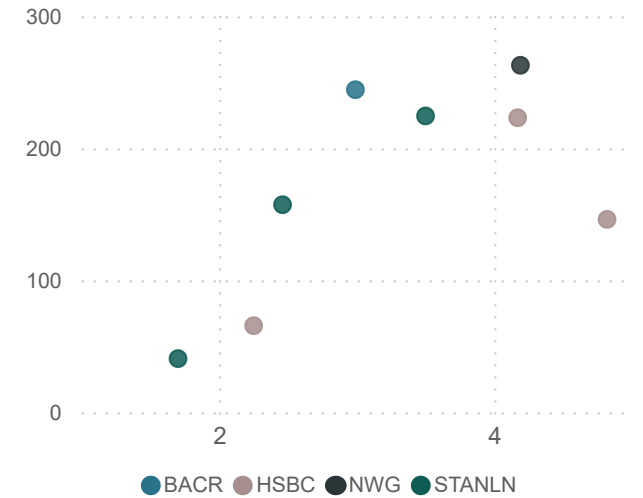
Fr, Ger, Neth, Belg, Aus - Cash mapping (bp)



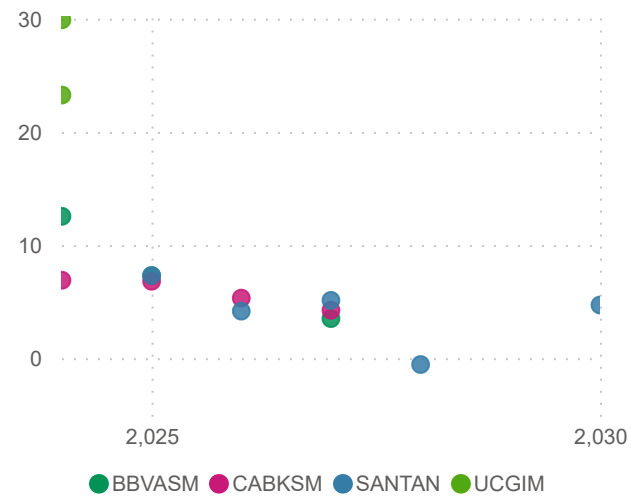
Swiss & Nordics - Cash mapping (bp)



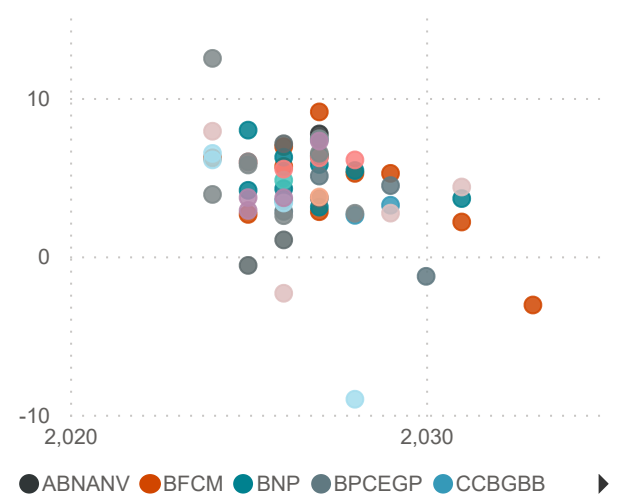
UK - Cash mapping (bp)



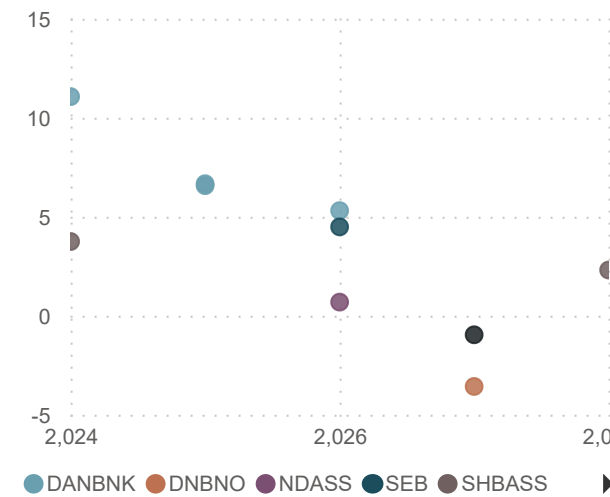
Italy & Spain - Spread perf (bp)



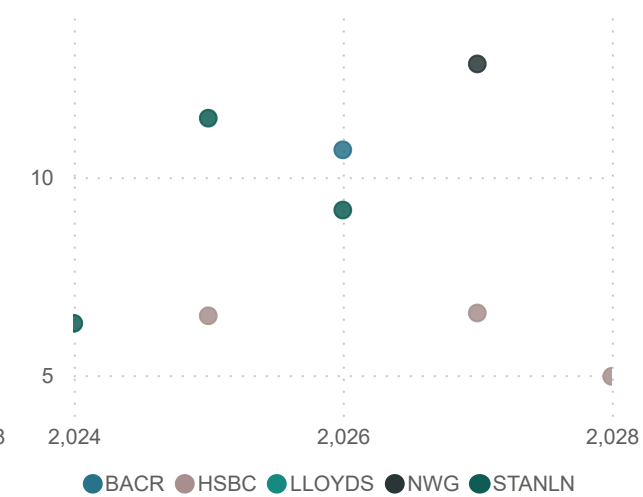
Fr, Ger, Neth, Belg, Aus - Spread perf (bp)



Swiss & Nordics - Spread perf (bp)



UK - Spread perf (bp)



Source all charts: CMIT by Crédit Agricole CIB

Equities: cautious tone

Rename_RIC Perf_Equi_Index Close_Price
SX7P Banks -0.6 % **164.87**

Rename_RIC Perf_Equi_Index Close_Price
SXXP STOXX 600 -1.4 % **457.70**

Rename_RIC Perf_Equi_Index Close_Price
EURO 50 ESG -1.8 % **1,150.11**

Euro Stoxx 50 Volatility

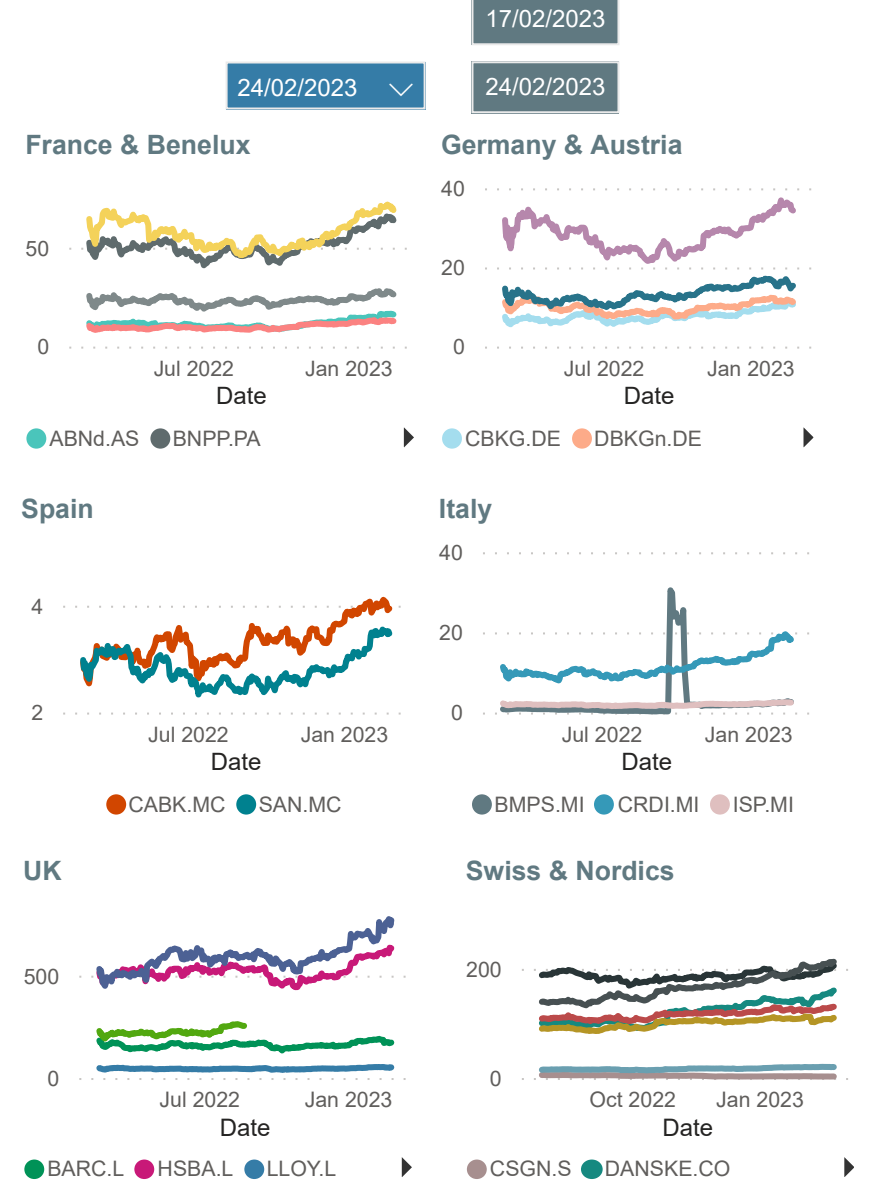


European equities



issuer	Price (currency)	Weekly perf.
Danske Bank A/S	160.4	4.98 %
DNB Bank ASA	205.6	3.92 %
Lloyds Banking Group PLC	52.1	2.25 %
Svenska Handelsbanken AB	110.3	2.23 %
Swedbank AB	213.0	2.11 %
HSBC Holdings PLC	634.2	2.08 %
Skandinaviska Enskilda Banken AB	130.6	2.07 %
Standard Chartered PLC	770.9	1.84 %
Credit Suisse Group AG	2.8	1.47 %
Banca Monte dei Paschi di Siena SpA	2.7	1.12 %
Barclays PLC	173.2	0.31 %
UBS Group AG	20.1	-1.08 %
ABN Amro Bank NV	16.3	-1.69 %
Banco Santander SA	3.7	-1.87 %
ING Groep NV	12.9	-2.16 %
BNP Paribas SA	63.9	-2.35 %
Intesa Sanpaolo SpA	2.5	-2.71 %
Credit Agricole SA	11.4	-3.40 %
KBC Groep NV	69.0	-3.90 %
Caixabank SA	3.9	-3.99 %
DEUTSCHE BANK AG	11.3	-4.93 %
Societe Generale SA	26.4	-5.28 %

issuer	Price (currency)	Weekly perf.
JPMorgan Chase & Co	140.9	-0.92 %
Goldman Sachs Group Inc	363.9	-1.26 %
Wells Fargo & Co	46.6	-1.83 %
Citigroup Inc	50.2	-2.41 %
Bank of America Corp	34.2	-3.22 %



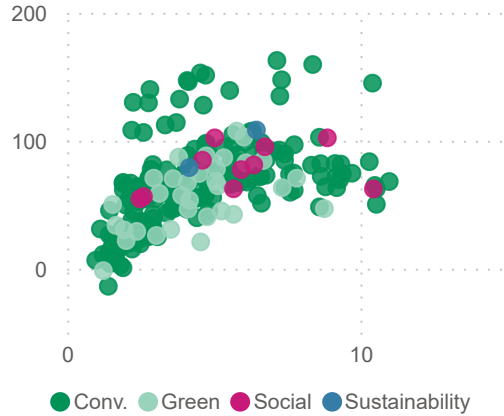
Source all charts: CMIT by Crédit Agricole CIB

Sustainable senior debt – the preferred format

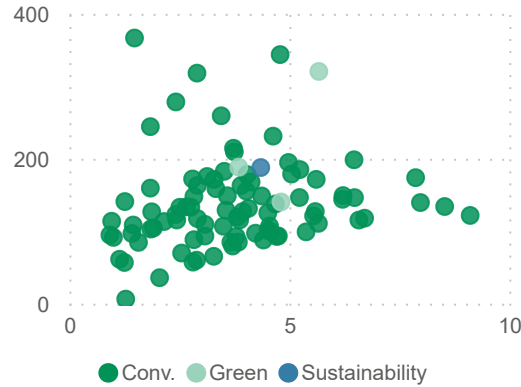
25/01/2021

30/12/2050

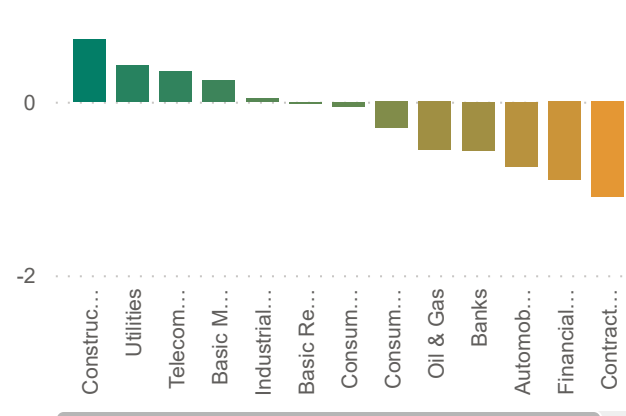
Banks Senior bonds mapping (bp)



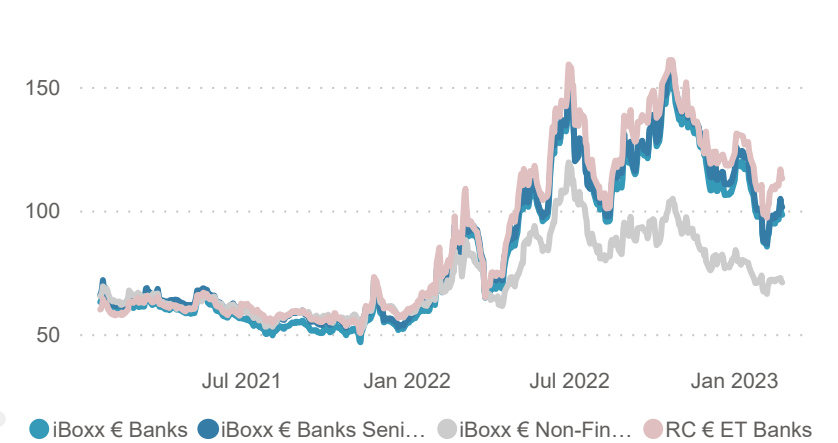
Banks subordinated bonds mapping (bp)



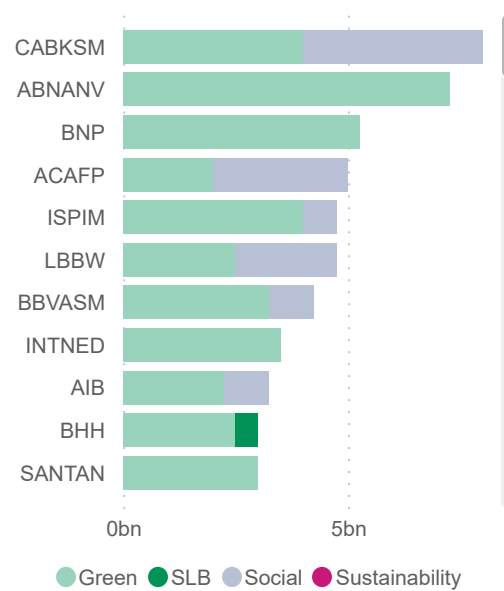
Average CA CIB ET scores by Sector



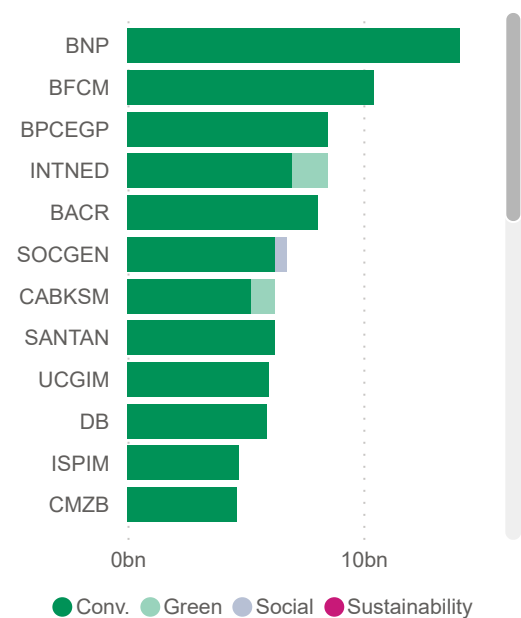
CA CIB ET Index vs Benchmark (bp)



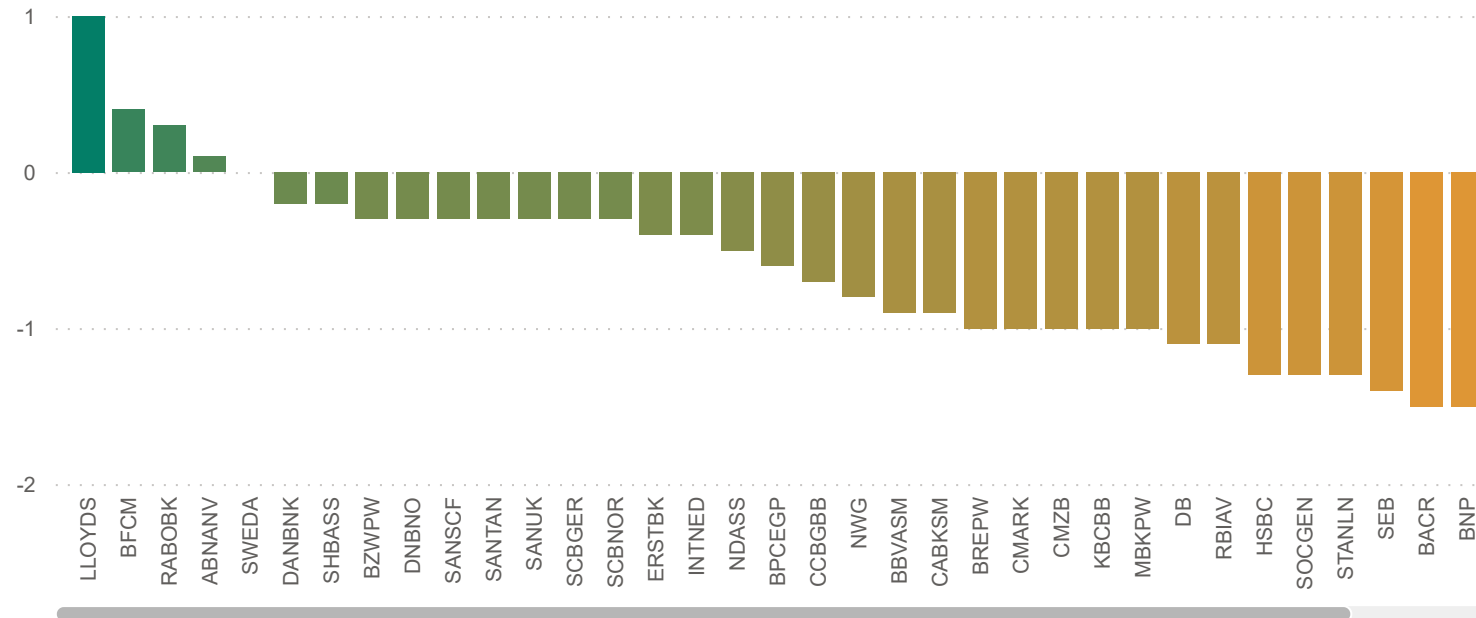
EUR Senior debt outstanding



EUR Tier 2 debt outstanding



CA CIB Banks ET scores by Issuer

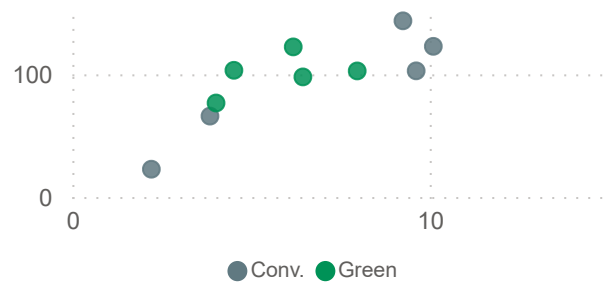


Source all charts: CMIT by Crédit Agricole CIB

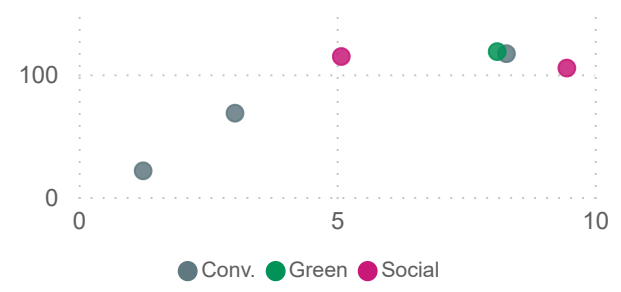
Greenium trading at around -7bp for green SP

Mapping
 24/02/2023

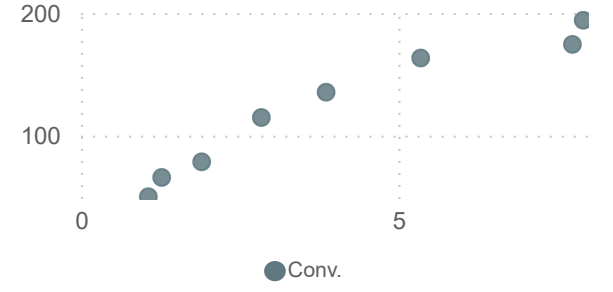
ABN Amro: Sustain. vs Conv. (spread, bp)



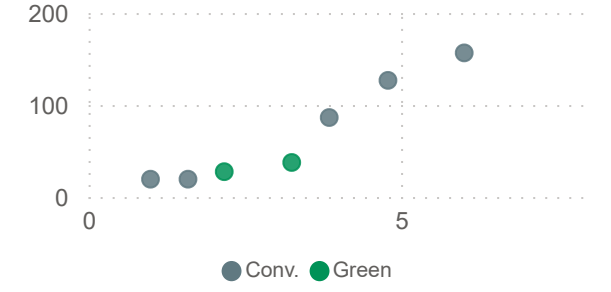
Arkéa: Sustain. vs Conv. (spread, bp)



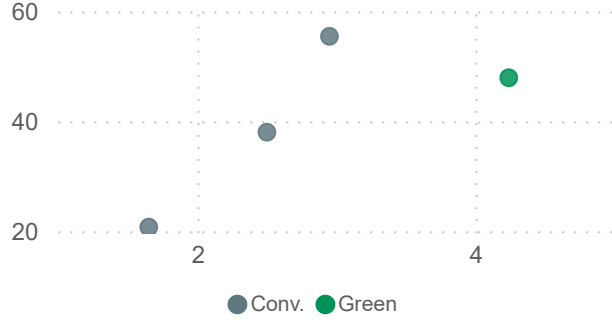
Barclays: Sustain. vs Conv. (spread, bp)



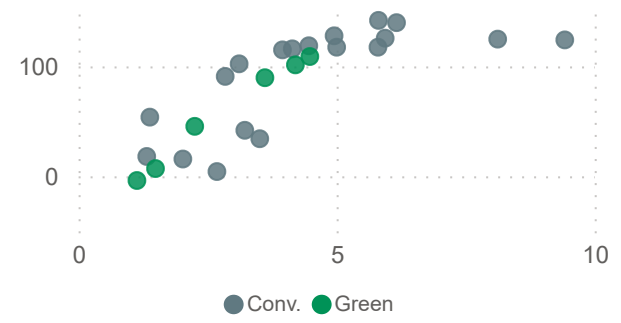
BBVA: Sustain. vs Conv. (spread, bp)



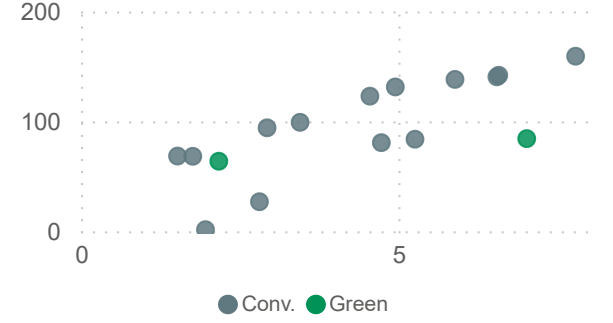
Belfius: Green vs Conv. (spread, bp)



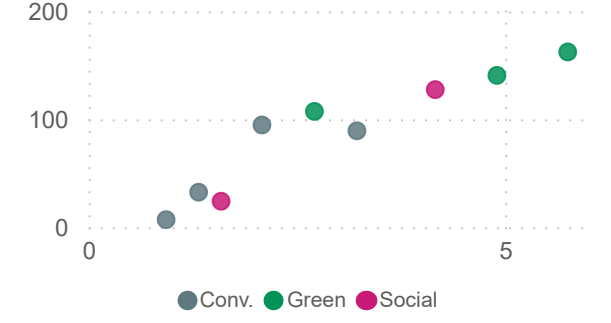
BNPP: Sustain. vs Conv. (spread, bp)



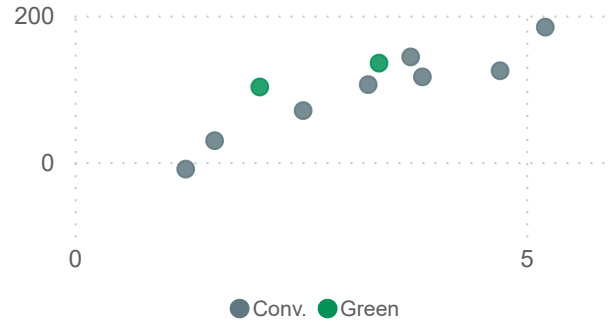
ING: Sustain. vs Conv. (spread, bp)



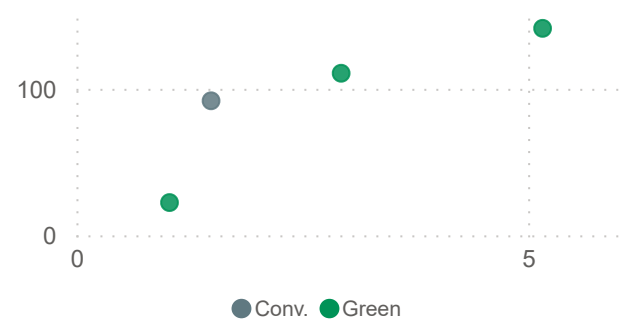
Caixa: Sustain. vs Conv. (spread, bp)



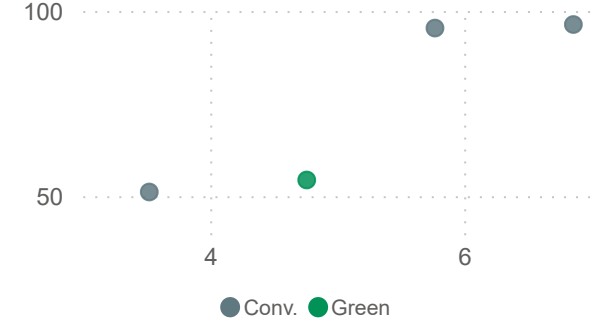
CMZB: Sustain. vs Conv. (spread, bp)



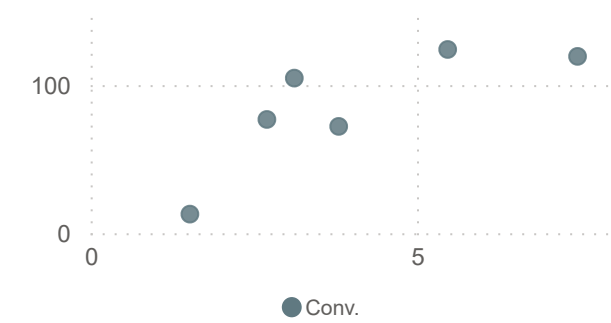
Danske: Sustain. vs Conv. (spread, bp)



SHB: Sustain. vs Conv. (spread, bp)



HSBC: Sustain. vs Conv. (spread, bp)

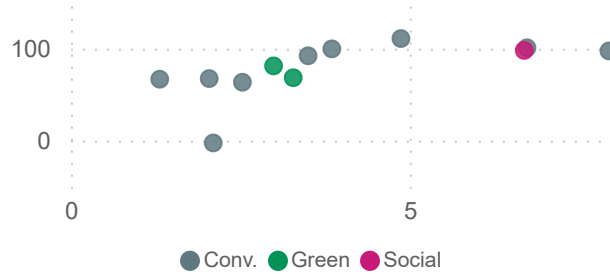


Source all charts: CMIT by Crédit Agricole CIB

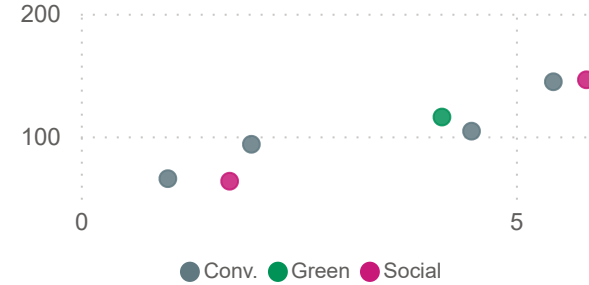
Greenium trading at around -7bp for green SNP

Mapping ⌵
 24/02/2023 ⌵

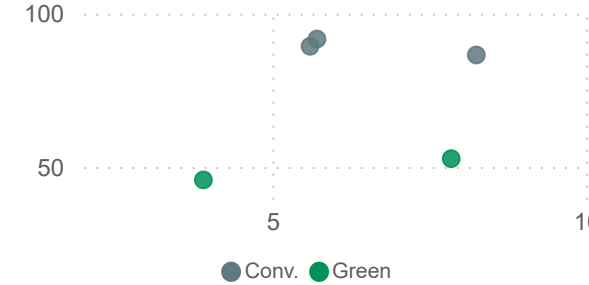
KBC: Sustain. vs Conv. (spread, bp)



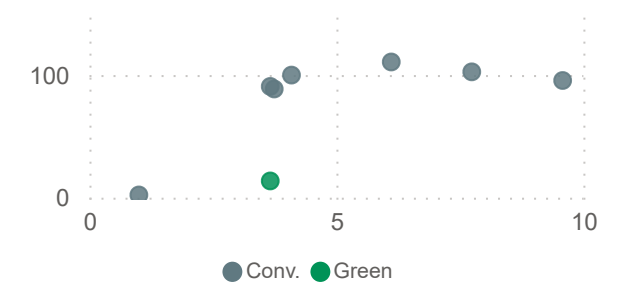
Natwest: Sustain. vs Conv. (spread, bp)



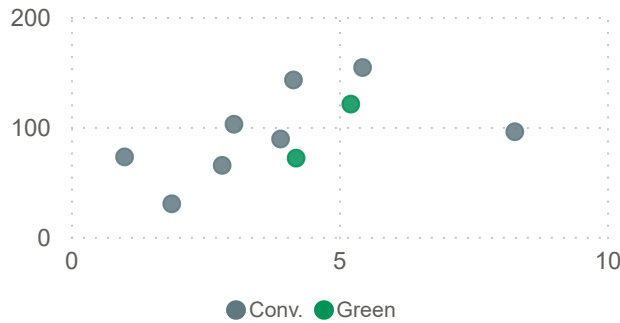
Nordea: Sustain. vs Conv. (spread, bp)



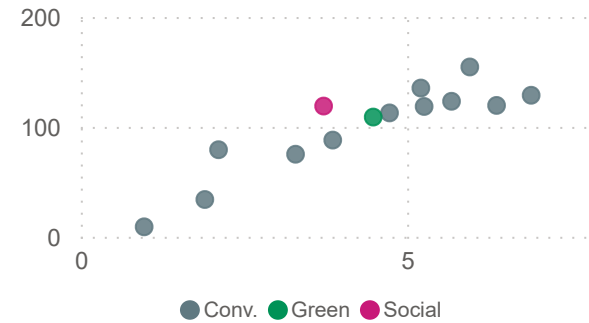
Rabo.: Sustain. vs Conv. (spread, bp)



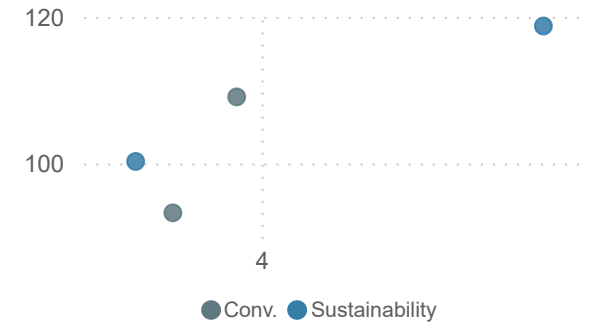
Santan: Green vs Conv. (spread, bp)



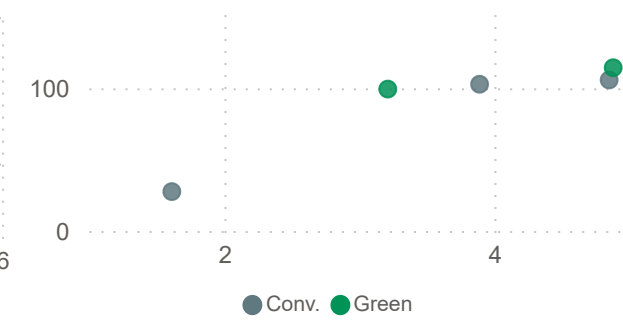
SocGen: Sustain. vs Conv. (spread, bp)



Standard: Sustain. vs Conv. (spread, bp)



Swedbank: Sustain. vs Conv. (spread, bp)



Source all charts: CMIT by Crédit Agricole CIB

Recommendations

Issuer	5Y CDS	Senior Bond	Senior bail-in	Tier 2	AT1
ABN AMRO	Buy		Add	Neutral	Add
Arkea	N/A		Add	Neutral	N/A
Barclays PLC	Neutral		Add	Add	Add
BBVA	Buy		Neutral	Neutral	Neutral
Belfius Bank	N/A		Neutral	Reduce	Reduce
BFCM (Credit Mutuel)/CM11-CIC	Neutral		Neutral	Neutral	N/A
BNP Paribas	Neutral		Add	Neutral	Neutral
BPCE (Natixis)	N/A		Neutral	Neutral	N/A
CaixaBank	Neutral		Add	Reduce	Reduce
Commerzbank	Neutral		Neutral	Neutral	Neutral
Credit Suisse Group	Buy		Neutral	Neutral	Reduce
Danske Bank	Neutral		Add	Add	Neutral
Deutsche Bank	Neutral		Add	Add	Reduce
DNB	Sell	Add	Add	Neutral	Add
Erste Group Bank	Neutral		Neutral	Neutral	Neutral
Handelsbanken (SHB)	Neutral		Neutral	Neutral	Neutral
HSBC Holdings plc	Neutral		Neutral	Neutral	Neutral
ING Group	Neutral		Neutral	Neutral	Neutral
Intesa Sanpaolo	Neutral		Add	Neutral	Neutral
KBC Group	Neutral		Add	Neutral	Add
Lloyds Banking Group	Neutral		Neutral	Neutral	Neutral
Monte Paschi	Sell	Add		Reduce	N/A
NatWest Group (formerly RBS)	Neutral		Neutral	Neutral	Neutral
Nordea	Neutral		Neutral	Neutral	Neutral
Rabobank	Neutral		Neutral	Neutral	Neutral
Raiffeisen Bank International	Buy		Add	Neutral	Reduce
Santander	Buy		Neutral	Neutral	Reduce
SEB	Sell		Add	Add	Add
Societe Generale	Neutral		Add	Neutral	Neutral
Standard Chartered PLC	Neutral		Neutral	Neutral	Neutral
Swedbank	Neutral		Neutral	Neutral	Neutral
UBS Group	Neutral		Add	Neutral	Add
Unicredit	Sell		Add	Add	Add

Recent publications on banks

Publication Type	Title	Date
Morning Credit	Was the 2022 year-end pullback in inflation a mirage?/ Sustainable Corner / News: Mercedes, Renault	27/02/2023
Morning Credit	Multiple and converging signs of resilient high core inflation / Crisis Watch / Sustainable Corner / News: Nordea, Pirelli, Mercedes, Holcim	24/02/2023
Morning Credit	High beta credit spreads under more pressure / Sustainable Corner / News: Monte Paschi, Retail, Heidelberg Materials, Gecina	23/02/2023
Credit Breaking News	Lloyds: cautious but reassuring guidance overall	22/02/2023
Morning Credit	Mixed feelings / Crisis Watch / Sustainable Corner / News: Lloyds, Covivio	22/02/2023
Morning Credit	Another surge in primary / Crisis Watch / Sustainable Corner / News: Raiffeisen, HSBC, Autos, Tesco, ENGIE	21/02/2023
Credit Breaking News	HSBC: strong Q4 shows signs of normalisation; China CRE risk still on the radar	21/02/2023
Morning Credit	Still-fragile equilibrium / Crisis Watch / Sustainable Corner / News: VW, Tesco	20/02/2023
Sector Weekly	Weekly NBI: News on the Banking Industry - Higher rates now priced on banks?	20/02/2023
Credit Breaking News	BFCM: strong capital to absorb societal dividend; updated strategic plan for end-2023	17/02/2023
Morning Credit	Is it the real deal this time? / Sustainable Corner / News: Banks, Faurecia, Mercedes, Gecina, EDF	17/02/2023
Credit Breaking News	NatWest: NII boosted Q422; guidance on costs and NIM disappointed	17/02/2023
Credit Breaking News	Commerzbank lifts 2023 guidance	16/02/2023
Morning Credit	Continued upbeat messages from Industrial players / Sustainable Corner / News: Banks, Renault, Ahold Delhaize, Industrials, Klépierre, Enel	16/02/2023
Credit Breaking News	Standard Chartered: additional charges weighed on Q422; 2024 guidance revised up	16/02/2023
Credit Breaking News	Barclays: Q422 miss mitigated by confirmed guidance	15/02/2023
Morning Credit	Credit spreads still supported despite US CPI report / Sustainable Corner / News: Barclays, Autos, Industrials, Carrefour	15/02/2023
Morning Credit	Easy drive before crash test / Crisis Watch / Sustainable Corner / News: Michelin, Thyssenkrupp	14/02/2023
Credit Presentation	Banks Outlook 2023: Nordic Bank Day	13/02/2023
Morning Credit	Has the rally gone too far, too fast? / Crisis Watch / Sustainable Corner / News: VW, Renault, BMW, Iberdrola, EDF	13/02/2023
Sector Weekly	Weekly NBI: News on the Banking Industry - Are Nordic banks vulnerable to CRE?	13/02/2023
Morning Credit	Earnings digestion before shifting to CPI report / Crisis Watch / Sustainable Corner / News: Renault, EDF, Enel	10/02/2023
Credit Breaking News	BPCE: 2023 will be a transition year	09/02/2023
Credit Breaking News	Credit Suisse: record outflow in Q422 and substantial loss for 2023	09/02/2023
Credit Breaking News	DNB: confirms its safe-haven status with a 13% targeted ROE	09/02/2023
Credit Breaking News	KBC: guidance for FY23 revised up!	09/02/2023
Morning Credit	No upside surprise to keep fuelling mixed expectations / Sustainable Corner / News: BPCE, CSG, Autos, Metro, Industrials, Unibail, EDF	09/02/2023
Credit Breaking News	ABN AMRO: will higher NII offset more challenging cost guidance?	08/02/2023
Credit Breaking News	Handelsbanken: metrics remain very strong, but cost control under scrutiny	08/02/2023
Credit Breaking News	Monte Paschi: a good start to the restructuring story; 5Y CDS and senior revised up	08/02/2023
Morning Credit	Profit hit may not come until the economy slows further / Crisis Watch / Sustainable Corner / News: Handelsbanken, SocGen, VW, Real Estate, E.ON, Fortum	08/02/2023
Credit Breaking News	Société Générale: 60% of 2023 funding plan completed	08/02/2023
Credit Breaking News	BNP Paribas: 2025 target revised up; EUR5bn share buybacks	07/02/2023
Morning Credit	Mixed start to the week / Sustainable Corner / News: BNP Paribas, Autos, Consumer/Retail, Holcim	07/02/2023

Calendar - Q422 season soon over

Bank	Next Release	Report period end	EPS	Currency
SEB	26/01/2023	31/12/2022	3.30	SEK
Unicredit	31/01/2023	31/12/2022	0.54	EUR
Swedbank	31/01/2023	31/12/2022	5.18	SEK
UBS	31/01/2023	31/12/2022	0.41	CHF
BBVA	01/02/2023	31/12/2022	0.24	EUR
Raiffeisen	01/02/2023	31/12/2022	1.51	EUR
Nordea	02/02/2023	31/12/2022	0.29	SEK
Sabadell	02/02/2023	31/12/2022	0.12	EUR
Santander	02/02/2023	31/12/2022	0.12	EUR
Danske Bank	02/02/2023	31/12/2022	4.55	DKK
Deutsche Bank	02/02/2023	31/12/2022	0.30	EUR
ING	02/02/2023	31/12/2022	0.29	EUR
Caixa	03/02/2023	31/12/2022	0.07	EUR
Intesa	03/02/2023	31/12/2022	0.04	EUR
Monte Paschi	07/02/2023	31/12/2022	0.08	EUR
BNP Paribas	07/02/2023	31/12/2022	2.10	EUR
Handelsbanken	08/02/2023	31/12/2022	3.12	SEK
ABN Amro	08/02/2023	31/12/2022	0.16	EUR
Société Générale	08/02/2023	31/12/2022	1.22	EUR
DNB	09/02/2023	31/12/2022	4.80	NOK
CASA	09/02/2023	31/12/2022	0.31	EUR
Crédit Suisse	09/02/2023	31/12/2022	-0.19	CHF
Barclays	15/02/2023	31/12/2022	0.06	GBp
Commerzbank	16/02/2023	31/12/2022	0.31	EUR
Standard Chartered	16/02/2023	31/12/2022	0.14	GBp
Natwest	17/02/2023	31/12/2022	0.10	GBp
HSBC	21/02/2023	31/12/2022	0.23	GBp
Lloyds	22/02/2023	31/12/2022	0.02	GBp
Erste	28/02/2023	31/12/2022	1.01	EUR
Bankinter	21/04/2023	31/03/2023	0.18	EUR

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Senior/subordinated bond recommendation (per issuer on a six-month horizon)

BUY: Overweight exposure to all the issuer's senior/subordinated bonds. Corresponds to a strong positive conviction about the issuer in terms of both credit metrics and relative valuation aspects.

ADD: Overweight exposure to some specific or all senior/subordinated bonds of the issuer. Fundamental opinion is positive on the credit's underlying. Relative value analysis can lead us to overweight or maintain the position on some specific bonds.

NEUTRAL: Maintain position based on stable credit fundamentals. Relative value analysis can lead us to overweight/underweight or maintain the position on some or all senior/subordinated bonds of the issuer.

REDUCE: Underweight exposure to some specific or all senior/subordinated bonds of the issuer. Fundamental opinion is negative on the credit's underlying. Relative value analysis can lead us to underweight or maintain the position on some specific bonds.

SELL: Underweight exposure to all the issuer's senior/subordinated bonds. Corresponds to a strong negative conviction about the issuer in terms of both credit metrics and relative valuation aspects.

Energy transition score

The assessment of the impacts of the energy transition on issuers is, among other elements, part of our ESG analysis, which is in turn, among other elements, included in our recommendation system. The energy transition score reflects (1) the issuer-related sector's expected sensitivity to the impact of the energy transition (Sector Exposure with a ranking of High, Medium and Low) and (2) the disruption to the issuer's business model (Issuer Score) derived from the greening of the economy. With the need to develop resilience to environmental risks and offering the opportunity to "build back better", issuers' scores aim to provide a picture based on the most available reported data of an issuer's risk exposure to the energy transition impacts. An issuer's score varies from -3 to +3 depending on said issuer's exposure to (1) regulatory risk; (2) technological risks; (3) geographies; and (4) businesses. These scores have been translated into a colour scaling system (from dark green, corresponding to the lowest level of exposure, to dark red, corresponding to the highest level of exposure). The main macro scenario used to calculate those sectors' score is the Sustainable Development Scenario (SDS) provided by the International Energy Agency (IEA). The Issuer Score is usually calculated based on two main drivers: (1) expected growth potential; and (2) identification of potential stranded assets. For more details on the methodology, please see the following [link](#).

HIGH: the sector is, directly or indirectly, highly exposed to energy transition issues and is expected to be highly impacted by the need to make adjustments to mitigate the impacts from the energy transition

MEDIUM: the sector is, directly or indirectly, moderately exposed to energy transition issues and is expected to be moderately impacted by the need to make adjustments to mitigate the impacts from the energy transition

LOW: the sector has, directly or indirectly, a limited exposure to energy transition issues and is expected to be slightly impacted by the need to make adjustments to mitigate the impacts from the energy transition

Valuation and methodology

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- Risk analysis may be conducted at the issuer or at the financial instruments level. Among the information normally used to define the risks, are (1) publications produced by other research teams within Crédit Agricole EIB (Economics, FX, Interest Rates, Emerging Markets); (2) sector analysis; (3) regulatory filings; (4) regular discussions with relevant stakeholders such as issuers, experts or regulatory bodies; or (5) any other publicly available sources. Some other specific risks may also be embedded into bonds' documentation, capital structure of the issuer or its shareholding structure.
- Reward analysis is usually based on valuation models. Valuation may be based on proprietary models or external models provided by sources considered as reliable (eg, Bloomberg). Among other factors, valuation models may be based on relative value models, quantitative models, cross-asset models. While recommendations are focused on spreads, they may also include a yield valuation approach as well as a total return approach.
- Investment recommendations may also be based on other technical aspects, including observing the market and underlying movements in particular instruments or issuers. This analysis will take into account key criteria such as market liquidity of the financial instrument or issuer at the time of production of the recommendation.

Any change in recommendation is disclosed via specific documents indicating both the new and the previous recommendation and the rationale backing the change. Investment recommendations are currently disclosed on a regular basis in various documents published by the Crédit Agricole CIB Credit Research team, where required as directed by regulatory guidelines.

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5Y CDS recommendation

Performance of credit instruments: We express our expectation of how the 5Y CDS is going to perform vis-à-vis its sector over a one month timeframe. When the analyst changes a recommendation he/she should indicate in the analysis when the last recommendation was made.

SELL: CDS spreads should outperform the sector performance.

NEUTRAL: CDS spreads should perform in line with the sector performance.

BUY: CDS spreads should underperform the sector performance.]

Credit metrics trend

Credit metrics trend reflects the expected evolution of the credit metrics of an issuer over the coming 12 months. Credit metrics are usually based on two main drivers: (1) the profitability of the activities and (2) the evolution of the capital structure.

POSITIVE: credit metrics are expected to improve over the coming 12 months.

STABLE: credit metrics are expected to remain stable over the coming 12 months.

NEGATIVE: credit metrics are expected to deteriorate over the coming 12 months.

as at 30/09/2022	All covered companies		Companies where Crédit Agricole CIB provided Investment Banking Services in past 12 months	
	Count	Percent	Count	Percent (of all covered companies)
Sell	14	18	13	93
Neutral	54	68	35	65
Buy	12	15	11	92

as at 30/09/2022	All covered companies		Companies where Crédit Agricole CIB provided Investment Banking Services in past 12 months	
	Count	Percent (%)	Count	Percent (%)
	SN / SB SBI / T2 / AT1	SN / SB SBI / T2 / AT1	SN / SB SBI / T2 / AT1	SN / SB SBI / T2 / AT1 (of all companies covered)
Buy	0 (for all)	0	0	0
Add	24 / 5	28 / 29	17 / 4	71 / 80
	12 / 5 / 8	38 / 15 / 28	12 / 5 / 7	100 / 100 / 88
Neutral	47 / 9	55 / 53	29 / 4	62 / 44
	19 / 21 / 12	59 / 64 / 41	16 / 18 / 11	84 / 86 / 92
Reduce	14 / 3	16 / 18	10 / 3	71 / 100
	1 / 7 / 9	3 / 21 / 31	1 / 7 / 9	100 / 100 / 100
Sell	0 (for all)	0	0	0

SN= senior bonds; SB = subordinated bonds;
[Banks] SBI = senior bail-in bonds; T2 = Tier 2; AT1 = AT1

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16/08/21