



EUR Benchmark Bank Bonds: Primary Market Q2 2026

Brisk issuance activity for senior unsecured bonds



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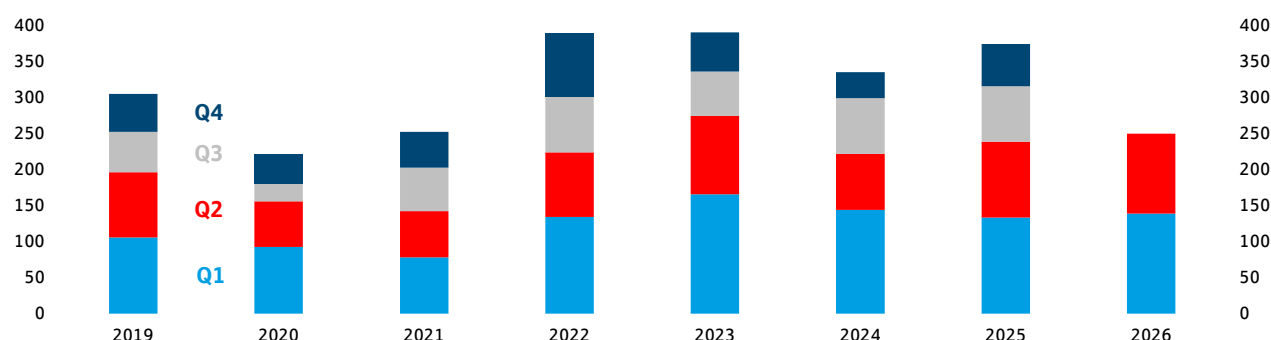
The issuance volume of senior unsecured bank bonds totaled nearly **EUR 60bn in the second quarter of 2026**, around 10% more than in the previous year. This put it on par with the previous record high for a second quarter in 2023, when, however, refinancing of repaid central bank liquidity (TLTRO) still dominated the market.

The lively issuance activity was driven in particular by **high maturities**, which are heading towards a peak in 2026. In a news environment dominated by trade wars and military conflicts, issuers are therefore making active use of open market windows to achieve their issuance plans ahead of schedule. This high volume of maturities is partly driven by the senior non-preferred (SNP) bond category. Introduced after the financial crisis, this segment is now fully established and has reached a steady roll-over cycle between new issuances and maturities. The share of SNP bonds in the total issuance volume was again at a high level in the second quarter of 2026 at around 60%. This more than meets our expectation that the share of SNP issuances will account for well over half of total issuances this year (see our [Primary Market Update](#) of 6 January 2026).

While the quarter-on-quarter slowdown in issuance was **dragged down by US (-90%) and French banks (-55%)**, their **British, Dutch, and Norwegian** counterparts remained highly active.

EUR Benchmark Transactions* in Q2 2026: Brisk issuance activity continues

EUR Benchmark Issuance Volume (Fixed and Floating, Secured and Unsecured), EUR billion



*Min. issuance volume EUR 500mn

Sources: Bloomberg, Helaba DCM, Helaba Research

In the first half of 2026 as a whole, the issuance volume of senior unsecured bank bonds totaled around EUR 136bn. Despite the outbreak of the war in Iran at the end of February, it nearly matched the record levels of 2023 and 2025. The subdued primary market activity in weeks 8 to 15 was more than offset by subsequent transactions and the strong start to the year. High oversubscription ratios, in some cases well over 3x, underscore the exceptionally strong investor demand.

We maintain our forecast for the full-year 2026 issuance volume of EUR 210bn for senior unsecured bank bonds in EUR benchmark format (see our [Primary Market Update](#) of 2 April 2026).

The primary driver for another strong issuance year remains the **substantial volume of maturities**, which will persist at a high level into 2027. For SNP issuances, regulatory requirements continue to be a key factor. Although minimum requirements have been met, high maturities have now also become the main driver for issuance plans in this segment. We expect the share of SNP issuances to remain well over half of total supply.

The introduction of a general depositor preference across Europe should have only a limited impact on the credit quality of preferred bonds. However, institutions could counteract this by issuing additional preferred instruments. It will take until mid-2028, however, for the new regulations to be implemented in the individual member states (see our German publication [General Depositor Preference Approved](#) of 27 March 2026).

Geopolitical and macroeconomic uncertainties will likely continue to cause a volatile capital market environment. Given the high maturities, issuers remain ready to exploit open market windows for transactions. Getting the timing right remains a challenge.

Covered Bonds: How resilient can a market be?



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In fact, we could carry over the first paragraph of this chapter unchanged from the previous quarter. The only difference is that the covered bond market continues to **outperform even its own resilience**. Our core vision for the covered bond year 2026 is characterized by an intrinsically strong market that nevertheless operates in a permanent on-off mode, influenced by external shocks.

However, the market has only been 'off' once to date, namely following the outbreak of the war in Iran at the end of February. Since then, all **rhetorical, military, or trade-policy escalations have been fully absorbed**. This applies to both volume and spread developments.

Our **original full-year forecast of EUR 163bn** is based on an aggregated bottom-up analysis. We determine our full-year issuance expectations based on the maturity profile and net new lending forecasts of each individual issuer. Given the **EUR 122.65bn in new issuances in the first half of the year**, however, we recently questioned whether our forecast is still sustainable. On a long-term average, around 67% of the full-year volume is placed in the first half of the year. A simple extrapolation would therefore lead us to a total volume of around EUR 183bn.

Ultimately, looking at all influencing factors, we remain broadly comfortable with our forecast. On the macro level, we clearly underestimated the **resilience of the covered bond market to geopolitical tensions**, while on the micro level, we had **projected EUR issuances from Canadian and British banks too low**. This is countered by potential front-loading effects from H2 2026 as well as slightly too high volumes from Sweden, Singapore, and Austria. Prefunding for 2027 could be a small additional factor, especially in view of the upcoming presidential elections in France. However, since the result will likely not be known until early May at the earliest, the inclination to prefund is unlikely to be significantly higher than in the previous year. Taking everything into account, however, a minor upward adjustment of our full-year target to EUR 169bn seems sensible (see also our Covered Bond Focus: Are we still on track? from 30 June 2026).

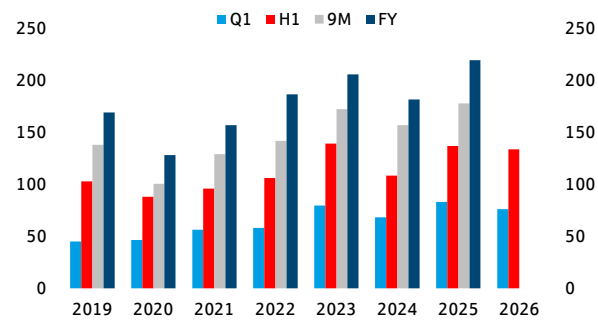
Apart from the enormous issuance volume in the second quarter – particularly in June – we consider the following aspects especially noteworthy:

- **Trend toward dual-tranche issuances continues:** Already by mid-year 2026, the previous record of 16 transactions from 2023 was surpassed with 18 dual-tranche transactions (eight of which occurred in the second quarter). In this calendar year alone, five institutions – BMO, UBS, DANBNK, BAWAG, and BNS – issued in this format for the first time. The most common combination was 3Y/7Y, with BAWAG standing out with a 7Y/12Y combination. We view this development positively: primary market activity is consolidated, placed volumes increase, and the built-in flexibility ensures more stable transactions.
- **Another stabilizer for transactions is larger lead manager syndicates:** For the first time, the average number of syndicate banks stands at over six (compared to around 4.5 ten years ago). On a deal-by-deal basis, this resulted in an average deal volume of EUR 160m per lead manager, with the minimum value at EUR 62m.
- **Country base at record level:** The year 2026 is also on track for a record in terms of the number of covered bond countries. The count currently stands at 25 countries, meaning the peak from the previous year has already been matched. With Estonia, Greece, and Turkey, three additional countries are considered potential issuance candidates.
- **Almost deserted 10Y+ segment:** In the second quarter, the long maturity bucket remained almost completely unused – potentially one of the few signs of increased risk aversion among issuers. Only Crédit Agricole Italia ventured out with an 11-year transaction. At 4 bp, the new issue premium was relatively high, which was, however, also due to the transaction volume: at EUR 1bn, a larger transaction in the maturity range of over ten years was placed for the first time in two and four years, respectively. Given a solid 1.6x oversubscription, this was a successful issuance.
- **Subdued momentum for ESG transactions:** In the first half of the year, nearly EUR 10bn was issued in green format and EUR 1.6bn in the social segment, which will likely point to stagnation for the full year. However, on July 2, 2026, the ESG Rating Regulation (Regulation (EU) 2024/3005, 'the Regulation') enters into force. Adopted in November 2024, the Regulation aims to improve the reliability and transparency of ESG ratings in the European Union. We welcome this regulation as a supporting framework for this market segment.

1. Senior unsecured bonds

Q2 2026: Favorable market actively utilized

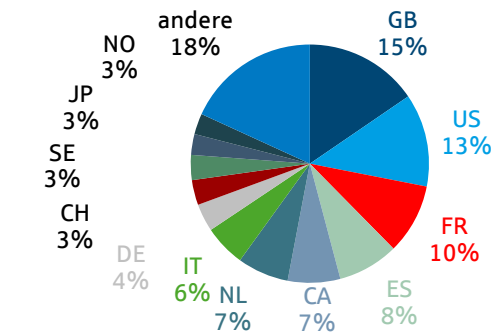
Cumulative EUR benchmark issuance volume, EUR billion



Sources: Bloomberg, Helaba DCM, Helaba Research

US banks are taking advantage of the favourable interest rate environment

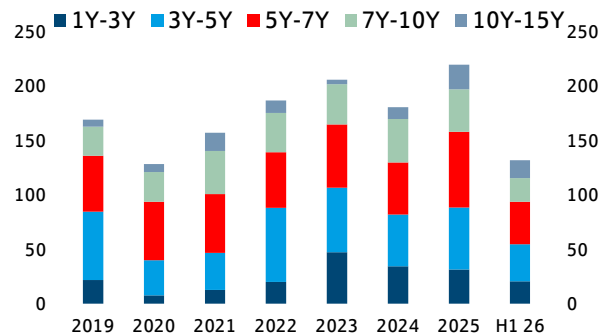
EUR benchmark issuance volume Q1 2026 by country



Sources: Bloomberg, Helaba DCM, Helaba Research

Maturities of 3 to 7 years dominate

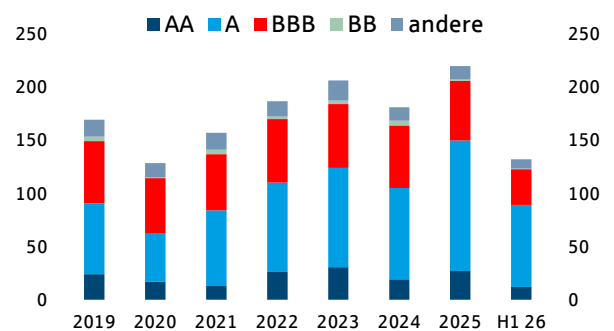
EUR benchmark issuance volume by maturity, EUR billion



Sources: Bloomberg, Helaba DCM, Helaba Research

Rating mix holds steady

EUR benchmark issuance volume by rating*, EUR billion

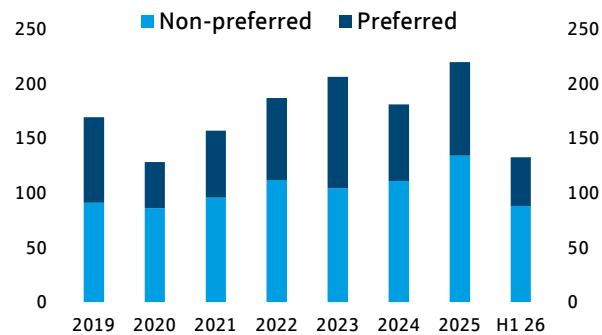


* Moody's rating at issuance

Sources: Bloomberg, Helaba DCM, Helaba Research

Non-preferred share high at 67%

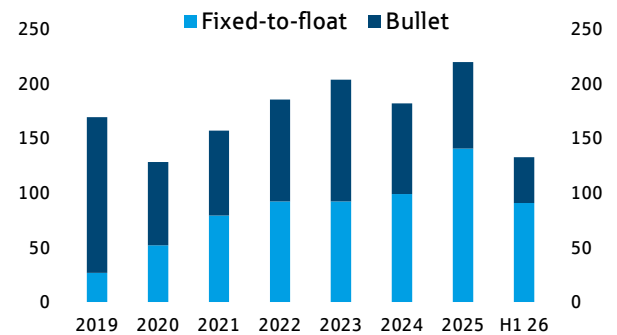
EUR benchmark issuance volume by seniority, EUR billion



Sources: Bloomberg, Helaba DCM, Helaba Research

Extensive use of regulatory call options

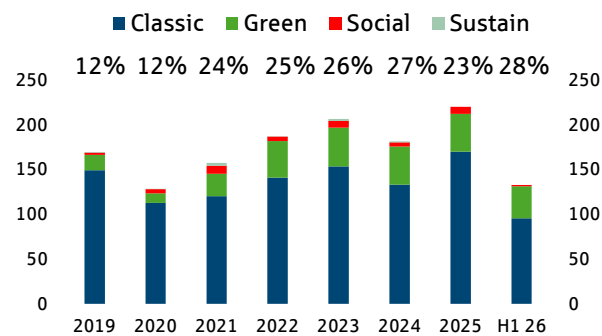
EUR benchmark issuance volume by repayment type, EUR billion



Sources: Bloomberg, Helaba DCM, Helaba Research

Proportion of green issues increases slightly

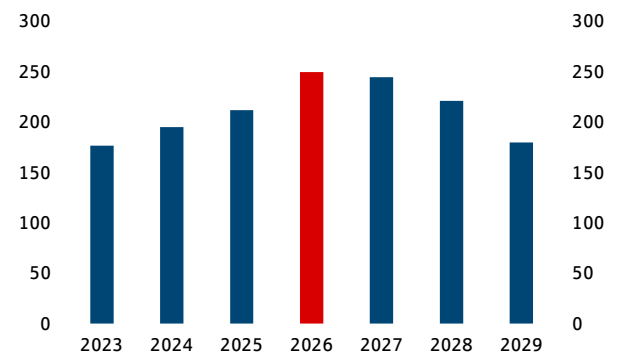
EUR benchmark issuance volume by ESG criteria, EUR billion



Sources: Bloomberg, Helaba DCM, Helaba Research

Maturities* peak in 2026

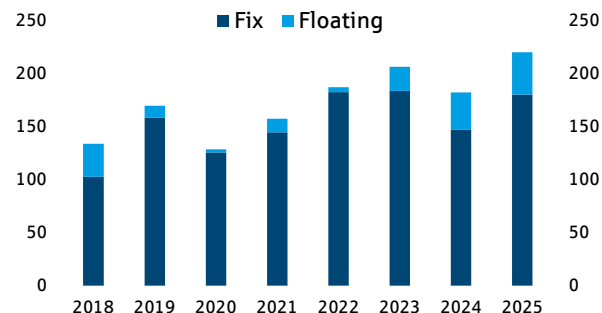
EUR benchmark maturity volume, EUR billion



* Slightly different definition compared to new issues
Sources: Bloomberg, Helaba Research

Proportion of floating-rate bonds declining again

EUR benchmark issuance volume by coupon type, EUR billion

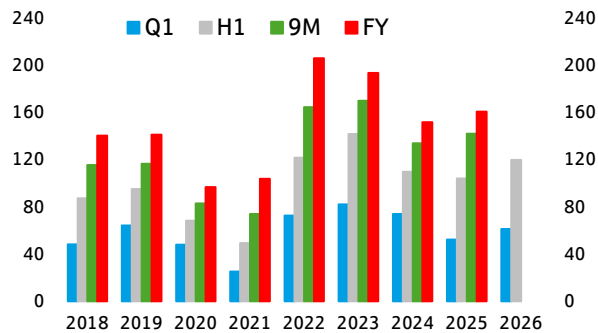


Sources: Bloomberg, Helaba DCM, Helaba Research

2. Covered bonds

H1/26: EUR 122.65bn, slightly above expectations

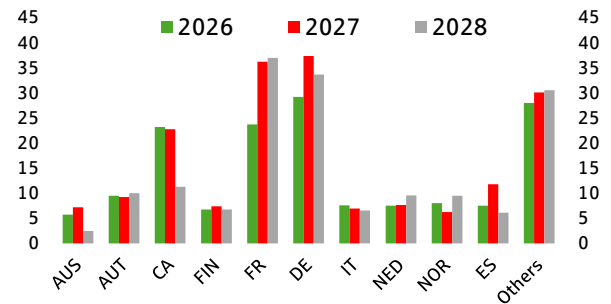
Cumulative EUR benchmark issuance volume, EUR billion



Sources: Bloomberg, Helaba Research

Maturity volume historically high

EUR benchmark maturity volume by country, EUR billion

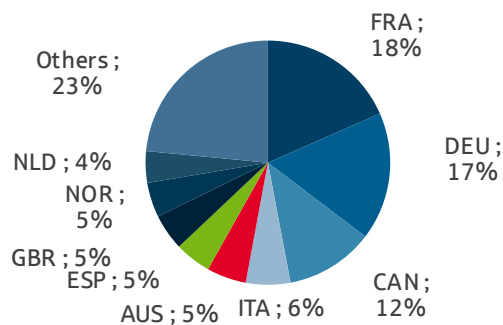


'26 EUR 156bn, '27 EUR 183bn, '28 EUR 164bn

Sources: Bloomberg, Helaba Research

French covered bonds account for largest share

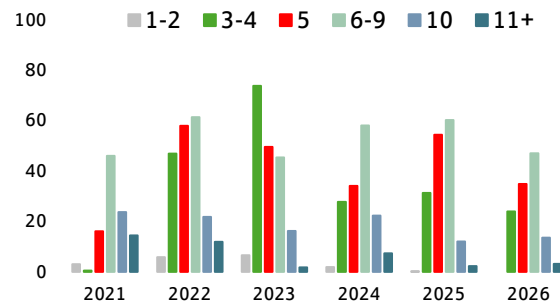
EUR benchmark issuance volume H1 2026 by country



Sources: Bloomberg, Helaba Research

Maturity selection slightly longer again

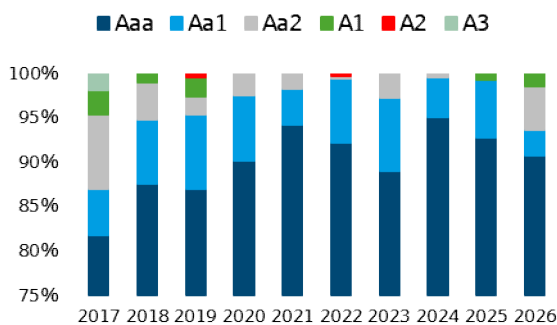
EUR benchmark issuance volume by maturity, %



Sources: Bloomberg, Helaba Research

Aaa ratings still the norm

EUR benchmark issuance volume by rating*, %

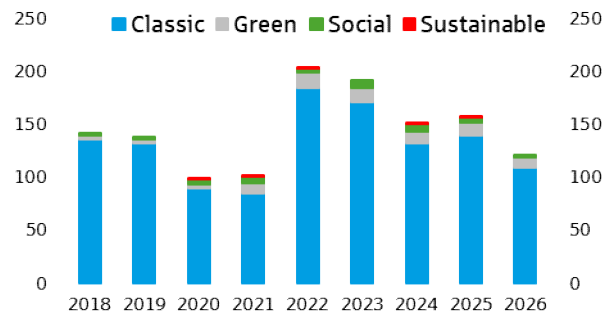


*Moody's rating at issuance

Sources: Bloomberg, Helaba Research

Sustainable covered bonds: somewhat out of focus

Issuance volume by ESG criteria and other, EUR billion



Sources: Bloomberg, Helaba Research



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