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PRIVATE BANKING

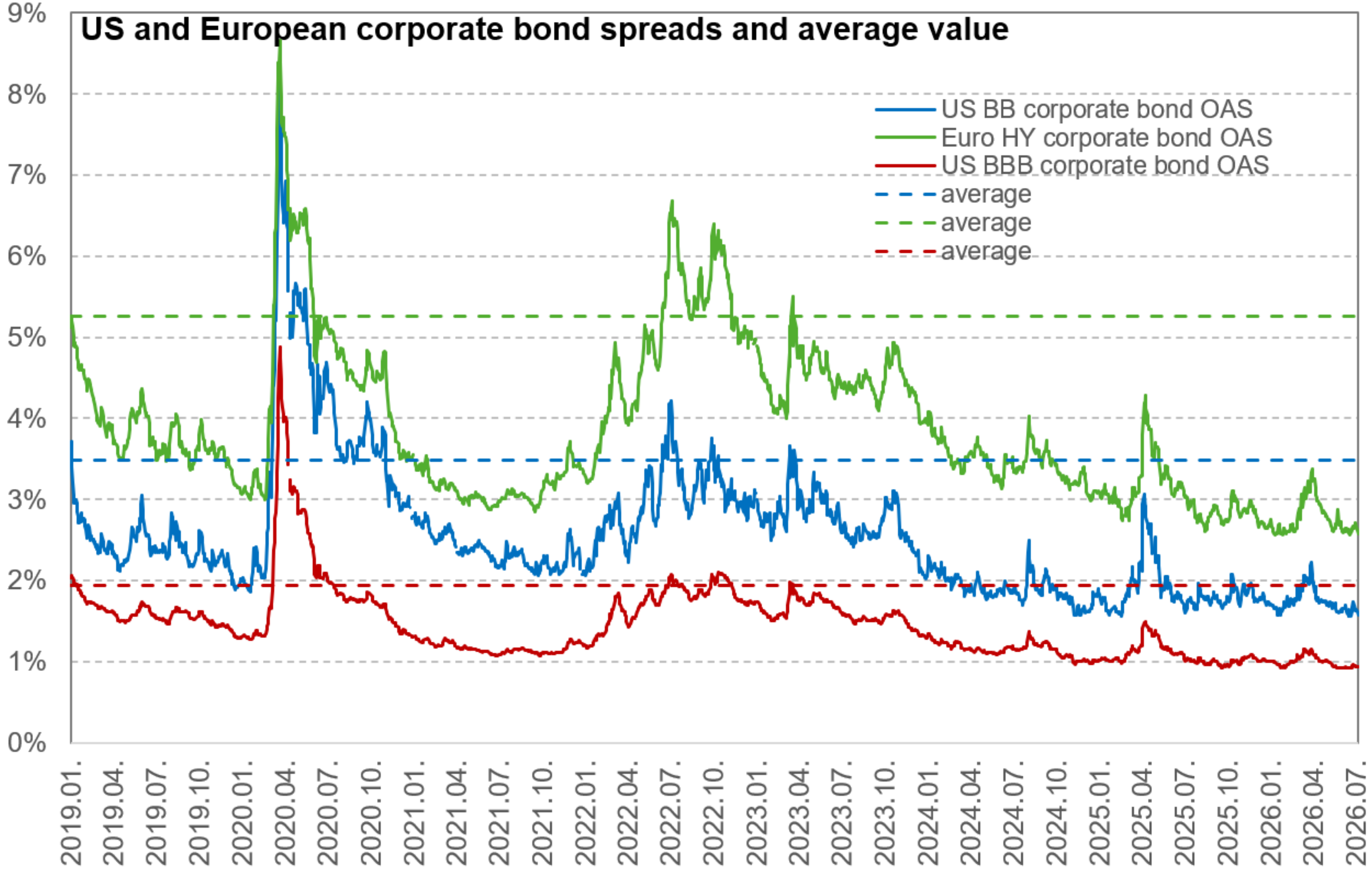
otp Global Markets

Fixed Income Top Picks

Multi-Asset Strategies

15.07.2026

Bonds: Outlook Improves as Geopolitical Risks Ease



HUF-denominated assets have performed well so far this year. Nevertheless, we continue to believe that currency diversification within bond portfolios is important. This can be achieved through euro- and USD-denominated government bonds issued by countries in the region, including Hungary and Romania, as well as through euro- and dollar-denominated bonds issued by CEE companies. Currency diversification does not represent a negative view on forint-denominated assets; rather, it is intended to reduce concentration risk.

Oil prices have normalised rapidly in recent months, materially easing inflationary risks and potentially increasing the appeal of long-duration bonds. Yields in both the United States and the euro area are currently within what we consider to be reasonable ranges. However, recent developments in the Middle East suggest that the ceasefire between the United States and Iran remains rather fragile, potentially leading to renewed volatility in both oil prices and bond yields.

Following the spike in March, investment-grade and high-yield corporate bond spreads have returned to near-historical lows as concerns over economic growth have eased and investors' risk appetite has strengthened. Looking ahead, however, investment in AI infrastructure could result in a growing supply of corporate bonds, potentially putting upward pressure on credit spreads.

Source: Bloomberg, OTP Multi-Asset Strategies

EUR and USD regional government bonds

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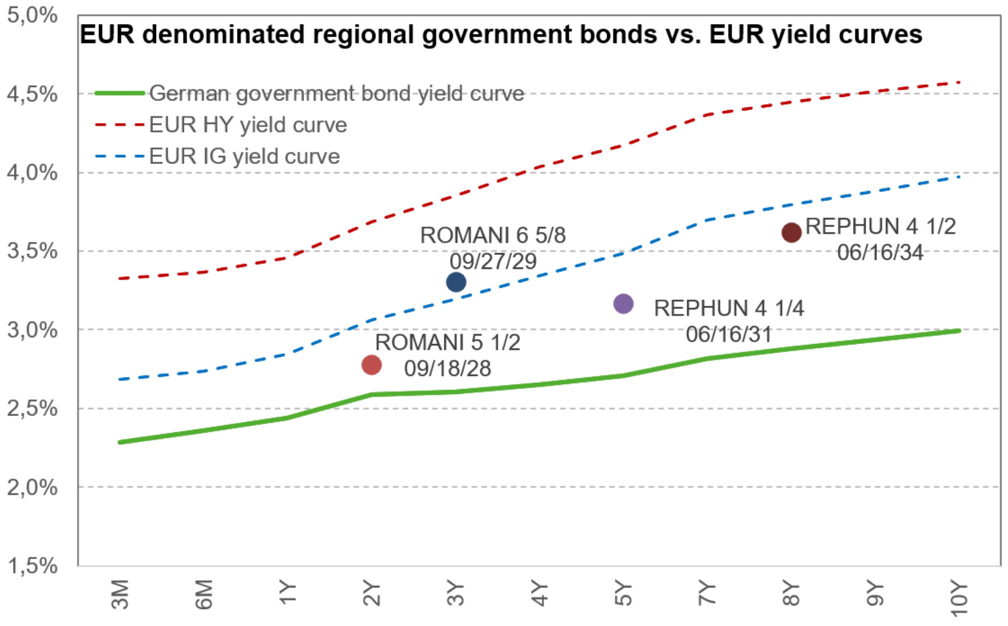
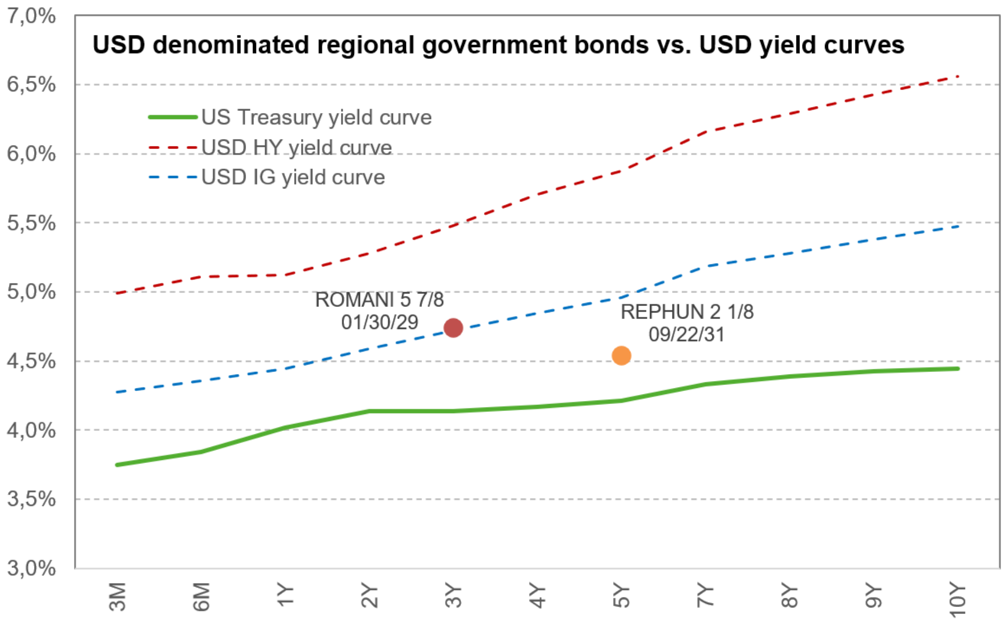
Country	Bond	ISIN	Coupon (%)	Maturity	Yield to maturity	Rating (S&P)	Min. quantity
Government bonds (EUR)							
Hungary	REPHUN 4 1/2 06/16/34	XS2971936948	4,500	2034.06.16.	3,62%	BBB-	1 000
Hungary	REPHUN 4 1/4 06/16/31	XS2010026214	4,250	2031.06.16.	3,17%	BBB-	100 000
Romania	ROMANI 5 1/2 09/18/28	XS2689949399	5,500	2028.09.18.	2,78%	BBB-	1 000
Romania	ROMANI 6 5/8 09/27/29	XS2538441598	6,625	2029.09.27.	3,31%	BBB-	1 000
Government bonds (USD)							
Hungary	REPHUN 2 1/8 09/22/31	XS2388586401	2,125	2031.09.22.	4,54%	BBB-	200 000
Romania	ROMANI 5 7/8 01/30/29	XS2756521212	5,875	2029.01.30.	4,74%	BBB-	2 000

- Hungarian government bond yields have fallen sharply since April, even as yields have generally risen elsewhere in Europe. Longer-dated bonds have performed particularly well, as their prices are more sensitive to changes in yields.
- In addition to Hungarian bonds, we have also included Romanian bonds in our selection, although we prefer shorter maturities in this market. This reflects the ongoing domestic political crisis in Romania, which has not yet led to a significant increase in bond yields.
- Overall, we continue to view the risks associated with Romanian bonds as manageable, particularly for investors intending to hold the securities to maturity.





Source: Bloomberg, OTP Multi-Asset Strategies

EUR corporate bonds

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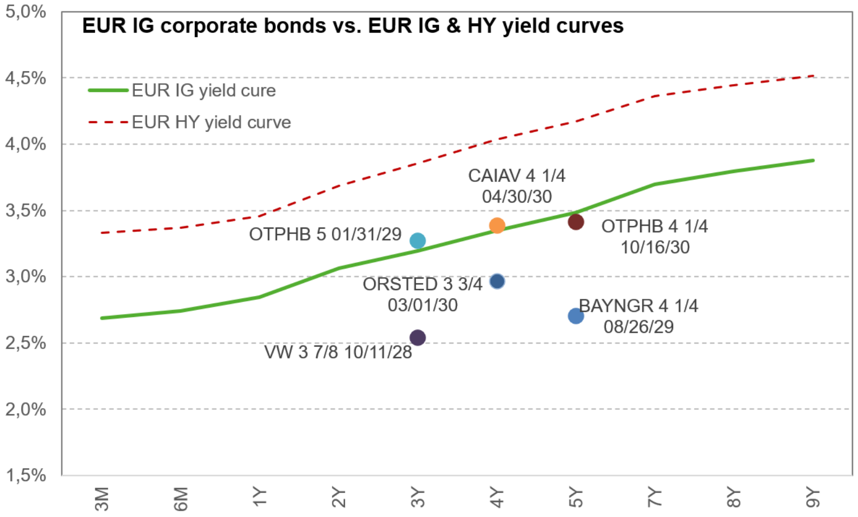
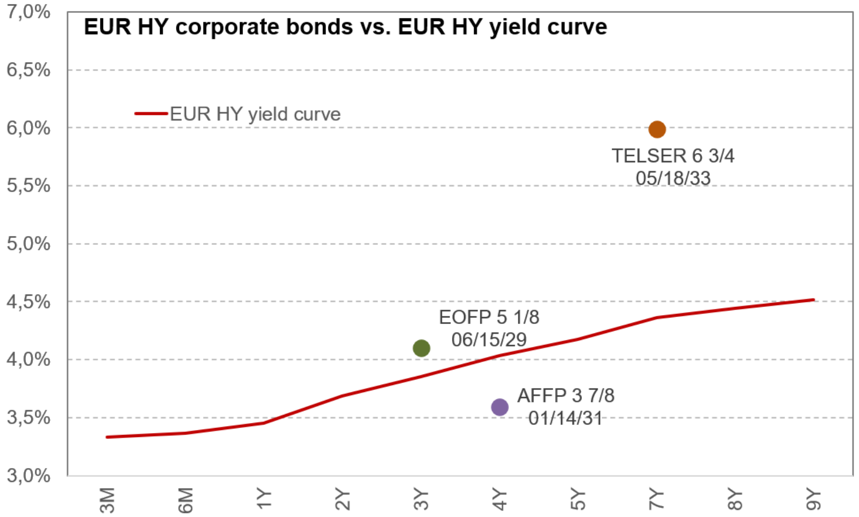
Company	Bond	ISIN	Coupon (%)	Maturity	Call opportunity	Yield (in case of call)	Yield to mat.	Rating (Fitch/ Moody's/S&P)	Min quantity
Corporate bonds (EUR)									
Volkswagen Leasing	VW 3 7/8 10/11/28	XS2745725155	3,88	2028.10.11.	-	-	2,54%	BBB+	1 000
OTP Bank	OTPHB 5 01/31/29	XS2754491640	5,00	2029.01.31.	2028.01.31.	2,12%	3,28%	Baa3	100 000
OTP Bank	OTPHB 4 1/4 10/16/30	XS2917468618	4,25	2030.10.16.	2029.10.16.	3,00%	3,42%	Baa3	100 000
Orsted	ORSTED 3 3/4 03/01/30	XS2591029876	3,75	2030.03.01.	2029.12.01.	2,92%	2,97%	Baa2	100 000
CA Immobilien	CAIAV 4 1/4 04/30/30	XS2927556519	4,25	2030.04.30.	2030.01.30.	3,34%	3,39%	Baa3	100 000
Bayer	BAYNGR 4 1/4 08/26/29	XS2630112014	4,25	2029.08.26.	2029.05.26.	2,58%	2,70%	Baa2	1 000
Forvia	EOFP 5 1/8 06/15/29	XS2774391580	5,13	2029.06.15.	-	-	4,10%	B1	100 000
Air France-KLM	AFFP 3 7/8 01/14/31	FR0014015H97	3,88	2031.01.14.	2030.10.14.	3,58%	3,59%	BB+	100 000
Telekom Serbia	TELSER 6 3/4 05/18/33	XS3370281878	6,75	2033.05.18.	2029.05.18.	6,12%	5,99%	B1	100 000





- The Iran war caused only a temporary spike in corporate bond yields. By the summer, yields had returned to near-historical lows as risk appetite strengthened once again.
- Euro-denominated high-yield (HY) bonds continue to offer only a minimal yield premium over investment-grade securities. The additional risks therefore warrant careful consideration, nevertheless, our selection includes three HY bonds.
- Alongside **Forvia's** 2029 bond, which was already included in our previous selection, we have added **Air France-KLM's** bond maturing in January 2031. **Telekom Srbija's** bond maturing in 2033, issued in May, has also been added. The bond offers a meaningful yield premium and includes a call option exercisable in 2029. Naturally, the Telekom Srbija bond represents a riskier investment.
- In the current low-yield environment, we have retained several well-known issuers in our selection, as it is difficult to identify more attractive alternatives. Although the **Volkswagen** bond offers a relatively low yield, its EUR 1,000 denomination is uncommon among euro-denominated bonds, making it suitable for inclusion in smaller portfolios as well. We have retained **Bayer's** 2029 bond for similar reasons.

Source: Bloomberg, OTP Multi-Asset Strategies

USD corporate bonds

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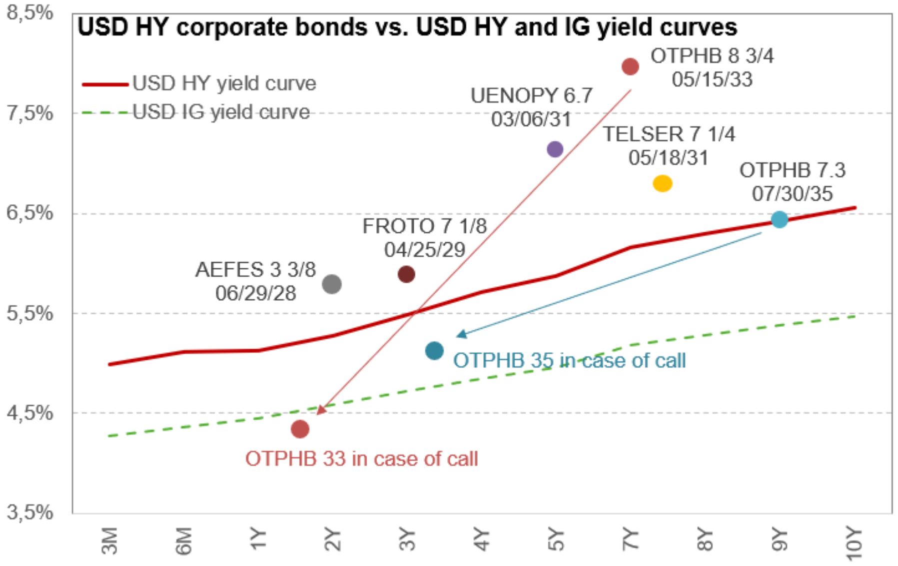
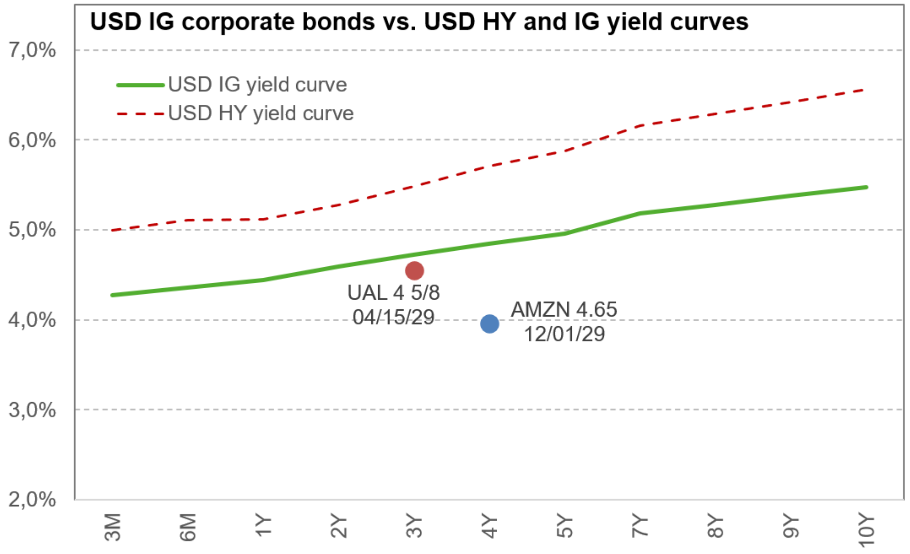
Company	Bond	ISIN	Coupon (%)	Maturity	Call opportunity	Yield (in case of call)	Yield to mat.	Rating (Fitch/ Moody's/S&P)	Min quantity
				Corporate bonds (USD)					
Amazon	AMZN 4.65 12/01/29	US023135CQ73	4,65	2029.12.01.	2029.10.01.	3,93%	3,96%	A1	2 000
United Airlines	UAL 4 5/8 04/15/29	US90932LAH06	4,63	2029.04.15.	2028.10.15.	4,53%	4,55%	Baa3	2 000
OTP Bank	OTPHB 8 3/4 05/15/33	XS2586007036	8,75	2033.05.15.	2028.02.15.	4,13%	7,96%	Ba1	200 000
OTP Bank	OTPHB 7.3 07/30/35	XS2988670878	7,30	2035.07.30.	2030.01.30.	5,14%	6,44%	Ba1	200 000
Anadolu Efes	AEFES 3 3/8 06/29/28	XS2355105292	3,375	2028.06.29.	2028.03.29.	6,13%	5,79%	BB	200 000
Ford Otomotiv	FROTO 7 1/8 04/25/29	XS2782775345	7,125	2029.04.25.	2029.01.25.	5,78%	5,89%	BB-	200 000
Ueno Bank	UENOPY 6.7 03/06/31	US903934AB37	6,70	2031.03.06.	2031.02.06.	7,13%	7,12%	BB	200 000
Telekom Serbia	TELSER 7 1/4 05/18/31	XS3370281795	7,25	2031.05.18.	2028.05.18.	8,01%	6,79%	BB-	200 000





- Companies in the region typically issue bonds in euros, meaning that the supply of US dollar-denominated paper is considerably more limited. Our selection includes two bonds linked to OTP: subordinated instruments maturing in 2033 and 2035. Both bonds are callable prior to maturity, which could materially cap the returns ultimately realised by investors.
- From the broader region, we continue to include the US dollar-denominated bonds of two Turkish companies – Ford Otomotiv and Anadolu Efes. Although these securities carry a higher level of credit risk, this is offset by a yield premium above the average yield available on higher-risk corporate bonds. Default risk is mitigated to some extent by the fact that both companies are backed by well-established shareholders with an international presence.
- The bond issued by Paraguay's Ueno Bank, which was added to our selection last quarter, remains on the list. We have also added Telekom Srbija's US dollar-denominated 2031 bond.
- Among US issuers, we have added an Amazon bond maturing in December 2029. The bond carries an A1 credit rating and offers a relatively attractive yield for that rating category. United Airlines' 2029 bond also remains in our selection.

Source: Bloomberg, OTP Multi-Asset Strategies

Description of the companies included in the list

Volkswagen is one of the world's largest automakers and also offers financial services (leasing, vehicle financing) to its customers. Its market capitalization currently stands at 47 billion euros, it employs over 650,000 people, and it operates factories in numerous countries around the world. In 2025, it sold 8.9 million vehicles, representing a 0.5% decline year-over-year, while revenue totaled €321 billion (-0.9% year-over-year). The company has low debt, and although it is currently facing numerous industry challenges, its operations are considered stable. Furthermore, among the major shareholders is the German state of Lower Saxony, which holds an 11.8% stake..

The **OTP Group** serves 17 million customers in 11 countries and operates more than 1,300 bank branches. OTP boasts a particularly strong liquidity and capital position among European banks (with a CET1 ratio of 18.1% and an LCR of 251% as of 2025), while maintaining stable profitability. The bank's growth in recent years has also been driven by acquisitions, thanks to which OTP now holds dominant market positions in several other countries in the region beyond Hungary, generating more than two-thirds of its profit outside of Hungary. In 2025, consolidated net income rose to HUF 1,146 billion, and ROE stood at 21.6%. The quality of the loan portfolio is stable, and the underlying trends characterizing credit quality continued to develop favorably overall. Several of the bank's bonds were added to the list, most of which are senior preferred securities that meet MREL requirements.

CA Immobilien is a Vienna-based company engaged in real estate management, sales, and development. Its properties are primarily located in major German cities, but the company also has a presence in Central and Eastern European capitals as well as in Vienna. Its main focus is on office buildings, supplemented by hotels and residential properties. The company has so far managed to maintain a high occupancy rate of nearly 90% for its properties. Its debt level is low by industry standards. The company is selling its non-strategic assets, including, for example, its properties in Budapest, to strengthen its presence in its key markets. The company has a sufficiently strong liquidity position to complete its otherwise limited number of development projects and meet any obligations that arise in the meantime. The risk is mitigated by the fact that the company has a significantly stronger balance sheet compared to its peers in the sector.

Orsted is a Danish utility company engaged in renewable power generation, as well as electricity and gas trading. The vast majority of its power generation comes from offshore wind farms, with a smaller portion coming from onshore wind farms, solar energy, and biomass. The Danish government is the largest shareholder with a 50.1% stake, and the Norwegian oil and gas giant Equinor also holds a 10% stake. The company has no debt-related issues, with a net debt/EBITDA ratio of just around 1. The maturity profile of its liabilities is relatively favorable, with more than 60% due in 2029 or later, while over 90% of the debt carries a fixed interest rate. Orsted carried out a capital increase last year because the company faced liquidity difficulties due to the capital requirements of numerous projects under construction. However, this primarily had a negative impact on shareholders due to dilution, but in return, the balance sheet structure was significantly strengthened, which is positive from a bondholder's perspective.

Bayer is one of the world's leading life science companies, with a global presence in the healthcare and agriculture sectors. The company operates in three main business segments: pharmaceuticals, medical products, and crop protection, which provide a balanced and diversified revenue structure. In 2025, the group's revenue was €45.6 billion, while EBITDA amounted to €9.3 billion. Net debt is on a downward trajectory, indicating a gradual strengthening of the balance sheet. In recent months, there has been a number of positive developments regarding Bayer, as the series of Monsanto lawsuits that have been ongoing for years appears to be nearing an end. Bayer would pay $7.25 billion over 21 years to settle the lawsuits against it.

Amazon is one of the world's largest technology and e-commerce companies. In addition to retail, its operations span cloud computing through Amazon Web Services (AWS), digital advertising, logistics and media content.In 2025, Amazon's revenue increased by 12% to USD 716.9 billion, while operating income rose from USD 68.6 billion to USD 80.0 billion. Revenue at the higher-margin AWS segment grew by 20% to USD 128.7 billion, with operating income reaching USD 45.6 billion.Amazon has a strong financial profile, underpinned by substantial liquidity and a diversified revenue base. The company is increasing its AI-related capital expenditure further this year, partly funded through bond issuance. Overall, Amazon can be regarded as a high-quality, investment-grade issuer.

Description of the companies included in the list

Forvia, a French company, is a global automotive supplier headquartered in Europe, founded in 2022 through the merger of Faurecia and Hella. The company is one of the world's largest automotive firms, playing a leading role in the development and manufacturing of lighting technologies, exhaust systems, seats, and vehicle interiors. In 2025, the company generated revenue of €26.2 billion, which represented stagnation on an annual basis, while automakers struggled. The debt level appears manageable, as the company has a net debt/EBITDA ratio of around 1.7. The company has made significant progress in its debt profile, successfully reducing maturities in 2026 and shifting to a more balanced maturity structure starting in 2027.

Anadolu Efes is primarily engaged in brewing and operates 21 breweries across 6 countries, making it the 10th largest brewer in the world. In addition, it holds a 50.3% stake in Coca-Cola Icecek, a company that bottles soft drinks and operates 33 bottling plants across 12 countries. Most of the breweries and bottling plants are located in Asia. Starting in Q1 2025, the company discontinued the consolidation of its Russian subsidiary in its financial statements. While operations in Russia have not ceased, the subsidiary has been legally and financially separated from the parent company. This has increased transparency and reduced risk. Revenue grew by 2.5% year-over-year in 2025 due to stronger volumes, while average selling prices declined. Margins also narrowed somewhat due to intense competition. Debt levels are not considered high; the adjusted net debt/EBITDA ratio stood at 1.4 at the end of 2025. The Turkish Anadolu Group owns 43% of Anadolu, while 24% is held by the international brewing company Anheuser-Busch (with which the company also has a partnership), which may provide some comfort regarding the purchase of the bonds.

Ford Otosan manufactures and distributes trucks, passenger cars, and vans, among other vehicles; the company sells its passenger cars and light commercial vehicles primarily in the domestic market, while exporting the majority of its commercial light truck production. The company is Ford's largest production center in Europe; it is owned in equal shares by Ford's German subsidiary and the Turkish Koc Holding, and employs more than 23,000 people. The company's revenue rose by 7% to 830 billion Turkish lira in 2025, but net profit fell by 33% to 34 billion. The significant decline in earnings is primarily due to a high base effect, weaker domestic demand, and cost pressures. The difficult economic situation in Turkey poses a challenge for the company, but it has stable export markets and strong strategic partnerships (e.g., Ford). All of the company's export agreements are denominated in euros (including those with countries outside the eurozone), meaning its foreign currency liabilities are naturally hedged to some extent.

Ueno Bank is Paraguay's first 100% digital bank and is currently the country's fastest-growing universal bank. With over 2.4 million customers, Ueno has built the country's largest customer base and, by mid-2025, had become the industry leader in credit card issuance with over 1 million active cards. The bank's merger with Vision Banco in June 2024 exponentially expanded its market presence. The bank's parent company is Grupo Vazquez S.A.E., which holds an 84% controlling stake and has over 45 years of financial experience. Ueno carried out a capital increase at the end of last year, in which OTP Bank also participated with a $30 million investment. In addition, the bank entered the international bond market with a $350 million issuance.

Air France-KLM is one of Europe's largest airline groups, providing passenger and cargo transportation through the Air France, KLM and Transavia brands, as well as aircraft maintenance and related services.In 2025, the group carried 102.8 million passengers and generated revenue of EUR 33 billion, while operating income reached an all-time high of EUR 2 billion. The operating margin improved by 1 percentage point to 6.1%. At year-end 2025, net debt stood at EUR 8.4 billion, corresponding to a net debt-to-EBITDA ratio of 1.7x.In the first quarter of 2026, revenue increased by 4.4% to EUR 7.5 billion, while the operating loss during the seasonally weak quarter narrowed significantly from EUR 328 million to EUR 27 million. The group's liquidity position remained strong.

Telekom Srbija is Serbia's leading vertically integrated telecommunications and media group. The company is either the market leader or a strong number-two player across the mobile, fixed broadband, pay-TV and fixed-line telephony segments. It also has a significant presence in Bosnia and Herzegovina and Montenegro. The Serbian government is the company's majority shareholder.Revenue increased by more than 20% in 2025, supported by price increases, subscriber growth, content monetisation, the sale of infrastructure capacity and, to some extent, the consolidation of assets acquired from United Group. Following the 2026 refinancing, the company's debt maturity profile has improved. Content costs are also expected to decline, which could support a gradual reduction in leverage.

Credit ratings

Moody's	Fitch	S&P	Description of rating
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High Grade
Aa2	AA	AA	
Aa3	AA–	AA–	
A1	A+	A+	Upper Medium Grade
A2	A	A	
A3	A–	A–	
Baa1	BBB+	BBB+	Lower Medium Grade
Baa2	BBB	BBB	
Baa3	BBB–	BBB–	
Ba1	BB+	BB+	Non-Investment Grade Speculative
Ba2	BB	BB	
Ba3	BB–	BB–	
B1	B+	B+	Highly Speculative
B2	B	B	
B3	B–	B–	
Caa1	CCC+	CCC+	Substantial Risk, Extremely Speculative
Caa2	CCC	CCC	
Caa3	CCC–	CCC–	In Default, Low Probability of Return
Ca	CC	CC	
Ca	C	C	
C	D	DDD	In Default
-	D	DD	
-	D	D	

We have listed dollar- and euro-denominated regional government bonds and regional, US and European corporate bonds that offer reasonable returns with acceptable risks. It is important to note that the potential for higher returns is associated with higher risks (as reflected in the rating), and this should be considered when making investment decisions.

The companies on the list have been compared quantitatively on the basis of the main indebtedness indicators, and the analyst consensus available on the companies in question has been used to assess their fundamentals/outlook, without examining the legal and tax aspects of the individual bonds. We have included corporate bonds that, based on the main indebtedness indicators and their debt rating, still appear to be at acceptable risk and offer a relatively attractive return. It is important to note that for bonds classified as high yield – i.e., not recommended for investment – the potential for higher yields may be associated with extra risks, and in these cases, it is worth proceeding with even more caution. We have not included securities in the highly speculative category, where the deterioration in the growth picture could increase the probability of default.

The information in the tables is based on the Bloomberg database. As some bonds may have low market liquidity, the yields shown in the table should be taken as an indication and may differ from current market pricing

The analysis does not cover the tax and legal aspects of bonds.

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