Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

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Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Authors: Stefan Rahaus // Dr Frederik Kunze

Primary market: Activities scaled back slightly

After an eye-catching start to the year with a total volume of EUR 39.7bn in EUR benchmark deals (46 deals) and EUR 1.35bn in EUR sub-benchmark bonds (5 deals), things quietened down quite considerably on the primary market in view of the pending central bank decisions on the part of the Fed, the Bank of England and the ECB. In our focus article "January 2023: record start to the new covered bond year", we provide an overview of developments on the covered bond market in the month of January. After Lloyds Bank revived the covered bond market in the UK on 26 January 2023 (first EUR benchmark issuance from the UK since September 2022; re-offer spread: ms +24bp with a term to maturity of three years, currently priced at ms +11bp), the primary market remained in a state of quiet until this Monday. Yesterday, activities picked up real speed again with a total of four new issuances: Banco Santander (SANTAN) sought investors for a first publicly placed Cédulas de Internacionalización. These ECA Covered Bonds are secured by Export Credit Agency loans and, like Cédulas Hipotecarias and Cédulas Territoriales, are eligible to carry the "European Covered Bond (Premium)" label. SANTAN entered the market with a deal worth EUR 500m and a term of five years. The spread guidance came in at ms +45bp area before the re-offer spread has been reduced to ms +38bp on the back of an order book totalling EUR 2.4bn. From the Netherlands, Belfius Bank (CCBGBB) placed a deal in the amount of EUR 500m for four years at a spread of ms +9bp. With the order book coming in at a notable volume of EUR 3.6bn, the issue spread narrowed by 6bp compared with the initial guidance. Staying with deals from Tuesday, a Japanese issuer yesterday approached EUR investors for the first time since October 2021. Sumitomo Mitsui Banking Corp (SUMIBK) opted for a term to maturity of three years and was eventually able to place a deal worth EUR 750m at a re-offer spread of ms +48bp after generating an order book of EUR 2.75bn. The deal also offered a degree of rarity value, in that the final spread narrowed by a double-digit amount, i.e. by ten basis points, compared with the initial guidance, which is not something frequently seen on the covered bond market by any means. A public Pfandbrief issued by Landesbank Saar (SAARLB) also served to enrich the EUR sub-benchmark segment. A volume of EUR 250m was selected for this deal, which featured a term of five years at ms +7bp. Investor interest amounted to EUR 880m overall. One particularly striking aspect of the trading week under review here is the fact that all issuers chose maturities of five years or shorter. In so doing, the issuers evidently played to the preferences of investors, which is reflected in the order book volumes and final spreads versus initial guidance. With the exception of SUMIBK, all of the issuers limited the volume of the deals in advance (WNG; will not grow). After the brief pause in issuance activities last week, February appears to have got off to a good start and we expect the dynamic momentum to continue on the primary market over the coming days and weeks.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Belfius Bank SA	BE	07.02.	BE0002921022	4.0y	0.50bn	ms +9bp	AAA / - / AAA	-
Sumitomo Mitsui Bank	JP	07.02.	XS2547591474	3.0y	0.75bn	ms +48bp	- / Aaa / -	-
Banco Santander	ES	07.02.	ES0413900939	5.0y	0.50bn	ms +38bp	- / Aa1 / -	-

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research, (Rating: Fitch / Moody's / S&P)

ECB and the covered bond market: Details regarding QT...

Following the key interest rate meeting on 2 February 2023, the ECB communicated technical details on its approach to reducing its holdings under its purchase programmes. On the basis of the December decision to reduce the reinvestments of maturities in the APP by an average of EUR 15bn per month from the beginning of March, the approach now adopted provides for the reinvestment amounts to be proportional to the share of repayments of the individual programmes of the APP. As a result, there should be no significant shifts between the PSPP, CSPP, CBPP3 and ABSPP. Diverting the maturities that still have to be reinvested, for example from the CBPP3 in the direction of public debt instruments, would – at least theoretically – have been an option within the framework of the ECB's programme of QT. However, we had largely ruled out taking advantage of this possible degree of freedom in advance. For the covered bond segment, the distribution of purchases across the primary and secondary markets remains of particular importance. The announcement that there would now be a greater focus on the secondary market, with the ECB's own primary market activities beginning to be phased out, did not come as a surprise to us. Starting in March, we initially expect the "order rate" to drop to 10%. Nevertheless, the ECB did leave some room for interpretation in its communication. For example, the wording with regard to "phasing out" primary market purchases and "focusing" on the secondary market could also be understood to mean that the Eurosystem's initial order rate for new covered bond issues would be reduced to 0% from 1 March 2023. However, we would consider such a pre-commitment on the part of the ECB Governing Council to be somewhat premature and rather expect a gradual reduction in their own activities, even if the ECB remains exposed to other uncertainties – such as the actual amount of the allocation. With regard to the CBPP3 program, maturities totalling EUR 13.554bn overall are set to fall due in the period from March 2023 to June 2023 inclusive. Adjusted for the pro rata reduction in reinvestments, we see the purely arithmetical "demand" of the Eurosystem at EUR 7.256bn for this period, which corresponds to a monthly average of EUR 1.8bn. For the month of March alone, however, a total of EUR 5.631bn in maturities and, on the basis of our calculations, an adjusted theoretical sum of EUR 3.621bn, are due for reinvestment. This amount corresponds to around 50% of the total reinvestment requirement up to the end of June.

...with implications for issuance behaviour and spreads

For the reasons outlined above, we assume that the ECB has deliberately left a certain degree of flexibility in its wording for primary market activities. In our opinion, anticipatory effects with regard to issuance activity remain a very likely scenario for the EUR benchmark segment in February even after the ECB meeting and the subsequent communication. This is also despite the fact that, according to our interpretation of events, the end of primary market purchases in March is not quite a "done deal" just yet. The trend towards modest spread widening and rising new issue premiums should therefore persist, although the focus should tend to be more on the secondary market performance overall. In particular, "second tier" issuers could still seek to secure the support of a higher ECB primary market order in February. Our commentary on the ECB decision and thoughts with regard to a potential future course of action on the part of the central bank can also be found in the SSA/Public Issuer Market Overview section in this present edition of our weekly publication.

Secondary market: January's new issues in demand

Secondary market spreads benefited from the becalmed primary market environment. Almost all covered bonds issued in January are now trading narrower than their reoffer spread. The general risk-on mood of the international markets also left its mark on the covered bonds segment, with the widening tendencies observed for the majority of the time in recent weeks and months having come to a standstill over the past couple of weeks. Demand from customers remains most pronounced at the shorter end, but we are also seeing significantly more inquiries for longer maturities than in the weeks before. Overall, the banks' trading books do not appear to be overfilled, and with the ECB's attention increasingly directed towards the secondary market, there could well be an interest in participating in future new issues. With regard to the spread trend, similar to the movement seen in the first few weeks of January, we expect the secondary market spreads to widen again slightly due to the above-mentioned effects of the ECB policy via the channels of higher issue volumes and higher new issue premiums. In addition to the increasing supply, according to our calculations, the ECB will reinvest only EUR 7.256bn of the CBPP3 maturities totalling EUR 13.554bn in the period from March up to the end of June, meaning that repayments in the order of EUR 6.298bn will not be subject to any demand from the Eurosystem. If the ECB decides to completely discontinue its APP reinvestments from July 2023, another EUR 10.740bn would be available by the end of 2023, so that a total volume of EUR 17.038bn would have to be replaced by private investors this year. In this environment, we do not see any premise for tighter spreads, but rather expect spreads to widen further. Nevertheless, this should prove to be moderate, since a significant repricing has already taken place and many developments should therefore already be priced in.

European Mortgage Federation: Growth trend in European mortgage loans continues into Q3 2022

On 31 January 2023, the European Mortgage Federation (EMF) published its quarterly review of the European real estate financing markets for the third quarter of 2022. This shows that the volume of outstanding mortgage loans in the EMF evaluation that covers 17 jurisdictions in total increased by around +3.4% (+4.1% in Q2 2022) in comparison with the third quarter of 2021. This continues the growth trend that has now lasted for four quarters overall. The aggregated portfolio of residential real estate financing amounted to around EUR 8.2 trillion as at the end of the quarter. Meanwhile, gross lending for the financing of residential real estate fell by -4.1% year on year, which represents a sharper decline in comparison with the -1% fall recorded in the second quarter of 2022. Total gross lending in the EMF survey amounted to EUR 357bn in the third quarter of 2022. At the end of the third quarter of 2022, the average unweighted mortgage interest rate was 3.48% according to EMF's quarterly report, which is 69 basis points higher than in the second quarter of 2022 (then 2.79%). From our point of view, the general benefit of compiling the EMF data is particularly evident from the country composition. Accordingly, due to the latest developments on the international real estate markets and the corresponding mortgage financing, the publications due to be released over the following quarters should also receive a great deal of attention.

Moody’s: Conversion of the calculation of the French usurious interest rate to a monthly basis is viewed positively

In France, interest rates on residential mortgages are capped by the "taux d'usure" (usurious rate). This is intended to protect borrowers from interest rates rising too sharply and too quickly. The usurious rate has so far been calculated as the average of the banks’ interest rates for mortgage loans in the last quarter plus 33% and also includes fees (administration and any third-party brokerage) in addition to compulsory insurance costs. This means that the usurious interest rate would have to be significantly higher than the banks’ financing costs for new mortgage loans. The rapid increase in interest rates over the past year (the yield on ten-year French government bonds temporarily rose from 0.35% in March 2022 to over 3% in the fourth quarter of 2022) and the fact that the usurious interest rate was only adjusted with some degree of delay was in part responsible for preventing economically viable lending. As a result, the granting of mortgage loans in France started to collapse dramatically from mid-2022 onwards, since profitable refinancing was sometimes not possible even through covered bonds due to the usurious interest rate cap on the interest rate for mortgage loans. La Banque de France, the French central bank, has now reacted to this set of circumstances and will calculate the "taux d'usure" on a monthly instead of quarterly basis from 1 February 2023. This means that the usurious rate is now much closer to the current interest rate level and, according to the rating experts at Moody’s, allows French banks to expand their lending again and increase the interest margin at the same time. For covered bonds, a more frequent adjustment of the usurious rate will reduce the funding risk by narrowing the gap between the market price of the cover pool assets and their face value. Moody's therefore sees the adjustment to a monthly calculation as positive for French covered bonds.

Market overview SSA/Public Issuers

Authors: Jan-Phillipp Hensing // Dr Norman Rudschuck, CIIA

En garde, Lagarde!

At its first regular meeting of the year, the ECB Governing Council decided, as expected, to raise all three key interest rates again by 50 basis points. This already seemed to be a foregone conclusion after the press conference in December 2022, when President Lagarde had held out the prospect of several increases on this scale. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility are 3.00%, 3.25% and 2.50% respectively. The ECB Governing Council continues to assume that further increases will be necessary - above all to contain the risk of a persistent upward shift in inflation expectations. In view of this, another hike of 50bp is likely to be implemented in March, although a "meeting-by-meeting" approach will be followed. Since the interest rates measure was already a certainty for the majority of market participants, the focus was therefore on the new information or on the parameterization of reinvestments under the APP. New projections regarding inflation and economic growth were not published; these take place four times a year and will therefore only be available at the next meeting in March. In addition, the parameters for the APP portfolio reduction were announced. Reinvestments are to be made up to the end of Q2, largely in line with current practice. There are no plans to reallocate between the individual programmes. For the PSPP, the ECB also intends to reinvest amounts in equal proportion to maturities with respect to jurisdictions (including supranationals). As expected, there were no changes regarding reinvestments in the PEPP. The details can be found here.

Musings on the further QT roadmap

To recap, at the previous ECB meeting on 15 December 2022, the ECB Governing Council decided to reduce holdings from the APP at a measured and predictable pace from the beginning of March. Specifically, it was communicated that maturities would no longer be fully reinvested from March until the end of Q2, but would be reduced by an average of EUR 15bn per month. The available data from the ECB indicates that from March to the end of June, maturities will amount to EUR 130.9bn. Obviously, the amount not reinvested totals EUR 60bn. Therefore, in percentage terms, only around 54% will be reinvested – significantly less than we would have expected in the old year. Let us engage in a thought experiment: it is conceivable that the pace of the portfolio reduction in Q3 and Q4 will remain at the same high level or even pick up further. If the ECB continues to reinvest "only" EUR 15bn less on a monthly average in Q3, the reinvestment ratio would already have fallen to around 36%. In Q4, maturities of EUR 78.7bn are to be expected due to October (EUR 52.7bn is this month alone). It is therefore quite conceivable that the amount not reinvested will then be increased to an average of EUR 20bn, resulting in a reinvestment ratio of at most 24% (or even less) and finally no more reinvestments from 2024 onwards.

Shifts towards ESG and between programmes/jurisdictions?

It would also be conceivable at some point in the second half of the year that reallocations could be made between the PSPP, CBPP3 and CSPP programmes. The ABSPP can be disregarded here due to its "size". Or – since nothing is off limits – the ECB may deviate more from the ECB capital key between the individual jurisdictions or supras under the PSPP as part of its flexibility. Furthermore, ESG could also become more of a focus for reinvestment activities. For the CSPP, it was already announced in July 2022 that reinvestment in issuers with a better climate balance is to be increased. To the extent that this can be done without compromising the ECB's price stability target, this approach supports the gradual decarbonisation of the Eurosystem's holdings of corporate bonds in line with the objectives of the Paris Agreement. So why should this not also apply to public or covered bond issuers in the future?

We continue to see high (gross) credit authorisations amounting to at least EUR 90bn

The German Laender have largely concluded their credit planning for the current year. Accordingly, figures for the credit authorisations of 13 out of the 16 Laender are now available for 2023. The data, which gross numbers can be viewed in the broadest sense as funding targets, has in the past mostly provided a comparatively good indicator of how active the Laender were likely to be in the capital markets during the year. This planning also includes SSD deals and private placements - and does not have to be exhausted, as 2022 effectively demonstrated: BADWUR planned for EUR 23.78bn but did not issue a single benchmark bond. In 2023, the gross figure currently aggregated across 13 Laender is EUR 81.3bn, which of course represents a decline versus the figures distorted by the COVID-19 pandemic. Budget approvals from Hesse, Mecklenburg-Western Pomerania and Rhineland-Palatinate are still missing from our presentation. In this context, we expect a minimum of another EUR 9bn, which would raise the total for all 16 German Laender above EUR 90bn. In the years before the pandemic, credit authorisations were still significantly lower at EUR 70.3bn (2020; pre-COVID and as a result of the debt brake) and EUR 66.8bn (2019).

Credit authorisations of German Laender in 2023 (EUR bn)*

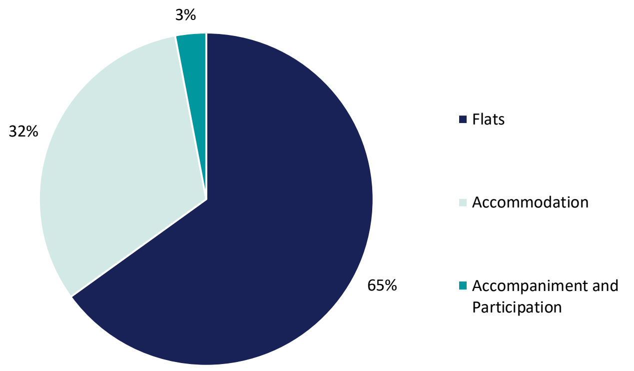
	Netto	Brutto
Baden-Württemberg	1,25	29,79
Bayern	-0,05	3,83
Berlin	0,10	5,49
Brandenburg	1,58	4,04
Bremen	0,54	1,80
Hamburg	0,06	2,80
Hessen	-	-
Mecklenburg-Vorpommern	-	-
Niedersachsen	0,00	7,25
Nordrhein-Westfalen	5,00	16,70
Rheinland-Pfalz	-	-
Saarland	0,00	1,70
Sachsen	0,00	0,28
Sachsen-Anhalt	-	1,91
Schleswig-Holstein	0,33	4,86
Thüringen	-0,17	0,81
Summe	**8,64**	**81,26**

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research
*Some figures are rounded and/or provisional

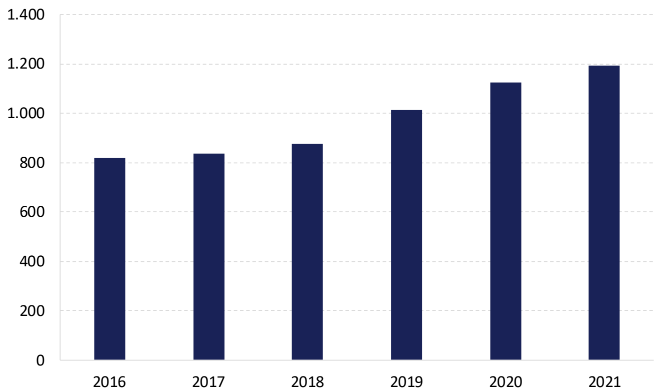
Fördern & Wohnen AöR - social services organisation located in Hamburg

Hamburg-based Fördern & Wohnen (F&W) is a public law institution (AöR) tasked with providing housing, accommodation and social services for people in need of assistance. The history of the F&W goes back to the 17th century, when caring for the poor and homeless became the responsibility of the Hanseatic city. In this way, a point of contact was created for many people, which provided accommodation, food and a chance to earn some money. In 2007, F&W was founded in its current form. Its tasks are currently divided into three business areas. The area of "Accommodation" includes, for example, the accommodation of refugees and the homeless. The "Support and integration" segment includes support for people with disabilities, mental disorders and addictions, with the ultimate aim of enabling them to participate in society. F&W's housing construction projects fall into the area of "Housing". The main tenants are people looking for accommodation, i.e. people who do not have their own home. In 2021, a total of 1,193 flats were available for this purpose. The focus is on the creation of socially mixed neighbourhoods. At present, the largest project of this kind is the Hafenpark in Hamburg's Veddel district. By 2024, 350 flats for a diverse range of target groups are to be built here. F&W uses fees, cost unit rates, reimbursement of expenses by social security authorities and rental income to finance the services it provides. However, loans are usually taken out for investments in housing and housing development projects. In 2021, the outstanding bank loans amounted to around EUR 140m. F&W operates as a public law institution (AöR), and the Free and Hanseatic City of Hamburg, as the sole owner, offers guarantor liability (Gewährträgerhaftung) and institutional liability (Anstaltslast). In addition to F&W's assets, this therefore safeguards all current and future liabilities. F&W's does not have its own rating, but we regularly analyse the guarantor Bundesland of Hamburg (AAA / - / -) as part of our Issuer Guide German Laender. In 2021, the social services organisation generated a net profit of EUR 3.4m, which is divided into the following three business areas (see chart below). As F&W is also responsible for the initial reception of asylum seekers, Russia's war of aggression against Ukraine poses a major challenge. Due to the increasing number of refugees, the accommodation capacities had to be expanded. Due to the great demand for housing, F&W sees opportunities in strengthening its profile as a housing developer.

Net profit by business segment 2021



Number of rented flats



Source: Issuer, NORD/LB Markets Strategy & Floor Research

Primary market

New trading week, new hope: This, or something similar, is how the new wave of issues since Monday can be described. There was not much newsworthy to report around the ECB meeting, although Berlin did at least secure a mandate for a sustainability bond on Friday. We had already referred to its new sustainability programme at the end of January, which had been marketed as part of an investor call. Then, on Monday, came the corresponding bond: EUR 750m (WNG) with a ten-year maturity as an ESG bond. The guidance was set at ms +1bp area or may be interpreted as certainly approaching the fair spread. The books filled up considerably even at ms -2bp (order volume: EUR 5.25bn). Sustainability bonds are known to be characterised by the fact that their issue proceeds are allocated to green and social spending. This also applies to the budget of Berlin. As part of its strategy, Berlin intends to support the financing of the capital's sustainable transformation. Also making an appearance on Monday was Cassa Depositi e Prestiti (CDP), which is represented rather infrequently in the benchmark market. In a green bond, the Italian issuer raised EUR 500m (also WNG) for six years. The guidance was in the high +40bp area versus Italian government bonds (BTPS) and the final spread was BTPS +35bp over the benchmark bond (BTPS 0.45 02/15/29). The books were more than five times oversubscribed. Yesterday, as many as three further ESG deals were priced - five out of five bonds with ESG character is really unusual in a trading week we look at (Wednesday to Tuesday): KFW offered EUR 3bn for ten years at ms -4bp. The order volume officially amounted to more than EUR 34bn. Thus, a narrowing of three basis points to ms -4bp versus the guidance (ms -1bp area) was possible. Also very rare in the EUR benchmark market is the Asian Infrastructure Investment Bank (AIIB). As early as mid-January, it was holding investor meetings for its EUR sustainability bond. Then, yesterday, it ventured onto the floor with a deal priced within its guidance at ms +15bp area and opted for a term of five years. The deal ultimately went through at ms +13p with a volume of EUR 1.5bn. This is the only outstanding EUR benchmark from the Asian issuer. Last but not least, the Spanish ICO raised EUR 500m in a five-year green bond at SPGB +22bp. The books were more than nine times oversubscribed. Looking ahead, there are another five mandates that could already come to fruition today: SACHAN (10y), the EIB (Climate Awareness, 5y), BASQUE (10y, sustainability), CDC (10y) and JBIC (5y) are all in the starting blocks. The Japan Bank for International Cooperation is not in our focus, but it also already announced a deal with IPT at ms +22bp area for five years on Tuesday. The issuer appeared on the primary market for the first time last year with a total of EUR 1bn in EUR-denominated bonds. The expected rating is A+. Finally, we should mention that the EU has already sent an RfP to the relevant banking group on 2 February.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
ICO	ES	06.02.	XS2586947082	4.7y	0.50bn	ms +8bp	A- / Baa1 / A	X
AIIB	SNAT	06.02.	XS2586011491	5.0y	1.50bn	ms +13bp	AAA / Aaa / AAA	X
KFW	DE	06.02.	XS2586942448	10.0y	3.00bn	ms -4bp	- / Aaa / AAA	X
CDEP	Other	06.02.	IT0005532574	6.0y	0.50bn	ms +105bp	BBB / - / BBB	X
BERGER	DE	06.02.	DE000A3MQYP1	10.0y	0.75bn	ms -2bp	AAA / Aa1 / -	X

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research (Rating: Fitch / Moody's / S&P)

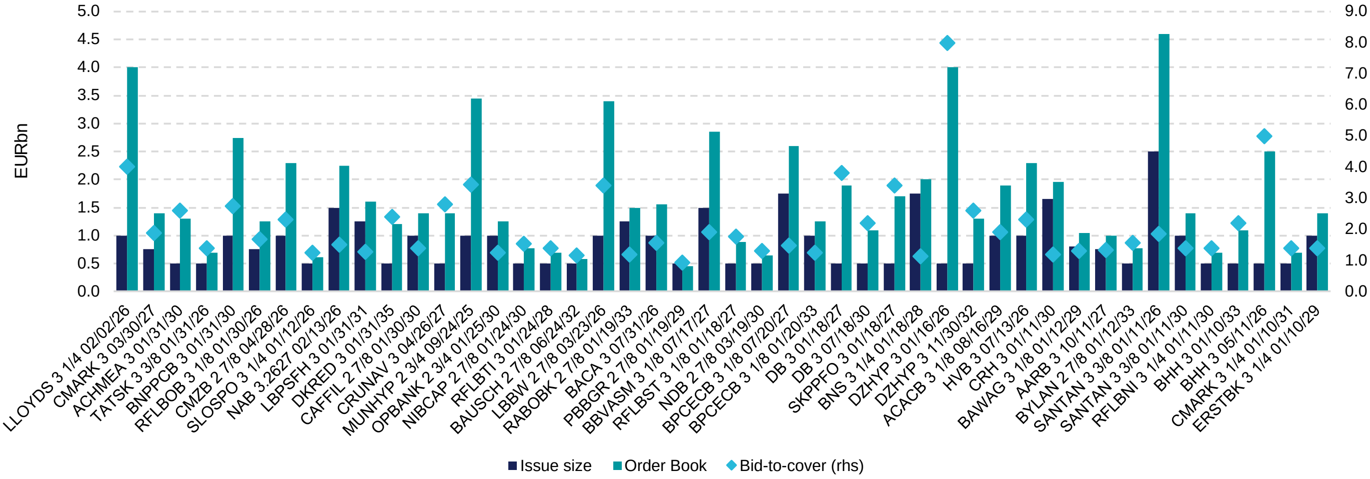
Covered Bonds
January 2023: record start to the new covered bond year

Author: Melanie Kiene, CIIA

Record year in 2022 followed by record month of January

As we described repeatedly in our weekly publications of the last few weeks, January 2023 has stood out with a very buoyant level of issuance activity. New covered bonds totalling EUR 39.7bn (46 bonds; January 2022: EUR 27.75bn spread over 29 bonds) were placed in the EUR benchmark segment. This figure exceeds all January market figures since the beginning of our records in 2011. Only in January 2019 was a similar volume placed (EUR 34.75bn and 41 bonds). If we leave to one side monetary policy measures, the ongoing COVID-19 pandemic (now essentially downgraded to an epidemic) and the war in Ukraine, the covered bond market is returning to a degree of normality. After all, a seasonal analysis - especially of the first few weeks of a new trading year - shows a concentration of issuers ready to take to the market with new products for investors. As part of our market retrospective of January 2023, we look first of all at the seasonal pattern in order later on to shine a closer light on other aspects of the primary market for 2023 and consider the issue of a return to "normality". Around one year ago, we had already assumed that conditions were returning to normal. Admittedly, a lot has happened in the meantime, but Putin's war of aggression versus Ukraine has impacted and changed market conditions for the long term.

EUR benchmark issues January 2023: size, order books and oversubscription ratios



Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

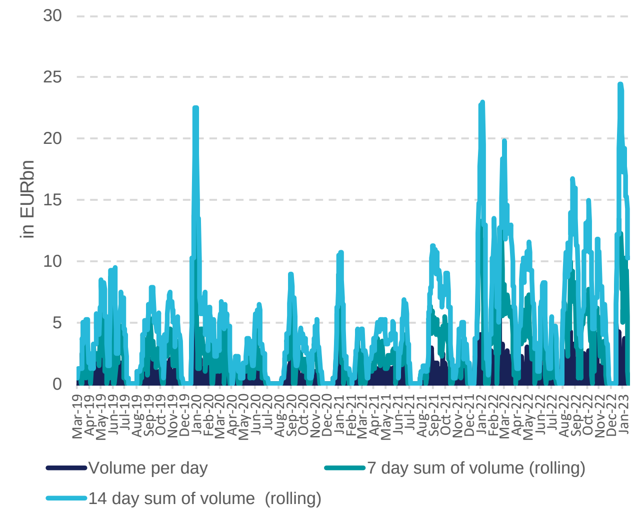
Seasonal pattern confirmed (for the moment)

The figure of EUR 39.7bn mentioned above is well above last year's level. However, a longer-term comparison shows that a figure of just under EUR 30bn is by no means unusual. In fact, the month of January regularly stands out in the seasonal pattern. This applies to both new issues and maturities. However, no conclusions can yet be drawn regarding a forecast and confirmation of the seasonal pattern for the year as a whole.

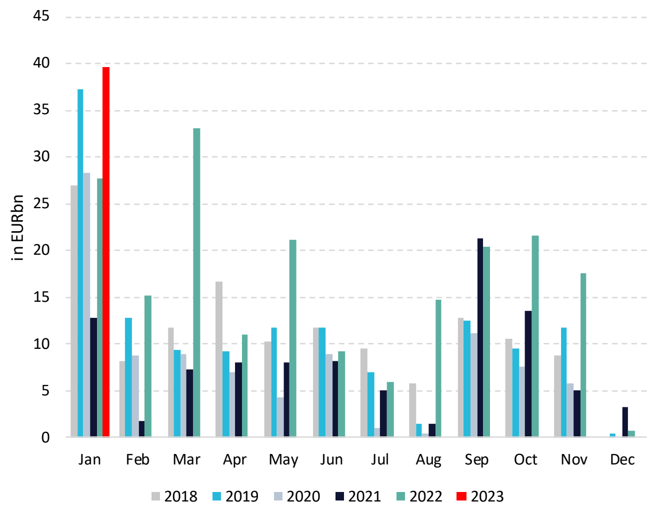
Positive net supply of EUR 19.1bn in January 2023

Another factor which stands out is that net supply in January was negative only three times in the years from 2014 to 2023, namely in 2017 (EUR -3.9bn), 2021 (EUR -16.3bn) and 2022 (EUR -6.0bn). Based on our records, we calculate a positive net supply of EUR 19.1bn for January 2023 in view of a strong new issuance dynamic. At EUR 20.7bn, maturities in January 2023 were in line with the average of the last few years.

EUR BMK: issues across the year (daily basis)



EUR BMK: issues across the year (monthly basis)

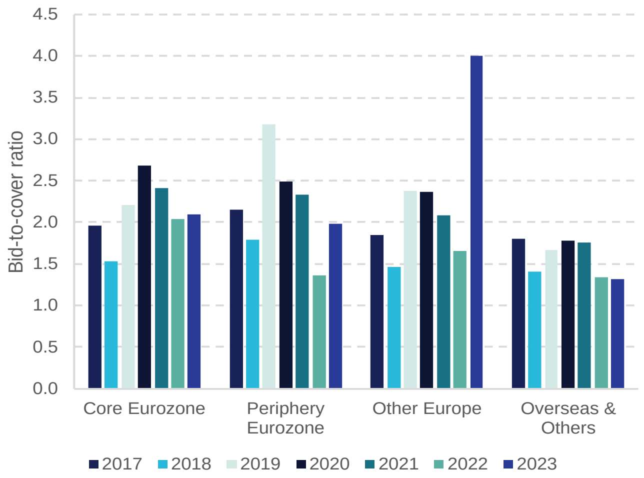


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

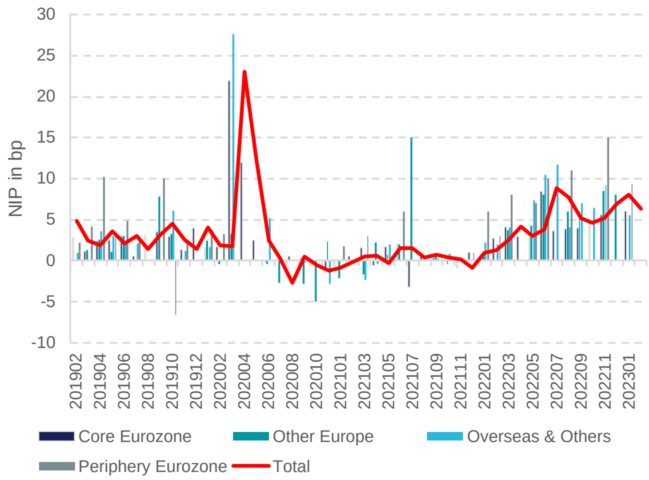
The market is receptive (for the moment): bid-to-cover ratios

A macro analysis shows that the market is highly receptive at the start of 2023. In our view, this is clear from oversubscription ratios and from premiums against fair value seen in the market. In general, order books were better filled recently (January 2023 average: 2.09) than in both January (1.85) and December of 2022 (1.47), while NIPs were also much higher in comparison, even though the average of all new issue premiums for January 2023 (+6.3bp) was down on December 2022 (+8.0bp). In January 2022, average new issue premiums stood at +1.34bp. We regard the higher oversubscription ratios and spread concessions as a reflection firstly of retrospectively higher conditions for the TLTRO III tenders which resulted in early repayments, and, secondly, as a reaction to the change in the direction of interest rates, which has brought real money investors back to the market as buyers and in turn resulted in repricing (higher spreads). This view is confirmed by a slight rise in spreads. As regards the bid-to-cover ratio graph shown on the following page, it is important to note that these are annual averages, and, in the case of 2023, that the regions listed only have one to four issues (Periphery eurozone: 4 bonds, Other Europe: 1, Overseas & Others: 2) with the exception of Core eurozone.

Primary market: bid-to-cover ratios



Primary market: new issue premiums

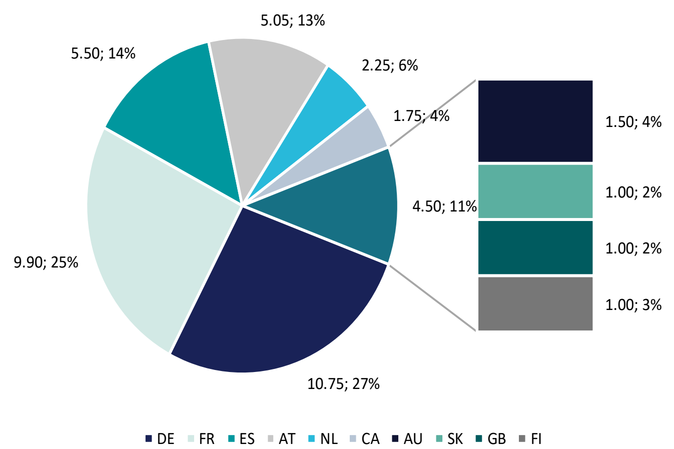


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

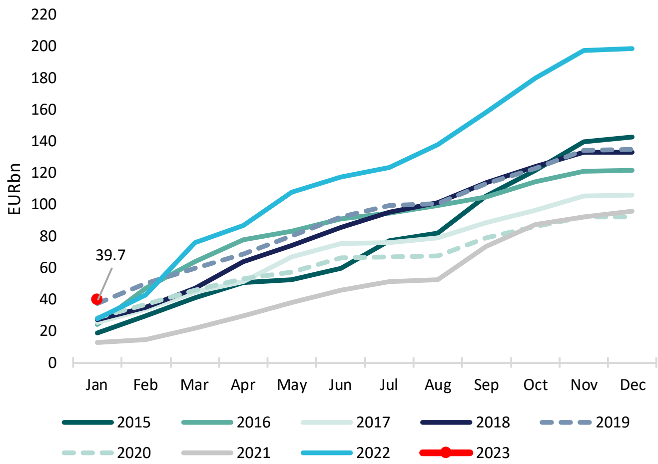
Structure of supply in the primary market: Germany and France lead the breakdown; less weight for long-dated maturities

The structure of supply in the primary market shows a strong dominance of issues from Germany (EUR 10.75bn; 17 bonds) and France (EUR 9.9bn; 9 bonds), followed by Spain (EUR 5.5bn; 4 bonds). As usual, Austria is also among the active jurisdictions (EUR 5.05bn; 7 bonds) – ahead of the Netherlands (EUR 2.25bn; 3 bonds) and Canada (EUR 1.75bn; 1 bond). Likewise, there was one bond each from Australia (EUR 1.5bn), the UK (EUR 1.0bn) and Finland (EUR 1.0bn), as well as two from Slovakia (EUR 1.0bn). Whereas Canadian institutions made a very significant contribution to the primary market volume in January 2022 with a total of EUR 7.0bn spread between four bonds (January 2021: EUR 1.25bn, 1 bond), this time round, only the Bank of Nova Scotia was active with a new issue. One particular feature of bonds from Canada since the end of September 2021 is their size: all the issues were at least EUR 1.0bn apart from the issue from Fédération des Caisses Desjardins du Québec. The APAC region, the Nordics and even Italy were underrepresented in relation to previous years. In fact, we do not expect a single issue from Italy in the next few months, since the full implementation/roll-out of the EU Covered Bond Directive is likely to drag on a while longer. As in 2022, a number of issuers have come onto the market with dual tranches. In the first six business days, Berlin Hyp (DE), Banco Santander (ES), DZ HYP (DE), Deutsche Bank (DE) and BPCE SFH (FR) were all active in the market with two issues each. Whereas the preference in January 2022 was still for the mid to longer maturity segments (30% of issue volume respectively), the emphasis in January 2023 was on the 3Y to 5Y segment (34%), followed by the 5Y to 7Y segment (26%) and the 1Y to 3Y segment (21%). We ascribe this to the rise in interest rates. Irrespective of durations, the change in the interest-rate landscape is moreover responsible for the fact that all EUR benchmark issues in 2023 have a positive issue yield, which has brought real money investors back to the market. Seven bonds belong to the ESG category, of which three are social bonds and four green bonds. The ESG segment accounted for EUR 4.25bn of the issue volume, of which EUR 2.5bn was placed by German issuers (DZ HYP, Berlin Hyp and DKB).

Primary market: EUR BMK deals January 2023



Primary market: EUR BMK deals over time

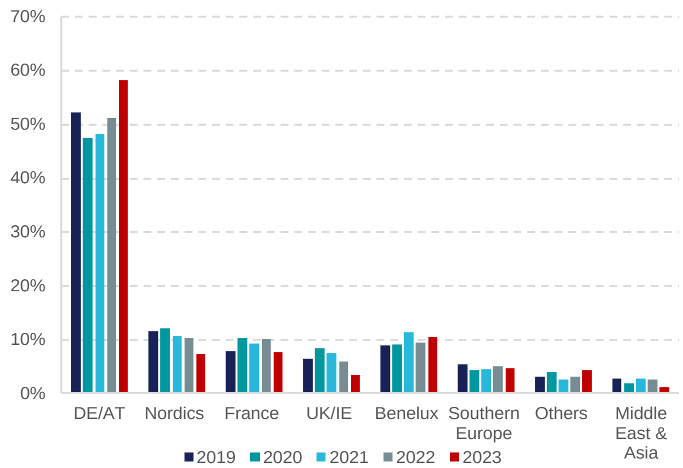


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

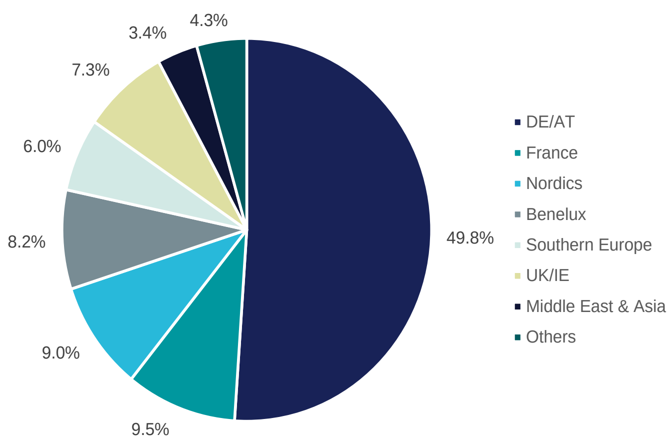
Breakdown of issue volume: Germany and France each account for large share

Structurally, the geographical split of the issue volume is largely in line with that of previous years (ignoring outlier Canada in 2022). At the beginning of the new year, however, distortions are possible since we do not yet have a sufficiently differentiated database. Bearing in mind a high proportion of issues from DE and AT, a historically high proportion of investors from Germany and Austria does not come as any surprise to us. The relevance of the home bias on the part of investors is clear from the proportion of allocations to accounts based in both these countries from DE/AT deals. In January 2023, 76.9% of the volume allocated from such bonds went to those two countries.

Primary market: geographical breakdown of EUR BMKs



Primary market 2022: geographical breakdown of EUR BMKs

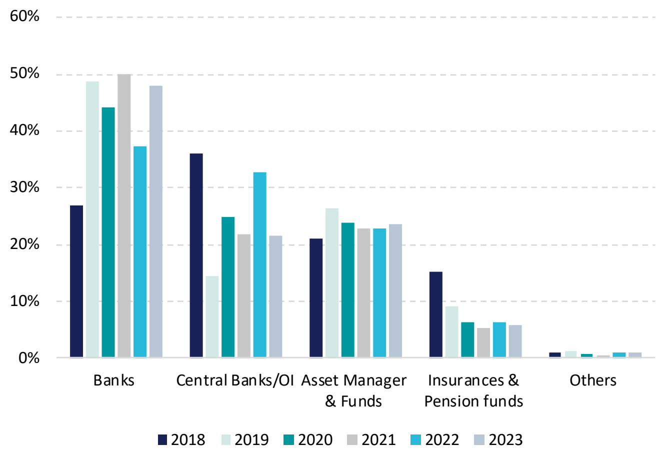


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

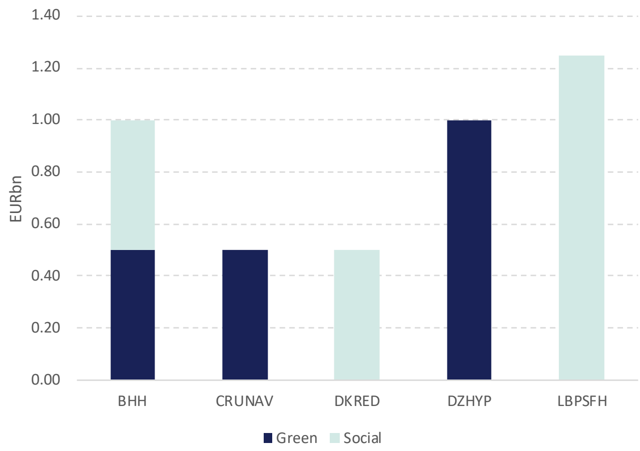
Breakdown of issue volume: stronger demand from Banks

The category of "Banks" stands out for the month of January 2023 with an historically slightly higher share (48%) of the total volume allocated. In January 2022, the Central Banks/OI category stood out, reflecting demand from the Eurosystem. For January 2023, that share has fallen back to just over 20%. However, the data does not come as any surprise. We welcome the fact that the volume "freed up" in this manner was absorbed without any difficulty by other investors. Bearing in mind yield conditions, including in the iBoxx EUR Covered, we believe that at least one necessary condition for a renaissance of real money investors has been met. In terms of allocation, potential recovery would therefore take place in the "Asset Managers & Funds" as well as "Insurance & Pension Funds" categories. The share of the latter stands at only 5.9% after the first month of 2023.

Primary market: EUR BMK issuer breakdown



Primary market 2023: ESG EUR BMK deals

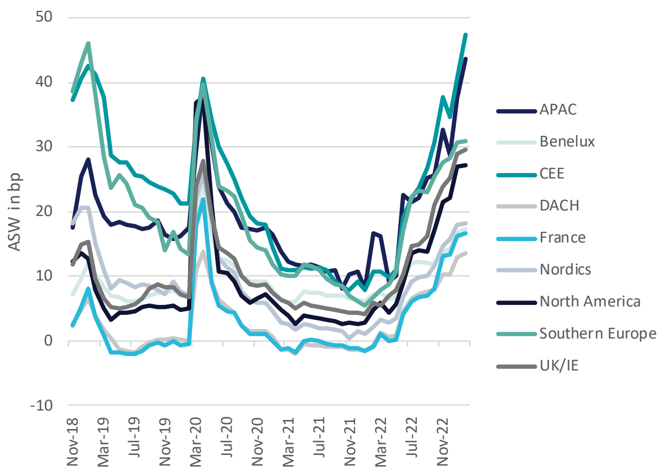


Source: Bloomberg, market data, NORD/LB Markets Strategy & Floor Research

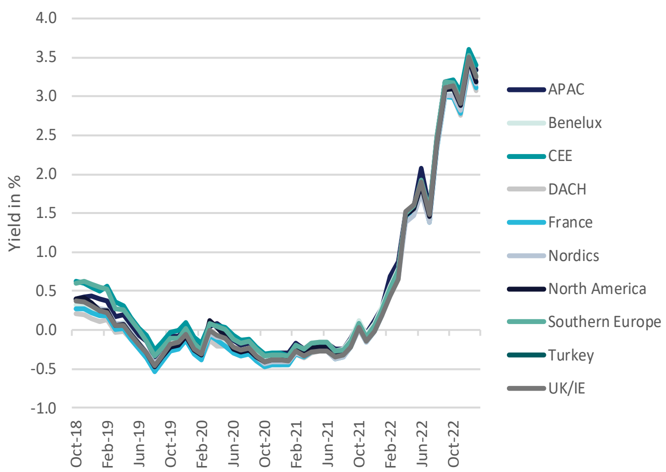
Spread development and outlook for the rest of the year

Looking at spreads, there was also quite a strong trend in January. ASW spreads have been widening successively since April 2022 and the trend continued in January 2023. One of the reasons for the rise in spreads was the primary market supply described above, whereby a slightly quieter end of January on the primary market did not lead to any lasting break in the trend – merely to a certain stabilisation. The yield fell slightly of late, but remains clearly in positive territory, not least on the back of the current interest rate level. The Eurosystem stepped up as buyer as usual, but with a smaller quota. At the beginning of the new month, the market is once again receptive, whereby a number of issuers are still in the black-out period. Looking ahead to the next few trading weeks, the primary market should be lively – also in line with the seasonal pattern of the past – but not excessively so. As far as demand from the Eurosystem is concerned, we expect the order quota to come down to 10% from March 2023, continuing the ECB's exit from QE. We could then expect a slight widening of spreads, whereby a large proportion of the monetary policy turnaround, including in relation to the specific impact on the covered bond market, is already priced in by the market. The month of February is again likely to be fairly busy in the primary market.

ASW spread: covered bonds (EUR BMK; 5y generic)



Yields: covered bond (EUR BMK; 5y generic)



Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

Conclusion

At the end of the first issuance month of the new year, we are relatively confident that the primary market is well positioned in its "seasonal pattern". We see this as good news for the EUR benchmark segment, even though there may already have been some anticipatory effects. February could be a busy month on the primary market, especially with the ECB meeting and possible adjustment of the ECB's order quotas from March 2023 onwards. While certainly not all issuers are dependent on the participation of the Eurosystem for a successful placement of their issues, a new normal will become established in any case with the ECB’s withdrawal as primary market investor – proportional reinvestments will continue to take place in the secondary market. However, whether this unusually strong January means a stable seasonal pattern for the whole year is doubtful since exceptional factors will still be present in the market at least until March. A certain degree of security for issuers and investors should return though. The market is ready for fresh material and there should be sufficient demand, even with reduced participation from the ECB or without its support. Nevertheless, uncertainty is still the main factor at the moment and, likewise, unusual developments cannot be ruled out. At the same time, however, we expect slightly calmer primary market activity in the coming weeks, as has been the case in previous years. The EUR 39.7bn placed by the end of January already makes up around 20% of the primary market volume of EUR 197.5bn which we expect to see issued in 2023.

SSA/Public Issuers
SSA monthly review: dynamic issuance activity to kick off the new year

Authors: Dr Norman Rudschuck, CIIA // Jan-Phillipp Hensing

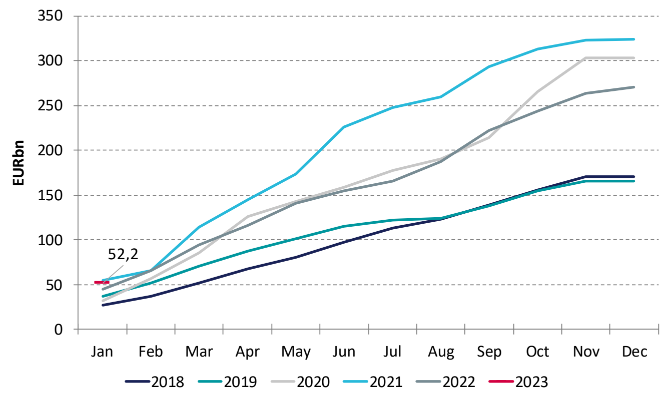
January - always an exceptionally busy month

At the beginning of each year, we traditionally take a look at developments on the primary market: January is always a dynamic month for issuance activity. It is usually one of the top three months of the year in terms of issuance volume. In January 2023, for the SSA segment as defined by us - supranationals, sub-sovereigns and agencies, i.e. excluding sovereigns - EUR benchmarks totalled EUR 52.2bn (2022: EUR 44.5bn; 2021: EUR 55.2bn; 2020: EUR 32.1bn). The primary market took advantage of the full month, which consisted of 22 trading days. In fact, NIESA had mandated before the turn of the year for the first trading week in January so as to not waste any time. As such, things kicked off immediately on 2 January.

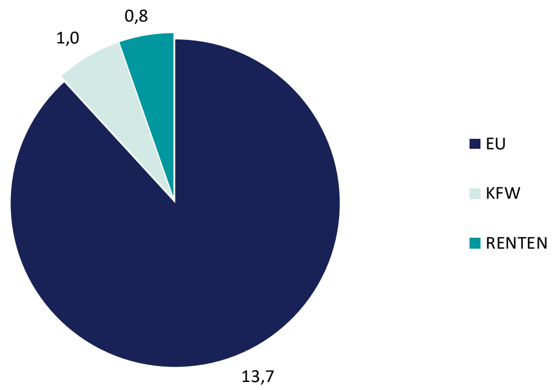
Highlights in January

In January, 26 separate issuers already made successful appearances on the market – some of whom were active on more than one occasion, as can be seen from the total of 30 new issues that were carried out. KfW has issued the largest bond to date: a total of EUR 6.0bn was sought, and the order book for the deal totalled EUR 19.5bn. Only CADES and the EIB saw even greater investor interest. Here, EUR 31bn and EUR 22.5bn respectively were on the books, but the volume of the bonds was somewhat smaller at EUR 5.0bn each. The Canadians are also always welcome guests on the EUR primary market. They showed up in a twosome featuring the province of Québec (ticker: Q) and the export financier EDC. In total, EUR 4.3bn flowed across the pond (Q: EUR 2.25bn; EDC: EUR 2.0bn). The German Laender did not exercise restraint at the turn of the year either. In this context, NIESA not only appeared at the start of the year, but issued its second EUR benchmark bond shortly afterwards. NRW – which is also its ticker – kicked off with a dual tranche, raising a total of EUR 5.0bn in the process. We would also like to mention BRABUR, SAARLD and HESSEN. The EU has not yet issued a new bond, preferring to increase the volume of the existing ones. So far, there have been two bond auctions with two taps each and one syndicated increase.

Issuance volumes across the year



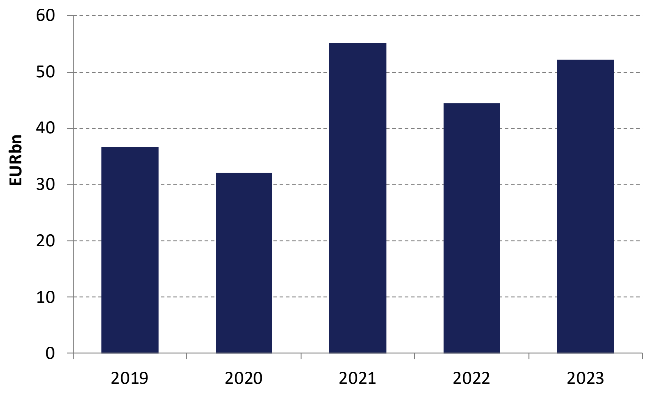
Tap volume by issuer (EUR bn)



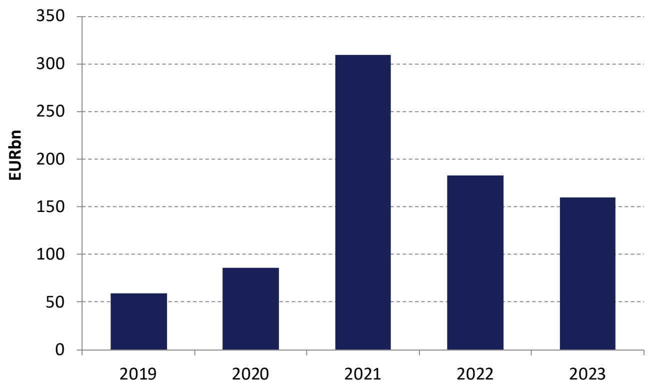
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

Tap volume exceptionally high
Even though, as mentioned, taps are not included in the “large” data set, we would like to deal with them separately because of their extraordinarily high volume. In the first month of the year, the volume was already as high as EUR 15.5bn. Rentenbank (ticker: RENTEN) placed two taps with a total volume of EUR 0.8bn. KfW also placed a tap in addition to a new issue. This had a volume of EUR 1.0bn. However, the EU in particular surprised us. In total, it has completed five taps so far (four of them through auctions and one through syndication), totalling EUR 13.7bn. In relation to the new issuance volume of EUR 52.2bn, the total volume of taps amounts to almost 30% and is therefore extraordinarily high.

Issuance volume year on year (January)



Order book volume year on year (January)



Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

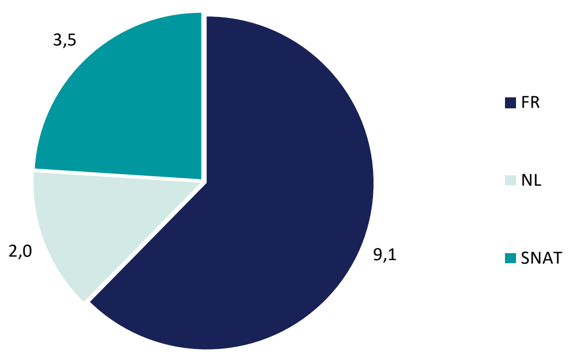
Order books: well filled, but the EU is notably absent
Let's take a look at the order books. Cumulatively, we have calculated a total of EUR 160.2bn split across the 30 new issues. Compared with 2022 (EUR 182.7bn) and 2021 (EUR 309.2bn), this figure is in decline, despite the fact that issuance volumes are more or less on a par with 2021. However, in terms of averages, we should not overlook the fact that the EU has skewed this figure upwards by a significant margin in recent years and has not yet been seen on the market with a “real” new issue. In January 2021, a single transaction from this mega-issuer alone had an order book of EUR 83bn. The taps carried out this year are not included in the data set shown above, but are nevertheless more than worthy of mention. For example, one tap of EUR 5bn had a corresponding order book amounting to EUR 51.9bn.

Continued influence of monetary policy on the overall environment
Looking ahead to the coming weeks and months, we can therefore not avoid continuing to deal with the overarching monetary policy framework and reinvestments within the context of the APP and PEPP purchase programmes. With the meeting on 15 December 2022 and the one last week, the ECB has revealed its Roadmap for QT – at least until the end of Q2. Accordingly, the ECB will reduce its reinvestment activities by a monthly average of EUR 15bn from March to the end of June. There also seems to be no end in sight to interest rate hikes, although the pace of hikes may slow from May onwards. We were therefore not surprised that issuers were already seeking to achieve significant funding success in January.

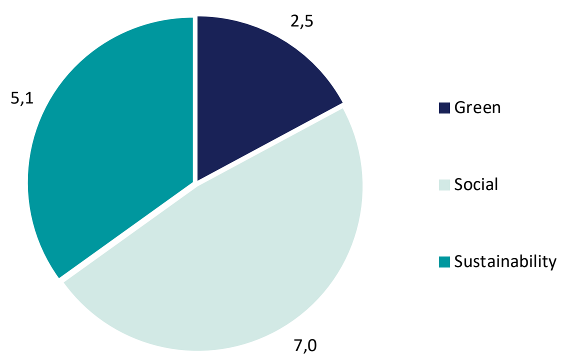
Supply of ESG bonds already high at the start of the year

Let's take another look at the subject of ESG bonds. As many as ten ESG bonds were issued in January - including a dual tranche from IDFMOB. The volume of new ESG bonds at the beginning of the year amounted to EUR 14.6bn and therefore has a share of just over 28% in our sub-segment (total volume January: EUR 52.2bn). The French were particularly active here: at EUR 9.1bn, they account for the lion's share. Five issuers from our neighbouring country have already placed ESG bonds: CADES (EUR 5bn; social), AGFRNC (EUR 1.5bn; sustainable), SOGRPR (EUR 1bn; green), IDF (EUR 0.6bn; sustainable) and the dual tranche of IDFMOB described above (EUR 0.5bn each; green). From the Netherlands, there was fresh ESG supply from BNG (EUR 1.5bn; social) and NEDWBK (EUR 0.5bn; social). There was little in the way of restraint from a couple of supranational issuers too: IBRD issued a EUR 3bn sustainability bond and NIB placed a green bond worth EUR 0.5bn. At EUR 7.0bn, social bonds made up the largest share (48%), followed by sustainability bonds at EUR 5.1bn (35%). At EUR 2.5bn (17%), "pure" green bonds could only achieve third place.

ESG volume by jurisdiction (EUR bn)



Volume by ESG format (EUR bn)



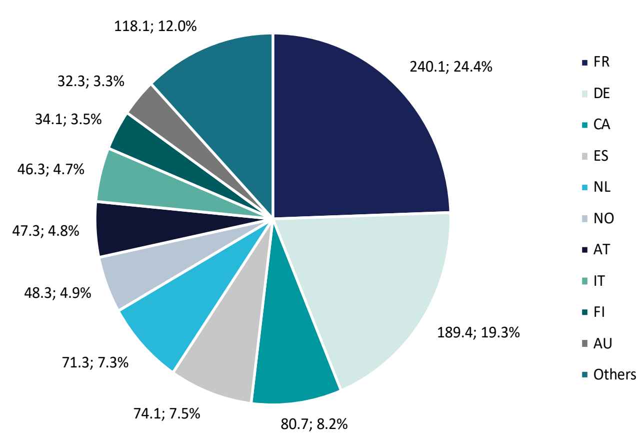
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

Conclusion

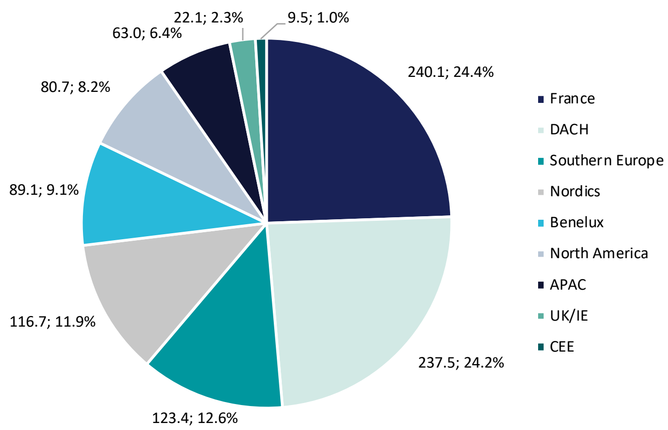
No two Januarys are the same. In recent years, the market environment has always been characterised or influenced by challenging factors. This year, at least, pandemic-related waves of issues were always likely to come to an abrupt end. Instead, the focus has been (even) more on monetary policy and issuers have sought to secure early funding successes. At EUR 52.2bn, the record from 2021 was not surpassed, but if the EU had decided to place a new issue instead of various taps, it would have been a different story. However, as long as the order books remain (partly) oversubscribed, we are already looking forward to a very successful SSA year in 2023, which even the interest rate turnaround will not be able to stop.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



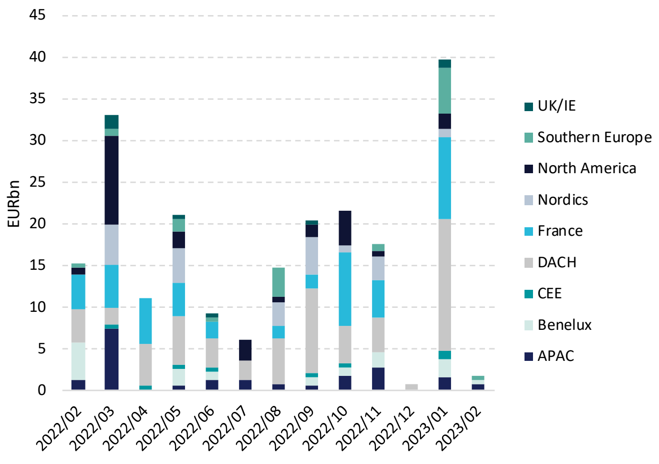
EUR benchmark volume by region (in EURbn)



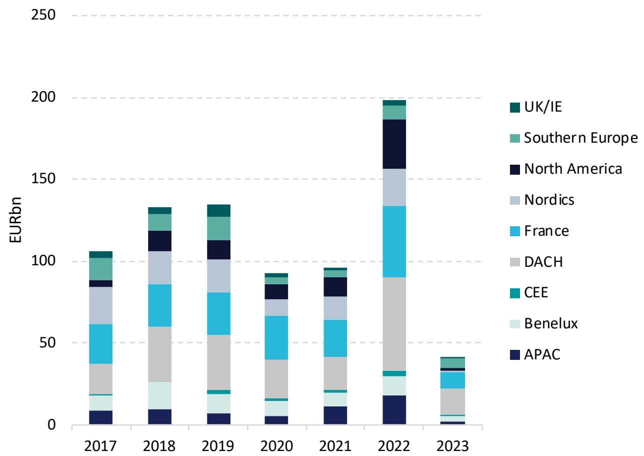
Top-10 jurisdictions

Rank	Country	Amount outst. (EURbn)	No. of BMKs	There of ESG BMKs	Avg. issue size (EURbn)	Avg. initial maturity (in years)	Avg. mod. Duration (in years)	Avg. coupon (in %)
1	FR	240.1	231	16	0.96	9.7	5.2	1.03
2	DE	189.4	271	31	0.65	8.2	4.4	0.83
3	CA	80.7	62	0	1.26	5.6	2.9	0.59
4	ES	75.6	60	6	1.15	11.1	3.7	1.83
5	NL	71.3	73	1	0.91	11.1	6.9	0.90
6	NO	48.3	58	11	0.83	7.2	3.7	0.50
7	AT	47.3	82	3	0.57	8.8	5.5	1.03
8	IT	46.3	57	2	0.79	9.2	3.7	1.24
9	FI	34.1	36	3	0.94	7.3	3.7	0.80
10	AU	32.3	32	0	1.01	7.6	3.9	1.19

EUR benchmark issue volume by month

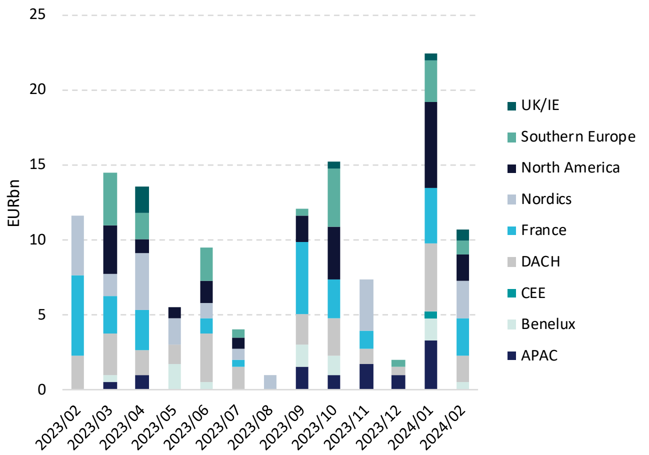


EUR benchmark issue volume by year

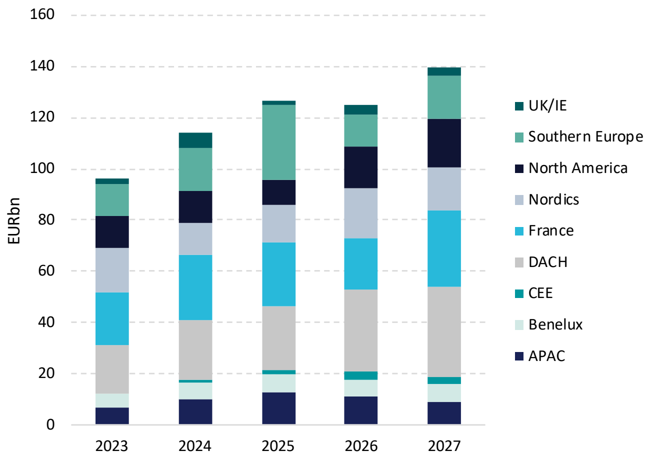


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

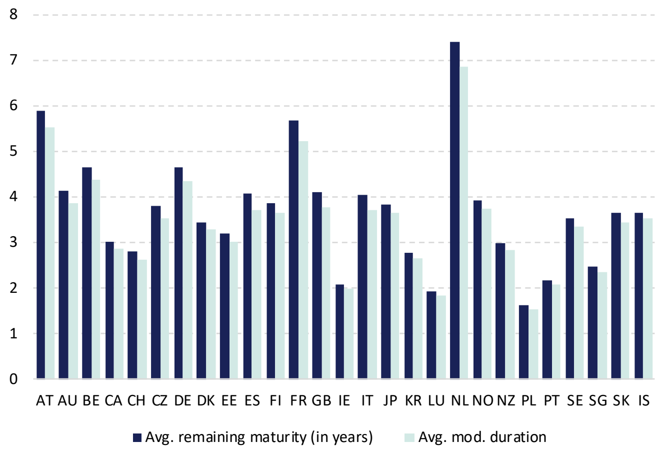
EUR benchmark maturities by month



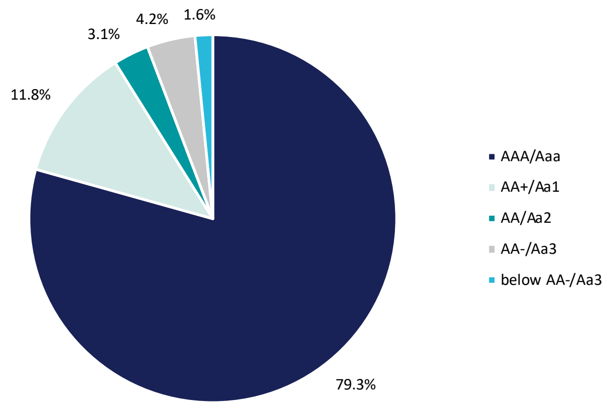
EUR benchmark maturities by year



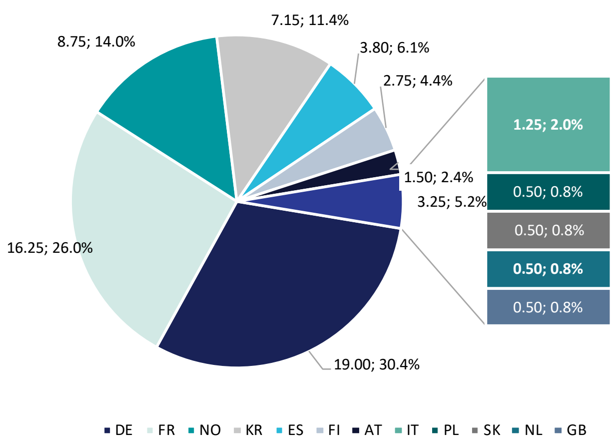
Modified duration and time to maturity by country



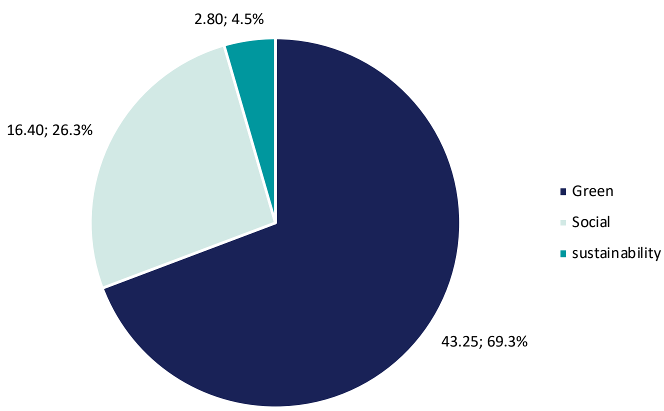
Rating distribution (volume weighted)



EUR benchmark volume (ESG) by country (in EURbn)



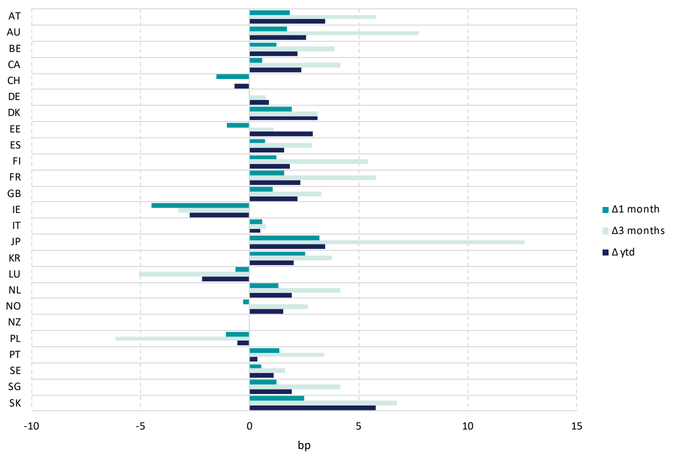
EUR benchmark volume (ESG) by type (in EURbn)



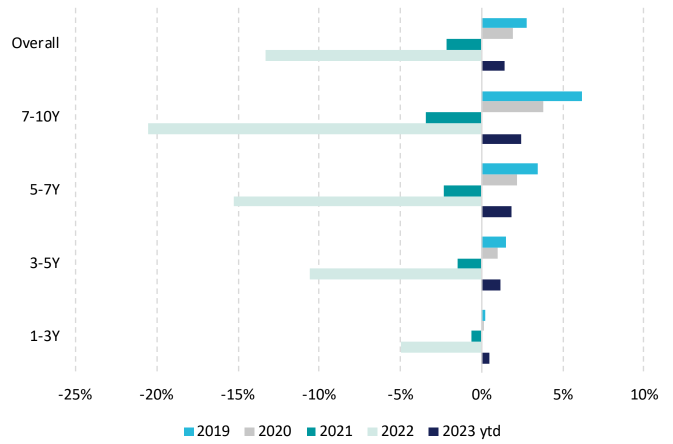
Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

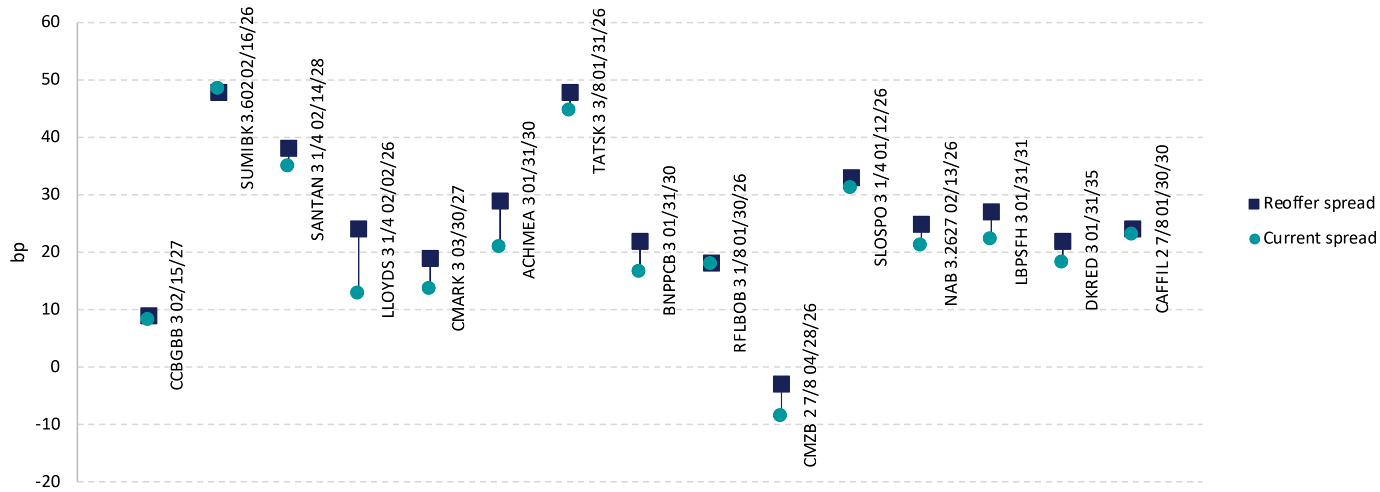
Spread development by country



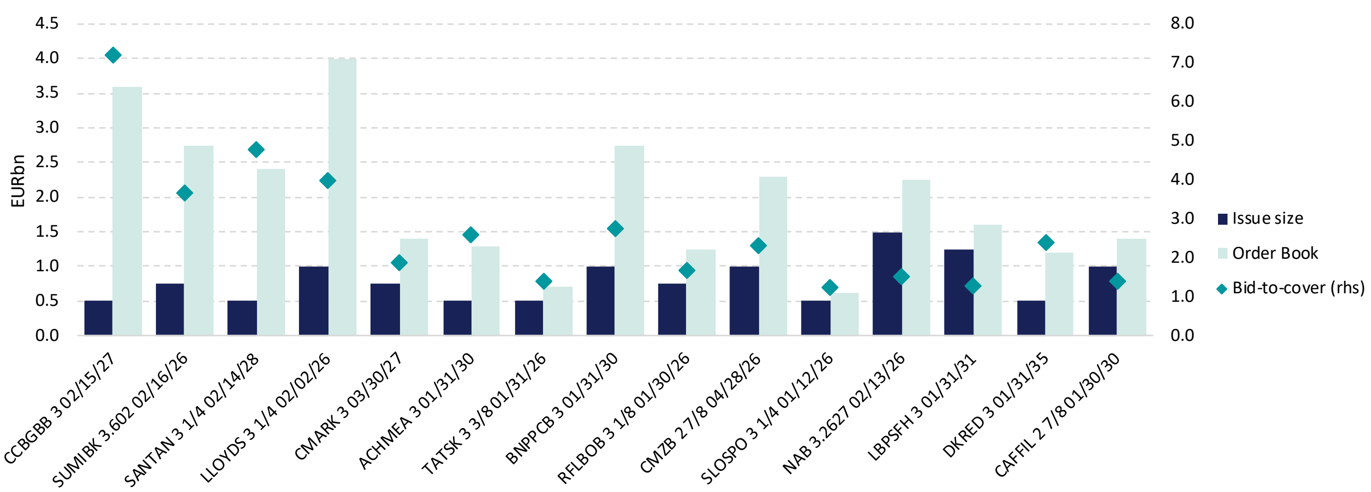
Covered bond performance (Total return)



Spread development (last 15 issues)



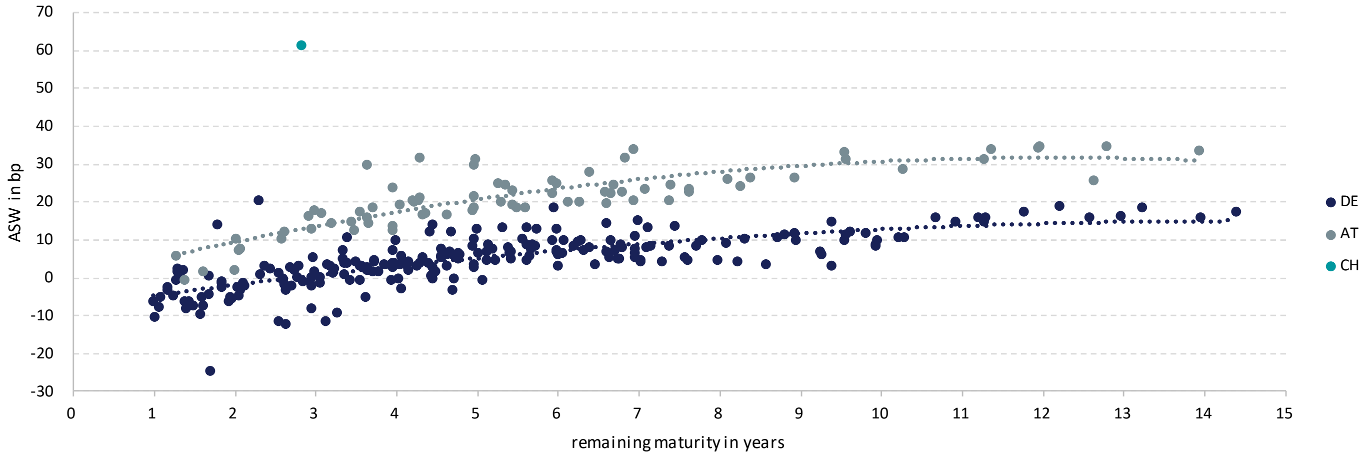
Order books (last 15 issues)



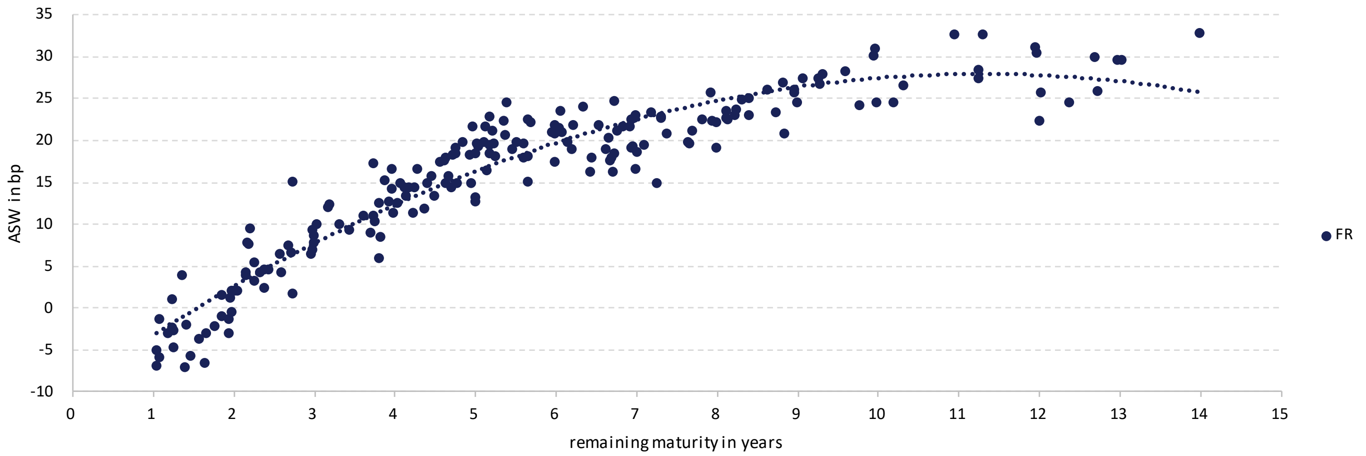
Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview[1]

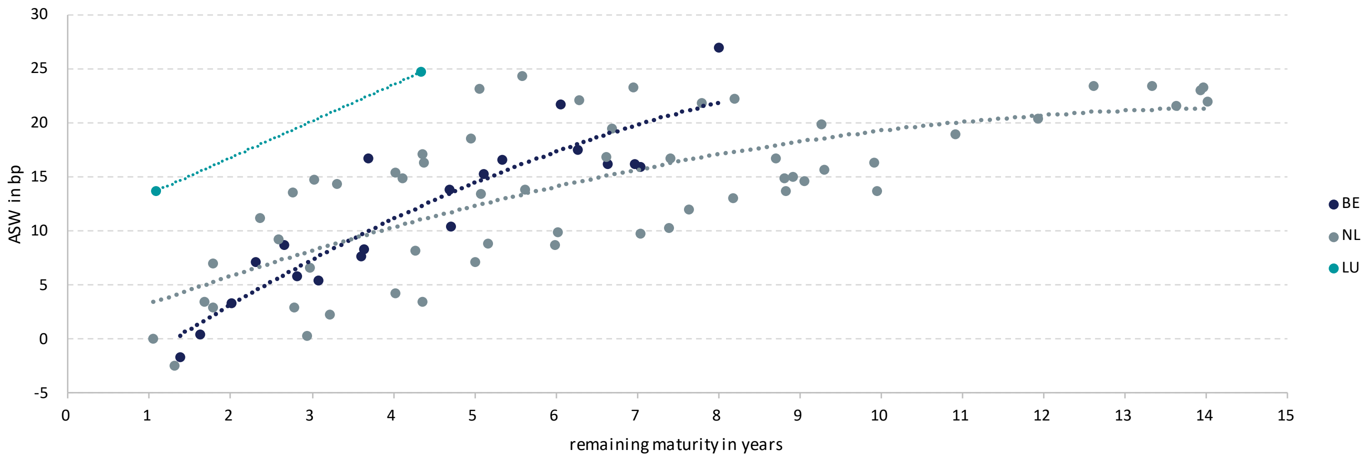
DACH



France

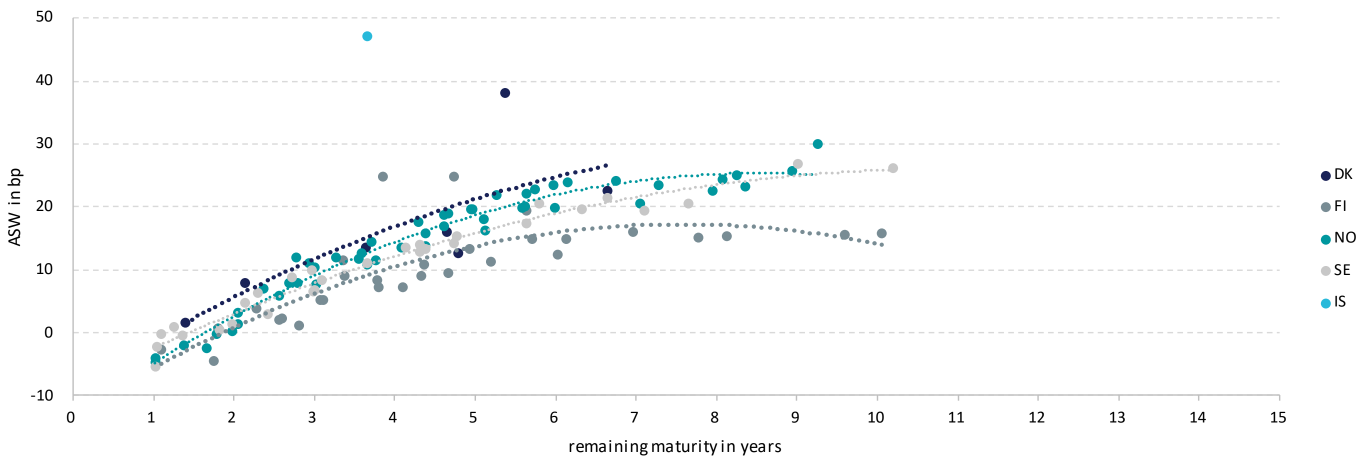


Benelux

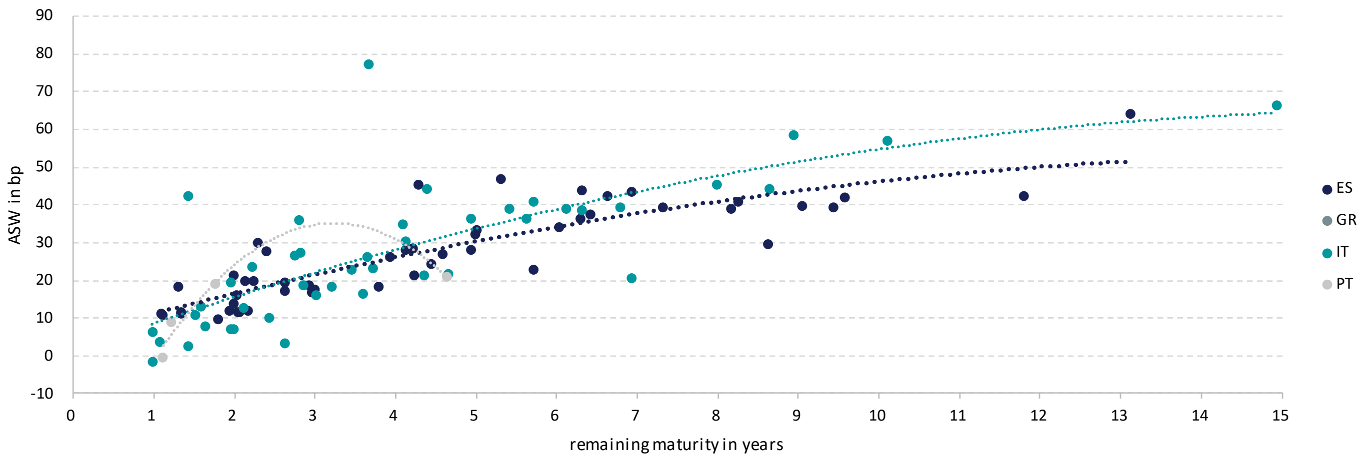


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research [1]Time to maturity 1 ≤ y ≤ 15

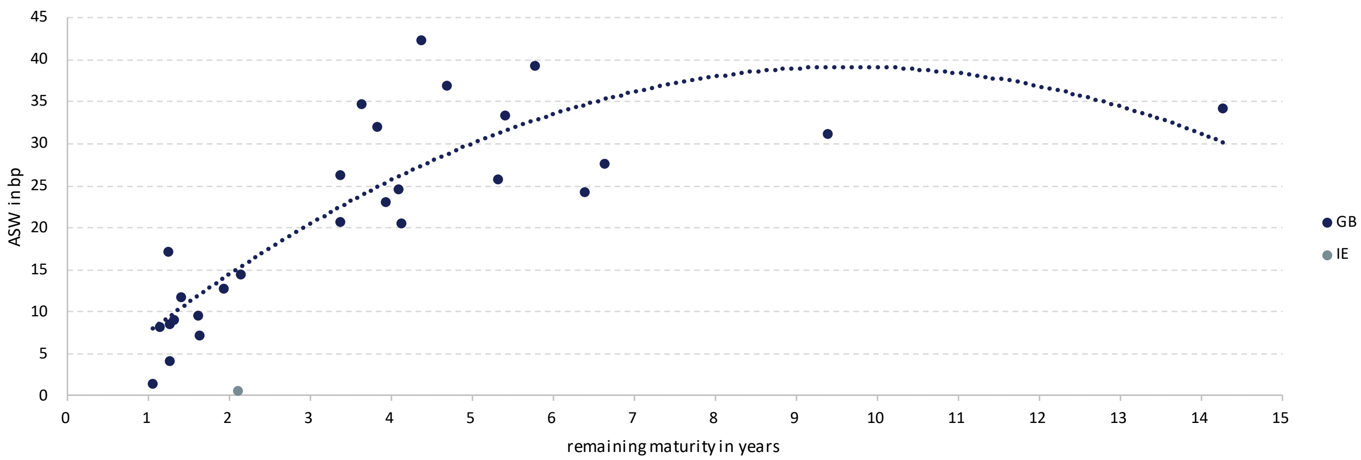
Nordics



Southern Europe

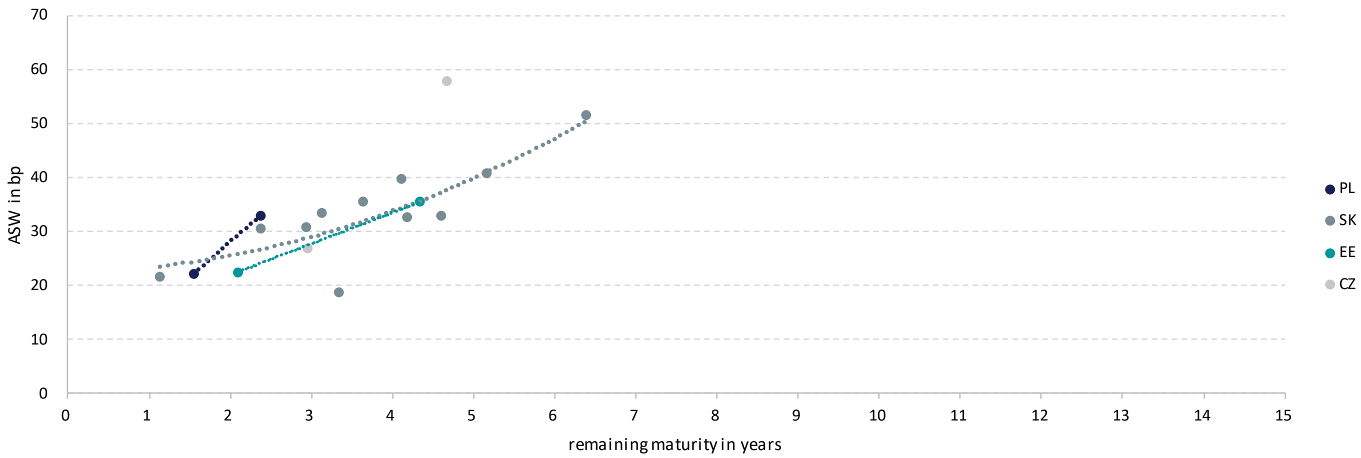


UK/IE

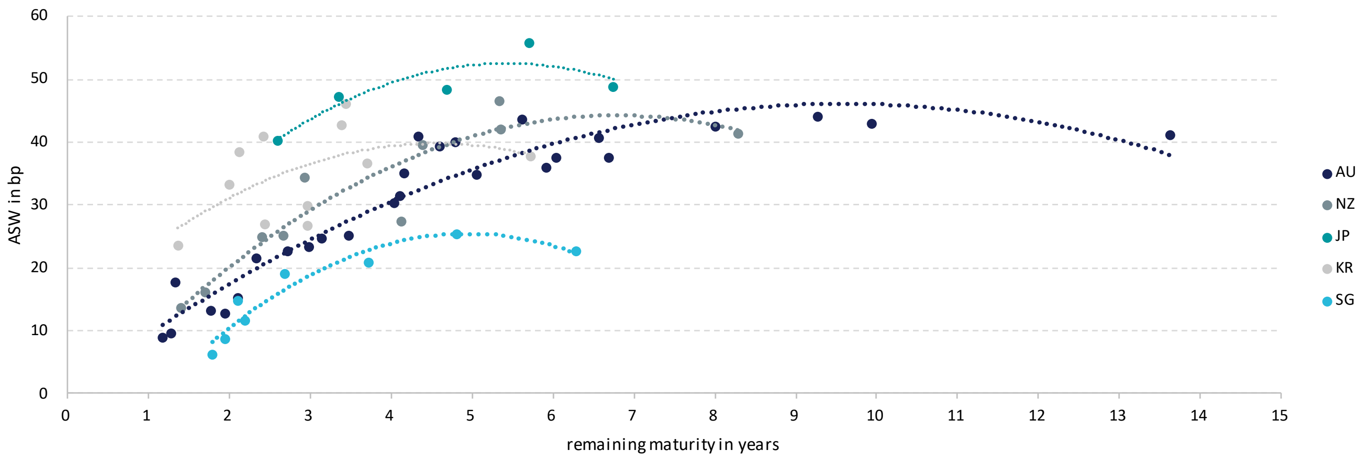


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

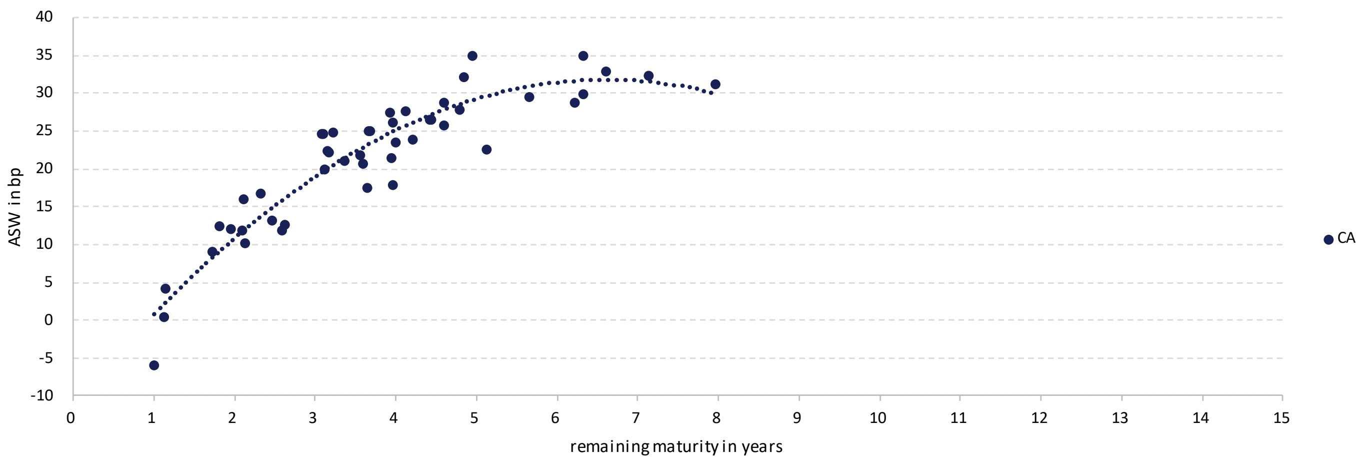
CEE



APAC



North America

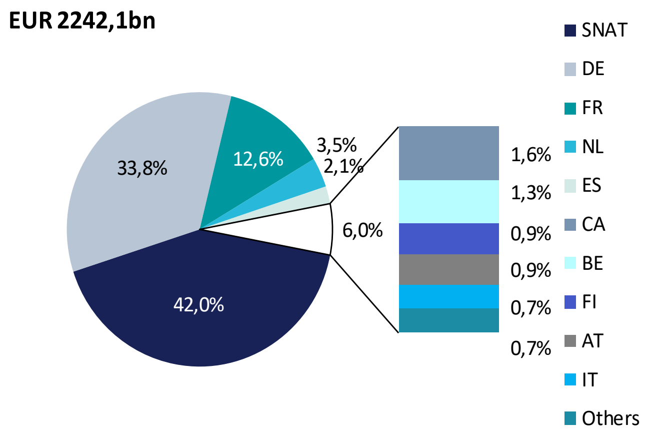


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

Charts & Figures
SSA/Public Issuers

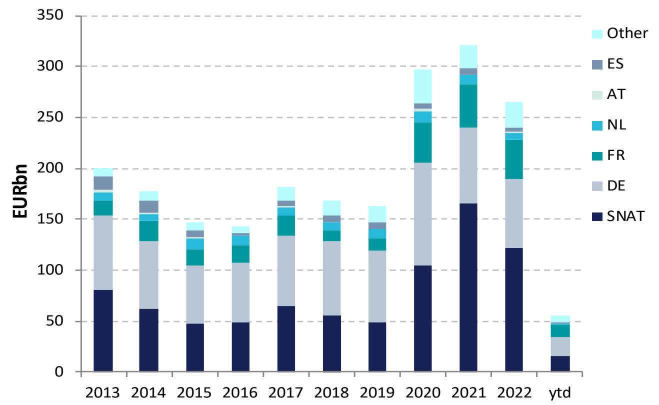
Outstanding volume (bmk)



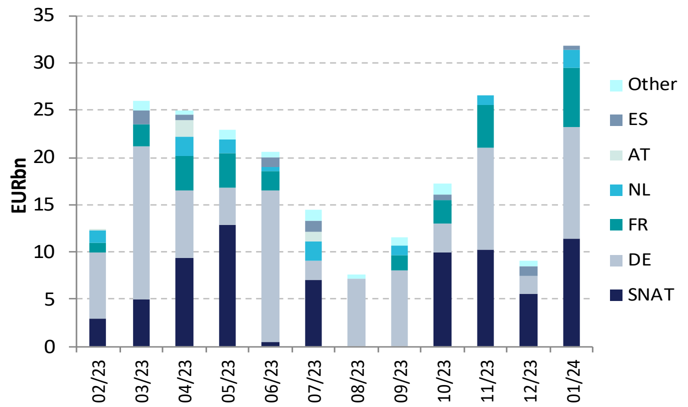
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	941,7	223	4,2	8,1
DE	758,4	558	1,4	6,3
FR	282,7	187	1,5	6,2
NL	78,3	70	1,1	6,5
ES	46,1	61	0,8	4,6
CA	35,7	25	1,4	4,6
BE	28,0	31	0,9	11,7
FI	20,0	23	0,9	5,3
AT	19,8	23	0,9	4,4
IT	15,5	20	0,8	4,8

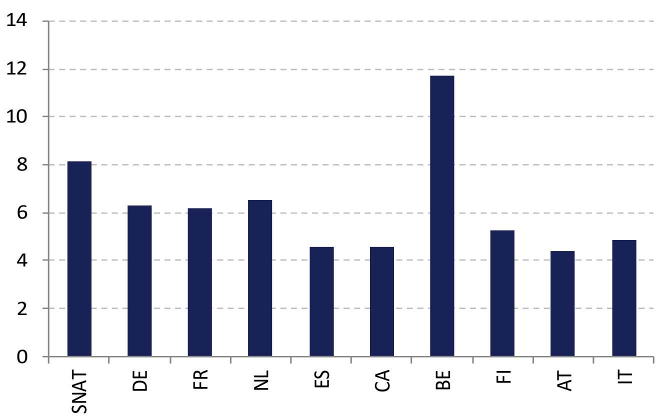
Issue volume by year (bmk)



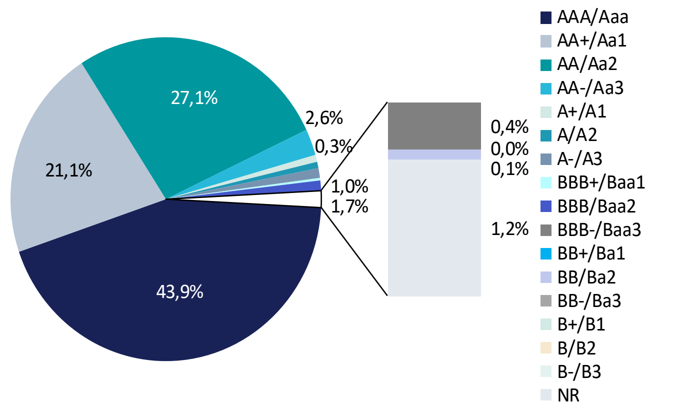
Maturities next 12 months (bmk)



Avg. mod. duration by country (vol. weighted)



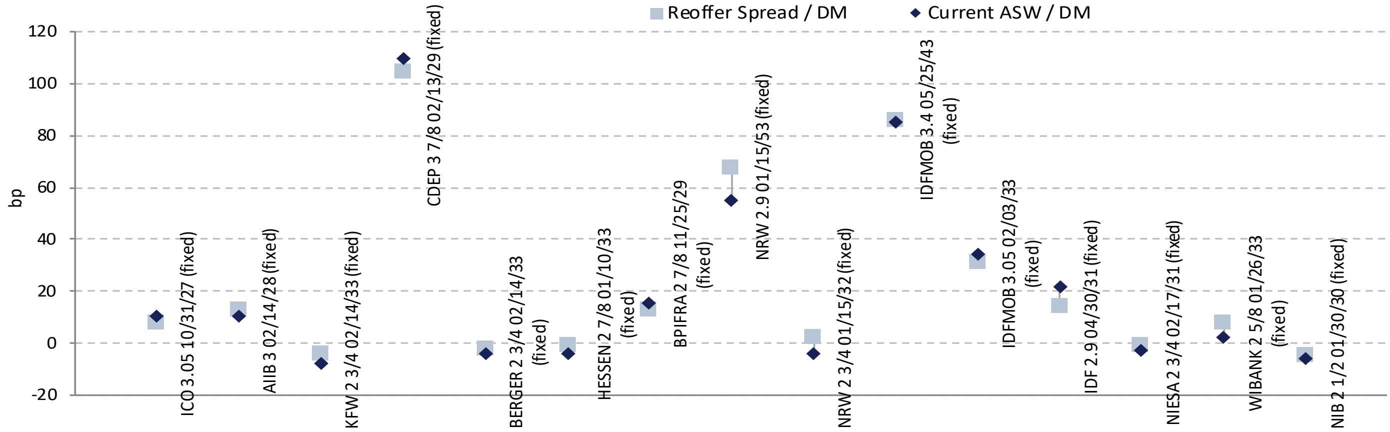
Rating distribution (vol. weighted)



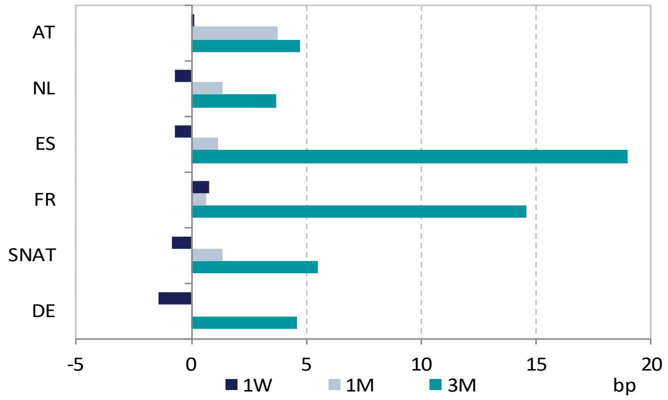
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

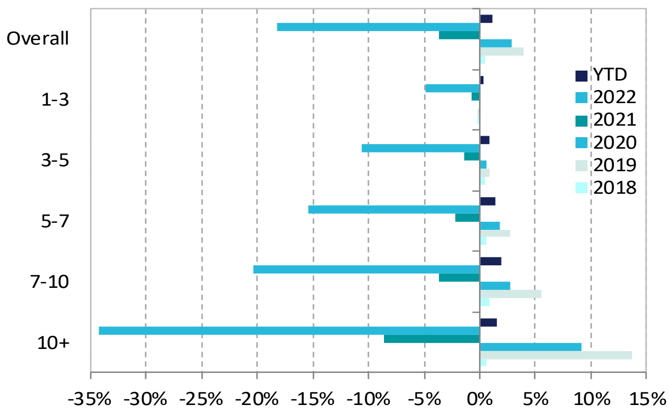
Spread development (last 15 issues)



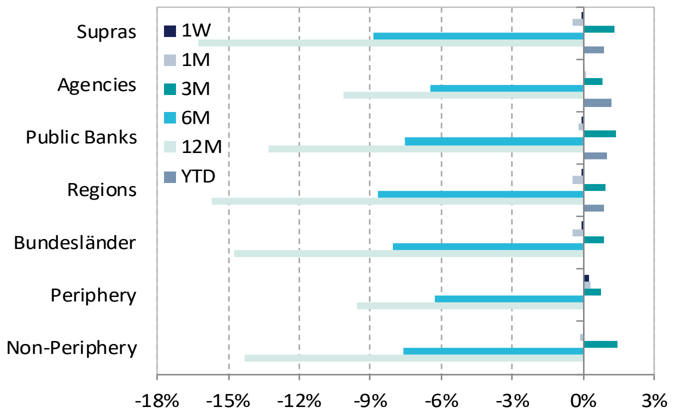
Spread development by country



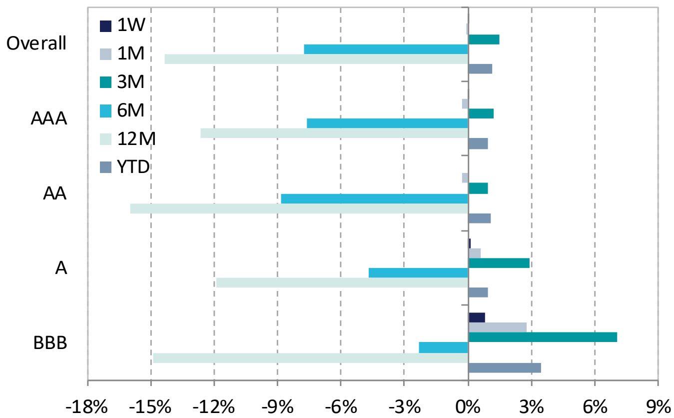
Performance (total return)



Performance (total return) by segments



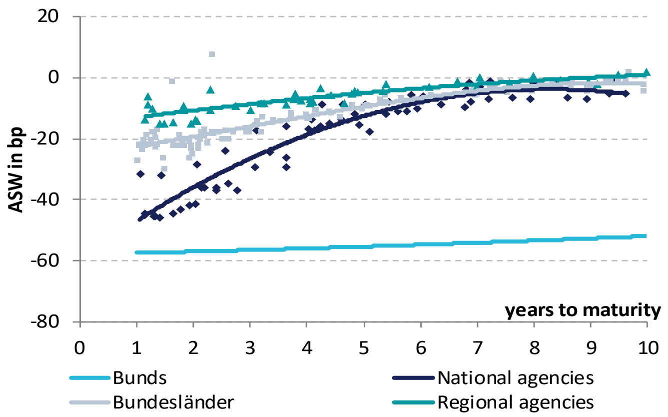
Performance (total return) by rating



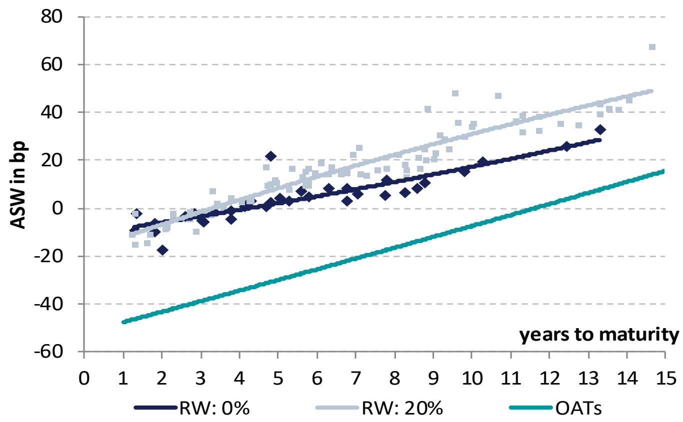
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

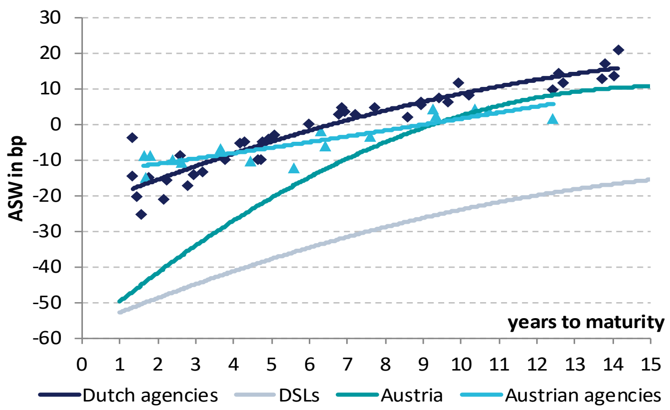
Germany (by segments)



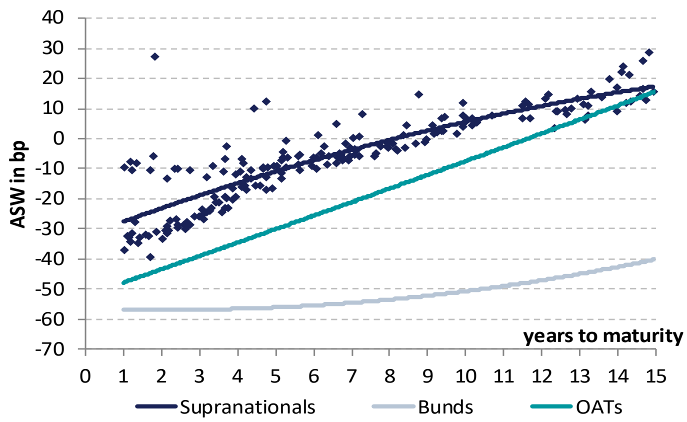
France (by risk weight)



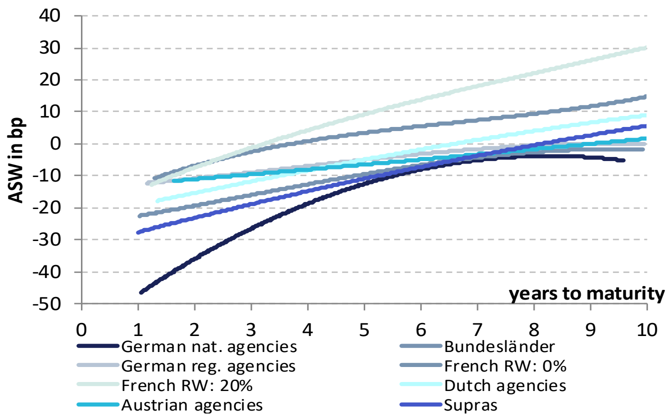
Netherlands & Austria



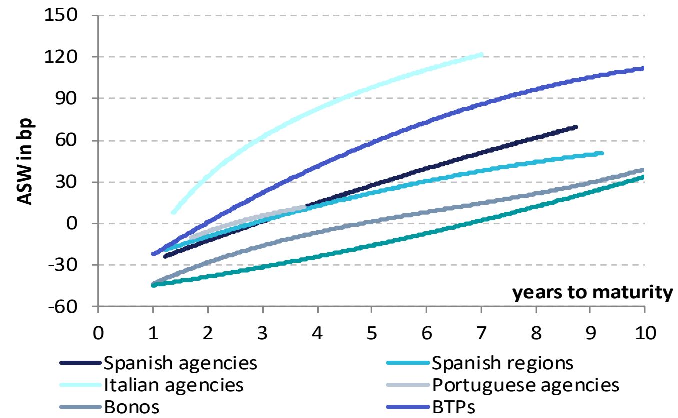
Supranationals



Core



Periphery



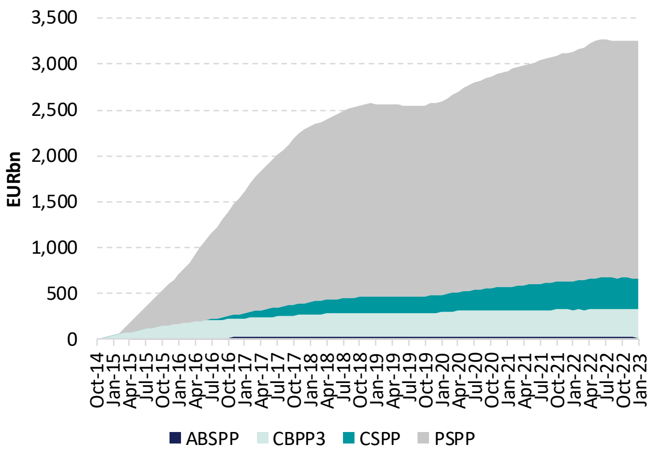
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

ECB tracker

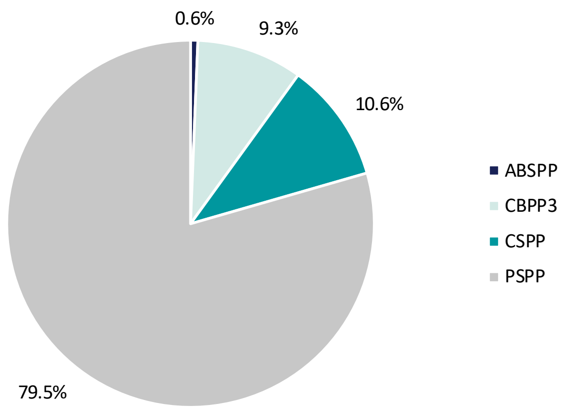
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Dec-22	22,895	301,973	344,119	2,584,666	3,253,653
Jan-23	20,835	303,269	344,010	2,584,798	3,252,912
Δ	-2,060	+1,296	-109	+132	-741

Portfolio development

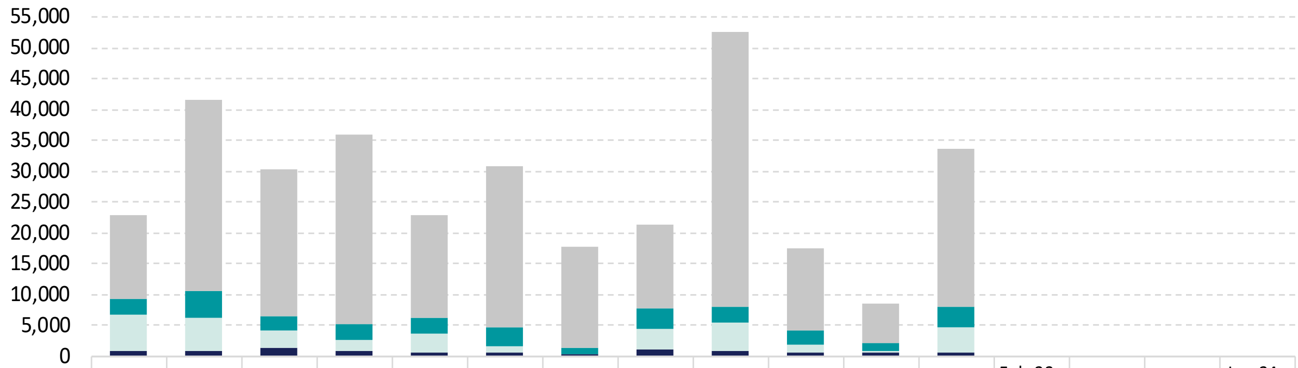


Portfolio structure



Source: ECB, NORD/LB Markets Strategy & Floor Research

Expected monthly redemptions (in EURm)

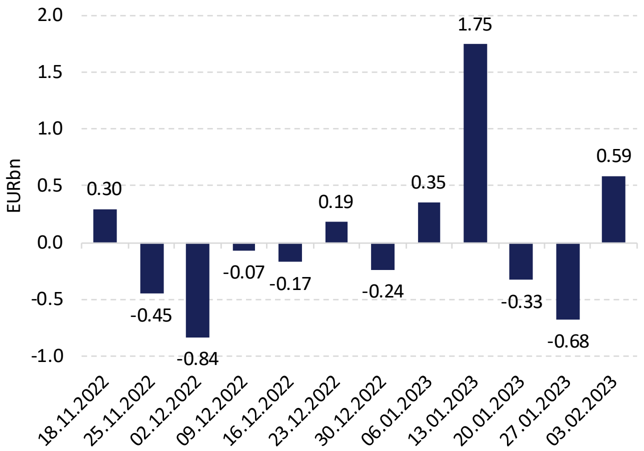


	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-23 - Jan-24	2022	2023	Jan-24 - Jan-24
APP	22,809	41,620	30,245	35,856	22,878	30,890	17,855	21,218	52,641	17,511	8,558	33,570	335,651	299,142	331,410	331,410
PSPP	13,625	31,072	23,883	30,559	16,619	26,133	16,445	13,364	44,611	13,258	6,336	25,524	261,429	228,585	255,374	255,374
CSPP	2,352	4,219	2,162	2,579	2,557	3,038	986	3,366	2,616	2,393	1,336	3,464	31,068	17,670	30,614	30,614
CBPP3	6,065	5,631	2,937	1,874	3,112	1,170	0	3,346	4,465	1,351	408	4,109	34,468	41,244	35,145	35,145
ABSPP	767	698	1,263	844	590	549	424	1,142	949	509	478	473	8,686	11,643	10,277	10,277

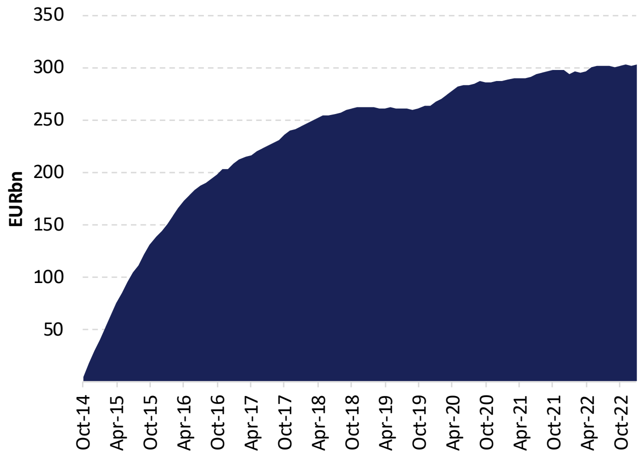
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

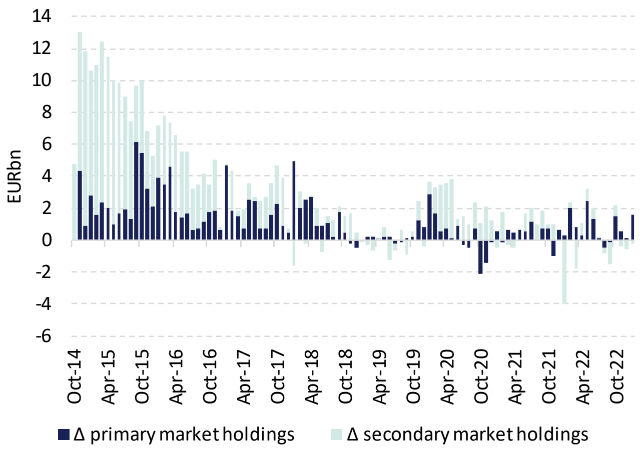
Weekly purchases



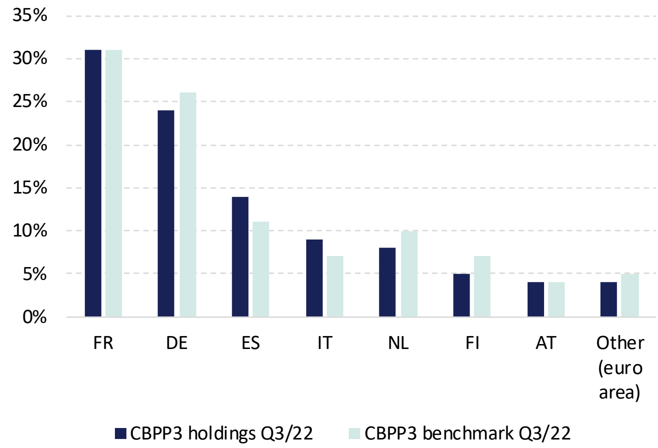
Development of CBPP3 volume



Change of primary and secondary market holdings

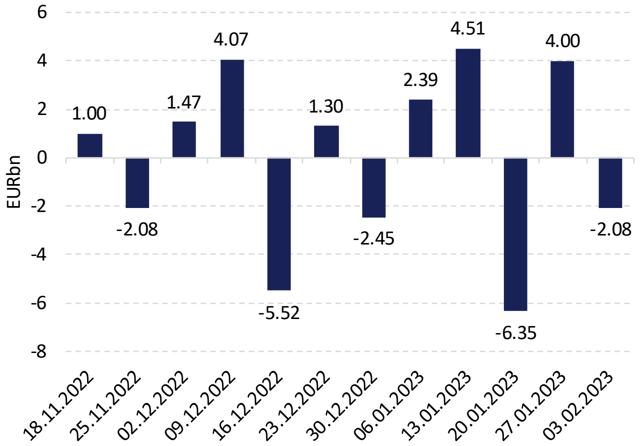


Distribution of CBPP3 by country of risk

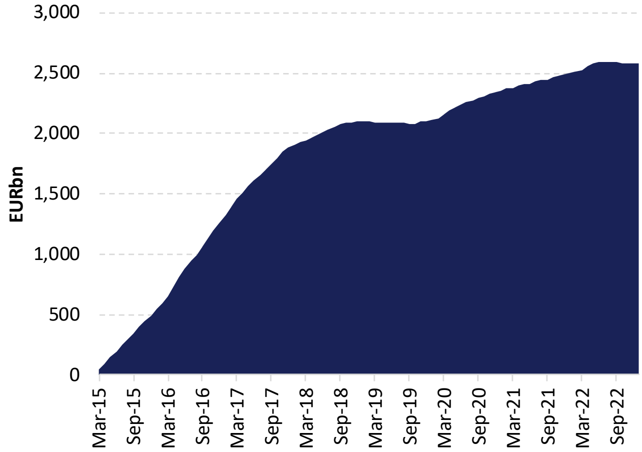


Public Sector Purchase Programme (PSPP)

Weekly purchases



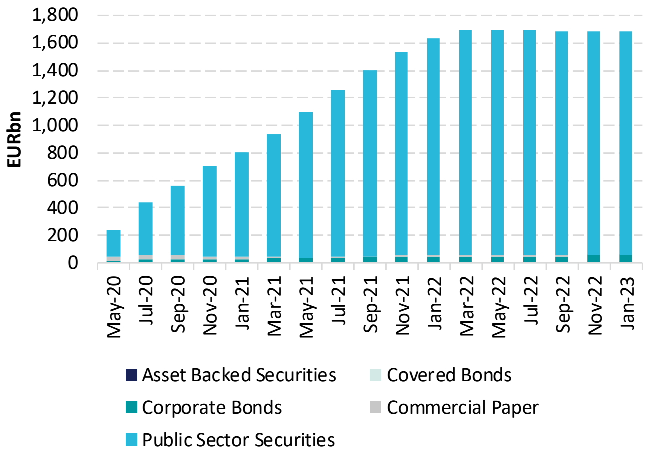
Development of PSPP volume



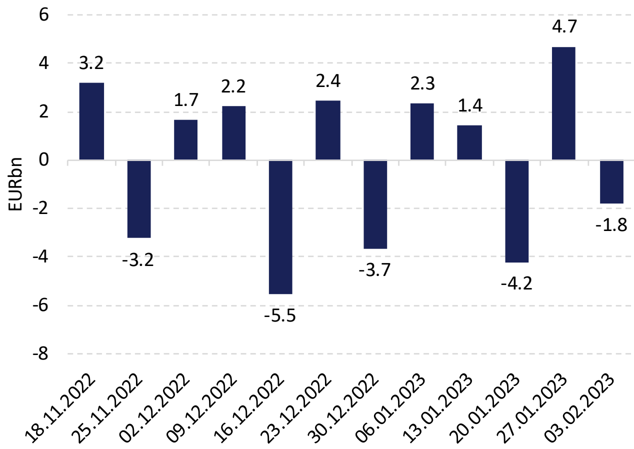
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development



Weekly purchases



Breakdown of public sector securities under the PEPP

Jurisdiction	Holdings (in EURm)	Δ Holdings previous period	Adj. distribution key[1]	PEPP share	Deviations from the adj. distribution key[2]	Current WAM[3] (in years)	WAM of eligible universe[4] (in years)
AT	44,037	-671	2.6%	2.7%	0.0%	7.5	7.4
BE	55,795	-698	3.3%	3.4%	0.1%	6.3	9.3
CY	2,493	4	0.2%	0.2%	0.0%	8.3	8.1
DE	398,297	2,551	23.7%	24.0%	0.3%	6.7	6.9
EE	256	0	0.3%	0.0%	-0.2%	7.4	8.0
ES	193,376	-1,418	10.7%	11.6%	0.9%	7.4	7.3
FI	26,953	-173	1.7%	1.6%	0.0%	7.4	7.5
FR	301,844	14	18.4%	18.2%	-0.2%	7.6	7.8
GR	37,760	729	2.2%	2.3%	0.0%	8.5	9.4
IE	25,998	-503	1.5%	1.6%	0.0%	8.8	10.2
IT	287,658	-794	15.3%	17.3%	2.0%	7.2	6.9
LT	3,256	14	0.5%	0.2%	-0.3%	9.5	9.1
LU	1,922	19	0.3%	0.1%	-0.2%	5.9	6.5
LV	1,911	0	0.4%	0.1%	-0.2%	7.9	7.4
MT	607	1	0.1%	0.0%	-0.1%	10.4	8.6
NL	83,388	1,689	5.3%	5.0%	-0.3%	7.7	8.7
PT	33,909	-1,068	2.1%	2.0%	-0.1%	6.8	7.3
SI	6,627	19	0.4%	0.4%	0.0%	8.5	9.4
SK	8,031	0	1.0%	0.5%	-0.5%	8.1	8.2
SNAT	147,088	0	10.0%	8.9%	-1.1%	10.2	8.8
Total / Avg.	**1,661,205**	**-281**	**100.0%**	**100.0%**	**0.0%**	**7.5**	**7.6**

[1] Based on the ECB capital key, adjusted to include supras [2] Based on the adjusted distribution key
[3] Current WAM of public sector securities holdings under the PEPP [4] WAM of eligible universe of public sector securities holdings under the PEPP
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
04/2023 ♦ 01 February	▪ Focus on covered bond jurisdictions: Canada in the spotlight ▪ Focus on covered bond jurisdictions: Slovakia and Czech Republic in the spotlight ▪ 26th meeting of the Stability Council (December 2022)
03/2023 ♦ 25 January	▪ ECB preview: all eyes and ears on the press conference ▪ Successful start to the year for EUR sub-benchmarks as well ▪ ESG covered bonds from France: La Banque Postale SFH issues inaugural social covered bond
02/2023 ♦ 18 January	▪ Focus on covered bond jurisdictions: Belgium in the spotlight ▪ The Moody's covered bond universe: an overview ▪ Beyond Bundeslaender: focus on Belgian issuers
01/2023 ♦ 11 January	▪ ECB review: 2022 entailed all manner of monetary policy action ▪ Covered Bonds Annual Review 2022 ▪ SSA: Annual review of 2022
39/2022 ♦ 14 December	▪ Our view of the covered bond market heading into 2023 ▪ SSA outlook 2023: ECB, NGEU and the debt brake in Germany
38/2022 ♦ 07 December	▪ ECB preview – next hike but total assets (finally) reduced?! ▪ Covered bond jurisdictions in the spotlight: a look at Spain
37/2022 ♦ 30 November	▪ Transparency requirements §28 PfandBG Q3 2022 ▪ ECB repo collateral rules and their implications for Supranationals & Agencies
36/2022 ♦ 23 November	▪ ESG covered bonds - another record year ▪ Current LCR classifications for our SSA coverage
35/2022 ♦ 16 November	▪ Covered bond jurisdictions in the spotlight: a look at Austria ▪ Development of the German property market ▪ EIB goes Blockchain… again!
34/2022 ♦ 09 November	▪ Covered bond jurisdictions in the spotlight: a look at Norway ▪ Tenth edition of the NORD/LB Issuer Guide Covered Bonds ▪ SSA primary stats ytd before the final sprint
33/2022 ♦ 26 October	▪ Repayment structures on the covered bond market: EU harmonisation project consigns hard bullets to the shadows ▪ The debt brake at Laender level
32/2022 ♦ 19 October	▪ ECB preview: +75bp and the balance sheet question ▪ EBA Risk Dashboard paints a robust picture in Q2 2022 ▪ An overview of the German Laender
31/2022 ♦ 12 October	▪ The covered bond rating approach of S&P ▪ Benchmark indices for German Laender
30/2022 ♦ 28 September	▪ Focus on covered bond jurisdictions: Singapore in the spotlight ▪ German Laender: more ESG issues on the horizon?
29/2022 ♦ 21 September	▪ ECBC publishes annual statistics for 2021 ▪ Update: Gemeinschaft deutscher Laender (Ticker: LANDER)

Appendix
Publication overview

Covered Bonds:

- **Issuer Guide Covered Bonds 2022**
- **Covered Bond Directive: Impact on risk weights and LCR levels**
- **Risk weights and LCR levels of covered bonds (updated semi-annually)**
- **Transparency requirements §28 PfandBG Q3/2022 (quarterly update)**
- **Covered bonds as eligible collateral for central banks**

SSA/Public Issuers:

- **Issuer Guide – German Laender 2022**
- **Issuer Guide – German Agencies 2022**
- **Issuer Guide – Dutch Agencies 2022**
- **Beyond Bundeslaender: Belgium**
- **Beyond Bundeslaender: Greater Paris (IDF/VDP)**
- **Spotlight on Spanish regions**

Fixed Income Specials:

- **ESG-Update 2022**
- **ECB interest rate decision: delivered as expected?**
- **ECB acts as the 'House of Hikes' - or: Winter is coming!**
- **ECB frontloads rate hike by +50bp and breaches pre-commitment**
- **ECB ready for lift-off: Every journey starts with a first step**

Appendix
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Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

Trading

Covereds/SSA	+49 511 9818-8040
Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

Origination & Syndicate

Origination FI	+49 511 9818-6600
Origination Corporates	+49 511 361-2911

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Asset Finance	+49 511 361-8150

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