NORD/LB

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Covered Bond & SSA View

NORD/LB Floor Research

20 March 2024 ♦ 11/2024

Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Authors: Dr Frederik Kunze // Lukas Kühne

Primary market: High demand continues in the current trading week

At the end of the previous trading week, the market was still certainly quite active. For example, on Wednesday last week Deutsche Kreditbank (cf. Issuer View) approached investors with a new deal (12.0y) in the amount of EUR 500m. The same day, Vseobecna Uverova Banka (VU Banka; cf. Issuer View) became the first issuer from the region of Central and Eastern Europe (CEE) to be active on the primary market in 2024. The deal (EUR 500m; 7.0y) ultimately generated a well-filled order book of EUR 2.5bn and was placed at a re-offer spread of ms +70bp, which represents significant narrowing in comparison with the original guidance in the area of ms +85bp (bid-to-cover ratio: 5.0x). The fresh supply just kept on coming on the following Thursday. Here, the Swedish issuer Stadshypotek AB (EUR 750m; 5.0y) got the ball rolling, before being quickly joined by a successful new deal from BPER Banca in Italy. The spread on this fresh bond (EUR 500m; 6.8y) tightened by 13 basis points to ms +62bp over the course of the marketing process (guidance: ms +75bp area). The order book ultimately amounted to EUR 4.4bn, producing a bid-to-cover ratio of 8.8x in the process. A benchmark deal (EUR 1.75bn; 7.0y) placed by the French issuer Caisse de Refinancement de l'Habitat constituted the final action of the trading week. At the start of the new week, however, we observed a tap deal from Berlin Hyp. The bank increased the volume of its green bond originally placed in January 2023 (EUR 500m) by a total of EUR 250m. Two other deals came from de Volksbank in the Netherlands, which issued a covered bond in the amount of EUR 500m (7.0y; WNG), and CM Home Loan from France, which raised a total of EUR 1.25bn across a term in excess of six years. Last but not least, we have a newcomer to report on in the EUR sub-benchmark segment: Sparkasse Dortmund successfully placed an inaugural covered bond (7.0y) worth EUR 250m with investors. The re-offer spread ultimately came in at ms +45bp, which corresponds to narrowing of seven basis points in comparison with the initial guidance.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
CM Home Loan	FR	19.03.	FR001400OZH2	6.7y	1.25bn	ms +31bp	AAA / Aaa / AAA	-
de Volksbank	NL	19.03.	XS2791994309	7.0y	0.50bn	ms +32bp	AAA / Aaa / -	-
CRH	FR	14.03.	FR001400OUR2	7.0y	1.75bn	ms +33bp	AAA / Aaa / -	-
BPER Banca	IT	14.03.	IT0005586968	6.8y	0.50bn	ms +62bp	- / Aa3 / -	-
Stadshypotek	SE	14.03.	XS2790172006	5.0y	0.75bn	ms +26bp	- / Aaa / -	-
VU Banka	SK	13.03.	SK4000024923	7.0y	0.50bn	ms +70bp	- / Aa1 / -	-
Deutsche Kreditbank	DE	13.03.	DE000SCB0054	12.0y	0.50bn	ms +36bp	- / Aaa / -	X

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

Secondary market: new deals continue their stable performance

Across the previous five trading days, the spreads on newly placed deals in the secondary market continued to narrow further. The market also continues to be driven by considerable demand on the primary market. Together with spreads narrowing over the course of the marketing process, new issue premiums are exceptionally low, or in some cases, even slipping into negative territory. Against the backdrop of the continued solid performance of the secondary market, the covered bond market as a whole would appear, in our view, to be in good shape.

Moody's I: updated outlook for European banking systems

The rating experts from Moody's have updated their respective outlooks for the banking systems of various European jurisdictions. In terms of the German-speaking DACH region, Germany and Switzerland were considered as part of this review. Due to the weakening economy and deterioration in credit quality, the outlook for the banking system in Germany was downgraded from "stable" to "negative". Conversely, in the view of the risk experts, the Swiss banking system benefits from robust operating conditions and is still viewed as "stable". The Danish banking system also retains its stable outlook, although the same cannot be said of its neighbour to the north-east, Sweden: as is the case with Germany, the Swedes are struggling to cope with a challenging economic landscape. Together with weakening credit quality, this also means that the outlook for Sweden has been revised down to "negative". Similar situations can be seen in France (weak economy and a declining asset quality), in addition to the Netherlands and Belgium (deterioration in credit quality and profitability). As a result, Moody's is adjusting the outlook from "stable" to "negative" for this trio of jurisdictions as well. In Italy, the outlook for the banking sector remains "stable", due to the fact that increasing asset risks are being mitigated by solid profitability. Lastly, the rating experts have also adjusted the outlook for the UK banking sector to "negative". Weaknesses in terms of profitability and the continued stagnation of the economy are cited as the main reasons for this. From our point of view, deteriorating asset quality in individual banking markets should not have a significant impact on the quality of the cover pools or covered bonds, as these continue to be characterised by consistently low LTV ratios, for example.

Moody's II: stable outlook for the Spanish banking sector

Alongside Italy, there was also good news from another southern European destination, namely Spain: despite increased asset risks and weak credit demand, Spanish banks are benefiting from solid profitability and (in comparison with other major European counterparts) solid economic growth, which ultimately means that the rating experts from Moody's are sticking with a stable outlook for Spain. In the private sector in particular, the metric of debt affordability has improved substantially. However, the repayment ability of both private and institutional borrowers is being hampered by increased costs of debt servicing and lower real wages. In contrast, the liquidity and funding of Spanish banks are safeguarded by a large deposit base and significant liquid assets. Funding is supplemented by the issuance of covered bonds, which from our point of view continue to offer an attractive refinancing instrument in Spain too. So far this year, only one Spanish issuer has been active with a new issue in EUR benchmark format, namely Cajamar Caja Rural, which placed a bond worth EUR 600m with a term of 5.5 years.

ECB Operational Framework Review: fresh distortions for the banking sector in relation to the covered bond segment not (yet) in evidence

As part of our regular reporting on and outlooks for the monetary policy course of the ECB, we have repeatedly stressed the importance of the operational framework of the Eurosystem. A few days ago, the ECB announced its changes to the operational framework for implementing monetary policy (cf. Press release dated 13 March), for which they had already kept us waiting for quite a length of time. In the accompanying explanation from the ECB Governing Council, the central bank points out, among other aspects, that it will continue to steer the monetary policy course by adjusting the deposit facility rate (DFR) and that liquidity will be provided through a broad mix of instruments. When reviewing the announcements and specific details, we also notice monetary policy instruments that have led to severe distortions on the covered bond market in the past. However, we do not initially believe that this will result in any new, lasting disruptions. This is not only due to the fact that the introduction of a new “structural portfolio of securities” (as a “small successor” to the APP and PEPP) and the new “structural longer-term credit operations”, which we do not believe will be comparable with TLTRO tenders, is only planned “at a later stage”. These instruments will address the structural liquidity needs of the banking sector and, in this way, can be clearly distinguished from the crisis measures (APP/PEPP and TLTRO III). While we do not expect that these measures will have zero impact on the issuance behaviour of banks, for example with regard to covered bonds, we take the view that they are more likely to be complementary or diversifying rather than outright distorting.

Update for the APAC region / Fitch compares covered bond programmes from South Korea

In the wake of the inaugural EUR benchmark placed by Shinhan Bank from South Korea back in January (EUR 500m; 3.0y), Fitch Ratings has compared the bank’s covered bond programme with those of its peers KB Bank and KEB Hana. All three programmes are awarded Fitch’s top rating of AAA, which is actually one notch higher than the sovereign rating of South Korea (AA+). This is above all down to the high OC levels of 90.0% (Kookmin), 86.5% (KEB Hana) and 88.5% (Shinhan), which all comfortably exceed the minimum requirements imposed by Fitch to achieve a AAA rating (59.1%, 56.6% and 25.3% respectively; as at November 2023). All three cover pools also have a significant share of fixed-interest loans, for which the interest rates are in the majority of cases below the market level. In this context, we believe that it makes sense to highlight the ECBC Asian Covered Bond Symposium, which was held in Singapore last week. Our Markets team took part in a range of interesting discussions on the topic of covered bonds and enjoyed lively exchanges with our partners. Looking back on the event, we can undoubtedly describe it as a big success that helped to underscore the high relevance of the APAC region for the covered bond market. For banks based in this region, covered bonds in EUR benchmark format continue to represent an attractive funding instrument. In 2024, we have already recorded four new issues from the APAC region on the primary market (2x from South Korea, and 1x each from Australia and Singapore) – and we expect additional activity from this part of the world over the course of the year. We take a closer look at the covered bond markets “Down Under” – i.e. in Australia and the neighbouring jurisdiction of New Zealand – as part of a focus article in this present edition of our weekly publication.

Moody’s III: rating upgrades for German Pfandbrief issuers

Moody’s has upgraded the rating of the mortgage Pfandbrief programme of Oldenburgische Landesbank from Aa1 by a single notch to its top rating of Aaa. According to Moody's, at the time of the review (12 March 2024), this impacted the bank’s outstanding covered bonds in the amount of EUR 1.4m. Moody’s justifies its decision to award the Aaa rating by citing the bank's commitment to guaranteeing an OC ratio of at least 8.5%, which is the minimum level required to attain the top rating. At the time of the review, the OC level of Oldenburgische Landesbank stood at 46.6%. A second Pfandbrief issuer in the form of Norddeutsche Landesbank Girozentrale (NORD/LB) also received a rating upgrade from Moody’s. The rating experts upgraded the long-term deposit, long-term issuer and senior unsecured ratings of NORD/LB by a total of four notches from A3 to Aa2, and confirmed a stable outlook for these. At the same time, the ratings for NORD/LB Luxembourg S.A. Covered Bond Bank, a wholly owned subsidiary of NORD/LB, were also raised to match those of its parent company. In addition to the improved credit rating profile and the solid risk-weighted capitalisation, the rating upgrade is to a not insignificant degree also based on the likelihood of cross-sector support from the Sparkassen-Finanzgruppe (Savings Banks Financial Group), which Moody’s evaluates as being very high. According to the rating experts, this has increased significantly as a result of an update to the protection system of the German savings banks and now leads to a rating upgrade of five notches for the adjusted baseline credit assessment. All banks that form part of the savings bank protection system benefit from this uplift, including Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg. As a result of NORD/LB's counterparty risk assessment being raised to Aa2, the ratings for its public sector and mortgage-backed Pfandbriefe were upgraded to the top rating of Aaa. Following the rating upgrade, the risk experts at Moody’s also award a rating of Aaa to the covered bonds issued by NORD/LB Luxembourg S.A. Covered Bond Bank.

Market overview
SSA/Public Issuers

Authors: Christian Ilchmann // Lukas-Finn Frese

Publication of NORD/LB Issuer Guide - Canadian Provinces & Territories 2024

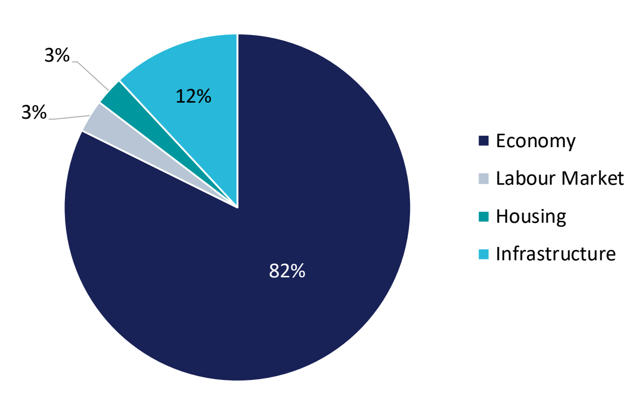
Last week saw the publication of the fifth edition of our Issuer Guide – Canadian Provinces & Territories 2024 . Within Canada, there are sometimes considerable differences between the individual provinces and territories - not only in terms of area and population, but also in relation to economic strength, budget constraints, rating and debt situation. The Canadian sub-sovereigns also differ significantly with regard to their capital market presence. While none of the territories had issued any kind of bond prior to 2020, the Northwest Territories (ticker: GNWT) approached the market with its inaugural bond issuance in September 2020. Among the provinces, Ontario (Ticker: ONT) and Quebec (Ticker: Q) remain by far the two largest issuers, with ONT alone having accounted for more than half of all bond issues by Canadian provinces in the past. Across 2023 as a whole, the state of play proved to be somewhat more balanced, although at 43.8% versus 27.7%, ONT continued to be busier on the capital market than Q. Jointly, the two provinces therefore still accounted for around 72% of the issuance volume. Prior to the COVID-19 pandemic, Alberta and Manitoba were responsible for substantial levels of issuance activity, although have since fallen back to shares of “only” 2.1% and 4.0% respectively. At the same time, ONT and Q are also no longer the only two sub-sovereigns to have placed EUR benchmarks, with British Columbia (Ticker: BRCOL), among others, joining the ranks of EUR provinces as well. In April 2018, Alberta entered the scene with a bang, placing an inaugural EUR bond in the amount of EUR 1.5bn. In 2019, Alberta followed this up with a further EUR 1.25bn. Manitoba surpassed this threshold in 2022 after tapping its existing bonds. Its 15 EUR-denominated bond issues outstanding amount to a total volume of EUR 1.8bn. In 2023, only Q placed a benchmark bond, issuing a total volume of EUR 2.25bn in the process. BRCOL and ONT returned to the EUR market in early 2024, both successfully raising EUR 1.25bn for bonds with terms of 10.5y and 10y respectively. Quebec followed yesterday with EUR 2.25bn (10y – for details, see primary market). The aim of our reference work is to facilitate the categorisation of the respective issuers, taking into account constitutional and regulatory framework conditions. We also analyse primary and secondary market developments, the fundamental performance of individual issuers and provide guidance in times of global uncertainty and crisis.

ILB: more than 13,000 projects supported in 2023 to the tune of EUR 1.6bn

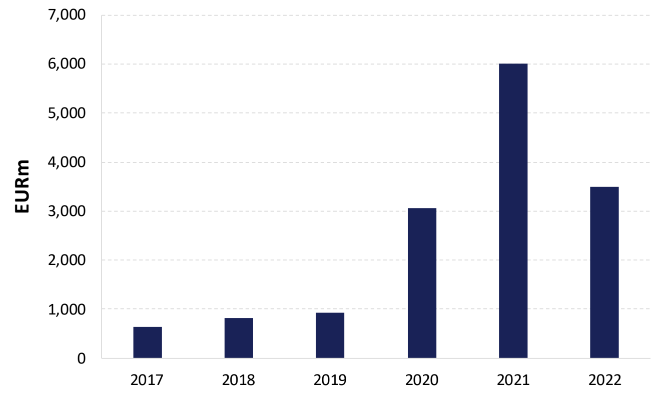
Last year, Investitionsbank des Landes Brandenburg (ILB, ticker: ILBB) committed promotional funding in the amount of EUR 1.6bn to around 13,000 projects. The promotional result is once again characterised by high commitments in the area of economic development (EUR 324m) as well as for business-related and municipal infrastructure (EUR 847m), structural development in the region of Lusatia (EUR 63m), agricultural development (EUR 62m), housing construction (EUR 358m) and equity and start-up financing (EUR 38m). It became clear that all promotional programmes to support the digital and energy transformations are very popular with the respectively eligible applicants, from SMEs to educational institutions. In the current EU structural funds period, a total of 22 new promotional programmes were launched or relaunched by the ILB in 2023. For 2024, ILB is planning new commitments totalling EUR 1.9bn.

20 years of NBank - promotion, impetus and transformation
Investitions- und Förderbank Niedersachsen (NBank) acts on behalf of the federal state of Lower Saxony as an informant, advisor, counsellor and promoter for structural and economic policy issues. The overarching objectives are to create growth and quality of life for businesses, local authorities, institutions and their people. Founded in 2004, NBank has operated in the legal form of a public law institution (AöR) with legal capacity since 2008 and was expanded in 2015 to include the wholly owned subsidiary nBank Capital Beteiligungsgesellschaft mbH. The structural and economic policy tasks that NBank supports on behalf of the federal state range from economic, labour market and housing promotion to infrastructure promotion. With regard to labour market promotion, the Pro-Active Centre in Salzgitter should be mentioned. As a contact point for (disadvantaged) young people, it offers support aimed at achieving professional ambitions. Housing promotion, the funds for which are mainly provided by the federal state, includes projects such as the new student hall of residence in Wolfenbüttel. The conversion of the listed building was financed for this purpose. The construction of children's daycare centres is also supported by NBank as part of (social) infrastructure funding. NBank uses grants, loans and equity investments to finance such projects. Access to the grants is based on close cooperation with institutions such as the European Investment Bank and the Lower Saxony Innovation Centre. In total, the promotional volume of NBank amounted to EUR 3.5bn in 2022, to which it contributed EUR 26m as a co-investor. The federal state of Lower Saxony acts as the guarantor of the bank, which means that guarantor liability (*Gewährträgerhaftung*) and institutional liability (*Anstaltslast*) are both in place. NBank does not have a rating of its own, but we regularly analyse the guarantor Lower Saxony (AAA/ - / -) as part of our Issuer Guide – German Laender 2023. This year, NBank is celebrating its 20th anniversary and, after two decades of successful promotional business, continues to look to the future with optimism. In the course of the transformation process of the economy, it continues to develop as an investment bank. NBank is seeking to tackle current challenges such as digitalisation and climate change by making better use of its promotional potential and expanding its lending business. "NBank is already a strong partner for the economy, local authorities and population of Lower Saxony. But we can and want to do even more. In particular, more loan-based offers are needed. We will not be able to tackle the challenges through the budget alone. A strengthened NBank offers great potential for Lower Saxony," says Michael Kiesewetter, CEO of NBank.

Promotional funding by sector 2022



Development of promotional volume



Source: Issuer, NORD/LB Floor Research

Primary market

In the past trading week, there was once again brisk activity on the SSA primary market, although the pace has slowed considerably compared with the previous edition of our weekly publication in terms of the number of issuers. A fair amount of fresh supply was nevertheless brought to the market again. Today, we can report four new issues in benchmark format totalling EUR 10.75bn, including three debutants in 2024. A sub-benchmark deal completes the picture. Let's start in chronological order: The marketing phase of a fresh benchmark with a volume of EUR 1bn from the federal state of North Rhine-Westphalia (ticker: NRW), the mandate for which we had already commented on in the previous edition, started right away on Wednesday. The bond with a term of 30 years and a coupon of 3% finally came in at ms +74bp. The order book filled up to EUR 3.5bn and offered some room for manoeuvre, so that narrowing versus the guidance of two basis points was ultimately possible. The next debutant in 2024, the Canadian province of Quebec (ticker: Q), took to the trading floor yesterday (Tuesday). The Canadians were looking for a fresh EUR 2.25bn, which was to be raised over a ten-year term. After a guidance of ms +47bp area was stated in advance, the final pricing was one basis point tighter at ms +46bp. The order book totalled EUR 3.9bn, with a bid-to-cover ratio of 1.73x. This makes Quebec the third Canadian province, after Ontario and British Columbia, to be active on the EUR market this year. For further information on the capital market presence of Canadian sub-sovereigns, please refer to our recently published Issuer Guide – Canadian Provinces & Territories 2024. The trio of debutants is rounded off by Instituto de Crédito Oficial (ticker: ICO). The Spanish promotional bank provided fresh supply in the ESG segment, approaching investors with a green benchmark featuring a volume of EUR 500m and a short seven-year term. By the end of the marketing phase, the spread amounted to SPGB +11bp (corresponds to approximately ms +34bp). For 2024 as a whole, ICO intends to raise funding in the amount of EUR 5-6bn overall. However, the highlight of the past trading week was undoubtedly yesterday's third syndicated transaction (see Funding plan for H1/2024) by the European Union (ticker: EU). As part of this, the EU issued its first green bond of the current year in the amount of EUR 7bn, for which it chose a term of long 25 years. The order book totalled an impressive EUR 86.5bn, meaning that the deal was more than 12x oversubscribed. The EU decided to capitalise on the high level of investor interest and increased the initially announced volume of EUR 6bn in the course of the book-building process. The final pricing was ultimately two basis points tighter than the guidance at ms +80bp. The issue proceeds will be used for nine categories of expenditure as part of the NextGenerationEU (NGEU) programme. For further information on the use of proceeds from NGEU Green Bonds, please refer to our Covered Bond & SSA View of 13 March, in which we took a closer look at the NGEU Green Bond Dashboard. Moving over to the sub-benchmark segment, Sächsische Aufbaubank (ticker: SABFOE) made an appearance with a fresh bond in the amount of EUR 250m (7y), which was ultimately priced at ms +18bp. Based on the new mandates that have been issued, we expect the following transactions in the next few days: FLEMSH (10y; 20y, ESG) as well as BREMEN (EUR 500m, WNG, 10y).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
ICO	ES	19.03.	XS2793252060	7.1y	0.50bn	ms +34bp	A- / Baa1 / A	X
EU	SNAT	19.03.	EU000A3K4EU0	25.8y	7.00bn	ms +80bp	AAA / Aaa / AA+	X
Q	CA	19.03.	XS2792222379	10.0y	2.25bn	ms +46bp	AA- / Aa2 / AA-	-
NRW	DE	13.03.	DE000NRW0PE6	30.0y	1.00bn	ms +74bp	AAA / Aa1 / AA	-

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

Covered Bonds
Covered bond jurisdictions "Down Under" in the spotlight

Authors: Dr Frederik Kunze // Lukas Kühne

Covered bond markets in Australia and New Zealand

In this present edition of our weekly publication, we are focusing on the covered bond markets in Australia and New Zealand. According to statistics from the European Covered Bond Council (ECBC), Australia ranks in 13th place (FY 2022: EUR 70.2bn) based on the outstanding volume of covered bonds, ahead of Finland (EUR 51.8bn) and behind the UK (EUR 90.9bn). As such, Australia is the second largest market for covered bonds outside Europe after Canada (outstanding volume EUR 168.4bn) and the biggest in the APAC region. In our view, therefore, the Australian covered bond market is among the most established jurisdictions in the world. The focus of Australian issuers is clearly on placements in EUR, which account for 54.4% of the outstanding volume (FY 2022), whereas issues in the domestic currency AUD only play a secondary role (14.2%). The focus on EUR-denominated issues is even more pronounced in New Zealand, where the European single currency accounts for a share of 95.3%. One factor which should not be overlooked in this context in our view is the respective size of the covered bond market, which is much smaller in New Zealand than in Australia, with an outstanding volume of EUR 10.5bn (FY 2022). New Zealand therefore ranks 23rd worldwide based on ECBC data. In all, the outstanding volume is split between five covered bond issuers, of which four are also active in the EUR benchmark segment. All the New Zealand issuers active in the primary market are subsidiaries of Australian banks, which are also active in this market segment. However, there are no explicit guarantees from the Australian parent companies for the covered bonds of their New Zealand subsidiaries.

EUR benchmark segment in Australia and New Zealand

A total of eleven issuers are active in the EUR benchmark segment In Australia and New Zealand. At the latest count, the issuers from both jurisdictions had exclusively mortgage-backed covered bonds, although under the applicable legislation they could also issue public covered bonds. Moreover, all the cover pools without exception are made up of residential assets; none of the cover pools of the EUR benchmark issuers had any commercial real estate assets as at 31 December 2023. Geographically, 100% of the cover pool assets are based in the respective issuers' home country. In addition, as at 31 December 2023, all the cover pools reported an overcollateralisation ratio of at least 20%. The indexed LTVs of the cover pools as at the same date were within a range of 35.1% to 55.7% and are therefore well below the statutory thresholds. Below, we shall provide a summary of institutions currently active in the EUR benchmark segment in both jurisdictions.

Issuer (AU)[1]	Cover Pool (AUDm)	Outst. Volume (AUDm)	OC (%)	LCR level / Risk weight	LTV (indexed; %)	Moody's Collateral Score	Covered Bond rating (Fitch / Moody's / S&P)	EUR BMK 2024ytd	EUR BMK 2023	EUR BMK 2022
								EURbn / Number of deals		
ANZ Group	20,864	13,625	53.1	2A / 20%	55.3	4.0%	AAA / Aaa / -	- / -	1.50 /1	3.75 / 1
Bendigo and Adelaide Bank	2,820	2,027	39.1	2A / 20%	50.2	4.0%	AAA / Aaa / -	- / -	0.50 / 1	- / -
Bank of Queensland	4,876	3,557	37.1	2A / 20%	42.4	5.3%	AAA / Aaa / -	- / -	- / -	0.60 / 1
Commonwealth Bank of Aust.	40,303	33,540	20.2	2A / 20%	41.3	4.0%	AAA / Aaa / -	- / -	1.50 / 1	2.25 / 1
Macquarie Group	1,265	885	42.9	2A / 20%	49.2	5.8%	AAA / Aaa / -	- / -	- / -	0.60 / 1
National Australia Bank	34,199	26,019	31.4	2A / 20%	55.7	4.0%	AAA / Aaa / -	1.25 / 1	1.50 / 1	2.25 / 2
Westpac Banking Corporation	43,000	34,632	24.2	2A / 20%	54.5	4.0%	AAA / Aaa / -	- / -	1.25 / 1	2.00 / 2
Issuer (NZ)[1]	**Cover Pool** (NZDm)	**Outst. Volume** (NZDm)	**OC** (%)	**LCR level / Risk weight**	**LTV** (indexed; %)	**Moody's Collateral Score**	**Covered Bond rating** (Fitch / Moody's / S&P)	**EUR BMK 2024ytd**	**EUR BMK 2023**	**EUR BMK 2022**
								EURbn / Number of deals		
ANZ Bank New Zealand	9,922	3,377	193.8	2A / 20%	42.9	5.0%	AAA / Aaa / -	- / -	0.50 / 1	0.75 / 1
ASB Bank	4,605	2,966	55.3	2A / 20%	35.1	5.0%	AAA / Aaa / -	- / -	- / -	- / -
Bank of New Zealand	7,755	6,462	20.0	2A / 20%	41.7	5.1%	AAA / Aaa / -	- / -	0.75 / 1	0.75 / 1
Westpac New Zealand	7,500	6,766	46.2	2A / 20%	43.8	4.0%	AAA / Aaa / -	- / -	0.75 / 1	0.75 / 1

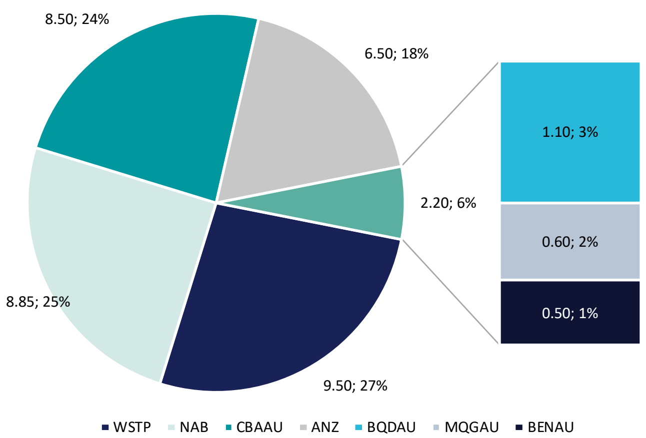
Source: Banks, rating agencies, NORD/LB Floor Research

[1] Cover pool data as at the reference date of 31 Dec. 2023

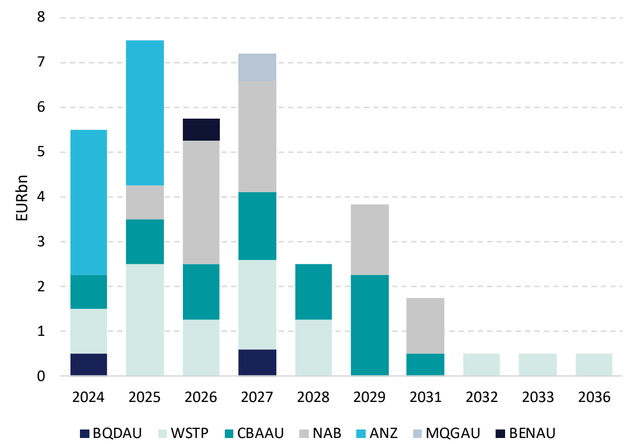
Primary market activities in Australia

In total, seven Australian issuers are active in the market for EUR benchmarks with an outstanding volume of EUR 35.6bn. There was lively issuance activity again in the Australian market last year, during which a total covered bond volume of EUR 6.3bn was placed. In September 2023, Bendigo and Adelaide Bank made its debut to join the ranks of Australian EUR benchmark issuers. The four biggest Australian issuers account for a total of around 93.7% of the total outstanding issue volume. These include: Westpac Banking Corporation, National Australia Bank, Commonwealth Bank of Australia and Australia and New Zealand Banking Group. So far this year, only National Australia Bank has been active in the market with a new deal, successfully placing a 7-year covered bond in the amount of EUR 1.3bn. Order books were well filled (bid-to-cover ratio: 4.0x), and the bond was therefore placed at a re-offer spread of ms +58bp (guidance: ms +66bp area).

Outstanding EUR benchmarks AU (EURbn)



EUR benchmarks AU (maturities; EURbn)

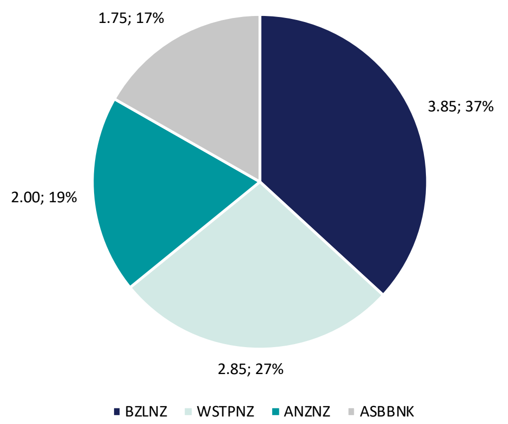


Source: Market data, NORD/LB Markets Floor Research

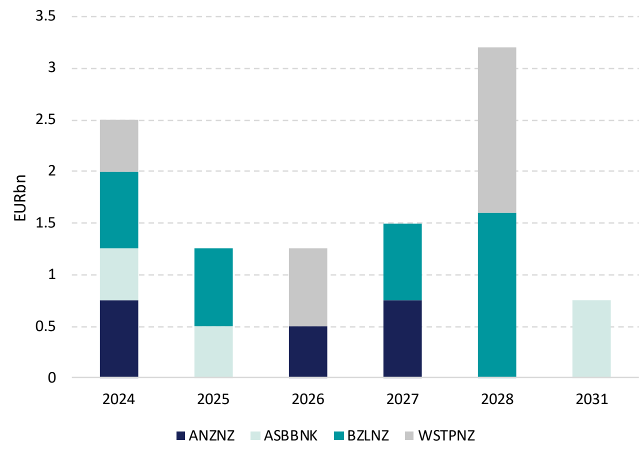
Primary market activities in New Zealand

New Zealand's EUR benchmark segment is much smaller than Australia's, with four active issuers and an outstanding volume of EUR 10.5bn. The concentration of the issue volume among New Zealand's issuers is much less pronounced than in Australia. Most recently, the biggest issuer (Bank of New Zealand) had an outstanding volume of EUR 3.9bn, whereas the smallest issuer (ASB Bank) had an outstanding volume of covered bonds totalling EUR 1.8bn. Three of the four benchmark issuers were active in the market in 2023, each placing one covered bond. The volume issued in 2023 amounted to a total of EUR 2.0bn. To date this year, there have been no new deals from New Zealand. However, as the example of National Australia Bank shows, the primary market is definitely receptive to issues from Down Under.

Outstanding EUR benchmarks NZ (EURbn)



EUR benchmarks NZ (maturities; EURbn)

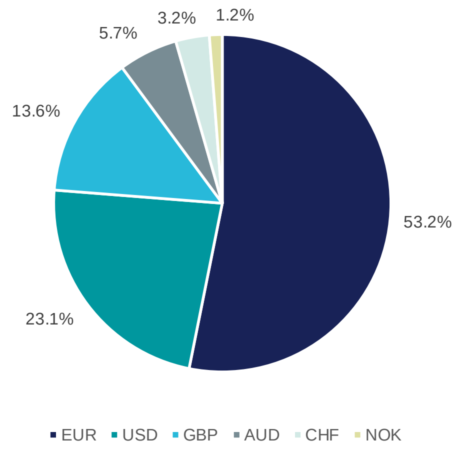


Source: Market data, NORD/LB Floor Research

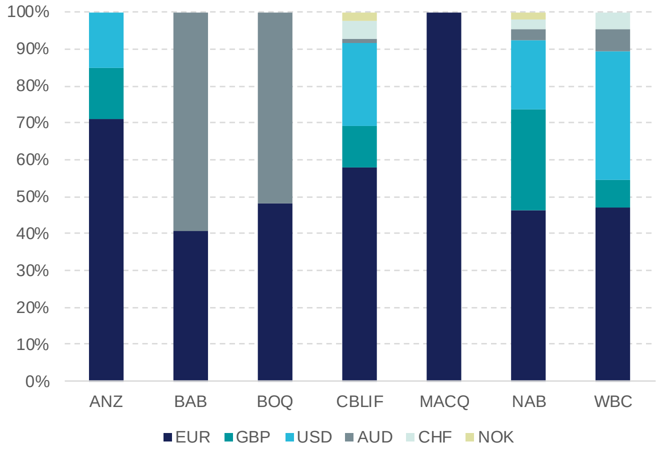
Impressive currency mix for Australian EUR benchmark issuers

As regards the currency split of the EUR benchmark issuers, there are significant differences between the two under jurisdictions consideration – Australia and New Zealand. Whereas up to now, New Zealand issuers only have EUR covered bonds outstanding, the picture in Australia is much more varied. In total, the covered bond issues from Australian issuers can be split between six different currencies. This also means that the currency split is not a negligible factor when it comes to an assessment of the Australian covered bond market. As at 31 December 2023, EUR covered bonds accounted for the bulk of issues at 53.2%, but there are also placements in more "exotic" currencies, such as NOK or CHF, in the Australian covered bond market. The domestic currency (AUD) only plays a marginal role among Australian issuers with a share of 5.7%. Banks with a higher issuance volume show a greater diversity in relation to the currency split, whereas the smaller issuers mostly restrict themselves to issuing covered bonds in euro and in the domestic currency. In our view, the option to choose between various currencies allows Australian issuers to be active in the market in a very selective manner. The following charts are based on publications by Australian institutions.

AU covered bond issues: Currency split



AU: Covered bond currency split by issuer



Source: Issuers, NORD/LB Floor Research

Rating and regulatory classification of covered bonds from Down Under

The covered bonds of Australian EUR benchmark issuers have top ratings from the rating agencies (Moody's and Fitch) across the board. In addition, Moody's Collateral Score for the relevant covered bonds shows a high credit quality of cover assets even by international comparison. The mortgage cover pools can be described as consistently granular, whereby primary cover, as already mentioned, consists solely of residential mortgages. As regards the regulatory classification, a risk weight of 20% as per CRR applies to the covered bonds. In addition, the EUR benchmarks are, in our view, eligible as Level 2A assets in the context of LCR management. Since neither jurisdiction belongs to the G10, their EUR benchmarks are not eligible as securities in the context of ECB collateral management.

Key features of the legislative frameworks for covered bonds

When comparing the two covered bond legislations, the Australian framework offers many more binding requirements, whereas key aspects such as the assets to be used in the cover pool are not anchored in law in New Zealand; rather, they have developed through covered bond programmes and the market standard. In our view, the most important features in the legislation in Australia include an overcollateralisation ratio of at least 3% of the normal value of the outstanding covered bonds, a maximum LTV of 80% for residential assets and a monthly adjustment of LTVs by means of indexation. Many of the applicable standards in Australia have become established as a market standard for most New Zealand issuers (e.g. the use of assets that are solely domiciled in the home country), without any legal basis having been enshrined. There are, however, minor differences between the jurisdictions, for example in relation to limiting additional cover assets.

Overview of legislation: Australia, New Zealand and Germany

Country	Australia	New Zealand	Germany
Designation	Australian Covered Bonds	New Zealand Registered Covered Bonds	Mortgage Pfandbriefe, Public-, Ship- & Aircraft Pfandbriefe
Special bank principle	No	No	No
Owner of assets	SPV	SPV	Issuer
Public supervision / Regulator	Australian Prudential Regulation Authority (APRA)	Reserve Bank of New Zealand (RBNZ)	Federal Financial Supervisory Authority (BaFin)
Cover assets (if applicable incl. substitute cover)	Mortgage loans, public sector loans, bank loans	Not regulated by law (in practice: Mortgage loans)	Mortgage, ship and aircraft loans, public sector loans, bank loans
Substitute assets	Yes	Yes	Yes
Limit of substitute assets	15%	Cash: no Limit	CQS1; 15% Öpfe, 20% Hypfe, Schipfe, Flupfe
Derivatives as cover assets	Yes	Yes	Yes
Geographical scope – Mortgage loans	AU	Not regulated by law (practice NZ)	EEA, CH, US, CA, JP, AU, NZ, SG, UK[1], Schipfe and Flupfe worldwide
Geographical scope – Public sector loans	AU	-	EEA, CH, US, CA, JP, UK[1]
Loan to value – Mortgage loans	Residential: 80% Commercial: 60%	Not regulated by law, Asset Coverage Test limits valuation	60% of the mortgage lending value
LTV calculation	Monthly revaluation by indexation (contractually fixed)	Not regulated by law (Practice: Market value)	Mortgage lending value pursuant to Mortgage Lending Value Regulation
Minimum OC	3% nominal value	-	Hypfe/Öpfe: 2% (nominal + stressed present value), Schipfe/Flupfe: 5% (nom. val.)
Cover pool register	Yes	Yes	Yes
Asset encumbrance: * Issue limit; ** Cover pool limit	8% of domestic assets**	10% of Total Balance Sheet**	-
Deferral of maturity	Yes, optional	Yes	Yes, mandatory
Trigger Deferral of maturity	Insolvency, Inability to pay	-	Insolvency, Resolution
CRD compliant	No	No	Yes (does not apply to aircraft Pfandbriefe)
ECB eligible	No	No	Yes

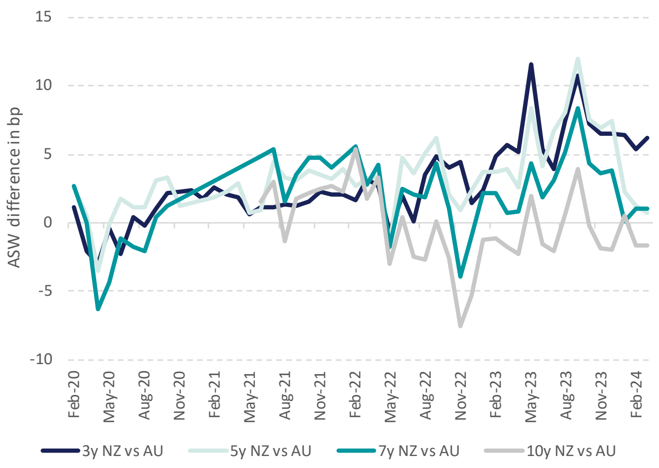
Source: National legislation, ECBC, NORD/LB Floor Research

[1] Non-EEA assets are limited to 10% unless security is assured

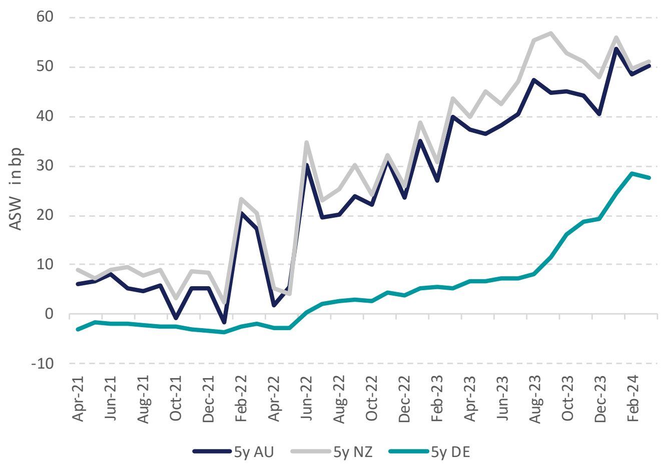
Article 14 of the CB Directive: relevance for covered bonds from AU and NZ

Adjustments in covered bond legislation in the wake of the EU harmonisation brought new requirements for covered bonds from Australia and New Zealand. Article 14 of the Covered Bond Directive lists the provisions and criteria relating to transparency requirements, which jurisdictions with EEA relevance must anchor in their national legislation. In the case of "third countries" such as Australia or New Zealand, within the meaning of the Covered Bond Directive, it is important that requirements under Article 14 should be fulfilled – especially in order to ensure that eligibility as a Level 2A asset in the context of LCR management is maintained. In our view, all EUR benchmark issuers in both jurisdictions meet the requirements of Article 14 of the Covered Bond Directive and can therefore be regarded as Level 2A assets in the context of LCR management. In this respect, we believe it is important to draw attention to the fact that six out of seven Australian EUR benchmark issuers have joined the ECBC Covered Bond Label and meet the uniform reporting standard. Conformity with the provisions of the Label guarantees compliance with Article 14 of the Covered Bond Directive.

ASW spreads: Australia vs. New Zealand (generic)



ASW spreads: New Zealand (generic)



Source: Market data, NORD/LB Floor Research

Spread performance: Marginal differences between the jurisdictions

In line with many other central banks worldwide, the national banks of Australia and New Zealand embarked on an interest rate turnaround in mid-2022 in the wake of the sharp rise in inflation. Repricing on the markets moved in tandem with rising interest rates. Regional differences in the markets have become increasingly significant for the covered bond segment and led to substantial spread differences, depending on the jurisdiction. Recently, the ASW spreads (5y) of Australian and New Zealand issuers were around 20bp higher than those of German Pfandbriefe. In contrast, the difference in spreads between issuers from New Zealand and Australia are much smaller. These are currently between premiums of around +7bp at the short end (3y) and -1bp at the long end (10y). In the case of an outstanding bond with a maturity of more than ten years, the spread difference at the long end (10y) is minimal. Based on the latest figures, there is very little difference in spreads between the two jurisdictions in the medium maturity segment (5y). We ascribe this trend among other things to geographical proximity, the structural similarities of the covered bond programmes and ownership structure of the issuers.

Conclusion and forecast

To sum up, it is fair to say that, so far in 2024, activities in the EUR benchmark segment Down Under have been muted. Overall, we expect issues amounting to EUR 5.8bn from Australia in 2024 and EUR 3.8bn from New Zealand, which equates to a net supply of EUR 0.3bn and EUR 1.3bn respectively. Accordingly, we expect issuers from both jurisdictions to be active in the primary market a few more times this year. As regards the covered bond programmes, we still regard the credit quality of the issuers and cover pools as worthy of note. Even issuers from Down Under have not really been able to escape the general spread impetus from the repricing regime. From this, we deduce that Australian issuers in particular will be very selective when they come onto the market and that they will also prove flexible in their choice of currency.

SSA/Public Issuers
Collective Action Clauses (CACs) – An (Italian) update

Authors: Dr Norman Rudschuck, CIIA // Lukas-Finn Frese // Christian Ilchmann

Introduction and definition

In March 2021, we reported on the forthcoming reform of the European Stability Mechanism (ESM) and the planned introduction of what are known as single-limb collective action clauses (CACs). Almost exactly three years later, we want to provide an update on this topic in this article. So, what exactly is this all about? CACs denote a clause which allows a qualified majority of bondholders to decide changes in the bond conditions which are legally binding for all holders. Unlike in the case of companies, there is no insolvency or resolution process for sovereign issuers. CACs therefore aim to make sovereign debt restructuring processes simpler and more orderly. CACs have recently become the focus of attention through the ESM reform since, in future, a single-tier aggregation mechanism will replace the two-tier aggregation mechanism in place at present. In the following, we will take a closer look at the background of the CACs, explain the implications of the changed aggregation mechanism and, in particular, report on the current state of play.

Background information on CACs

Introduced after the sovereign default of Argentina in December 2001, debt restructuring clauses were primarily customary under Anglo-Saxon law. The situation was different in the case of bonds issued under German law, for example, where each change in bond terms and conditions had to be negotiated individually with each bondholder. Even if a majority of bondholders agreed to a debt restructuring, it could be prevented by a blocking minority. The legal situation inevitably led to some investors trying to take advantage of such blocking. Investors specialising in this approach would buy the bonds of stricken states at times of crisis with the sole aim of preventing a restructuring at a later date and then demanding a disproportionate payment for their bonds. In order to solve this problem, many market participants called for the introduction of clauses allowing binding collective restructuring decisions. Initially, such clauses were mostly turned down because of fears that the costs of debt-financing would be considerably increased by moral hazard among borrowers. There were fears that making restructuring easier would increase temptation among borrowers to cast off their debt, which would then lead to higher borrowing costs. Countries with a lower rating in particular therefore refused to accept such clauses for a long time. In the early 2000s, however, the demand for the introduction of CACs found increasing support among market participants and political decision-makers. This led to the introduction of the first CACs, although they were uneven, prompting the G10 to propose recommendations in relation to harmonisation. The first bond issue with a CAC based on G10 recommendations was a Mexican sovereign bond in 2003. By 2005, 95% of all new sovereign bonds issued included such a clause.

CACs in Europe

Unlike many other European states, Greek sovereign bonds did not include any CACs until its debt restructuring in 2012. However, the clauses were introduced retrospectively in the case of bonds issued under Greek law in the wake of the country's bankruptcy. Since 2013, Eurozone Member States are bound under Article 12 (3) of the ESM contract to include standardised CACs for the issues of bonds with a maturity of over one year. These were initially “double-limb CACs”, i.e. those with a two-tier aggregation mechanism, which means that a qualified majority is required both at the level of each individual bond and at the level of all series combined in order to approve a restructuring. On 30 November 2021, the Member States of the ESM approved a reform. This provides for the introduction of “single-limb CACs”, in other words CACs with a single-tier aggregation mechanism which would only require a single majority at the level of all combined series. This makes it even less likely in future that blocking minorities could be formed among bondholders, i.e. minorities that could prevent a restructuring. In theory, single-limb CACs would make debt restructuring easier and government bonds from financially weak countries, such as Italy, riskier, making borrowing more expensive for them. The single-limb CACs are to be introduced in all Member States concerned on the first day of the second month after the ESM reform (“Agreement Amending the ESM Treaty” or “AA-ESMT” for short) comes into force.

The Italian reform blockade

More than two years have now passed since the decision was made in November 2021. Research on the topic generates few new insights. This begs the question as to what is the current state of play here? All ESM Member States signed the AA-ESMT as of 27 January 2021. All ratified the AA-ESMT – with one exception: Italy. Ratification was last rejected by the Italian parliament on 21 December 2023. The entry into force of the ESM reform and thus the introduction of the single-limb CACs is therefore still pending. The fronts are as follows: Paschal Donohoe, President of the Eurogroup, said he regretted the outcome and would continue to discuss the issue with the Italian authorities in the coming months. He said the finalisation of the ESM reform is a key element of the common safety net in the eurozone that will benefit all Member States. The Italian government is probably swayed by the already mentioned fears of a restructuring of the enormous national debt and a significant increase in funding costs. The statement by Prime Minister Meloni's top advisor, Giovanbattista Fazzolari, is a convoluted one, stating that Italy's interests are paramount, the Italian banking system is one of the most solid in Europe and the world and the ESM Treaty does not need to be reformed just to save large banks in other countries. Meloni had also repeatedly criticised the ESM for demanding that countries implement austerity or financial reform programmes in return for its assistance, saying this would only increase the risk of debt restructuring. It is noticeable that the vote on the ESM reform took place one day after the EU Member States agreed on more lenient budgetary rules (see Covered Bond & SSA View of 21 February). Meloni emphasised that the new Stability and Growth Pact was better than the old one. However, she was disappointed that strategic investments had not been excluded from the deficit and debt calculations of individual Member States.

What is the truth behind the Italian fears?

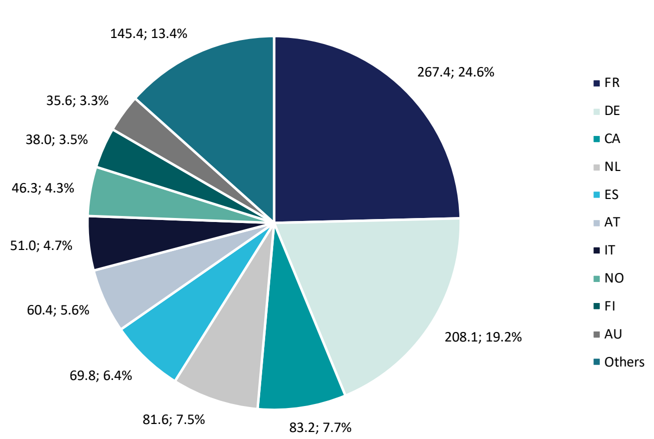
Studies on the correlation between the introduction of CACs and government bond yields have been available in the relevant academic literature since the 1990s. To date, however, no consensus has emerged on this causal relationship. This is due to the fact that previous studies on this topic have used a variety of methods and data sets, which has led to a plethora of analytical approaches. For example, Chung and Papaioannou (2020) from the IMF assume that the inclusion of single-limb CACs in bonds will mean lower costs for borrowers. Market participants will therefore not associate the use of single-limb CACs with misplaced incentives for issuers, but rather, assess the resulting implicit advantages of an efficient debt resolution process in the event of a necessary restructuring. Consequently, market participants would not expect any higher risk from the single-tier mechanism; it would not lead to any substantial risk premium and would not therefore produce any significant widening of spreads. In contrast, Eichengreen and Mody (2004) show that yields on the primary market for government bonds are higher when CACs exist. This applies in particular to debtors with a low rating, such as Italy. So far then it's a draw. Therefore – should the Italian parliament one day ratify the AA-ESMT – it will be interesting to see how the single-tier aggregation mechanism will affect the spreads of Italian government bonds, for example. It becomes even more complex when you remember that the European Central Bank (ECB) also has a trick up its sleeve in the form of its Transmission Protection Instrument (TPI), should budgetary conflicts arise in the European periphery.

Conclusion and outlook

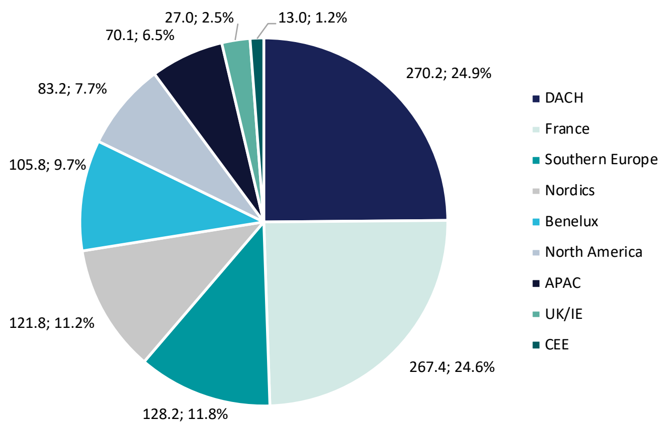
Almost three years to the day since our article on the planned introduction of single-limb CACs as part of the ESM reform, Italy continues to block the entire process. There will be no new vote in the Italian parliament on the ratification of the AA-ESMT until at least June 2024. Representatives of the Eurogroup are likely to issue several more warm statements in praise of the legislation before the AA-ESMT returns to the agenda of the Italian parliament and can one day come into force after all. Furthermore, the timetable and the (maximum) percentages of the annual issuance volumes that *should* be issued by ESM Members without single-limb CACs will presumably be updated sporadically on the website of the European Commission. However, fears of tighter funding conditions for Italy, for example, as a result of the introduction of single-limb CACs are not an inevitable consequence, at least in our view.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



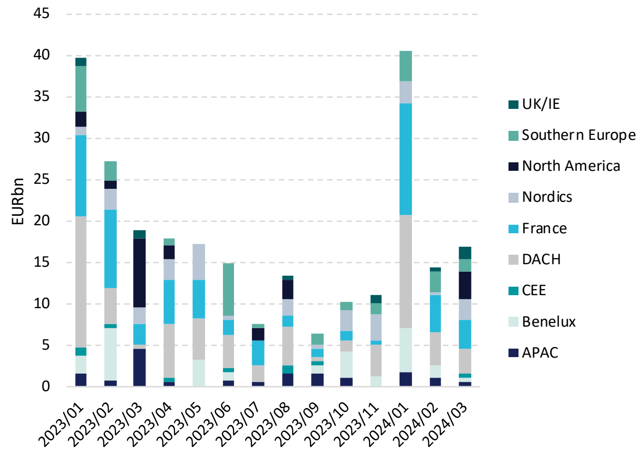
EUR benchmark volume by region (in EURbn)



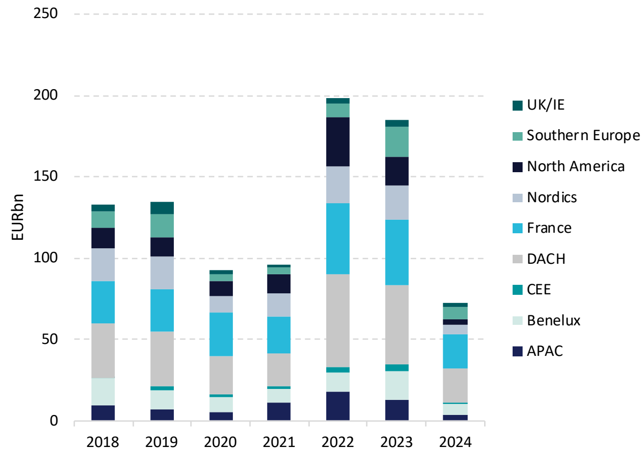
Top-10 jurisdictions

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	267.4	258	25	0.97	9.3	4.9	1.39
2	DE	208.1	297	40	0.65	7.9	4.1	1.36
3	CA	83.2	61	0	1.34	5.6	2.8	1.24
4	NL	81.6	82	3	0.93	10.4	6.1	1.27
5	ES	69.8	55	5	1.15	11.1	3.2	2.08
6	AT	60.4	101	5	0.59	8.1	4.5	1.49
7	IT	51.0	64	4	0.77	8.5	3.9	1.79
8	NO	46.3	56	12	0.83	7.3	3.6	0.91
9	FI	38.0	42	4	0.89	6.9	3.6	1.59
10	AU	35.6	34	0	1.05	7.2	3.2	1.60

EUR benchmark issue volume by month

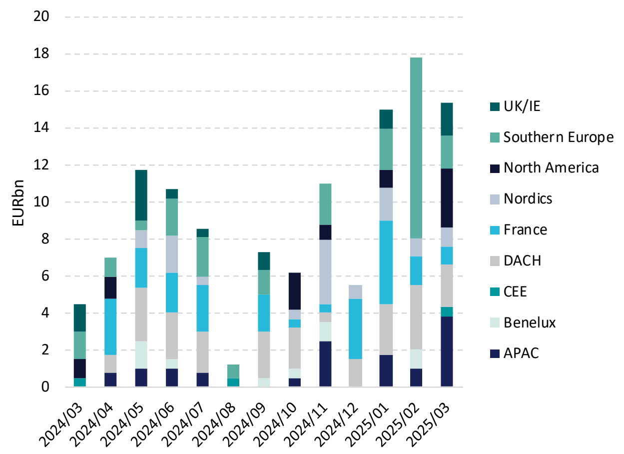


EUR benchmark issue volume by year

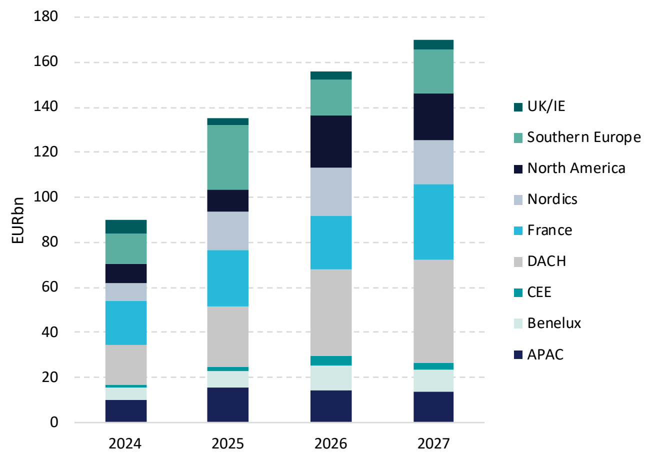


Source: market data, Bloomberg, NORD/LB Floor Research

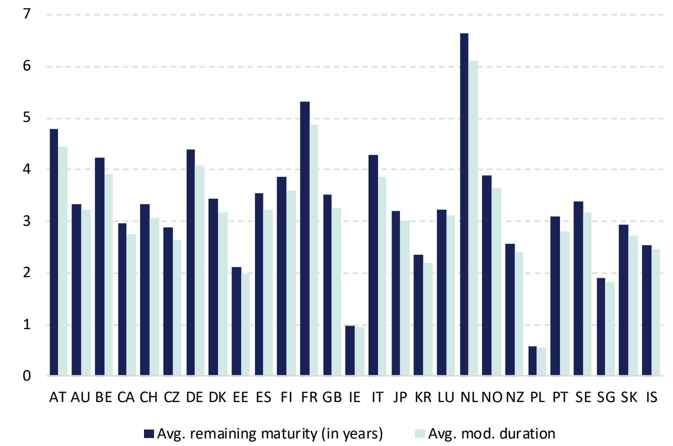
EUR benchmark maturities by month



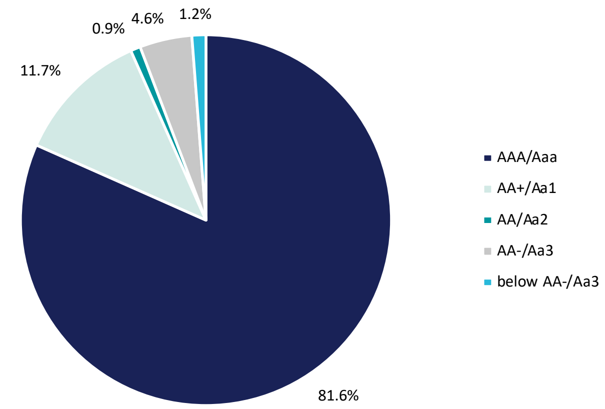
EUR benchmark maturities by year



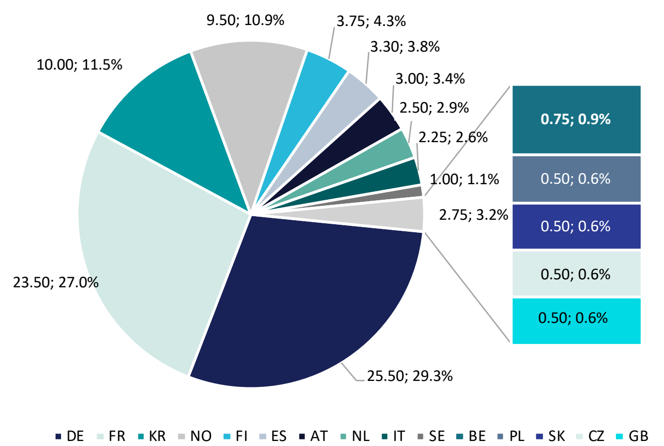
Modified duration and time to maturity by country



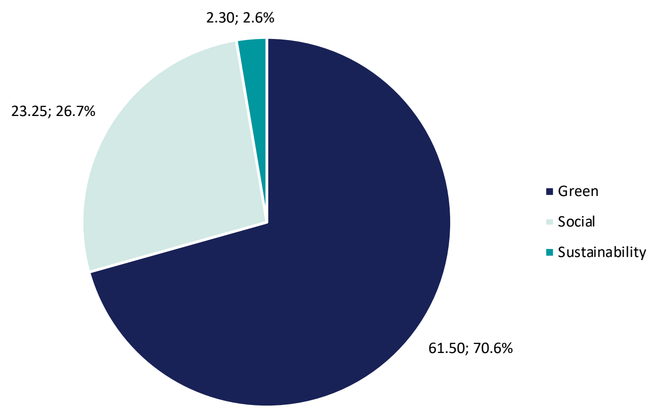
Rating distribution (volume weighted)



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

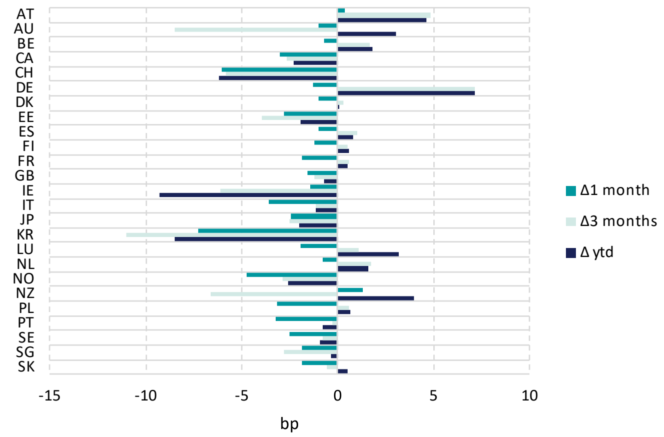


EUR benchmark volume (ESG) by type (in EURbn)

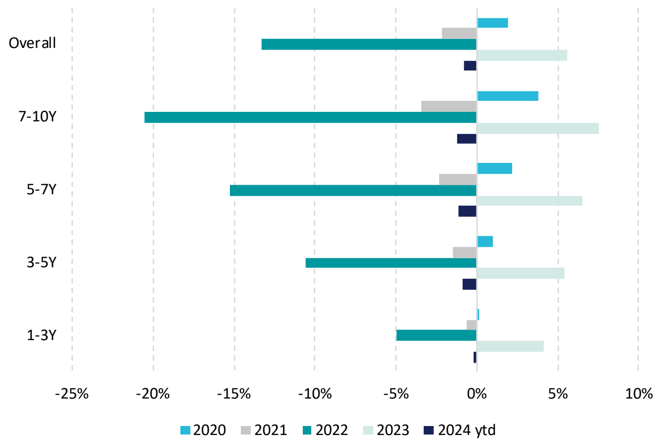


Source: market data, Bloomberg, NORD/LB Floor Research

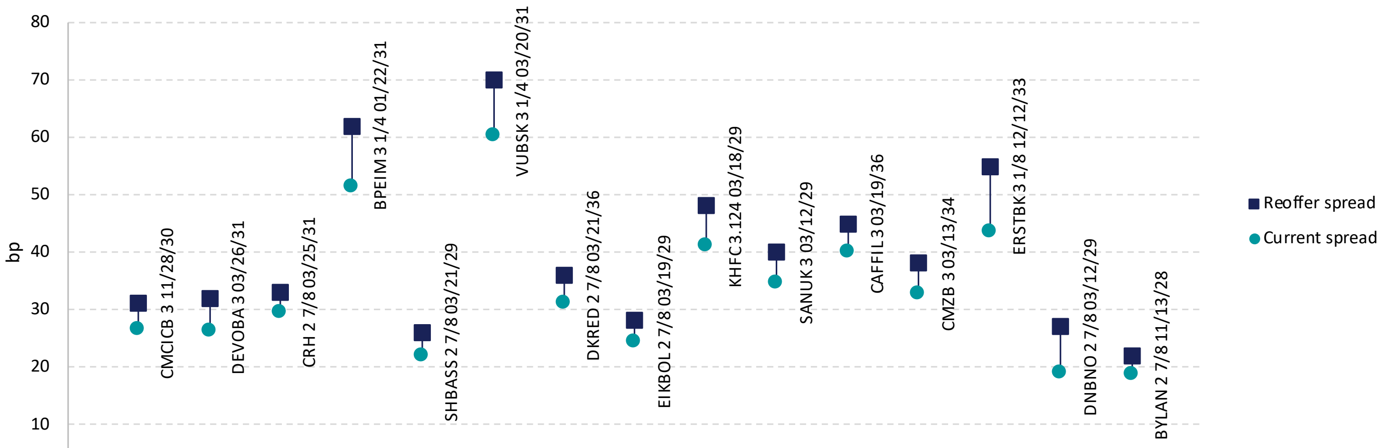
Spread development by country



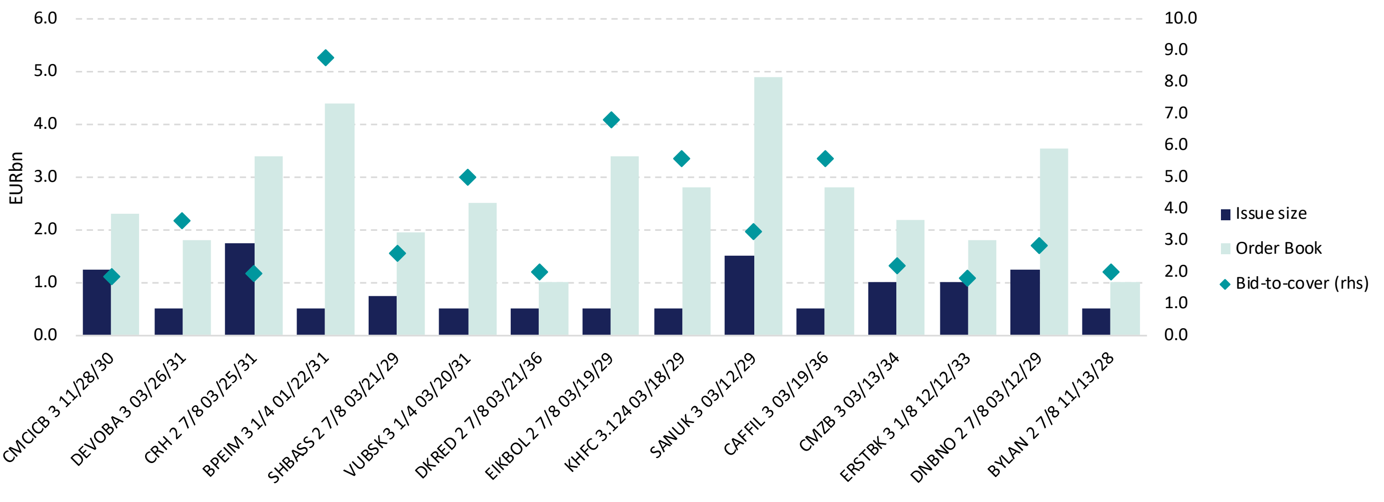
Covered bond performance (Total return)



Spread development (last 15 issues)



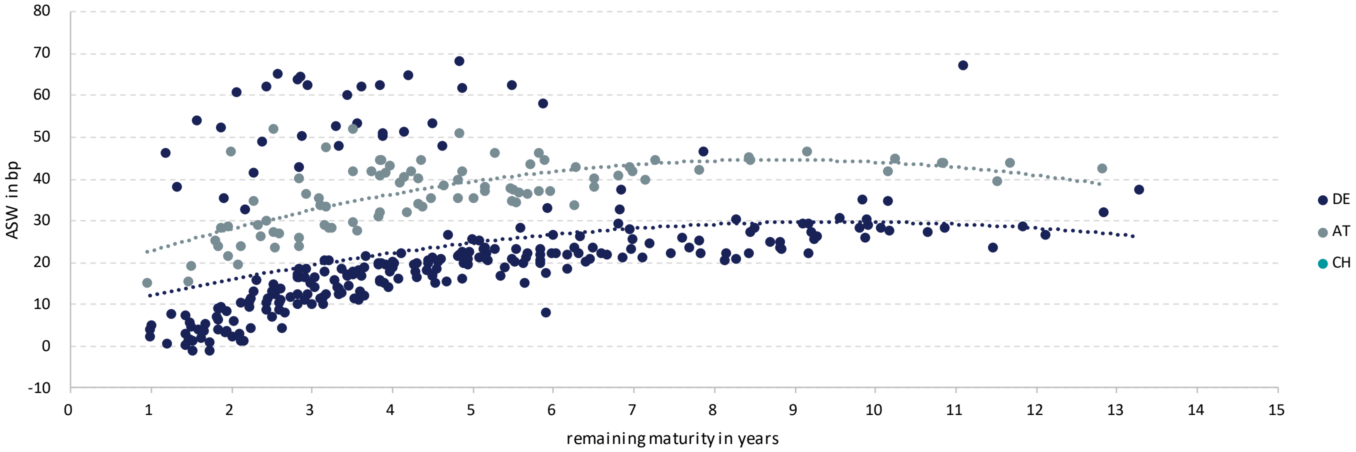
Order books (last 15 issues)



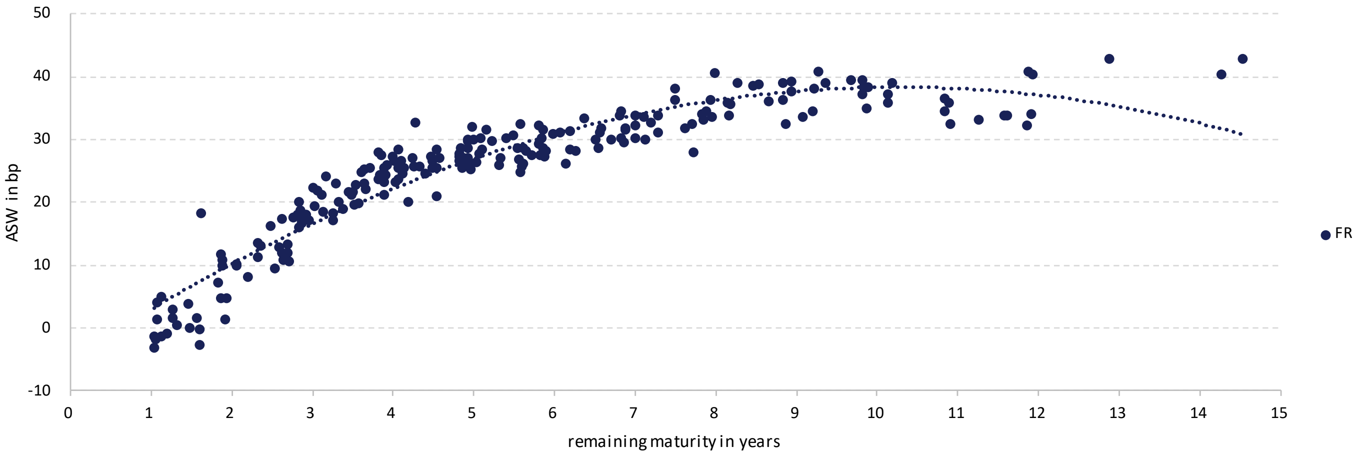
Source: market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

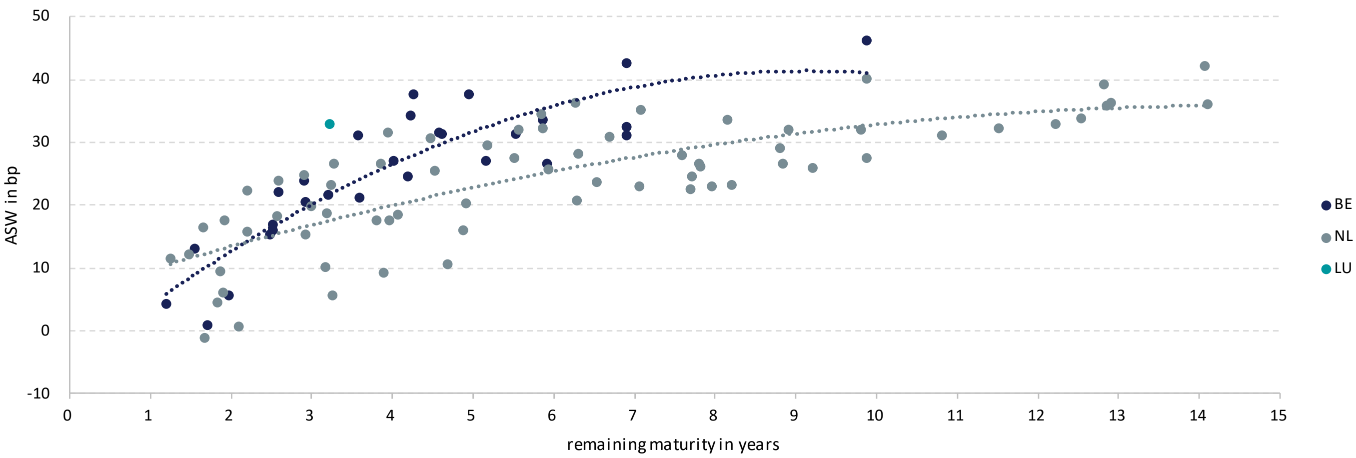
DACH



France

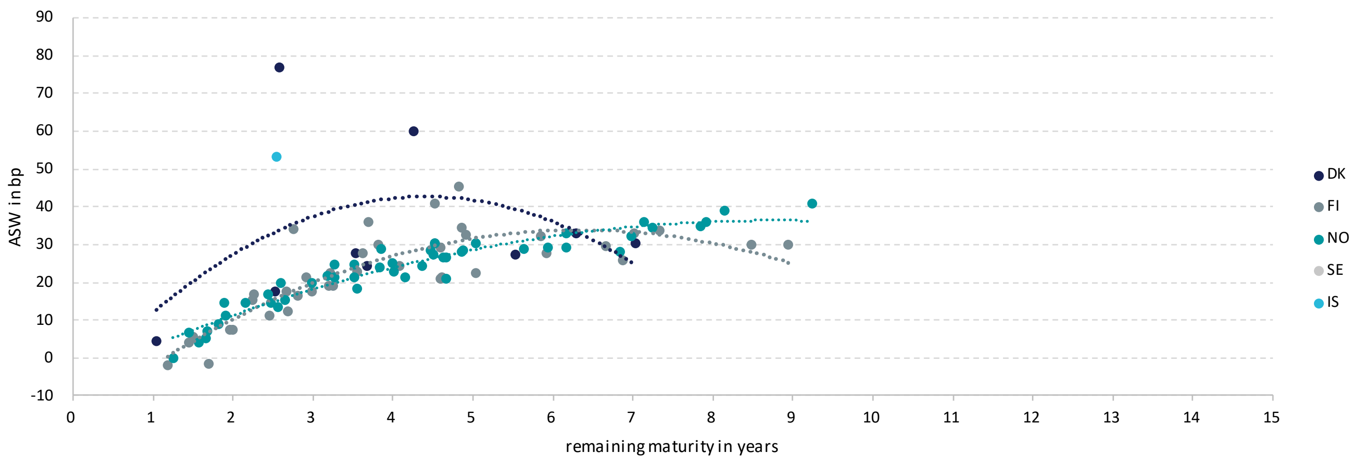


Benelux

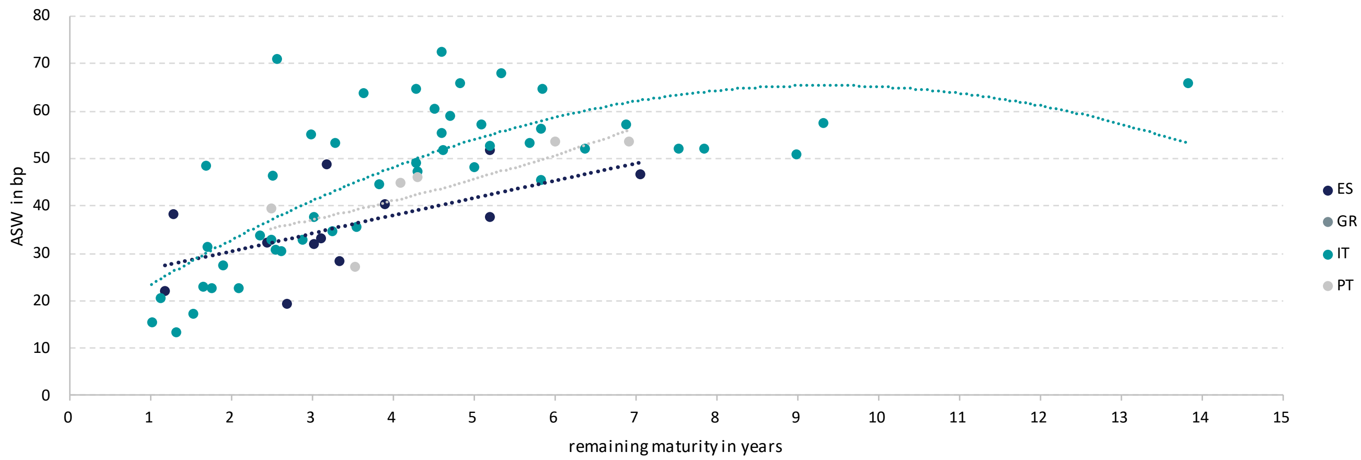


Source: market data, Bloomberg, NORD/LB Floor Research [1]Time to maturity 1 ≤ y ≤ 15

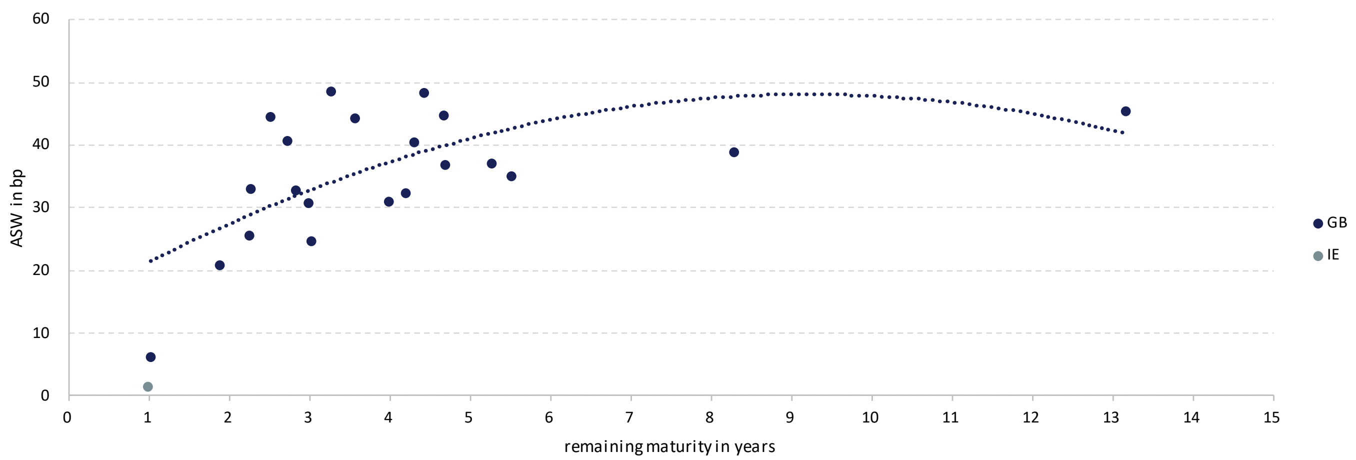
Nordics



Southern Europe

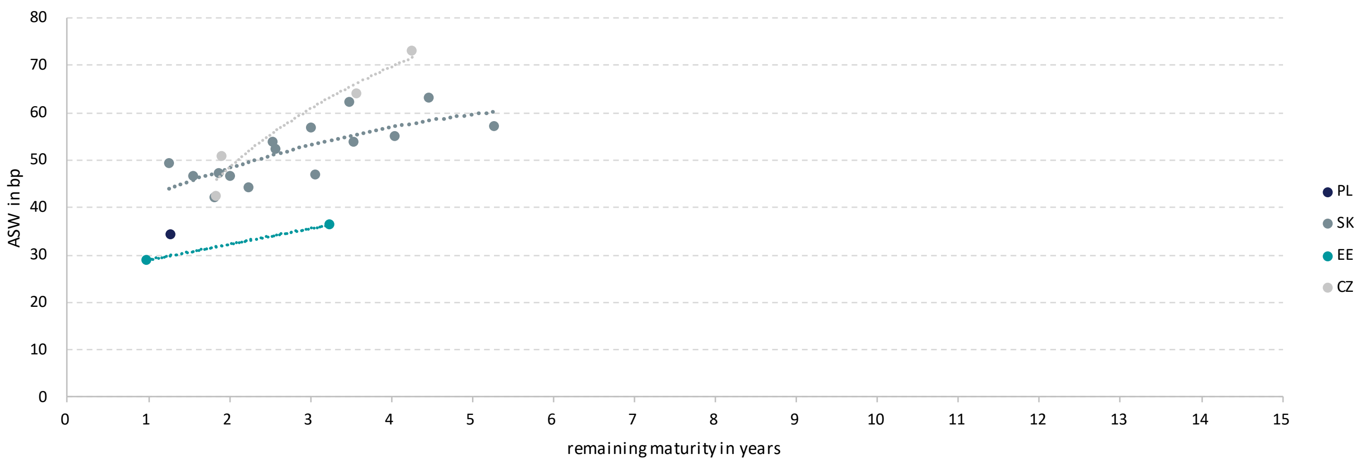


UK/IE

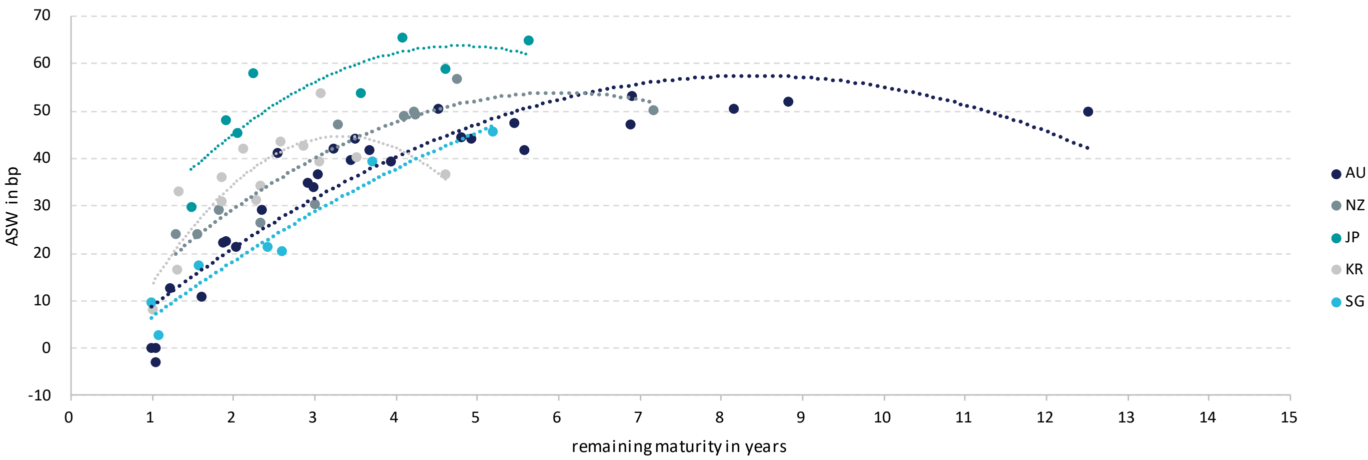


Source: market data, Bloomberg, NORD/LB Floor Research

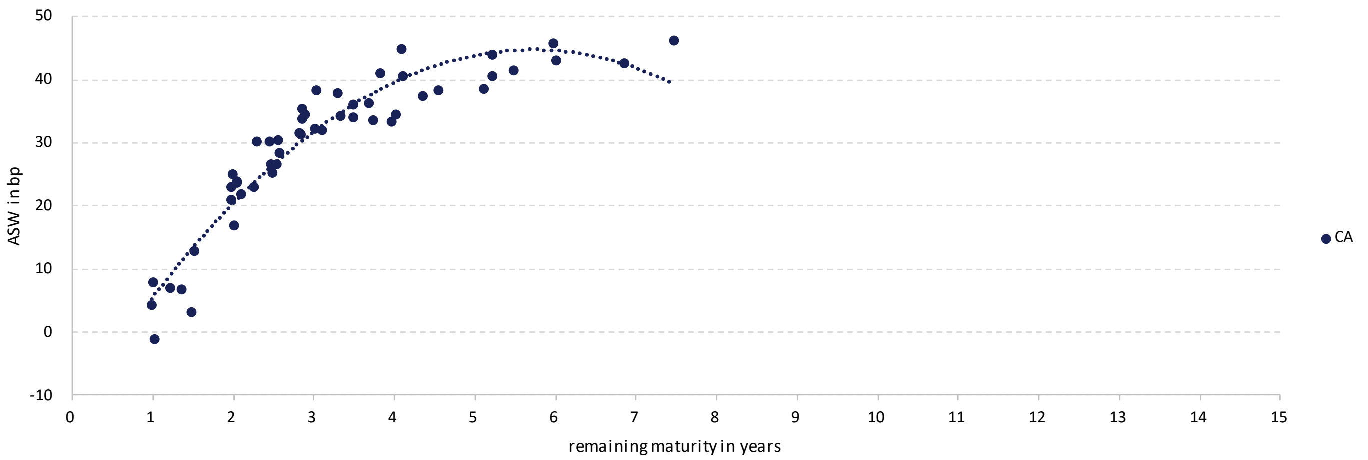
CEE



APAC



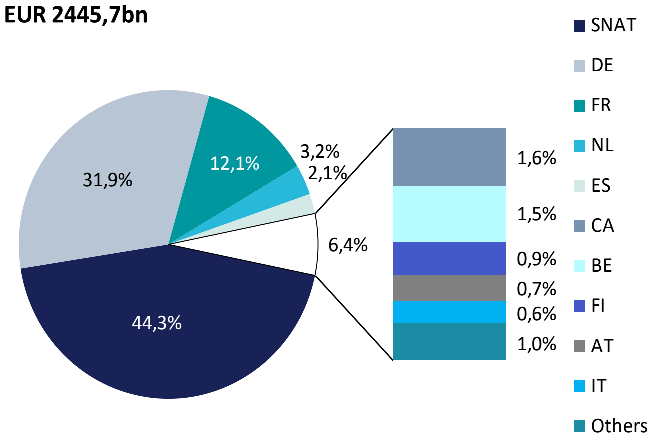
North America



Source: market data, Bloomberg, NORD/LB Floor Research

Charts & Figures
SSA/Public Issuers

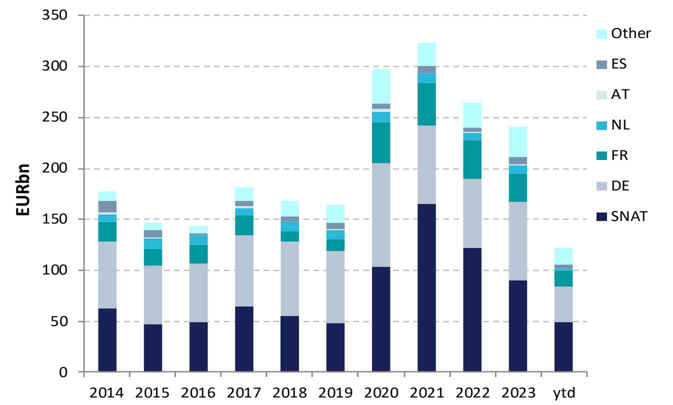
Outstanding volume (bmk)



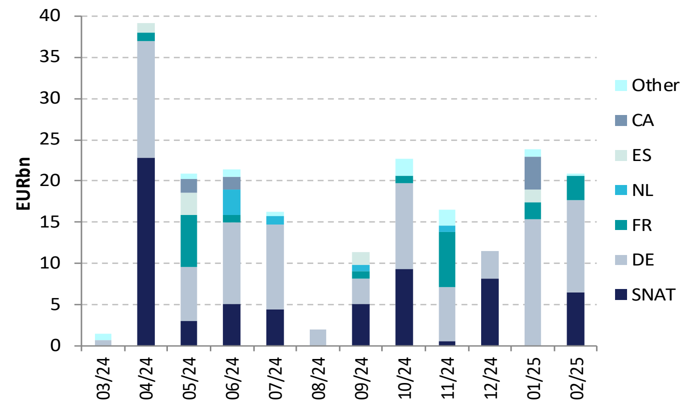
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	1.083,0	235	4,6	8,0
DE	780,2	580	1,3	6,2
FR	296,2	199	1,5	6,0
NL	77,9	67	1,2	6,7
ES	50,8	69	0,7	4,7
CA	39,2	28	1,4	4,6
BE	37,8	41	0,9	10,6
FI	22,7	24	0,9	4,8
AT	17,8	22	0,8	4,2
IT	15,2	19	0,8	4,4

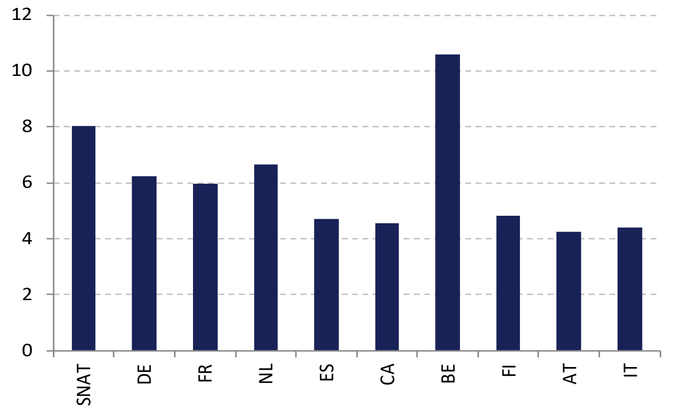
Issue volume by year (bmk)



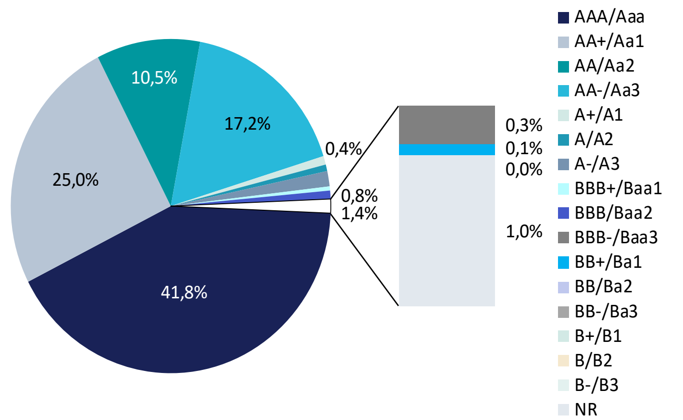
Maturities next 12 months (bmk)



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

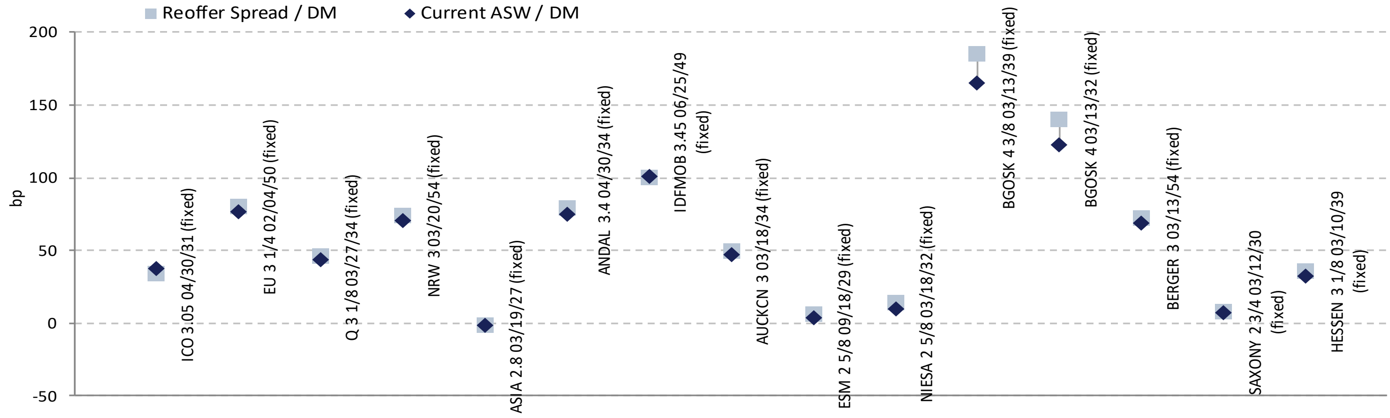


Rating distribution (vol. weighted)

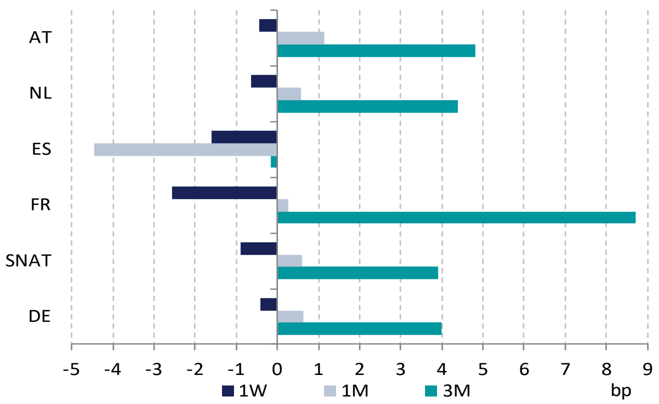


Source: Bloomberg, NORD/LB Floor Research

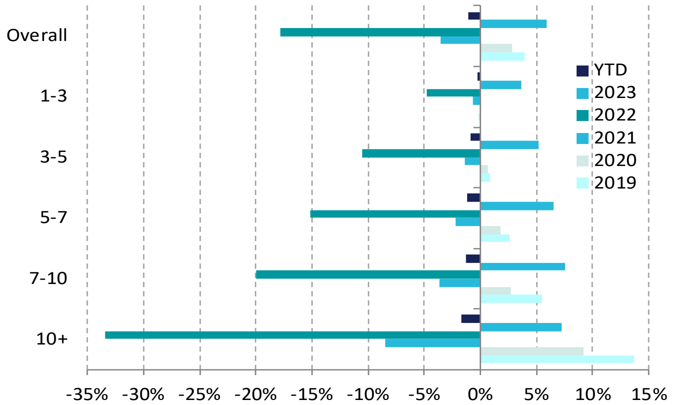
Spread development (last 15 issues)



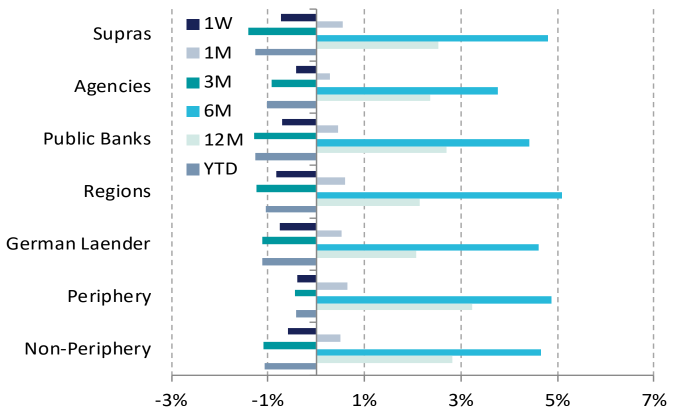
Spread development by country



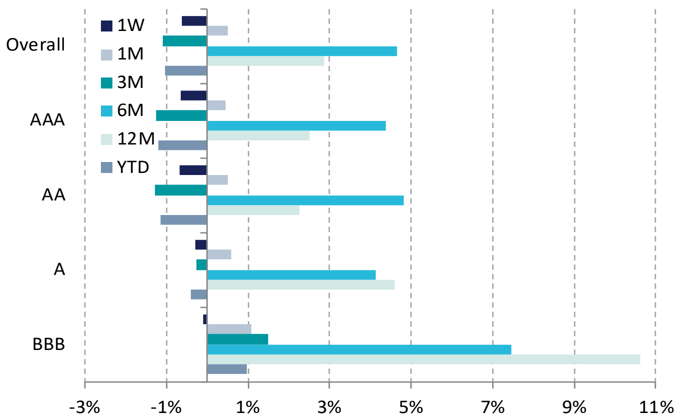
Performance (total return)



Performance (total return) by segments

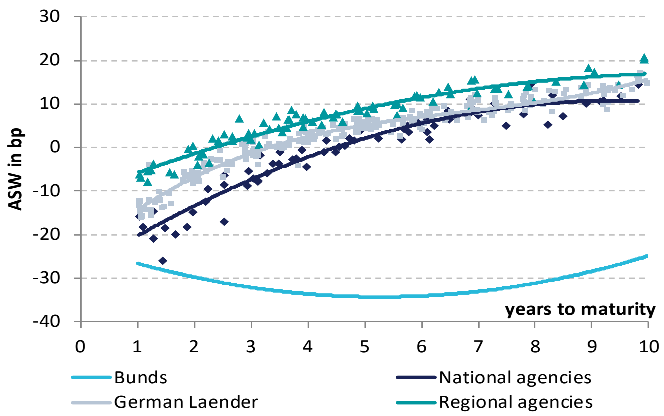


Performance (total return) by rating

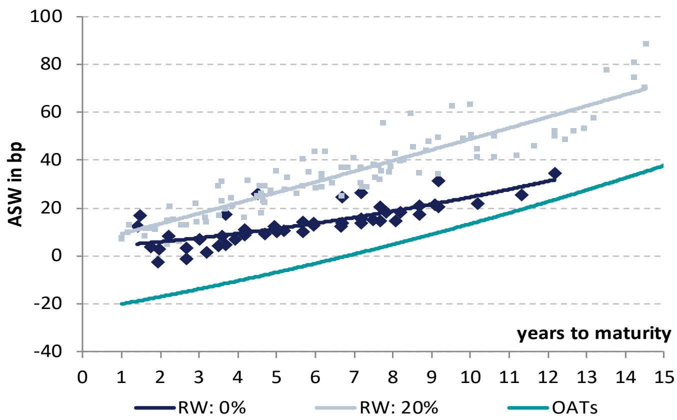


Source: Bloomberg, NORD/LB Floor Research

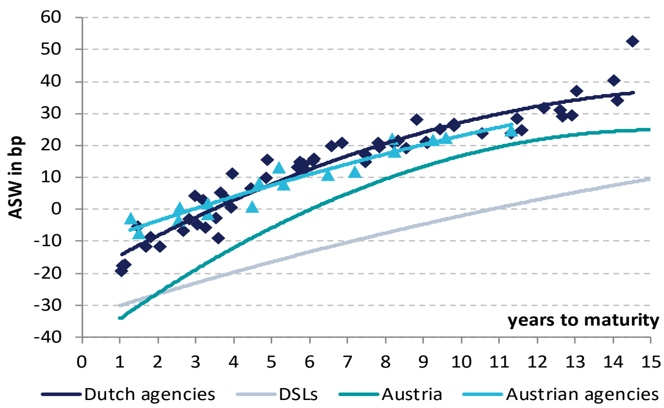
Germany (by segments)



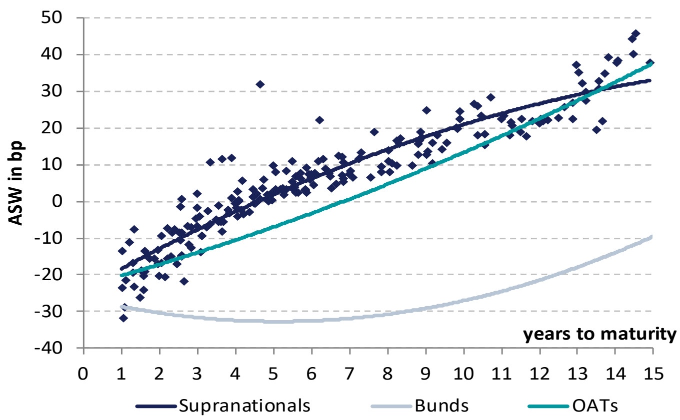
France (by risk weight)



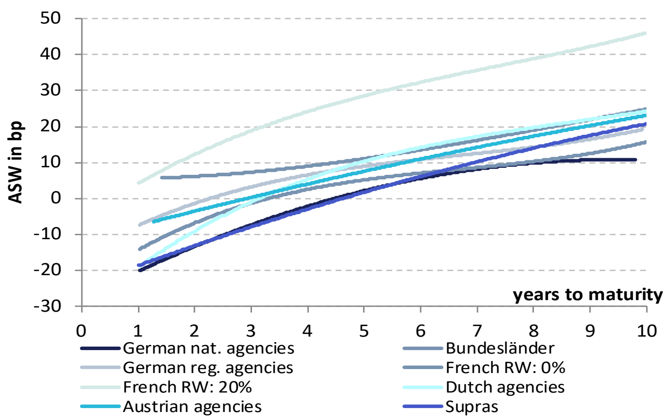
Netherlands & Austria



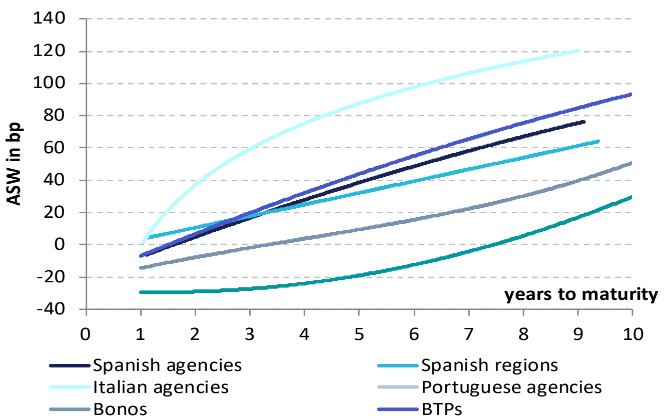
Supranationals



Core



Periphery



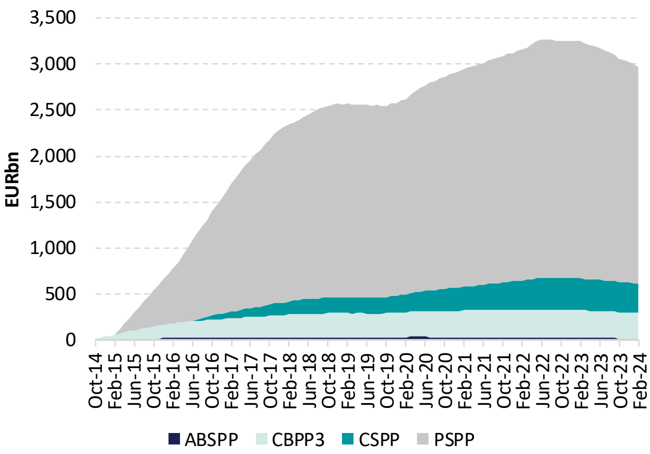
Source: Bloomberg, NORD/LB Floor Research

ECB tracker

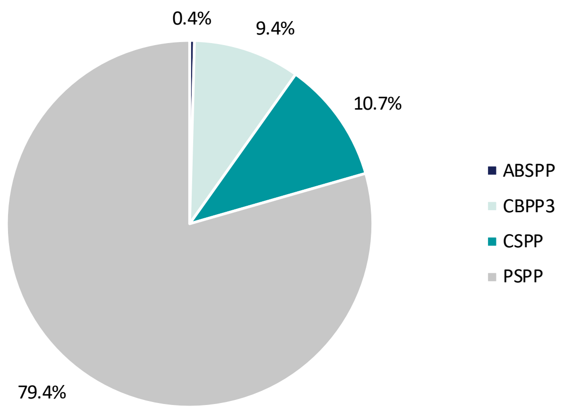
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Jan-24	12,895	281,510	320,763	2,377,495	2,992,663
Feb-24	12,547	279,061	318,688	2,356,971	2,967,267
Δ	-347	-2,449	-2,075	-20,524	-25,395

Portfolio development

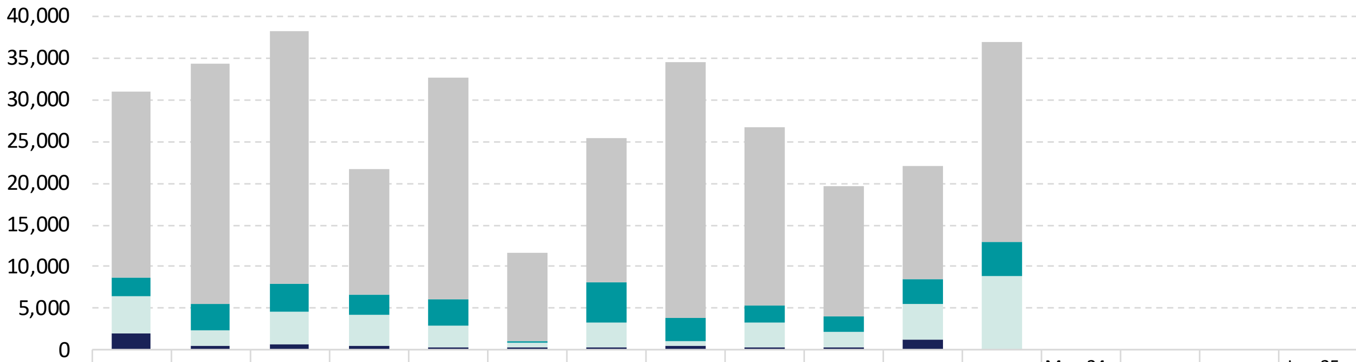


Portfolio structure



Source: ECB, NORD/LB Floor Research

Expected monthly redemptions (in EURm)

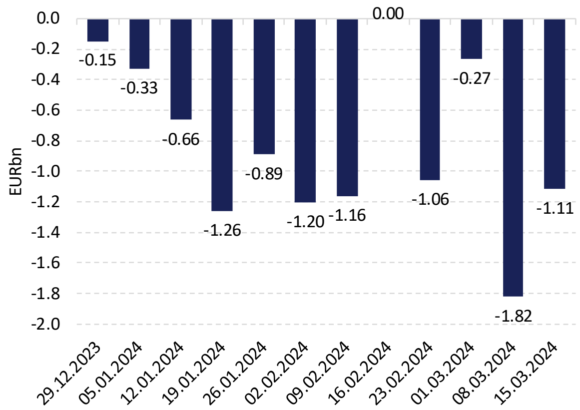


	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-24 - Feb-25	2023	2024	Jan-25 - Feb-25
APP	31,050	34,329	38,225	21,636	32,733	11,592	25,500	34,452	26,697	19,630	22,057	36,945	334,846	331,565	334,274	59,002
PSPP	22,413	28,712	30,194	14,974	26,628	10,533	17,421	30,578	21,298	15,561	13,463	24,021	255,796	255,025	264,208	37,484
CSPP	2,188	3,316	3,463	2,462	3,204	244	4,738	2,720	2,031	1,944	2,973	4,076	33,359	31,251	31,486	7,049
CBPP3	4,434	1,814	3,836	3,777	2,558	541	2,993	736	3,136	1,790	4,335	8,635	38,585	35,147	32,173	12,970
ABSPP	2,015	487	732	423	343	274	348	418	232	335	1,286	213	7,106	10,142	6,407	1,499

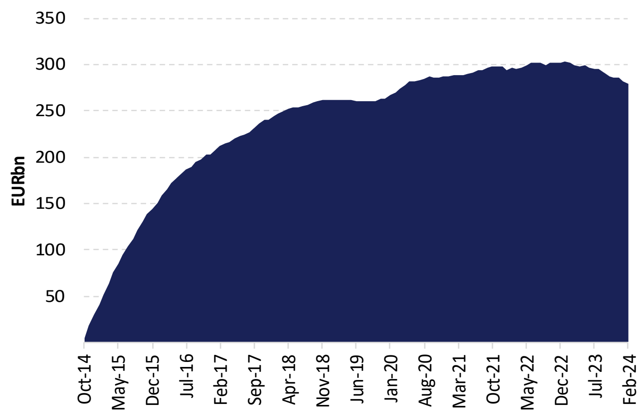
Source: ECB, Bloomberg, NORD/LB Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

Weekly purchases

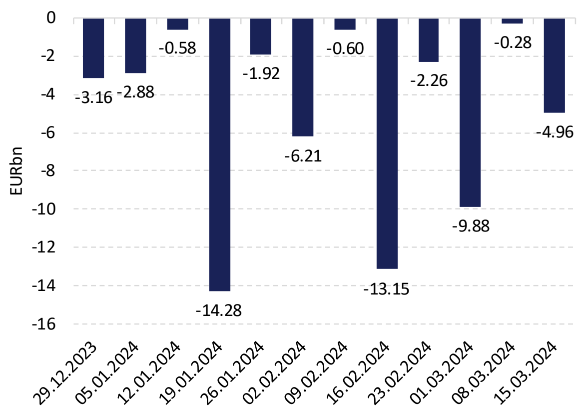


Development of CBPP3 volume

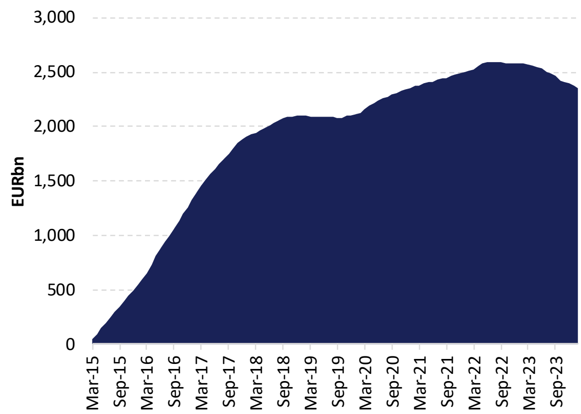


Public Sector Purchase Programme (PSPP)

Weekly purchases



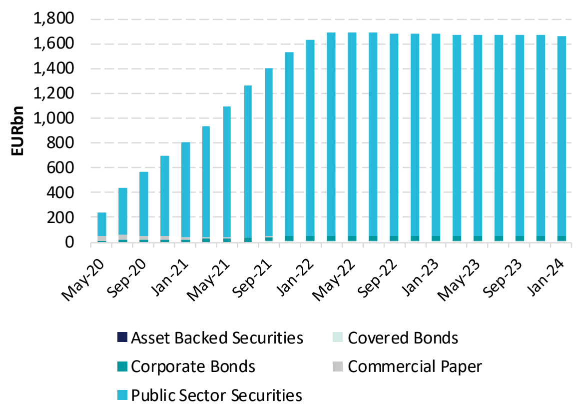
Development of PSPP volume



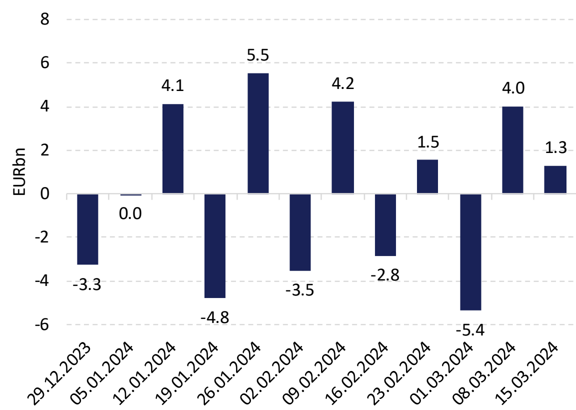
Source: ECB, Bloomberg, NORD/LB Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development



Weekly purchases



Source: ECB, Bloomberg, NORD/LB Floor Research

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Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
10/2024 ♦ 13 March	▪ Spotlight on Pfandbrief issuers in the savings bank sector ▪ NGEU: Green Bond Dashboard
09/2024 ♦ 06 March	▪ Transparency requirements §28 PfandBG Q4/2023 ▪ Current LCR classification for our SSA coverage
08/2024 ♦ 28 February	▪ New UK player on the EUR covered bond market ▪ Teaser: Issuer Guide - Non-European supras (MDBs) 2024
07/2024 ♦ 21 February	▪ Covered bond jurisdictions in the spotlight: A look at Austria ▪ Hope for hybrids? New SSA sub-asset class for MDBs
06/2024 ♦ 14 February	▪ Development of the German property market (vdp Index) ▪ Update: Joint Laender (Ticker: LANDER)
05/2024 ♦ 07 February	▪ January 2024: Record start to the new covered bond year ▪ SSA January recap: issuance volume at record level
04/2024 ♦ 31 January	▪ The Pfandbrief market at the start of 2024: caution thrown to the wind ▪ Teaser: Issuer Guide - Other European Agencies 2024
03/2024 ♦ 24 January	▪ The "V" in the LTV calculation: Differing approaches persist despite EU Directive ▪ 28th meeting of the Stability Council (December 2023)
02/2024 ♦ 17 January	▪ Pfandbrief market: potential newcomer Evangelische Bank ▪ Review: EUR-ESG benchmarks 2023 in the SSA segment
01/2024 ♦ 10 January	▪ ECB: Annual review of 2023 – no end to high rates? ▪ Covered Bonds: Annual review of 2023 ▪ SSA: Annual review of 2023
37/2023 ♦ 13 December	▪ Our view of the covered bond market heading into 2024 ▪ SSA outlook 2024: ECB, NGEU and the debt brake in Germany
36/2023 ♦ 06 December	▪ The covered bond universe of Moodys: an overview ▪ Teaser: Issuer Guide – Nordic Agencies 2023
35/2023 ♦ 29 November	▪ ESG covered bonds: a look at the supply side ▪ Current risk weight of supranationals & agencies
34/2023 ♦ 22 November	▪ Transparency requirements §28 PfandBG Q3/2023 ▪ Teaser: Issuer Guide – German Agencies 2023
33/2023 ♦ 15 November	▪ Development of the German property market ▪ ECB repo collateral rules and their implications for Supranationals & Agencies
32/2023 ♦ 08 November	▪ Norway: creation of SpareBank 1 Sor-Norge ▪ ECB: PEPP versus TPI – or: (re)investing where others like to go on holiday
31/2023 ♦ 25 October	▪ Banks in Europe: the EBA Risk Dashboard in Q2 2023 ▪ Teaser: Issuer Guide – Spanish Agencies 2023

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
RESP NRDR <GO>

Appendix
Publication overview

Covered Bonds:

Issuer Guide Covered Bonds 2023

Covered Bond Laws

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 Q4/2023 (quarterly update)

Covered bonds as eligible collateral for central banks

SSA/Public Issuers:

Issuer Guide – German Laender 2023

Issuer Guide – German Agencies 2023

Issuer Guide – Canadian Provinces & Territories 2024

Issuer Guide – European Supranationals 2023

Issuer Guide – French Agencies 2023

Issuer Guide – Dutch Agencies 2023

Issuer Guide – Non-European Supranationals (MDBs) 2024

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Beyond Bundeslaender: Spanish regions

Fixed Income Specials:

ESG-Update 2023

ECB decision: The council thinks game-by-game

Appendix
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Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Institutional Sales MM/FX	+49 511 9818-9460
Fixed Income Relationship Management 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 9818-9660
Frequent Issuers	+49 511 9818-9640

Origination & Syndicate

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

Sales Wholesale Customers

Firmenkunden	+49 511 361-4003
Asset Finance	+49 511 361-8150

Treasury

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Time of going to press: 20 March 2024 (08:44)