Business trips are part of the job...
...we'll be taking a short break!
The next edition of the CSV
will be published on **12 June 2024**

Covered Bond & SSA View

NORD/LB Floor Research

29 May 2024 ♦ 18/2024
Marketing communication (see disclaimer on the last pages)

Agenda

Floor analysts:

Covered Bonds/Banks

Dr Frederik Kunze
frederik.kunze@nordlb.de

Lukas Kühne
lukas.kuehne@nordlb.de

SSA/Public Issuers

Dr Norman Rudschuck, CIIA
norman.rudschuck@nordlb.de

Christian Ilchmann
christian.ilchmann@nordlb.de

Lukas-Finn Frese
lukas-finn.frese@nordlb.de

NORD/LB

Market overview
Covered Bonds

Authors: Dr Frederik Kunze // Lukas Kühne

Primary market: Deals placed left, right and centre

Our comments on primary market activities in this present publication refer to the newly placed deals in the EUR benchmark segment since 15 May. To set the scene: If there had been any doubts that the covered bond market is in fact global in nature, the past few trading weeks would clearly have dispelled these. In the period outlined above, a total of eleven deals were issued from nine jurisdictions. In addition to Europe, the regions included North America and Asia, with issuers from "Down Under" also getting in on the act. When combined with the first half of May, where issuers from Norway, the UK and Switzerland approached investors, the "global picture" is almost complete. On 15 May, Aktia Bank (FI) placed its first EUR benchmark in 2024, which came with a volume of EUR 500m (WNG; 5.4y) at ms +25bp. Next were four deals at the same time on 21 May. For example, Banco Santander from Spain opened the books for its deal in the amount of EUR 500m (WNG; 5.0y) at ms +45bp area, with the bond ultimately being priced at ms +35bp. Standard Chartered Bank Singapore also made its debut in the EUR benchmark segment (cf. focus article from 15 May). The issuer opted for a three-year term for its deal, which started out in the marketing phase at ms +45bp area and comprised a volume of EUR 500m. Banco BPM (IT) was active on the market for the second time this year, raising a total of EUR 500m (WNG; 7.0y) at ms +58bp. Bank of Queensland (AU) approached its investors with the prospect of a soft bullet bond for the first time and placed a volume of EUR 600m (5.2y) at ms +42bp for its debut of sorts. The next day, a Canadian issuer finally made an appearance on the market again: Federation des Caisses Desjardins du Quebec (ticker: CCDJ) started the marketing phase for its benchmark deal (5.0y) at ms +40bp area. With an unusually large size for this issuer (EUR 1.0bn) and a final spread of ms +32bp, the CCDJ deal is certainly reminiscent of the "size & price" days in Canada, which we feared may have become a thing of the past. We also saw a remarkably strong demand for the new bond from Hypo Vorarlberg (EUR 500m; WNG; 6.0y). The order book totalling EUR 1.7bn was certainly responsible in part for achieving a spread level of ms +40bp (Guidance: ms +48bp area), which is very narrow by national standards.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Banco de Sabadell	ES	28.05.	ES0413860851	10.0y	1.00bn	ms +48bp	- / Aaa /AAA-	-
CFF	FR	28.05.	FR001400QHS2	6.0y	1.50bn	ms +30bp	- / Aa1 / -	-
Sparkasse Hannover	DE	27.05.	DE000A383B77	7.0y	0.50bn	ms +35bp	AAA / - / -	-
CRH	FR	23.05.	FR001400QCS3	12.0y	0.75bn	ms +38bp	- / Aaa / -	-
CCDJ	CA	22.05.	XS2829867527	5.0y	1.00bn	ms +32bp	AAA / Aaa / -	-
Hypo Vorarlberg	AT	22.05.	AT0000A3CZ74	6.0y	0.50bn	ms +40bp	- / Aaa / -	-
Bank of Queensland	AU	21.05.	XS2828820352	5.2y	0.60bn	ms +42bp	AAA / Aaa / -	-
Banco BPM	IT	21.05.	IT0005597379	7.0y	0.50bn	ms +58bp	- / Aa3 / -	-
Std. Chartered Singapore	SG	21.05.	XS2821666745	3.0y	0.50bn	ms +22bp	- / Aaa / AAA	-
Banco Santander	ES	21.05.	ES0413900947	5.0y	0.50bn	ms +35bp	- / Aa1 / -	-
Aktia Bank	FI	15.05.	XS2824758044	5.4y	0.50bn	ms +25bp	- / Aaa / -	-

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

...with supply also at the long end

The following day, CRH unequivocally demonstrated once again that French issuers can access the long end. Its 12y deal in the amount of EUR 750m was placed at ms +38bp. In the end, the order book amounted to EUR 1.4bn, while at +2bp, the new issue premium was likewise comparatively “lean”. Sparkasse Hannover (cf. Issuer View) can now look back on a successful debut in the benchmark segment. Its mortgage Pfandbrief (EUR 500m; WNG; 7.0y) narrowed by seven basis points to ms +35bp (bid-to-cover ratio: 2.5x) over the course of the marketing phase. Yesterday, on Tuesday (28.05.), Banco de Sabadell (ES) and CFF (FR) completed the picture. The Spanish issuer, which was most recently active on the market back in February 2023, opted to place a fresh EUR 1.0bn (10.0y). With this term to maturity, Sabadell helped to breathe new life back into the long end in Spain – and at a spread of ms +48bp this was a highly impressive feat. Especially in this maturity range, Spain clearly still offers a certain scarcity value. For CFF, this was its third bond deal in 2024, after the French issuer was active with a dual tranche in April. In the end, a total of EUR 1.5bn (6.0y; re-offer spread: ms +30bp; order book: EUR 2.2bn) was placed with investors.

Secondary market: Picture differs in relation to maturity considerations

Short to medium maturities remain subject to heightened demand. In the maturity segment of 9-12 years, however, we have noticed a bit of a headwind in recent days, with spreads here having widened by 1-3 basis points. Some bonds (e.g. Nationwide 2034, SPABOL 2034, INTNED 2034, RABOBK 2036 and CRH 2036) are trading slightly above the issue spread. Tight issue levels, in tandem with an extremely flat credit curve, falling swap spreads, a yield curve that has recently become more inverted and larger holdings are the driving forces behind this movement. Based on this primary market dynamic, we would not be surprised to see spread widening in the aforementioned maturity range with an impact on primary market pricings as well.

German property market: Falling prices, improving mood...

The Association of German Pfandbrief Banks (vdp) presented its most recent figures on the development of property prices in Germany back on 08 May. The index values, which are based on transaction data from more than 700 banks, show additional price declines in the first quarter of 2024 for both residential and commercial property. We briefly looked at this data in a previous edition of our weekly publication and will focus on the figures in greater detail today. Although the dynamic of the price decline has softened slightly, there is no sign of bottoming out in relation to commercial properties in particular. Meanwhile, the Deutsche Hypo Real Estate Economic Index recorded another increase in the month of May. The May results of the monthly survey of around 1,200 real estate experts reveal an increase in the sentiment indicator to 86.9 points. In this regard, Florian Meyer, head of the Deutsche Hypo branch in Hamburg, identifies a convergence between sellers and buyers and expects real estate to offer yield advantages over bonds. If transaction activity picks up, ESG-compliant properties located in CBD (Central Business District) locations, for example, are above all likely to be among the beneficiaries. As far as we can tell, a further improvement in sentiment would also be welcomed by the Pfandbrief segment. After all, some of the spread widening observed is or was attributable to a deteriorating sentiment in the area of commercial real estate. Dynamic transaction activities on the German market could also suppress the relative share of cover assets from the USA and UK in the future.

...with lending (slightly) on the rise at vdp member institutes
Yesterday, the vdp also reported a more pleasing start to the year in terms of lending on the German property market. As detailed in a press release (28.05.), the banks that form part of the vdp issued credit commitments totalling EUR 27bn overall in the first quarter of 2024. This equates to growth of +4.7% year on year and +3.1% quarter on quarter respectively. Stronger lending was observed for the construction or acquisition of residential real estate in particular. Here, growth amounted to +7.2% year on year and 17.1% quarter on quarter. At the end of the first quarter of 2024, the loan portfolio totalled EUR 1,003.5bn. This figure is basically on a par with the level recorded at the end of the same quarter in 2023, when the portfolio amounted to EUR 998.6bn. At EUR 717.9bn, the subsegment of residential real estate financing currently accounts for the largest share of the loan portfolio. A total of EUR 285.6bn is attributable to CRE financing, with the majority of this figure accounted for by the "office buildings" category (EUR 152.0bn).

Pfandbrief market: Transparency disclosures for vdp member institutes and saving banks
Ultimately, a significant proportion of (newly) granted real estate loans also find their way into the cover pools of the active Pfandbrief issuers in Germany. The transparency disclosures required under §28 of the Pfandbrief Act (PfandBG) offer an insight into the composition of the cover pools for mortgage Pfandbriefe, public Pfandbriefe and ship Pfandbriefe. We take the extensive reports from the Pfandbrief institutes as the basis for our quarterly NORD/LB Covered Bond Special publication series. For the vdp member institutions, at this point we would refer to our special publication "Transparency requirements §28 PfandBG", while the disclosures made by the savings bank sector under §28 are included in the revived special publication "Transparency requirements §28 PfandBG Sparkassen". In the current situation, the focus is likely to be on CRE shares in the cover assets, although we also take the view that other quality characteristics of the cover pools should not be overlooked based on the disclosures. Accordingly, we are also focusing on the §28 disclosures as part of a focus article in this present edition of the NORD/LB Covered Bond & SSA View.

Maybank Singapore and Skipton Building Society to offer even more transparency
On 23 May, the Covered Bond Label Foundation (CBLF) welcomed two newcomers to its ranks. In Maybank Singapore, another issuer from Asia has now joined the label. This will make it easier for investors to access information on cover pools, which must also be assessed in the context of regulatory treatment. For Maybank Singapore, the label represents an important tool via which it can develop long-term customer relationships with international covered bond investors. With this step, Maybank Singapore is following the footsteps of Standard Chartered Bank Singapore, which communicated its decision to join the label earlier this month on 07 May. Both banks have newly launched covered bond programmes this year and are now set to approach investors with EUR benchmarks on a regular basis. The covered bond label evidently offers benefits for established issuers too. By joining the CBLF, Skipton Building Society is also keen to ramp up its own involvement in the covered bond segment. The Covered Bond Label now covers 144 issuers and 180 cover pools from 25 jurisdictions and is therefore already of global importance. There are also a few special features that need to be taken into account for programmes outside of the EEA. For example, there is a requirement for self-certification that issuers will comply with Article 129 CRR and the definitions of the liquidity coverage requirements (LCR) as well as that the legal requirements for covered bonds and supervisory processes at a national level are comparable to those in the EEA.

South Korea: Financial Services Commission offers support to the covered bond market

Even though EUR benchmarks from South Korea still represent a niche market within our coverage, we do regard it as a growth market. After all, we welcomed Shinhan Bank as a newcomer to the EUR benchmark segment back in March this year. The country is represented in the iBoxx EUR Covered benchmark index with 14 bonds from four issuers (outstanding volume: EUR 8.4bn). A few days ago, the South Korean Financial Services Commission (FSC) announced new wide-ranging support measures to support the development of the covered bond market, further details of which can be found in a press release. A key element in this regard is a payment guarantee from the state-owned Korea Housing Finance Corporation (KHFC). This guarantee from the KHFC, which acts as a covered bond issuer of its own accord, therefore relates to the covered bonds issued by commercial banks. The measure is linked to other government plans aimed at increasing the supply of long-term mortgage financing at fixed rates of interest. In addition, the FSC clarifies that payment guarantees can help to reduce the refinancing costs of commercial banks, which in turn should positively influence the supply of long-term mortgage financing. KHFC is also tasked with purchasing outstanding issues featuring long maturities. At the same time, the FSC is keen to offer fresh incentives on the investor side, through which the aim is to target pension funds and insurance companies in particular. In this context, the focus is once again on the long end. The press release references both the suitability as central bank-eligible collateral with the Bank of Korea as well as a reduced risk weight for KHFC-guaranteed covered bonds. Benchmark yields on covered bonds published from the end of June are intended to provide greater transparency and reduced uncertainty. Owing to the FSC's focus on the long end, the direct impact of these measures on the EUR benchmark segment is likely to remain limited. However, at the same time, we see an increased likelihood of indirect growth stimuli in this sub-market, which tends to be more focused on short and medium-term maturities.

Fitch presents updated “Peer Review” for Canadian covered bonds

The risk experts from Fitch regularly present comparative analyses of credit quality within a covered bond sub-market. In a recent Peer Review, the agency discussed events on the Canadian market. Fitch awards ratings to a total of eight covered bond programmes in Canada, of which a total of seven programmes – Bank of Montreal (BMO), Bank of Nova Scotia (BNS), Canadian Imperial Bank of Commerce (CIBC), Federation des Caisses Desjardins du Quebec (FCDQ), National Bank of Canada (NBC), Royal Bank of Canada (RBC) and Toronto Dominion Bank (TD) – boast the top rating of “AAA”, with the remaining programme of Equitable Bank (EQB) rated “AA”. Given that none of the programmes has exhausted its uplifts in full, Fitch awards a stable outlook to all eight programmes. However, there are in some cases considerable differences in this regard. For example, the “Buffer Against IDR Downgrade" indicator stands at seven notches for BMO, BNS, CIBC, FCDQ, RBC and TD, with Fitch reporting six notches for NBC and a buffer of a single notch for EQB in line with the rating methodology. In terms of the credit quality of the cover pools, however, the picture is much more homogeneous. These are exclusively prime quality loans and the share of loans in arrears in the pools is very low in each case. Moreover, the LTV ratios (indexed) are also within a manageable range of between 46.8% (FCDQ) and 60.5% (EQB).

Market overview
SSA/Public Issuers

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

ECB preview: Don't be afraid of your own courage, please

No catchphrase would be big enough to herald the imminent interest rate reversal… "The time has come", "The first rate cut is the hardest" or "Hold your nerve!" The latter at least is our request for 06 June. Over the last few days, there have been growing signs that it is highly likely an interest cut will be announced on Thursday next week. We have therefore entitled our ECB Preview "Don't be afraid of your own courage, please". We believe that the ECB Council will make history on 06 June by carrying out a rate cut before the US Fed for the first time. We expect to see a cut by 25bp in all three rates, with the levels then held in July. We assume that after this the ECB Council will not debate whether interest rates should be cut again in 2024, but rather how often. We will continue to look at all meetings with new staff projections with great interest. At the end of 2023, we forecast very few interest rate changes in 2024 and pointed out that cutting interest rates too quickly would do more harm than good. The most likely timetable will comprise a maximum of three cuts in 2024, namely in July, September and December. These would always be in line with the relevant new staff projections. The meetings would alternate: one with a rate cut, one with rates on hold, before repeating the pattern. The underlying tone from the ECB's chief economist, Philip R. Lane, is also a cautious one. He recently said that the central bank must remain "restrictive for the whole year". However, for the June meeting he has indicated that they could remove the "top level of restriction". For us, 2025 remains something of a mystery at the moment, as the initial rate cut needs to actually happen first. Then we will be able to see further ahead with greater clarity. However, we would once again call on the ECB to "Don't be afraid of your own courage, please" on 06 June!

EBRD

On 16 May 2024, the European Bank for Reconstruction and Development (ticker: EBRD) published its Annual Report for 2023. After losses of EUR 1.1bn in 2022, caused by Russia's invasion of Ukraine, a substantial net profit of EUR 2.1bn was recorded again in 2023. The main drivers behind this positive year-on-year development were gains from equity investments of EUR 1.0bn. EBRD's lending activities continued to provide steady earnings, while the bank's net interest income dipped slightly to EUR 1.1bn (2022: EUR 1.2bn). The proportion of non-performing loans remained stable versus 2022 at 7.9%, with net reversals of impairment charges producing an additional profit of EUR 0.1bn. The bank's overall profitability also benefited from higher interest rates, such as the bank's return on capital which increased to EUR 0.5bn in 2023 (2022: EUR 0.1bn). Taking account of income allocations of EUR 23m, the bank's reserves rose by EUR 3bn to EUR 16.1bn in total. The EBRD continues to hold a AAA rating with stable outlook, as confirmed by all three major rating agencies in 2023. For the current year it has set a funding target of EUR 13.5bn but has not yet been active as an issuer in the EUR benchmark segment.

S&P confirms ratings for two Canadian provinces
The rating agency S&P confirmed the credit ratings for the Canadian provinces of New Brunswick (ticker: NBRNS) and Prince Edward Island (ticker: PRINCE) at the start of May. In the case of New Brunswick, the province continues to be rated A+ with a positive outlook. The rationale for the unchanged rating was the fiscal caution which the province continues to prioritise at a time of slowing economic growth. As before, its operating balances show a budget surplus, and the debt-to-income ratio is largely stable at less than 180%. The positive outlook reflects the risk experts' expectations that New Brunswick will steer its spending in line with the forecast economic output and will demonstrate long-term financial sustainability, such as achieving a balanced budget. In addition to New Brunswick, the experts at S&P also examined the budget situation at Prince Edward Island in more detail and decided to leave its rating at A with a positive outlook. Ongoing immigration is set to contribute to growth in both the economy and revenues. S&P therefore assumes that this will lead to improved budget development in the next two years. Although significant investment by the provincial government is required, the debt burden is low by comparison with most other Canadian provinces. The sustained positive outlook reflects the forecast by the rating agency that the budget situation in in Prince Edward Island will improve steadily in the medium term, boosted by robust demographic and economic growth. For further information on the Canadian sub-sovereigns, please see our Issuer Guide – Canadian Provinces & Territories 2024.

OeKB presents new and expanded financing opportunities for export companies
Together with the Austrian Ministry of Finance, Österreichische Kontrollbank (OeKB, ticker: OKB) adopted a raft of new measures in April aimed at providing better support for Austrian export companies in times of challenging framework conditions. In addition to securing supply chains and delivery-readiness, the focus is on a sustainable energy supply and the increased working capital requirement. “Vorratsinvest” (inventory investment) offers a new financing opportunity for investment in supply chains. The programme comprises medium to long-term investment in warehousing facilities as well as loans to suppliers. Applications for the scheme can be made via the company's own bank. Once the application has been examined and approved, the Republic of Austria assumes liability. “Exportinvest Green Energy” expands on the existing financing offering for investment in renewable energies and sustainable energy supply. The maximum term has been increased to 20 years from planned commissioning. The repayment term for the financing has therefore been brought in line with the funding opportunities offered under the EAG (Erneuerbare Ausbaugesetz – Renewable Energy Expansion Act). Photovoltaic plant with an investment sum of less than EUR 2m can now be financed as long as these may not receive support from Austria Wirtschaftsservice Gesellschaft (aws). These financing solutions will benefit Austrian companies with an export quota of more than 20%. For the “Exportinvest Green Energy” programme, the investment project must also be aimed at switching from fossil fuels to renewable energy or the expansion of sustainable grid infrastructure.

IBB: Berlin economy stabilising

The economic situation in the federal state of Berlin (ticker: BERGER) was the subject of a recent report by IBB. This showed that Berlin's economic growth in 2023 with a rise in GDP of +1.6% Y/Y clearly outperformed the -0.3% Y/Y reported for Germany as a whole. In addition to Corporate Services, which account for 15.8% of gross value added and recorded growth of +2% Y/Y, the promising Information & Communications sector made a strong contribution to growth with an inflation-adjusted increase of +6.2% Y/Y. The share of gross value added attributable to I&C in the past year was 11.4%. The sector Trade, Transport and Hospitality also made a positive contribution to economic growth with a share of 17.7% (+2.6% Y/Y). Even though growth in Q1 2024 was still modest according to IBB, falling inflation rates coupled with more reliable growth in real wages should mean that consumer spending will slowly improve over the course of the year and that growth in the German capital will stabilise. This in turn will have a positive impact on Berlin's labour market. For 2024 as a whole, the promotional bank is forecasting growth of +2% Y/Y. "Despite the difficult environment in Germany overall, Berlin's economy continues to grow, and year on year has outperformed the country as a whole since 2014. To maintain this faster pace of growth, there must be a notable increase in housing construction. Dynamic sectors of the economy such as the digital economy or corporate services which are strongly reflected in Berlin's start-up scene need skilled staff who in turn need somewhere to live in Berlin. The same is true of skilled trades, daycare centres, transport companies and health services", said IBB's Chairman of the Board Dr Hinrich Holm.

Finnvera quarterly report for Q1/2024

Finnish export financier Finnvera (ticker: FINNVE) has published its figures for the first quarter of 2024. These show that it achieved a positive result in the first three months of the current year of EUR 54m (Q1/2023: EUR -39m). The main driver behind this development is the year-on-year increase in net interest income which stood at EUR 35bn at the end of March 2024. Business with small and medium size companies amounted to EUR 6m (Q1/2023: EUR 15m), while business with large corporates stood at EUR 34m (Q1/2023: EUR -61m). Net income posted by subsidiary Finnish Export Credit, which is responsible for the export financing within the Finnvera Group, at the end of the quarter amounted to EUR 13bn (Q1/2023: EUR 7bn). In addition, export credit guarantees totalling EUR 1.6bn were granted in the first three months of 2024, which equates to a fall of 43% versus the first quarter of 2023. In terms of total assets, the amount was unchanged on the reporting date for 2023. At the end of Q1/2024, total assets continued to stand at EUR 14.3bn. Pauli Heikkilä, CEO, summarised the first three months of the year as follows: "The Finnish economy is still in recession. In the first quarter of the year, this was reflected in the increase in payment delays in domestic financing, bankruptcies, non-performing liabilities and liabilities subject to debt collection. However, the rise in risk indicators was moderate." As an issuer in the SSA primary market, Finnvera was recently active in EUR benchmark format in the trading week under review. For more detailed information on the transactions, please see our primary market section.

Primary market

The primary market in the SSA segment returned after the Whitsun break with a veritable bang so that today we can report on twelve new EUR benchmarks, one subbenchmark and various tap issues. We had already mentioned the mandates in our last issue and Brandenburg (EUR 500m, 10y, reoffer spread ms +16bp) and AFDB (first green benchmark, EUR 500m, 3.8y, spread: ms+2bp) went to investors before the public holiday. They were joined by Hesse (EUR 2.25bn, 4.8y, spread: ms +6bp) as well as a rare appearance by the Asian Infrastructure Investment Bank (sustainable EUR 1bn, 7y, spread: ms +17bp). On Tuesday last week, a real heavyweight, the EFSF, was the first to break cover with a 7-year deal worth EUR 2.5bn deal. With guidance of ms +14bp area, the order book exceeded EUR 21.4bn and the final spread tightened to ms +12bp. Next to appear in the spotlight was Rhineland-Palatinate with a EUR 750m bond and an unusual maturity of two years. Its final price stood at ms -6bp in line with the guidance and EUR 225m was retained by the issuer. This was followed by Finland's Finnvera which aimed to raise EUR 1bn (maturity: 5.3y) with guidance of ms +11 area. With a bid-to-cover ratio of 2.5x the deal ultimately closed at ms +8bp. The issues continued with a EUR 600m green bond with a long five-year maturity from Spain's capital Madrid. The guidance stood at 20bp (area) above the Spanish curve and the order book reached EUR 3bn. We recorded SPGB +14bp as the final spread, which equates to around ms +27bp. Also active in the green segment was Sweden's Kommuninvest with a volume of EUR 1bn and a term in excess of three years. The marketing phase started with guidance of ms +3bp area, and with the order book ultimately topping EUR 2.6bn, the bond tightened to ms flat in the end. The final deal of last week came from Schleswig-Holstein. The EUR 600m benchmark with a ten-year maturity and guidance of ms +17bp area was slightly oversubscribed and placed with investors in line with the guidance. This week saw deals from Mecklenburg-Western Pomerania (EUR 500m, 10.0y, spread: ms+ 17bp) and the Asian Development Bank (green EUR 500m, 5.0y, spread: ms +3bp). A subbenchmark deal (EUR 250m, 10y, ms +23bp) was issued by IFB Hamburg. Taps came from the EFSF (2028 bond: EUR 1.5bn), IBB (2029 bond: EUR 500m) and BPIFRA (green 2028 bond: EUR 500m), while the EU also increased its 2027 bond (EUR 2.36bn) and its 2043 bond (EUR 2bn) by means of a bond auction. New mandates were issued by WALLOO (social EUR benchmark, 30y), NRW (EUR benchmark, 5y), and NEDWBK (green EUR benchmark, 7y).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
ASIA	SNAT	27.05.	XS2834272002	5.0y	0.50bn	ms +3bp	AAA / Aaa / AAA	X
MECVOR	DE	27.05.	DE000A383EQ8	10.0y	0.50bn	ms +17bp	AAA / - / -	-
SCHHOL	DE	22.05.	DE000SHFM931	10.0y	0.60bn	ms +17bp	AAA / - / -	-
KOMINS	Nordics	22.05.	XS2830444324	3.3y	1.00bn	ms flat	- / Aaa / AAA	X
MADRID	ES	22.05.	ES00001010P7	5.2y	0.60bn	ms +27bp	- / Baa1 / A	X
FINNVE	Nordics	22.05.	XS2830098666	5.3y	1.00bn	ms +8bp	AA+ / Aa1/ -	-
RHIPAL	DE	22.05.	DE000RLP1502	2.0y	0.75bn	ms -6bp	AAA / - / -	-
EFSF	SNAT	21.05.	EU000A2SCAP4	7.0y	2.50bn	ms +12bp	AAA/Aaa/AAA	-
AIIB	SNAT	16.05.	XS2826669793	7.0y	1.00bn	ms +17bp	AAA / Aaa / AAA	X
HESSEN	DE	16.05.	DE000A1RQET8	4.8y	2.25bn	ms +6bp	- / - / AA+	-
AFDB	SNAT	15.05.	XS2824765338	3.8y	0.50bn	ms +2bp	AAA / Aaa / AAA	X
BRABUR	DE	15.05.	DE000A30V612	10.0y	0.50bn	ms +16bp	- / Aaa / -	-

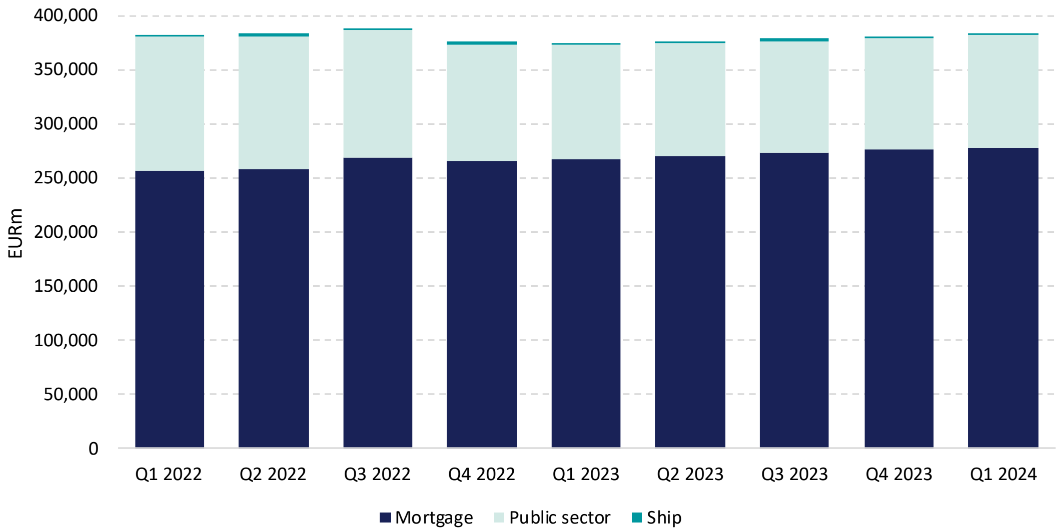
Source: Bloomberg, NORD/LB Floor Research (Rating: Fitch / Moody's / S&P)

Covered Bonds
Transparency requirements §28 PfandBG Q1/2024

Authors: Dr. Frederik Kunze // Lukas Kühne

Transparency disclosures §28 PfandBG: A look at the German Pfandbrief market
In the current issuance year, German Pfandbrief banks are among the key drivers in the primary market both with regard to the EUR benchmark segment and the EUR sub-benchmark segment. In our opinion, a closer look at the composition of the cover pools of the German Pfandbrief issuers also provides a little more clarity in terms of CRE exposure and its prevalence among the Pfandbrief issuers under review. The main focus is on the type of cover (residential vs. commercial) as well as the geographical distribution of the real estate assets. In this context, the transparency requirements of §28 PfandBG also provide an important input variable. The reporting obligations for Pfandbrief banks under §28 PfandBG, which were further expanded when implementing the EU Covered Bond Directive, are published quarterly for the majority of issuers by the Association of German Pfandbrief Banks (vdp) as part of the Transparency reports. This database provides us with an important basis for our NORD/LB Covered Bond Special "Transparency requirements §28 PfandBG Q1/2024", which we published at the end of the last trading week. This includes the cover pool data for 36 mortgage Pfandbrief programmes, 21 public Pfandbrief programmes and two ship Pfandbrief programmes. We have again manually added the cover pool data for Deutsche Bank for this quarter which is not reported on the vdp website. In the following, we summarise the key developments and core statements from the transparency reports as at the end of the first quarter of 2024.

Trend in outstanding Pfandbrief volume

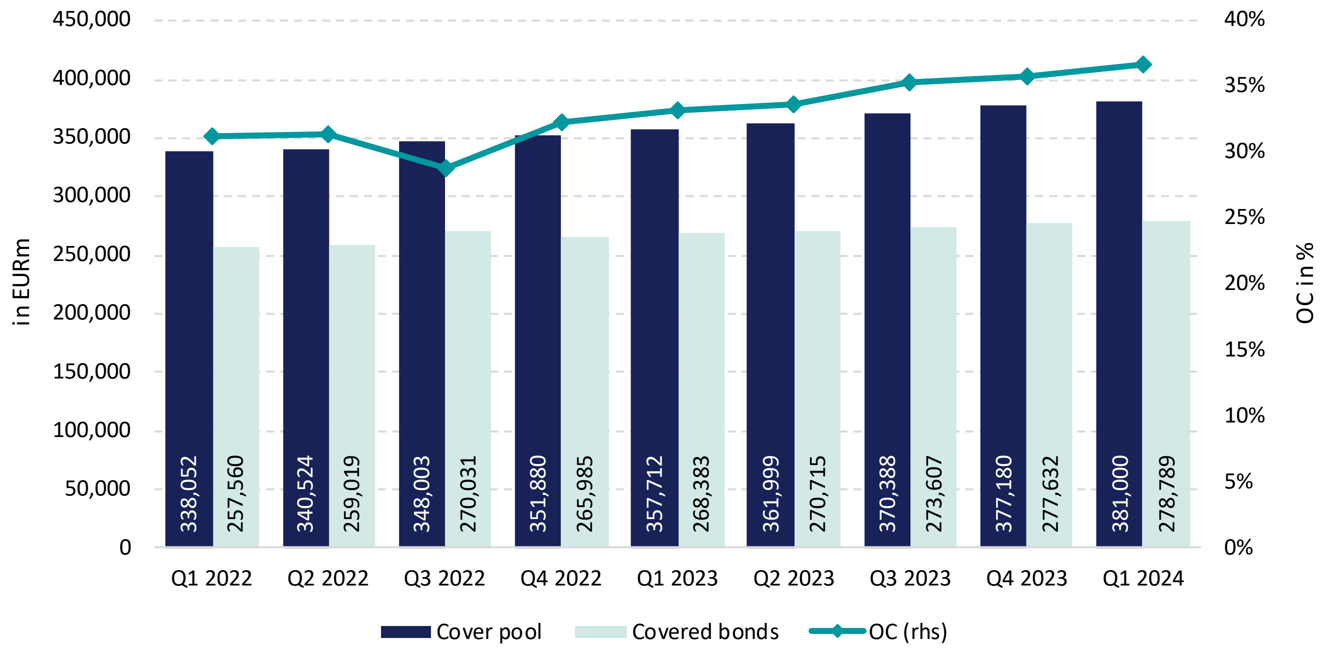


Source: vdp, Deutsche Bank, NORD/LB Floor Research

Outstanding Pfandbriefe: Further rise in total volume

At EUR 383.9bn, the total volume of outstanding Pfandbrief bonds has increased again versus the previous quarter (reporting date 31 Dec. 2023: EUR 381.3bn), which marks the fifth rise in a row. Compared with the previous quarter, the volume of outstanding mortgage Pfandbrief bonds increased by EUR 1.2bn to EUR 278.8bn. The volume of public Pfandbrief bonds also recorded a slight rise versus the previous quarter (EUR +1.5bn) for the first time in over two years and now stands at EUR 103.7bn. In contrast, the volume of outstanding ship Pfandbrief bonds remained constant versus the previous quarter, standing at EUR 1.4bn. At 72.6%, mortgage Pfandbriefe still account for the largest share of the Pfandbrief market in our definition.

Trend in mortgage Pfandbriefe

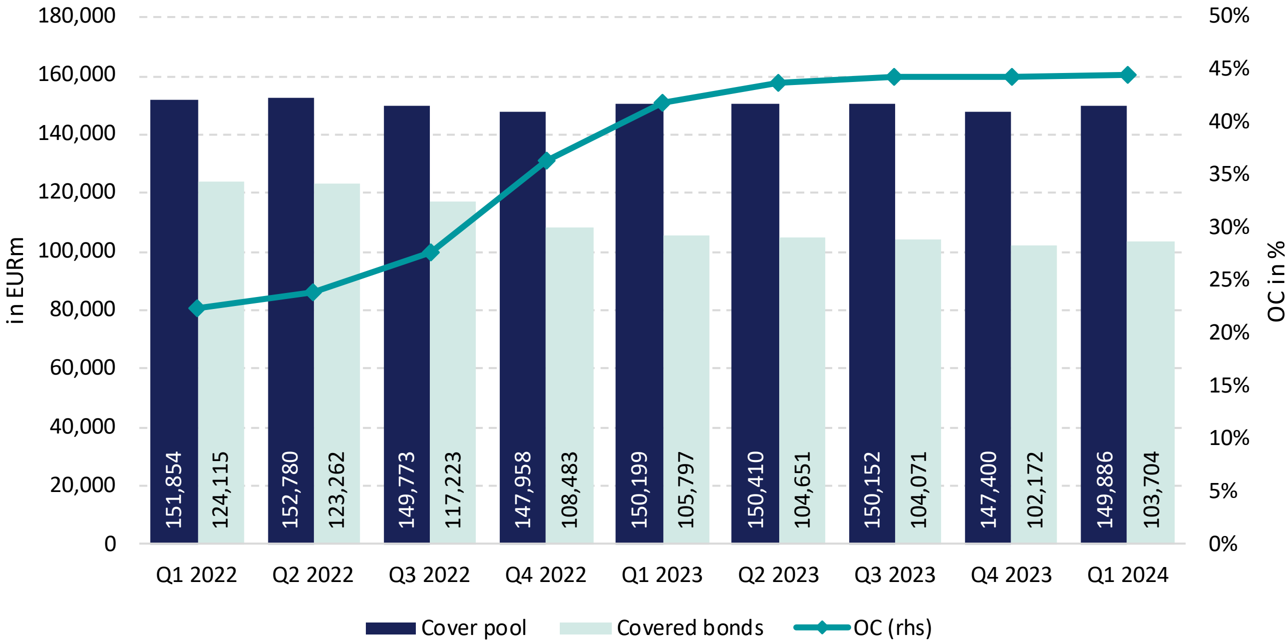


Source: vdp, Deutsche Bank, NORD/LB Floor Research

Mortgage Pfandbriefe: OC ratio rises to 36.7%

As already mentioned, the volume of mortgage Pfandbrief bonds totals EUR 278.8bn. This is countered by a cover pool volume of EUR 381.0bn, producing a calculated OC of EUR 102.2bn, or 36.7% (previous quarter: EUR 99.5bn or 35.9%). This review of average values shows no indication yet of a shortage of cover assets that could impair the issuance potential in the coming quarters. Quite the opposite: The issuers increased the overall OC ratio even though there was a rise in the outstanding volume. As at the reporting date, at issuer level Bayerische Landesbank catches the eye with growth in its outstanding volume of EUR 1.3bn. Commerzbank also recorded an increase of around EUR 1.1bn. Compared with the previous year, growth here was as high as EUR 3.0bn. However, compared with the same quarter last year there were notable declines at Helaba (EUR -970m) and Deutsche Bank (EUR -1.0bn).

Trend in public Pfandbriefe



Source: vdp, Deutsche Bank, NORD/LB Floor Research

Public Pfandbriefe: Trend reversal or one-off event?

Having fallen steadily in recent years, the volume of outstanding public Pfandbrief bonds rose in the first quarter of 2024 for the first time in over two years. In the current reporting period, the volume of covered bonds totalled EUR 103.7bn (previous quarter: EUR 102.2bn). The volume of cover assets also increased slightly by comparison with the previous period and now stands at EUR 149.9bn (previous quarter: EUR 147.4bn). The calculated OC ratio amounts to 44.5% and is therefore on a par with the previous quarter. Viewed in isolation, the significant level of OC is an indication of plentiful issuance potential in the future, which is set to materialise in particular in the EUR benchmark segment and subbenchmark segment. The positive trend in the issuance volume is attributable among others to Commerzbank with a rise of EUR 917m as well as NORD/LB with EUR 857m. Strong growth was also recorded by Helaba (EUR +669m) and SaarLB (EUR +516m). In contrast, falls were posted by Deutsche Pfandbriefbank (EUR -477m), DekaBank (EUR -257m) and DZ HYP (EUR -230m). Despite rising for the first time in several years, we believe it is still too early to talk of a real trend reversal in the public Pfandbrief bond volume. The coming quarters will show whether this movement equates to a long-term trend or if it will be viewed as a one-off event on the timeline.

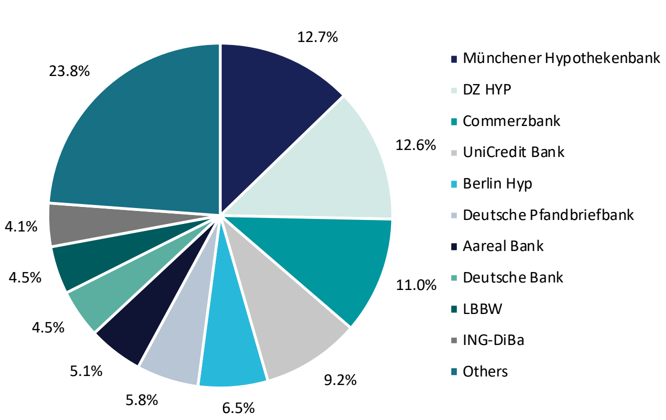
Ship Pfandbrief bonds continue to remain a niche product

Accounting for 0.4% of the total volume, the ship Pfandbrief bond segment continues to remain a niche in the Pfandbrief market. The volume of outstanding ship Pfandbrief bonds is again unchanged on the previous quarter at EUR 1.4bn. Only two institutions have outstanding ship Pfandbrief bonds – Commerzbank (EUR 49m) and Hamburg Commercial Bank (EUR 1.4bn).

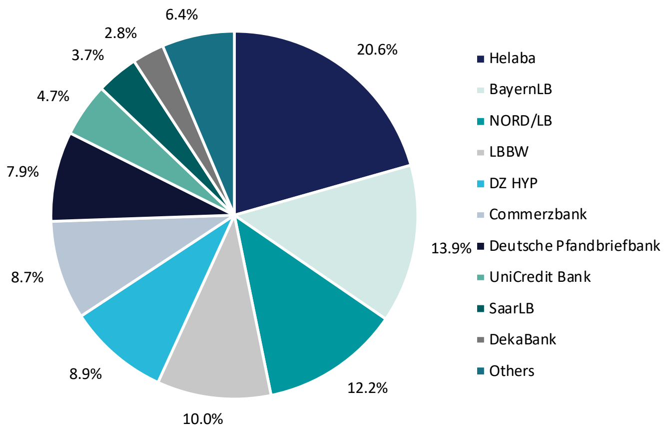
A look at the "top 10"

In terms of the top 10 mortgage Pfandbrief bond issuers by volume as at the reporting date of 31 March 2024, Münchener Hypothekenbank tops the charts with a share of 12.7%, just pipping DZ HYP with 12.6%. These are followed in third and fourth place by Commerzbank (11.0%) and UniCredit Bank (9.2%). The top ten issuers account for 76.2% of the total outstanding volume. With regard to public Pfandbrief bonds, this share is significantly higher at 93.6%. Here, as before, the top five spots are occupied by Helaba, BayernLB, NORD/LB, LBBW and DZ HYP, followed by Commerzbank and Deutsche Pfandbriefbank in sixth and seventh place.

Market shares – mortgage Pfandbriefe



Market shares – public Pfandbriefe



Source: vdp, Deutsche Bank, NORD/LB Floor Research

Additional information on the German Pfandbrief market in our coverage

Alongside the general overview provided here, a review of individual cover pools and programmes should not be overlooked. For more detailed information on the German market, please refer to our §28 Report. Here, for example, the tabular overview on page 5 shows which mortgage cover pools have the highest share of commercial assets. The report also covers the geographical breakdown. For a more international view, please see our NORD/LB Issuer Guide Covered Bonds 2023. In these publications, we provide a comprehensive overview of all issuers active in the EUR benchmark and/or EUR subbenchmark segments at the time of reporting.

Conclusion

The German Pfandbrief market maintained its growth trajectory in Q1 2024 as well. This trend continues to be driven by mortgage Pfandbrief bonds but was additionally supported in this quarter by increased issuances of public Pfandbriefe. We view the reports pursuant to §28 PfandBG as a good basis for analysis, facilitating deeper insights into the data structure of the cover pools of German Pfandbrief bond issuers. This includes data on the share of commercial cover pool assets and OC ratios. In our opinion, these are more than adequate, which means there is nothing set to stand in the way of further growth for the Pfandbrief market.

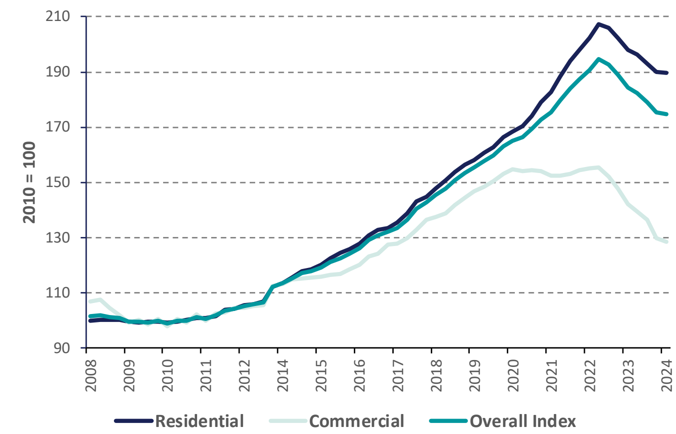
Covered Bonds
Development of the German property market (vdp Index)

Authors: Dr Frederik Kunze // Lukas Kühne

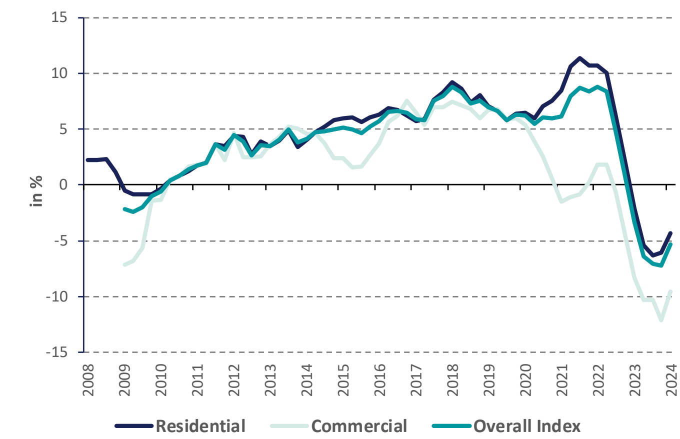
vdp: "Property prices still falling"

Up-to-date figures on the price trend in the German property market were published a few days ago. The latest figures from the vdp property price index, which garners a great deal of international attention, are based on Q1 2024 and therefore mark the first reference point in the present set of data for the current year. The vdp property price index is calculated based on transactions that have taken place and therefore reflects prices and rents that have actually been achieved. The data is based on information from over 700 lenders in Germany. A number of sub-indices continue to be the special focus of attention of market participants, not least in view of the ongoing debate about the situation in the CRE segment. The overall index fell by -5.3% year on year in Q1 2024 or -0.3% against the previous quarter, and now stands at 174.7 points (base year 2010 = 100 points). At the halfway stage in 2022, the vdp property price index had risen to a high of 194.8 points and, in July of the same year, the ECB embarked on its interest rate turnaround with a first rate hike. Even though we expect the ECB to carry out an initial rate cut on 6 June, we do not yet see this as sufficient for it to usher in any rapid turnaround in the property market. In the following, we propose to look in closer detail at developments in the vdp sub-indices and at the same time, to discuss a number of price-driving aspects.

Index level: Overall, residential, commercial



Change vs. prior year: Overall, residential, commercial



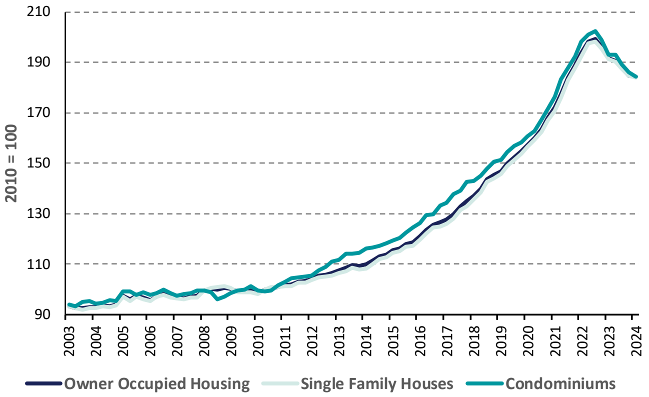
Source: vdp, NORD/LB Floor Research

Residential: prices down -0.2% Q/Q

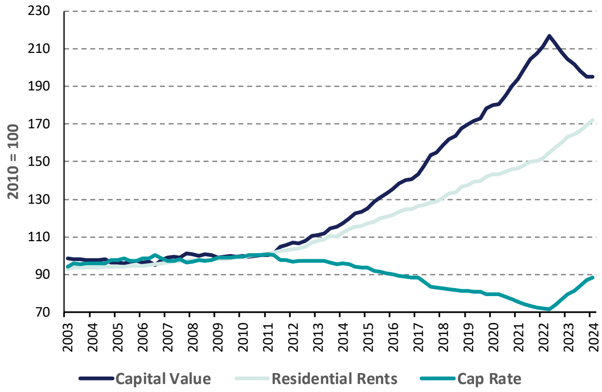
Prices in the residential property segment have fallen by -0.2% quarter on quarter (-4.3% Y/Y). In the case of owner-occupied housing, the year-on-year decline was slightly less pronounced (-3.9% Y/Y) than in the fourth quarter of 2023 (-5.8% Y/Y). Prices in the sub-category single family houses fell by -0.2% quarter on quarter (-3.7% Y/Y) and prices for Condominiums fell by -1.0% quarter on quarter (or -4.6% Y/Y). Although the price correction therefore still includes the residential market, the momentum of the decline in prices in sub-indices in the sub-category "owner-occupied housing" is easing off significantly.

"Residential property set to remain in short supply in the longer term"
In the latest press release, CEO Jens Tolckmitt again turns the spotlight on the housing shortage. According to him, demand "far exceeds" supply. Hardly surprisingly, this general state of affairs is leading to an ongoing rise in rents for new contracts and in yields. Tolckmitt also reported in the latest press release that the shortage of housing is set to continue for some time, if nothing else because completions are lagging far behind the targets set by politicians. New contract rents in the case of multi-family dwellings show an increase of +5.6% year on year. Although capital values are still down, they are only down by 0.1 point to 195.1 points. The cap rate (*Liegenschaftszins*) as a measure of the return on investments in multi-family Houses rose further to reach 88.3 index points (+10.8% Y/Y). The last time the level was this high was in Q1 2017.

Owner-occupied Housing



Multi-family Housing

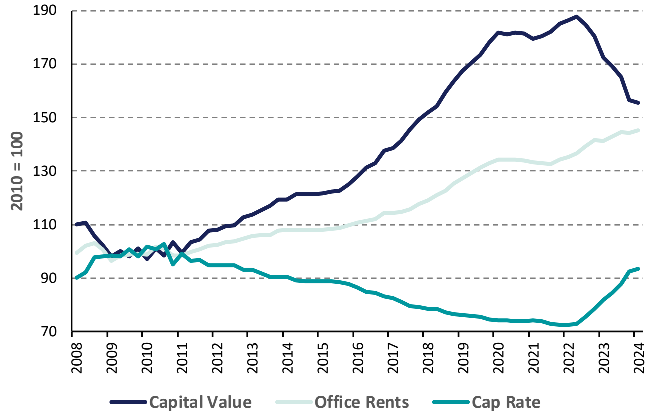


Source: vdp, NORD/LB Floor Research

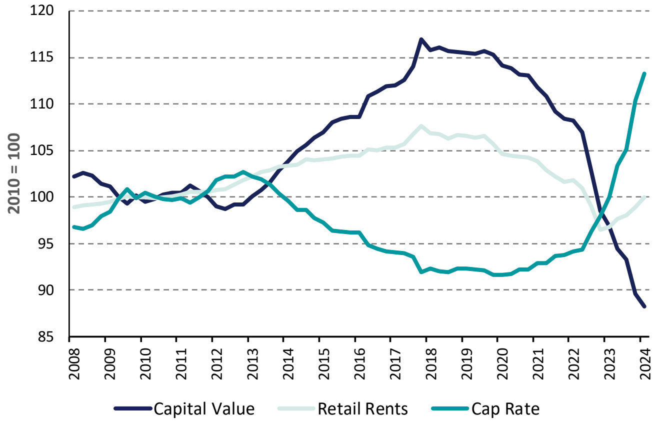
Top 7 housing market: fall in prices slightly less sharp
The separate index for the performance of the residential market in the top 7 was down, which is entirely in keeping with the overall index (-4.3% Y/Y or -0.4% Q/Q). Not surprisingly, however, the average for the top 7 housing market cannot be applied to all the cities. The sharpest year-on-year price corrections were in Munich (-5.3% Y/Y) and Hamburg (-4.9% Y/Y). In contrast, there was a more resilient performance in Cologne (-3.0% Y/Y), Düsseldorf (-3.5% Y/Y) and Stuttgart (-3.6% Y/Y). In fact, prices in Cologne showed a slight increase against the previous quarter (+0.2% Q/Q).

"Still no sign of bottoming out for commercial real estate"
While the sub-index for commercial real estate still fell by -12.1% year on year at the end of 2023, the decline had eased to -9.6% year on year in the first quarter of 2024 (-0.8% Q/Q). The picture is similar in the case of office real estate, which shows a decline of -9.9% year on year (-0.6% Q/Q). Overall, commercial real estate prices therefore continue to fall much more sharply than in the case of residential property. The slight easing in the downward momentum in the case of commercial real estate should moreover be considered against the background of "further limited transaction activity". The vdp is clear, however, that tensions in the commercial real estate market are likely to continue for the whole of 2024. The situation is not likely to improve until the beginning of 2025.

Office Buildings



Retail Buildings



Source: vdp, NORD/LB Floor Research

Conclusion

The picture of the German property market painted by the vdp data has not changed much in the first quarter of 2024. Although the momentum of the downturn has eased off slightly in some sub-segments, the underlying trends and influence factors are unchanged. Interest rates remain very high and it is likely to be some time yet before any move away from this restrictive level materialises in the German property market. It is also worth remembering weakening transaction activity, especially in the commercial real estate segment. We have repeatedly drawn attention in the past to the negative impact that a marked wait-and-see attitude in the market can have on how indicative the index figures are. Such statistical considerations only play a rather secondary role in our view, especially as regards the rental housing market. New contract rents are continuing their unbroken rise. As regards the Pfandbrief segment, we do not regard the first index publication in 2024 as pointing the way ahead. In the case of the crisis in the CRE market, however, it is nevertheless fair to say that the situation has not deteriorated any further. In any case, where residential properties are concerned, we would be more inclined to focus on the economic and social implications than on the credit quality of residential cover pool assets.

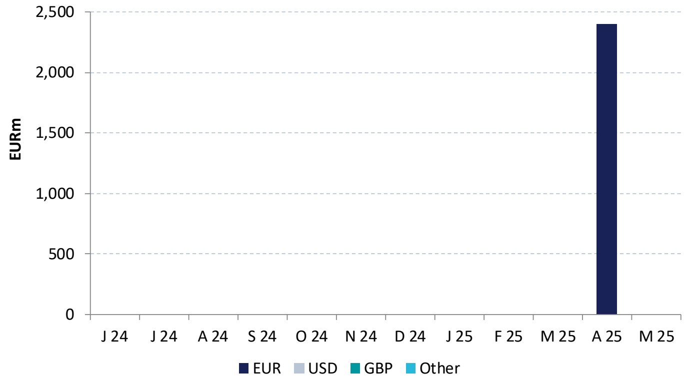
SSA/Public Issuers
Spotlight on the EU as a mega issuer

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

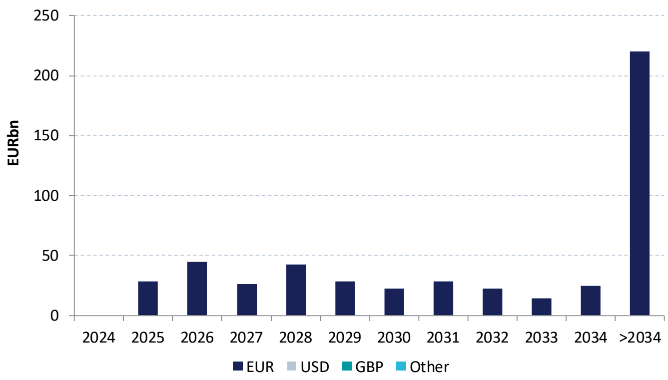
Introduction

Since the pandemic, the European Union (ticker: EU) has been nothing less than the biggest issuer in our SSA coverage. At present, 27 sovereign states form an economic and political unit that is unique in the world, with its own parliament, executive and jurisdiction. The community of states has a common budget, which is decided collectively by the European Commission, Council and Parliament. The budget for each and every year lists the available amounts that can be spent within a ceiling agreed in advance as part of its Multiannual Financial Framework, or MFF. In addition, debt raised in the capital market is guaranteed through the EU budget. Since the European Council is also explicitly named as a body in Art. 323 of the Treaty on the Functioning of the EU (TFEU), we see this implicitly as an obligation on the part of the member states. We thereby assume an implicit guarantee in the form of a maintenance obligation on the part of members, which in this instance is comparable with callable capital. Empowered by EU contracts, the European Commission acts in the name of the Community of States as a debtor in the capital market. For this purpose, the Commission uses many funding instruments to raise funds within the framework of its uniform financing approach. Apart from long-term bonds and short-term bills, it also issues NextGenerationEU green bonds and, in the past, has also issued social label bonds in the context of the SURE programme. At present, the volume outstanding amounts to EUR 502.9bn split between 77 bonds. The bonds in question show a pronounced bias towards the long end. Almost 44% of the volume currently outstanding is set to mature after 2034. As regards currencies, the EU does not diversify: the entire volume outstanding is denominated in euro. In order to ensure a high degree of transparency, the EU publishes half-yearly funding plans (cf. Plan for H1/2024), in which it lists the dates of planned bond auctions along with syndicated transactions for the next few months. In the next few pages, we propose to look in detail at the programmes which have helped the EU become the biggest issuer in our coverage.

Maturity profile in the next 12 months



Maturity profile by currency

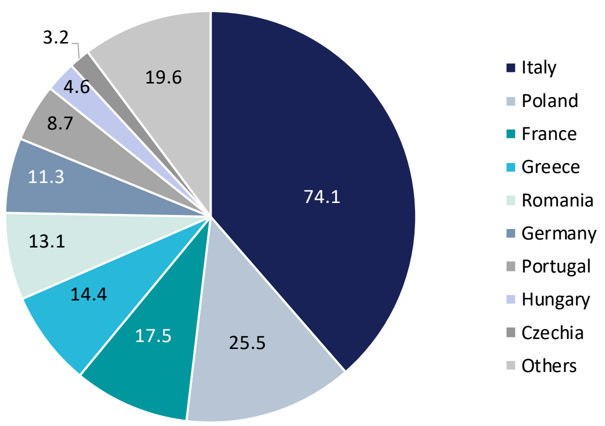


Source: Bloomberg, NORD/LB Floor Research

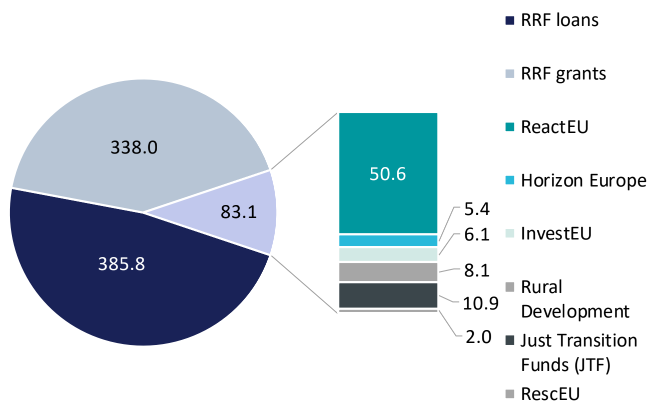
NGEU: facing the future with increased strength

Another measure to support the economy weakened by the Covid-19 pandemic is the NextGenerationEU (NGEU) programme from the EU, which was formally adopted by the European Council in December 2020. The temporary stimulus instrument has a volume of EUR 750bn in 2018 prices, or EUR 806.9bn in current prices. The aim here is to support the economic recovery of EU member states so that they can emerge stronger from the pandemic. It also aims to build a greener, more digital and more resilient future across the EU. The core of NGEU is the Reconstruction and Resilience Facility (ARF), which provides grants and loans for investments and reforms in EU member states. The volume of this programme amounts to EUR 723.8bn and is split into EUR 385.8bn for loans and EUR 338bn for grants (both at current prices). Only the loans are repaid by the member states. To receive support from the ARF, EU member states must submit detailed reconstruction and resilience plans (ARPs), outlining how the funding would be used to achieve climate neutrality and digital transformation goals by 2026. An allocation is then made according to a predetermined distribution key. The remaining EUR 83.1bn from the NGEU funds will be distributed among the ReactEU, Horizon Europe, InvestEU, Rural Development, Just Transition Fund and RescEU programmes. This is intended to promote research, renewable energies and medical equipment, for example. In order to finance the expenditure for the NGEU programme, the European Commission raises funds on the capital market on behalf of the EU for the maximum programme volume of EUR 806.9bn. Although the EU budget must be financed entirely from its own resources according to Art. 311 (2) TFEU, Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the European Union's own resources system classifies the loans taken out for NGEU as other revenue, which is why it is possible for debt to be incurred in this context as an exception. Financing instruments are medium and long-term bonds, of which at least 30% should be green bonds. This is how the EU is to become the biggest ESG issuer in the world. So far, EUR 55.9bn in green bonds have been issued. Borrowing will take place from mid-2021 up to the end of 2026 with an estimated annual issuance volume of EUR 150-200bn. The EU is using its own budget for collateral purposes along with the budget's own resources ceiling. The latter was temporarily raised for the NGEU programme up to 2058. A repayment of the bonds issued must therefore take place by that deadline.

Green bond-eligible investments (as per ARP; EURbn)



Breakdown of NGEU promotional funds (EURbn)



Source: European Commission, NORD/LB Floor Research

The EU: a sovereign issuer?

The EU's presence in the capital markets has changed significantly in the last few years. In the past, the EU was traditionally regarded by the market as an SSA issuer. In view of the EU's small issuance volume and fragmented issue curve, the market had little cause for treating EU bonds any other way than as comparable SSA bonds. In the last few years, however, an increasing number of market participants have been treating EU bonds more as if they were part of the sovereign bond market. First of all, it is important to bear in mind that, in view of its unique institutional structure, the EU has always played an unusual role in the SSA market. The EU has a budget-based financing structure, which rests on the obligations of member states, similarly to the way in which state budgets rest on the taxpayers' obligations. The EU also differs by virtue of the euro, the common currency in the eurozone, and the ECB, its own independent central bank. Secondly, the EU has recently evolved into a completely different market participant. This started with the outbreak of the COVID-19 pandemic in 2020, when the EU was charged with the task of intensifying its investment activities in order to finance its two billion-euro loan programmes in the shape of SURE and NGEU. After Russia's invasion of Ukraine, the EU has also relied on the issuance of bonds to provide crucial assistance to Ukraine through programmes such as MFA+ and the Ukraine facility mentioned on the previous page. The EU launched a new financing approach in response to a greater funding requirement. This approach is characterised by the use of several financing instruments, various financing techniques (syndication and auctions), the support of a 37-bank strong primary trader network and structured communication with the market via half-yearly financing plans. Based on these tools, the EU has been able to increase its issuance volume considerably in the course of just a few years. A further important instrument was added at the beginning of 2023 with the introduction of a unified funding approach. Under this framework, all EU issues under the "EU bonds" label are consolidated, bringing to an end the fragmentation of the programmes and supporting the perpetuation of a liquid, homogeneous EU curve for the future. In 2024, moreover, the EU is planning to expand its repo facility in order to support market participants in the trading of their bonds. The European Commission will temporarily make its paper available through the repo facility, thereby helping EU primary traders to secure the liquidity of EU bonds. The measures set the EU's market presence further aside from that of typical SSA issuers. They also provide an offer for the financial market in the form of liquid and safe EUR-denominated paper, enhancing the large offer of established sovereign bonds. A growing number of market participants are already taking advantage of this offer and treating EU bonds more as if they were part of the government bond segment. This includes first and foremost the ECB. In June 2023, as part of its repo collateral rules, the ECB classified EU bonds in haircut category I – a category which also includes securities issued by EU member states (cf. weekly publication of 15 November 2023). Ongoing discussions about the use of the EU curve as a pricing benchmark in contrast to swaps and the possible inclusion of EU bonds in government bond indices mean that this will be a keenly watched issue for the future. However, it is important to keep a critical mind and to question whether the EU will continue to issue bonds on this scale once the NGEU programme has run out in order to maintain the liquid curve it has built up in the longer term. In our view, this is likely to be at least questionable. If nothing else, past history has also shown how quickly expectations can change when it comes to the EU.

MFR 2021-2027 mid-term revision: Ukraine facility and EURI instrument

The EU carried out the mid-term revision of the MFR 2021-2027, i.e. its long-term budget in February of this year. Two aspects of this analysis are of particular importance for the EU's funding measures: firstly, a new programme is being launched in the form of the Ukraine facility, as part of which the EU will support the Ukraine, which continues to be battered by war, to the tune of EUR 50bn from 2024 to 2027. Of this, EUR 33bn will be provided in the form of loans, which will be financed by the issue of EU bonds. The funds will be enhanced by grants of EUR 17bn from the EU budget. Raising the funds to finance the loans will take place under the EU's unified funding approach, allowing the EU to provide Ukraine with stable and predictable disbursements. Funding needs generated by the Ukraine Facility will be accommodated within the EU's semi-annual funding plans. This includes the current plan, which covers EU debt operations from H1 2024. In mid-March, the Commission already disbursed the first EUR 4.5bn of support under the facility. Another important aspect of the revision was the launch of a European Union recovery instrument (EURI) to help with the repayment of bonds issued to fund the NGEU scheme. Whereas the loans will be repaid by beneficiary member states, the part of the bonds used for grants will be repaid from future EU budgets. The EURI instrument – as it is called officially, although this is just as much a misnomer as PIN number – would be used if, in a specific year, the financing costs of the funds raised were to exceed the amounts projected in December 2020. In the interests of legal certainty, the specific amounts, which were set as thresholds for taking advantage of the EURI instrument for the years 2024-2027, were explicitly set as absolute amounts in Art. 10(a) of Regulation (EU, Euratom) 2020/2093. A total of EUR 64.6bn in additional funds was mobilised through the mid-term revision.

2024 European elections

The year 2024 is set to be a crucial year for the EU in view of the forthcoming European elections. More than 400 million citizens will be called upon to cast their vote to elect a new EU parliament between 06 and 09 June. The 2024 European elections will involve a number of new elements: the most important of these will be that, because of the United Kingdom leaving the EU, there will be fewer seats available in parliament than in previous elections. Since Brexit, the European parliament has shrunk to 705 seats. In September 2023, MEPs then decided to increase the number of seats for the forthcoming legislative period by 15 to 720. This will therefore mean an increase of two in the number of MEPs in 2024 for countries such as France, Spain and the Netherlands. In addition, these elections will also be the first after several severe crises that have had a fundamental impact on politics in the EU and its member states. As in previous European elections, all eyes will be on the political far right, which is expected to be the big winner this year. European politics could therefore become more closely aligned to those of a number of member states in which right-wing parties are already largely established, such as in Austria, France, Italy and Poland. Nevertheless, we should not overlook the fact that the right already made gains in the elections in 2014 and 2019, which could also mean that there is less room for further gains for the parties in question.

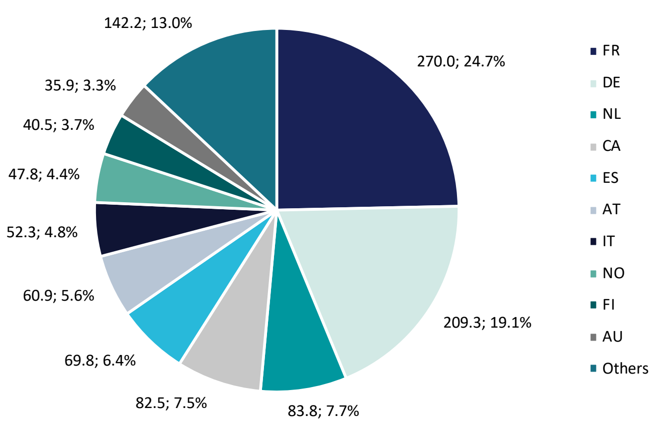
Conclusion

As a mega issuer, the EU is and remains the most important player in our SSA coverage. The NGEU programme alone with a volume of over EUR 800bn can be described as historic. The EU thereby combines what is necessary (growing the economy) with what is useful (climate protection and digital transformation). Reaching the goals of the Paris Agreement is a challenge across the various member states, but all the more worth achieving since the EU is able to steer investments onto green and sustainable tracks through the NGEU programme. As things stand at present, a total of EUR 55.9bn in EU green bonds has already been issued; the last in March of this year (cf. weekly publication of 20 March and weekly publication of 17 April). In the context of our SSA Outlook 2024, we assumed a funding target for the EU of EUR 135-155bn. For the first half, the EU is planning to raise a total of EUR 75bn via bonds and taps by the end of June. For this reason, we still feel comfortable with our forecast. The next half-yearly funding plan for the period from July to December will be published in June, according to the EU. Looking ahead to the future, the EU should have a number of opportunities as regards its classification as an issuer in the government bond segment. However, in order to take full advantage of these opportunities, market participants themselves will have to make a number of changes. These include changes to internal risk or benchmark guidelines, in order to be able to treat EU bonds in the same way as sovereign bonds. However, in order to achieve a sensible and lasting parity, we would also see the need for the EU to continue to maintain the bond curve it has built up even after the end of existing programmes, first and foremost, the NGEU. The EU is represented by way of a series of other issuers in our Issuer Guide – European Supranationals 2023. We are planning to update this publication at some point this year.

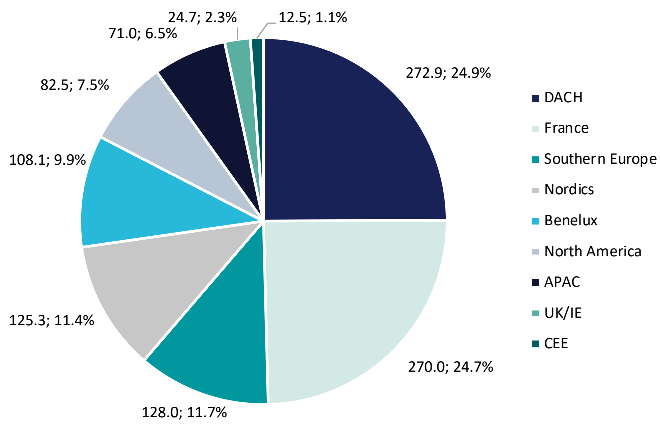
NORD/LB

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



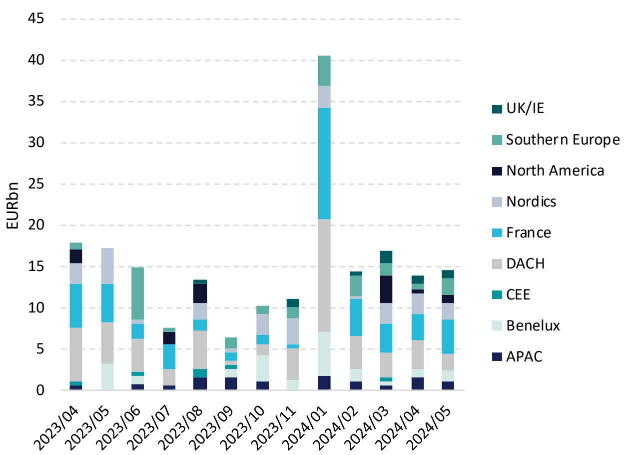
EUR benchmark volume by region (in EURbn)



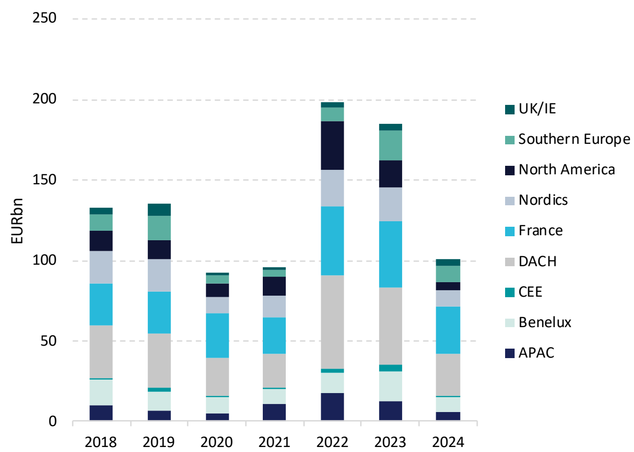
Top-10 jurisdictions

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	270.0	260	26	0.98	9.3	4.9	1.45
2	DE	209.3	297	41	0.65	7.8	4.0	1.41
3	NL	83.8	84	3	0.94	10.4	6.0	1.32
4	CA	82.5	61	1	1.33	5.5	2.7	1.34
5	ES	69.8	55	5	1.15	11.1	3.3	2.13
6	AT	60.9	102	5	0.59	8.1	4.4	1.53
7	IT	52.3	66	4	0.76	8.5	3.7	1.84
8	NO	47.8	58	12	0.82	7.3	3.6	0.99
9	FI	40.5	46	4	0.87	6.9	3.7	1.72
10	AU	35.9	34	0	1.06	7.1	3.4	1.77

EUR benchmark issue volume by month

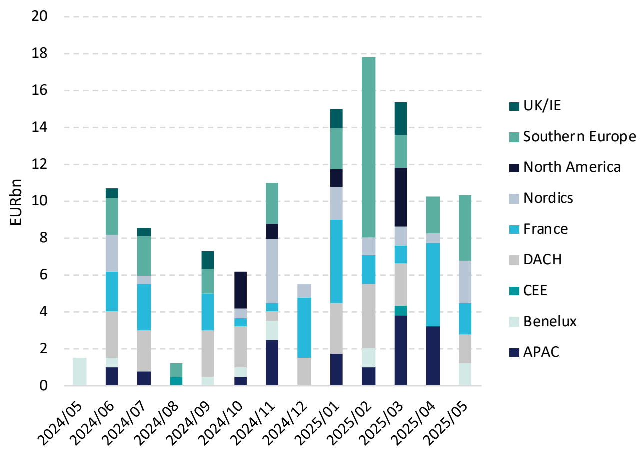


EUR benchmark issue volume by year

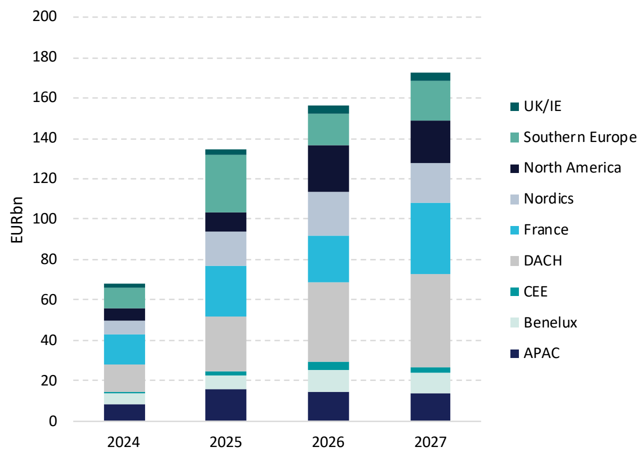


Source: market data, Bloomberg, NORD/LB Floor Research

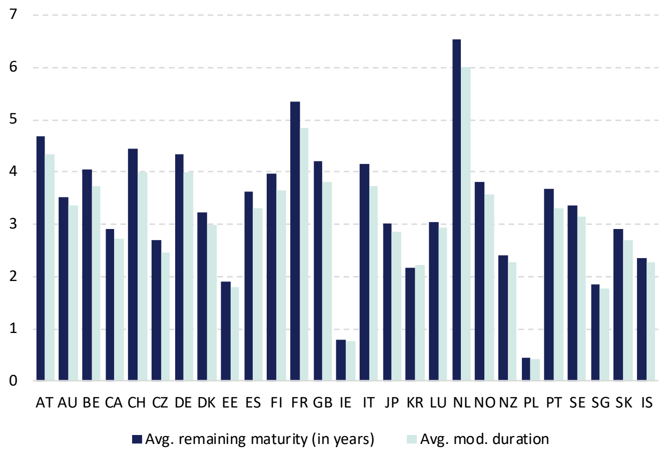
EUR benchmark maturities by month



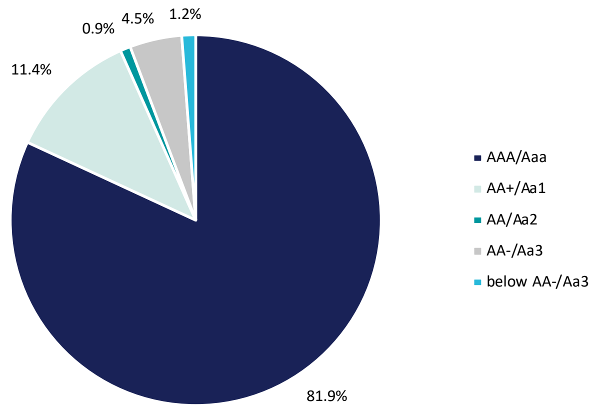
EUR benchmark maturities by year



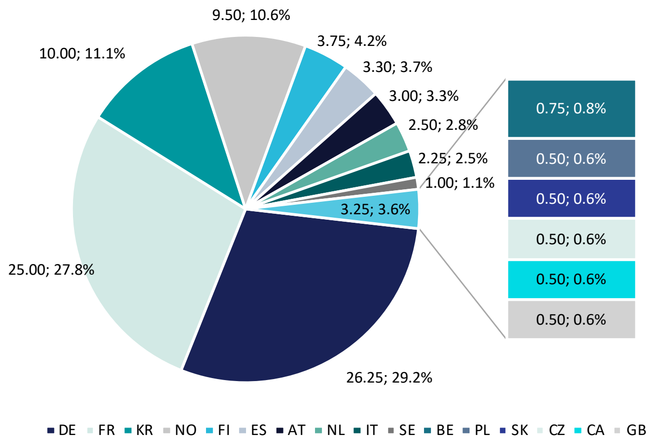
Modified duration and time to maturity by country



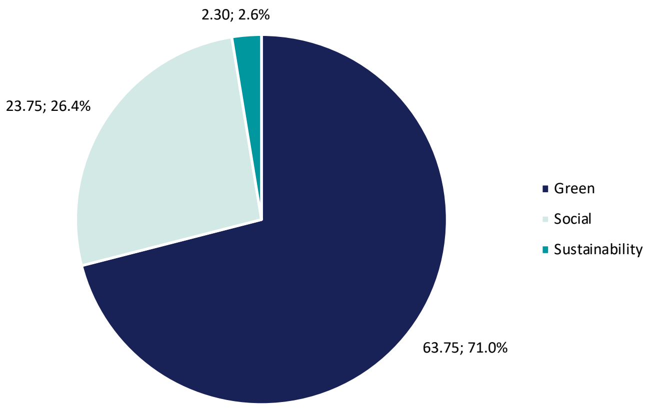
Rating distribution (volume weighted)



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

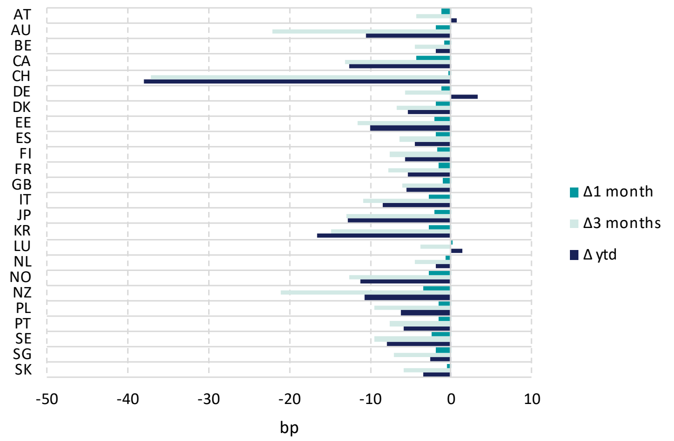


EUR benchmark volume (ESG) by type (in EURbn)

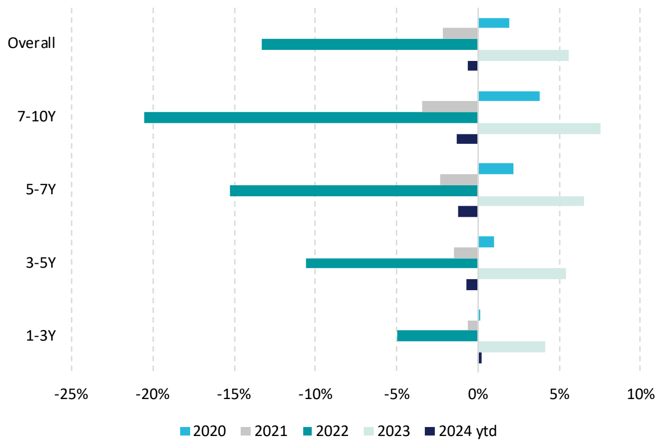


Source: market data, Bloomberg, NORD/LB Floor Research

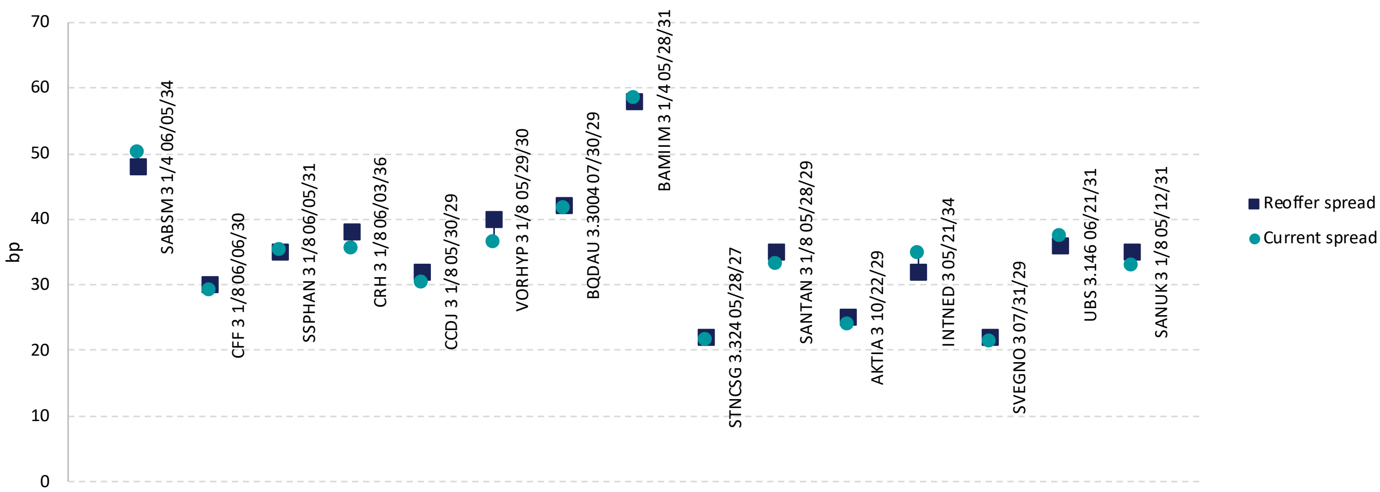
Spread development by country



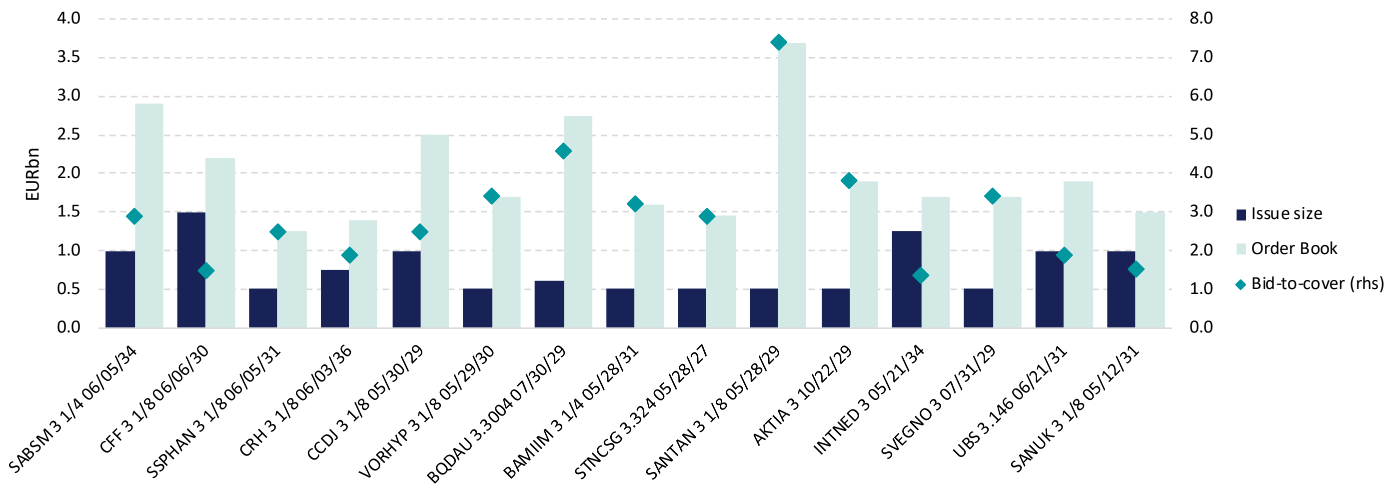
Covered bond performance (Total return)



Spread development (last 15 issues)



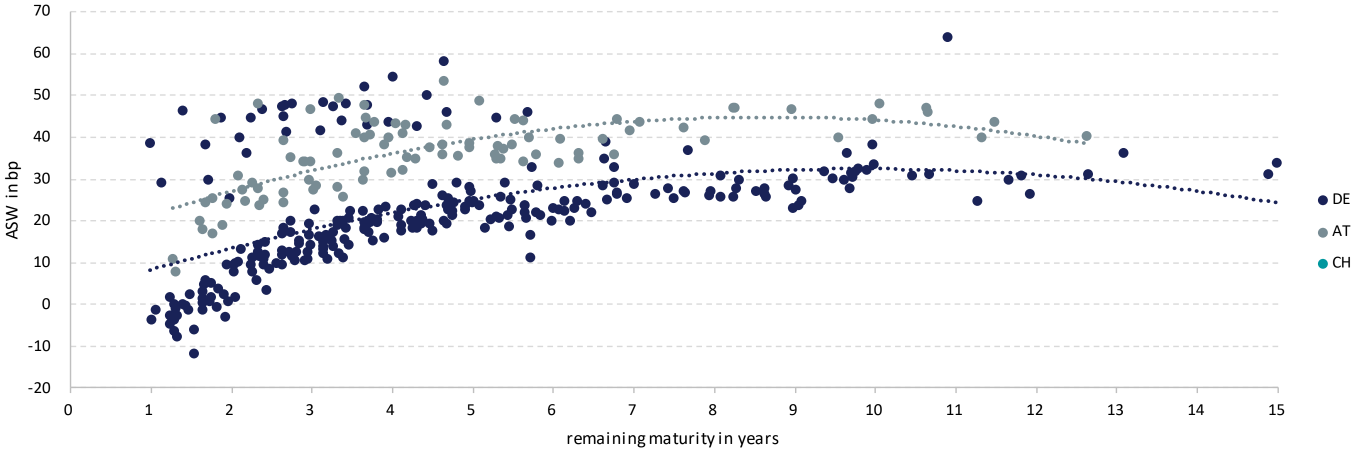
Order books (last 15 issues)



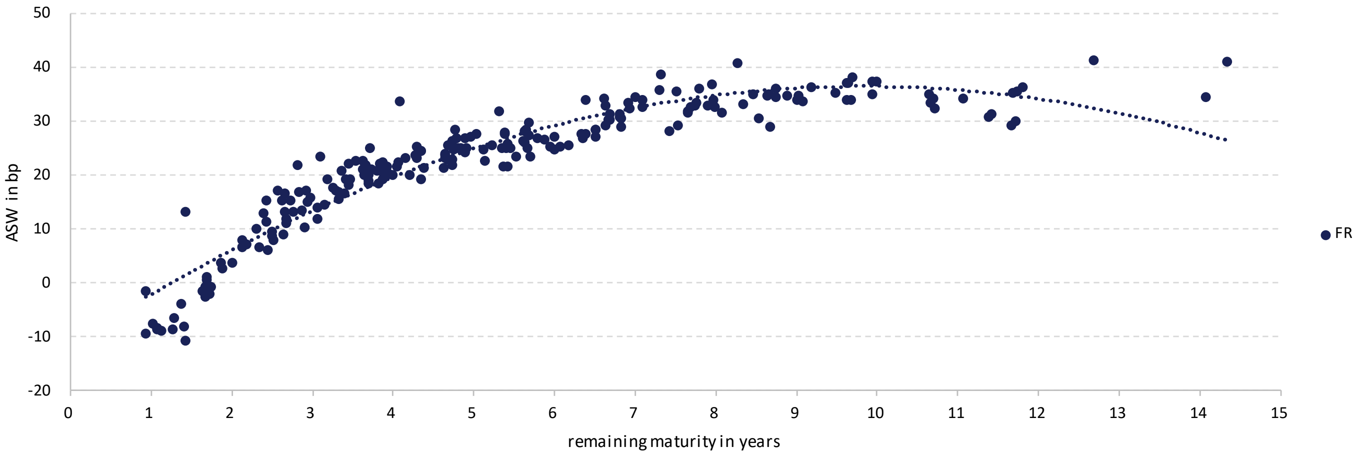
Source: market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

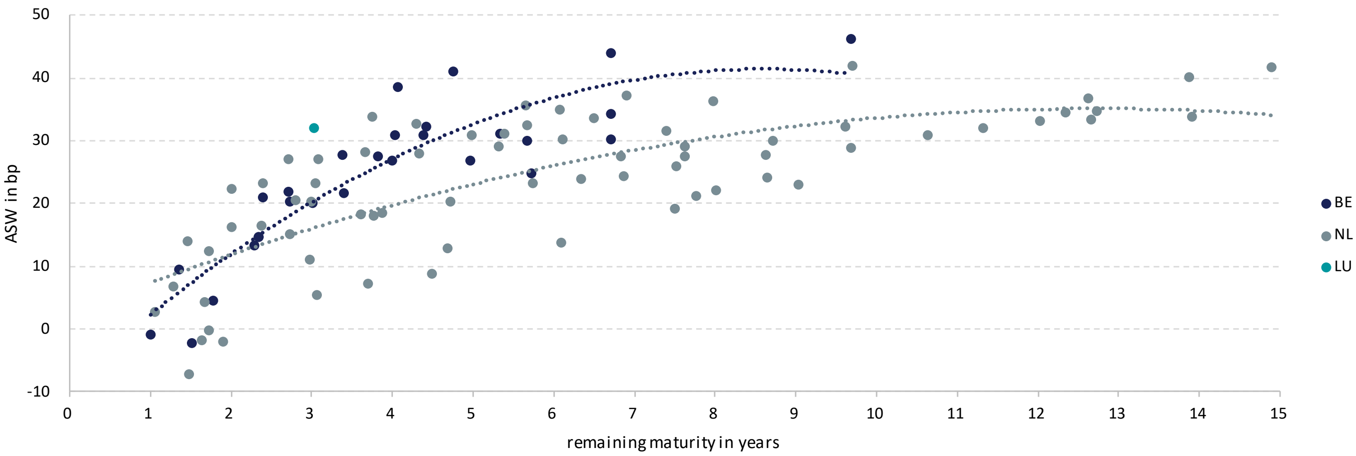
DACH



France

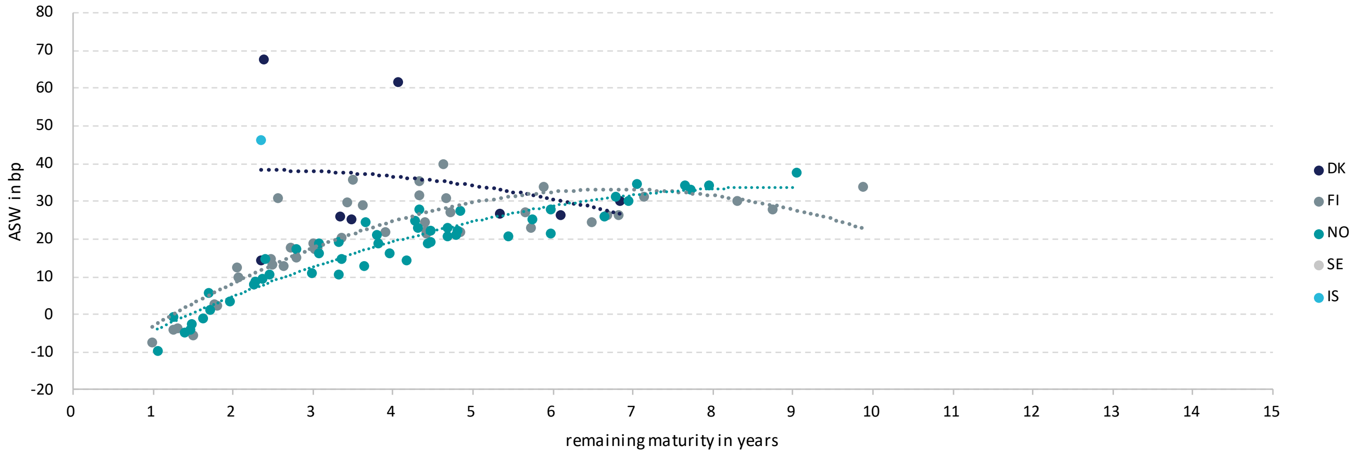


Benelux

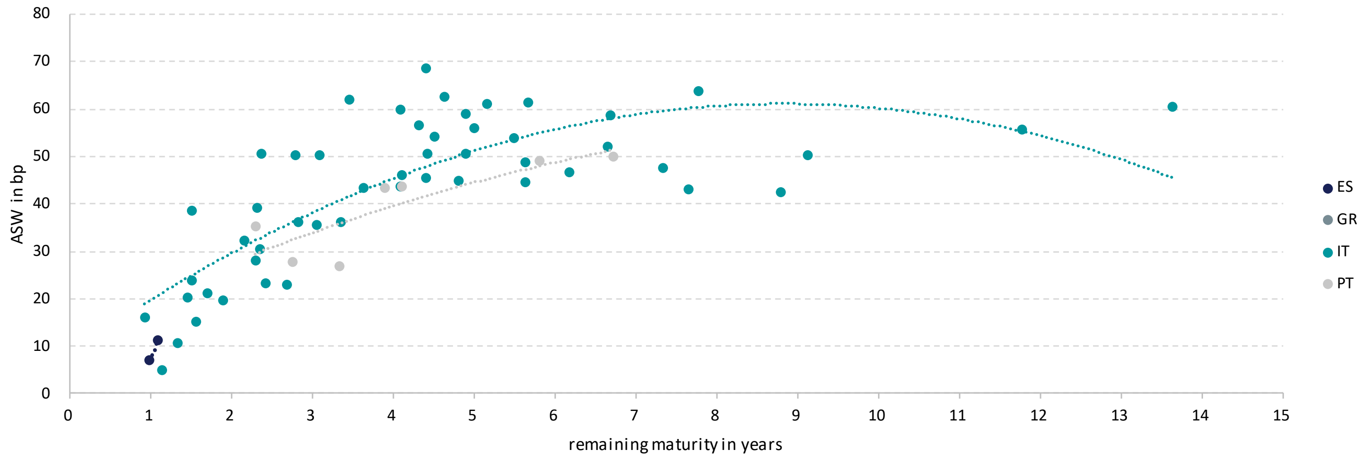


Source: market data, Bloomberg, NORD/LB Floor Research [1]Time to maturity 1 ≤ y ≤ 15

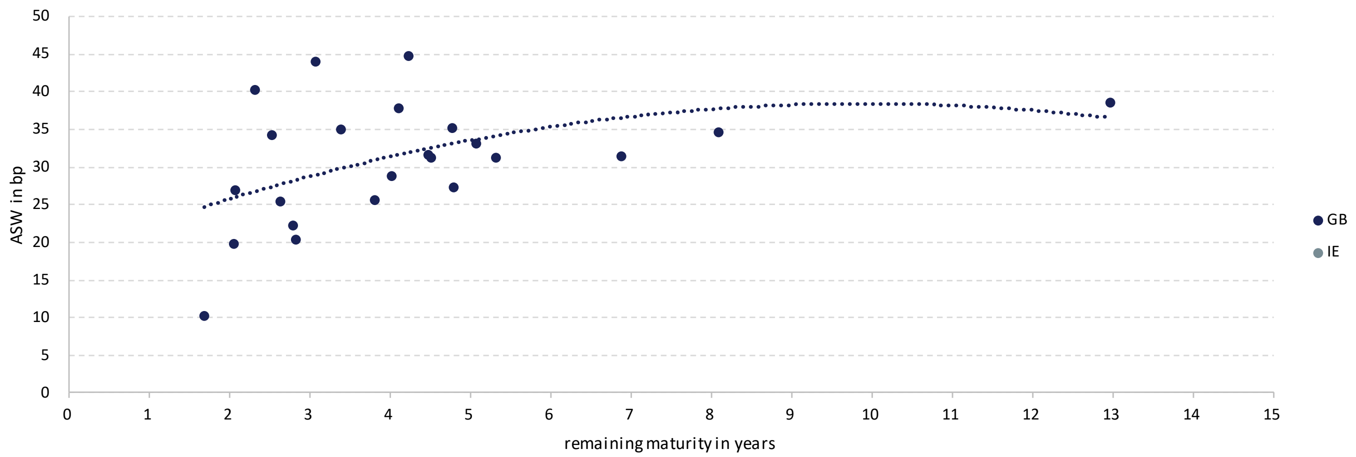
Nordics



Southern Europe

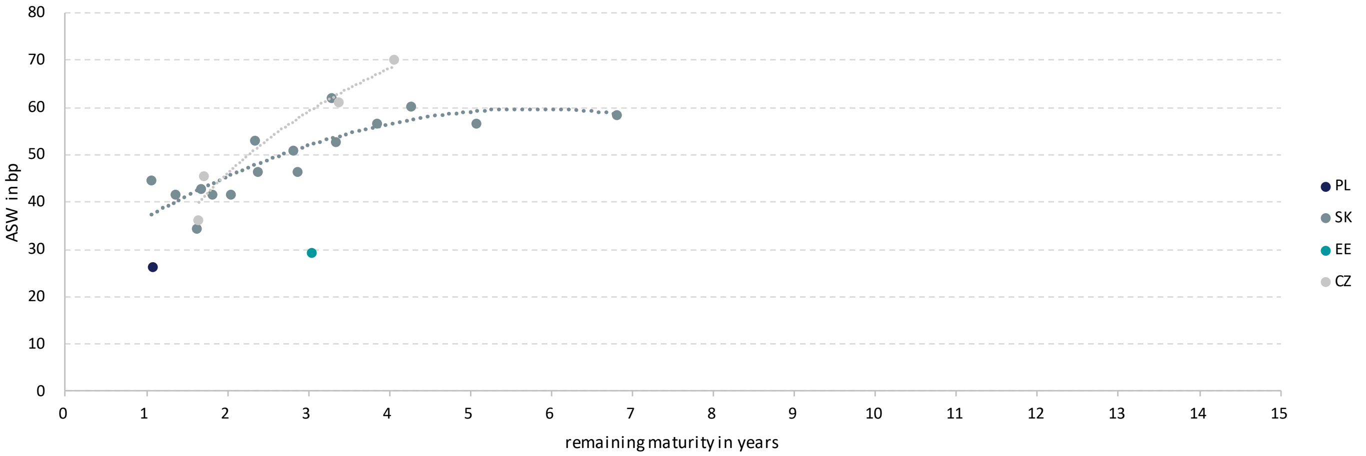


UK/IE

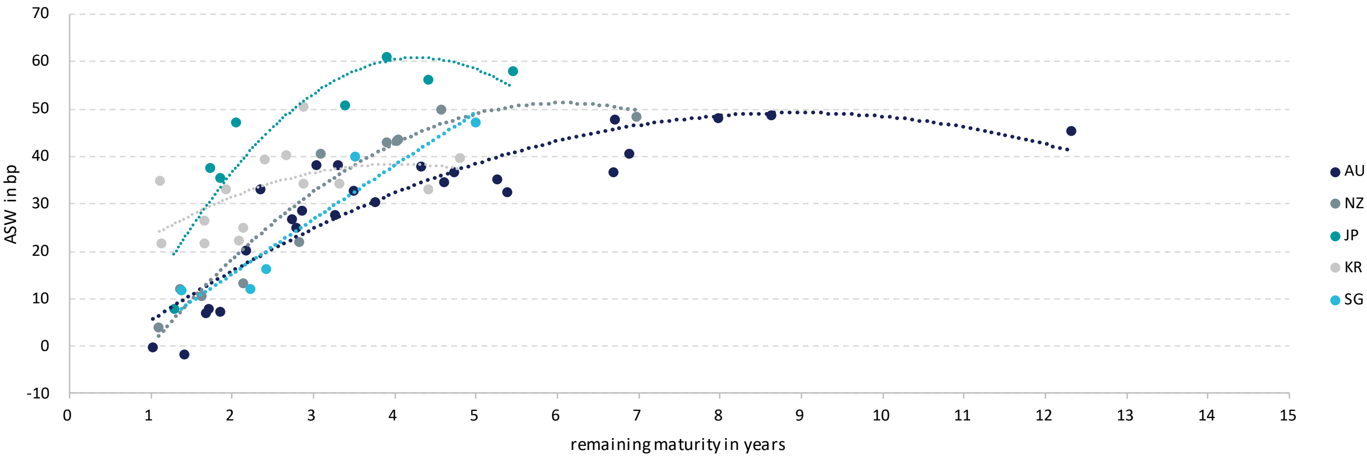


Source: market data, Bloomberg, NORD/LB Floor Research

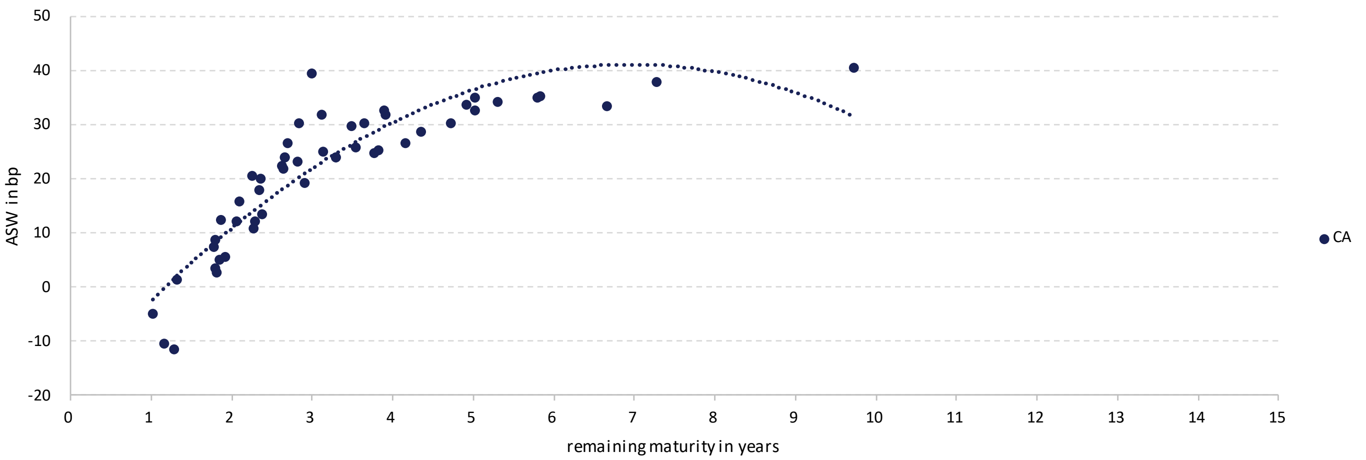
CEE



APAC



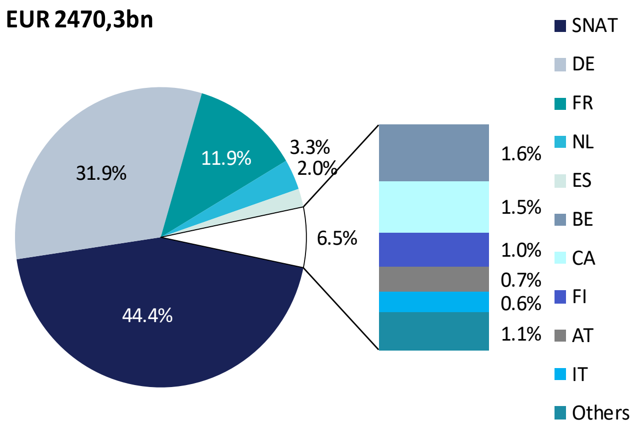
North America



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

Charts & Figures
SSA/Public Issuers

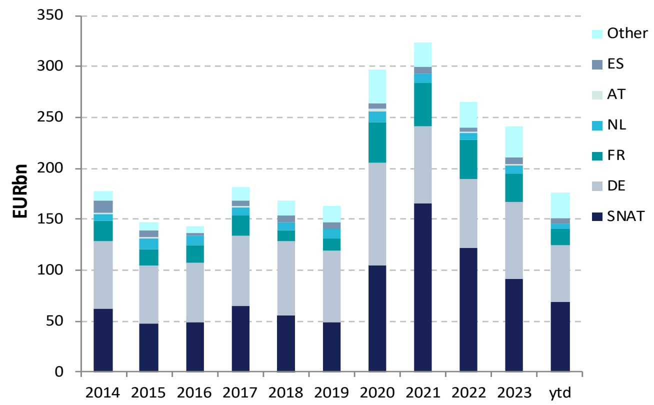
Outstanding volume (bmk)



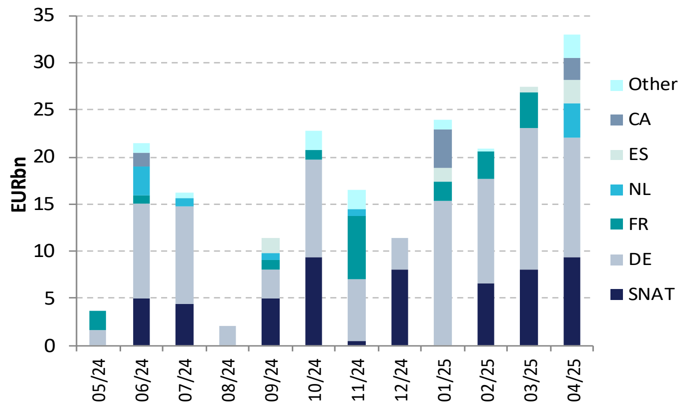
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	1,097.1	236	4.6	8.1
DE	788.1	584	1.3	6.2
FR	294.8	198	1.5	5.9
NL	80.9	68	1.2	6.4
ES	49.0	68	0.7	5.0
BE	40.3	43	0.9	10.5
CA	36.6	28	1.3	4.8
FI	24.1	25	1.0	4.6
AT	17.8	22	0.8	4.1
IT	15.2	19	0.8	4.2

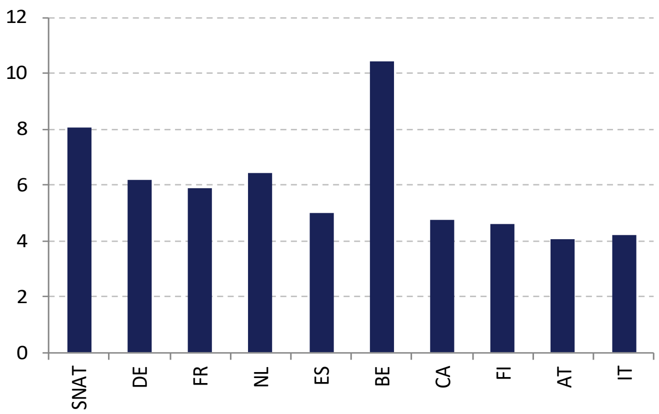
Issue volume by year (bmk)



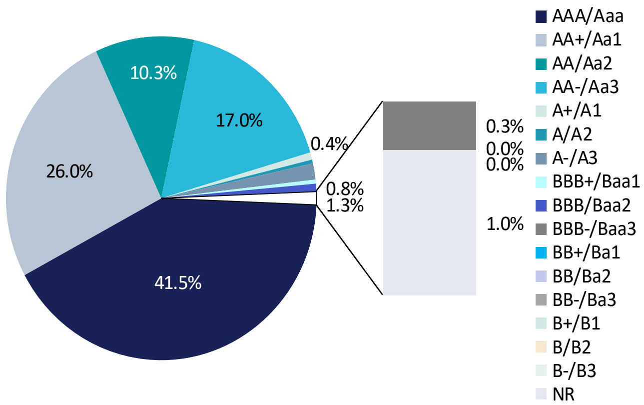
Maturities next 12 months (bmk)



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

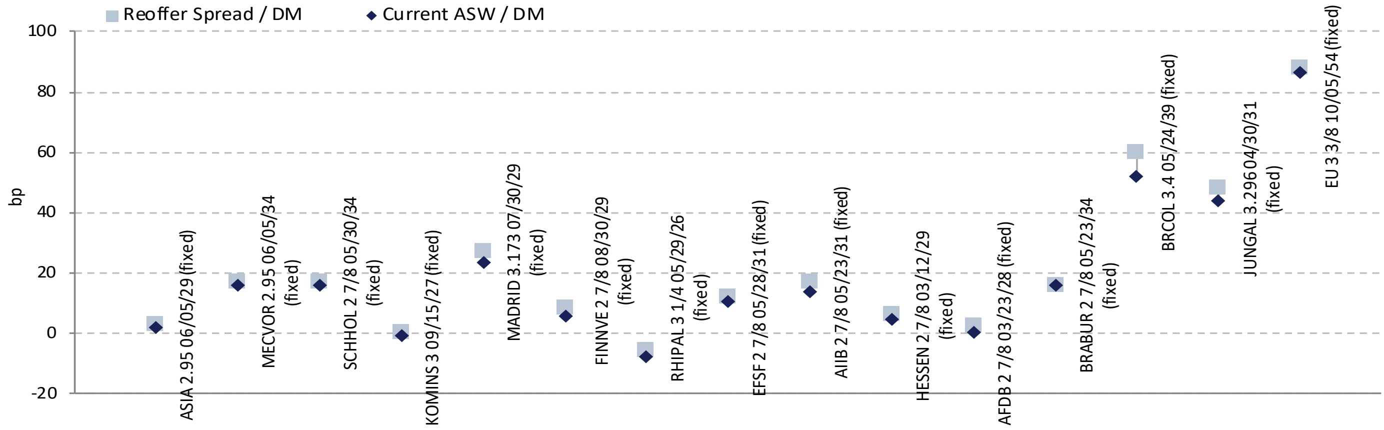


Rating distribution (vol. weighted)

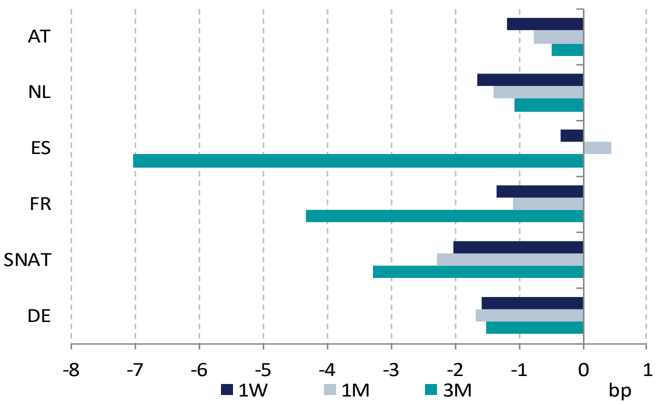


Source: Bloomberg, NORD/LB Floor Research

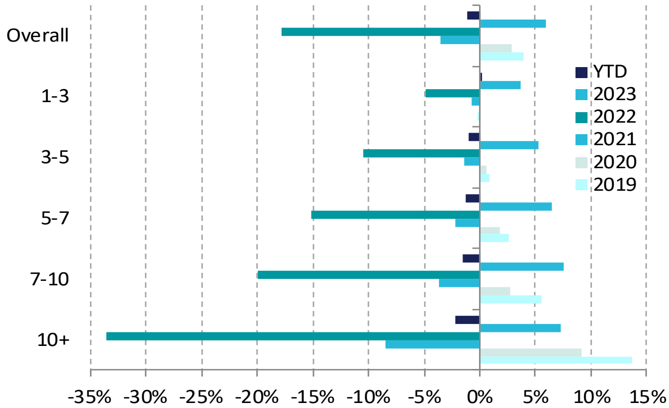
Spread development (last 15 issues)



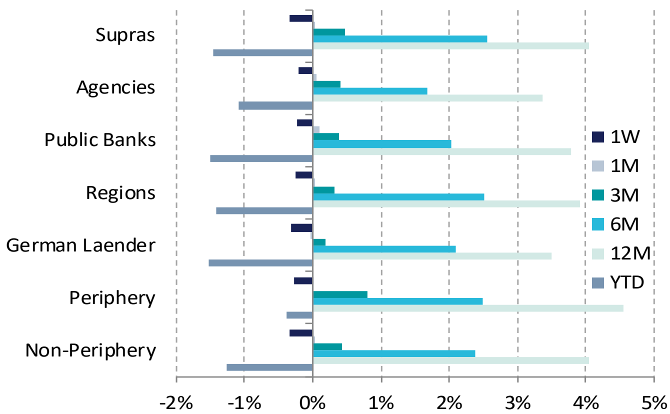
Spread development by country



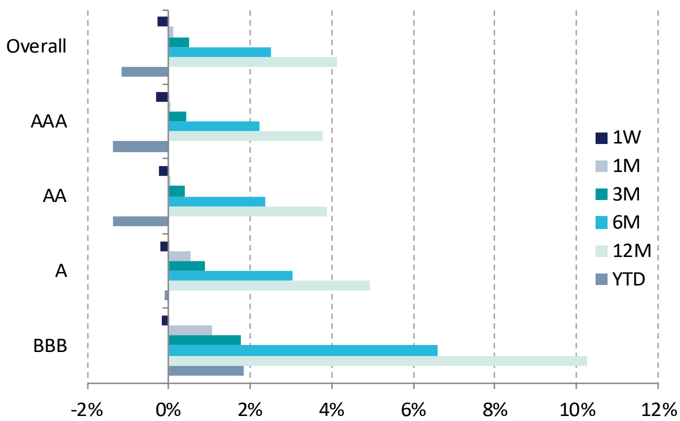
Performance (total return)



Performance (total return) by segments

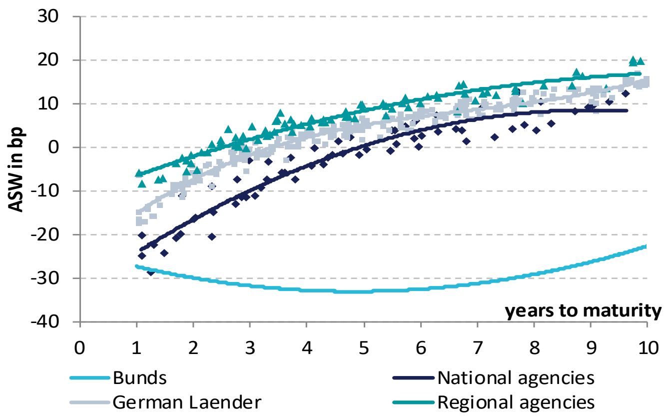


Performance (total return) by rating

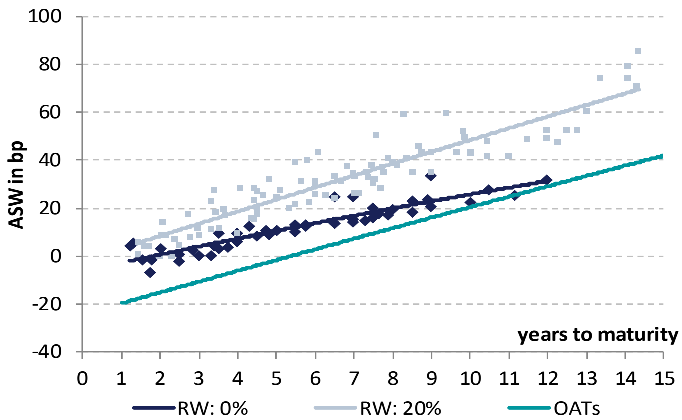


Source: Bloomberg, NORD/LB Floor Research

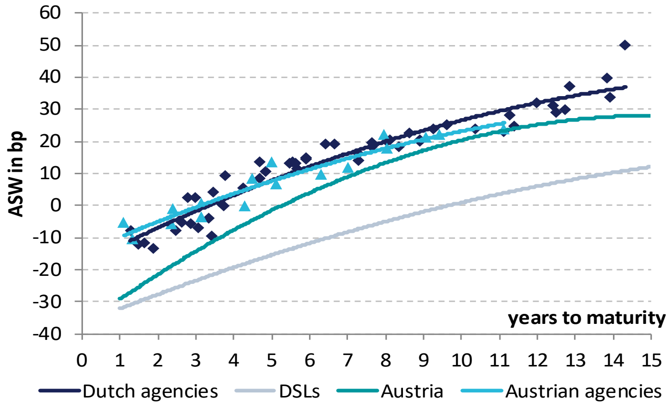
Germany (by segments)



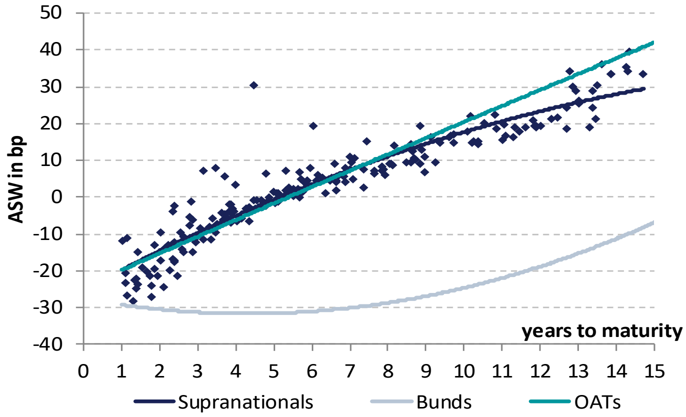
France (by risk weight)



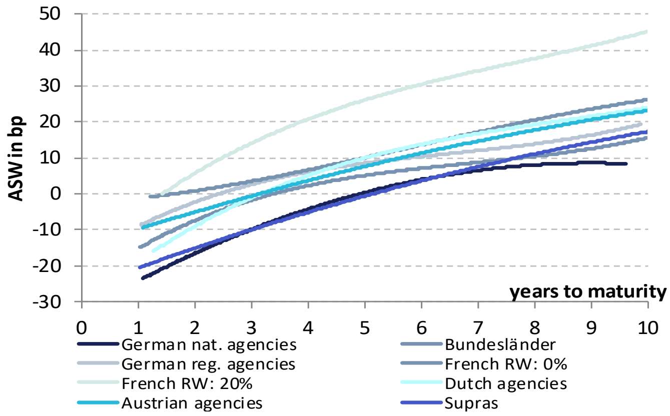
Netherlands & Austria



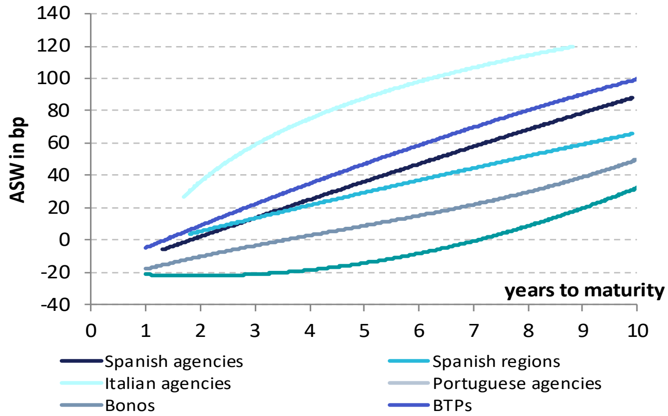
Supranationals



Core



Periphery



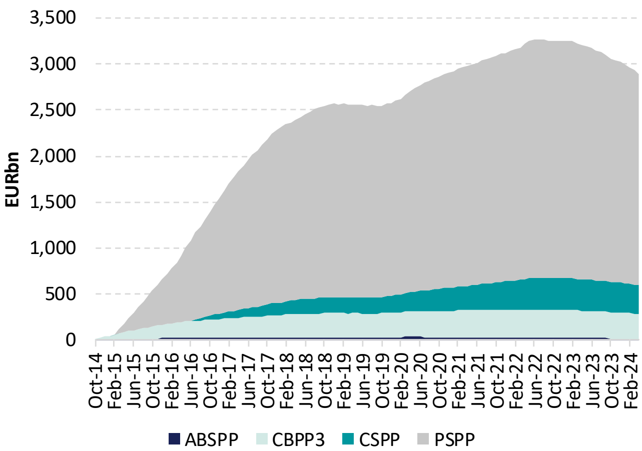
Source: Bloomberg, NORD/LB Floor Research

ECB tracker

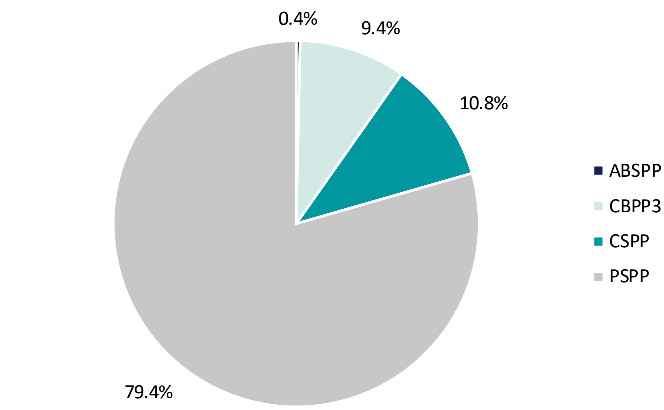
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Mar-24	10,537	274,499	316,207	2,330,298	2,931,541
Apr-24	10,161	272,685	312,679	2,301,586	2,897,111
Δ	-377	-1,814	-3,529	-28,712	-34,432

Portfolio development

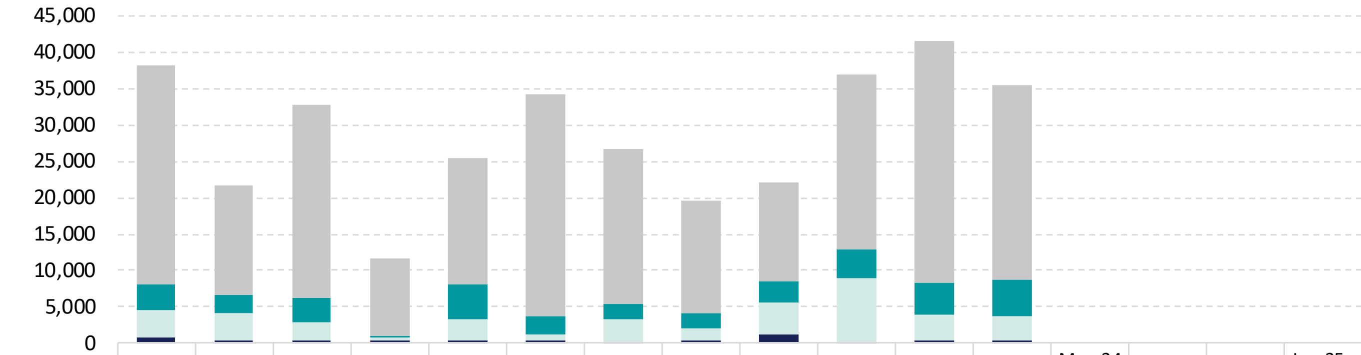


Portfolio structure



Source: ECB, NORD/LB Floor Research

Expected monthly redemptions (in EURm)

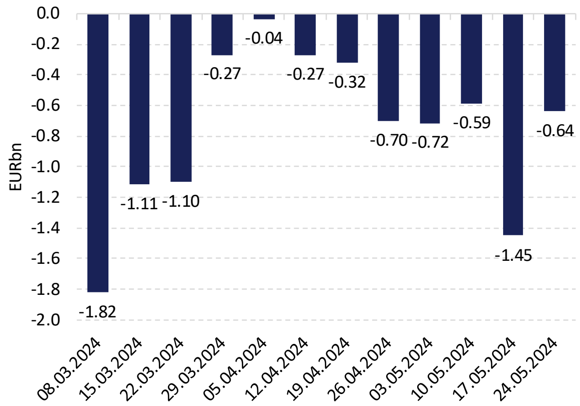


	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-24 - Apr-25	2023	2024	Jan-25 - Apr-25
APP	38,258	21,648	32,762	11,589	25,501	34,346	26,693	19,634	22,070	36,947	41,634	35,499	346,581	331,565	334,097	59,017
PSPP	30,194	14,974	26,645	10,533	17,434	30,578	21,298	15,573	13,463	24,021	33,345	26,671	264,729	255,025	264,250	37,484
CSPP	3,463	2,462	3,204	244	4,738	2,613	2,031	1,944	2,973	4,076	4,279	5,137	37,164	31,251	31,379	7,049
CBPP3	3,836	3,777	2,558	541	2,993	736	3,136	1,790	4,335	8,635	3,709	3,373	39,419	35,147	32,173	12,970
ABSPP	765	435	355	271	336	419	228	327	1,299	215	301	318	5,269	10,142	6,295	1,514

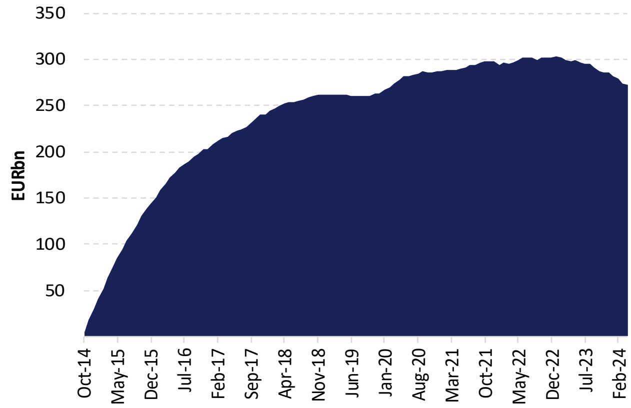
Source: ECB, Bloomberg, NORD/LB Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

Weekly purchases

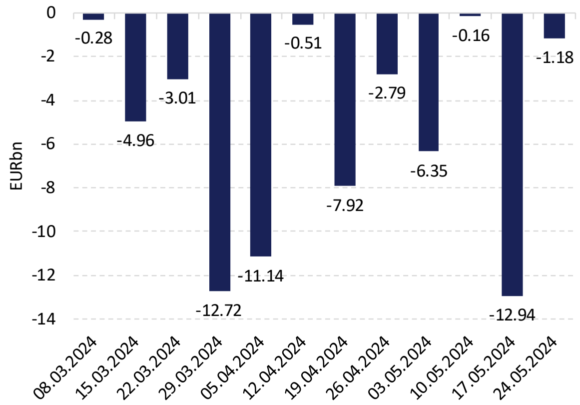


Development of CBPP3 volume

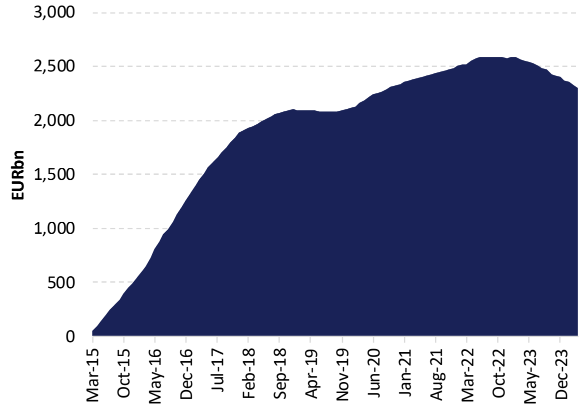


Public Sector Purchase Programme (PSPP)

Weekly purchases



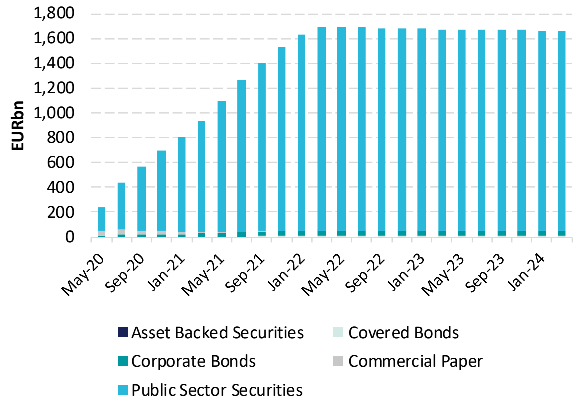
Development of PSPP volume



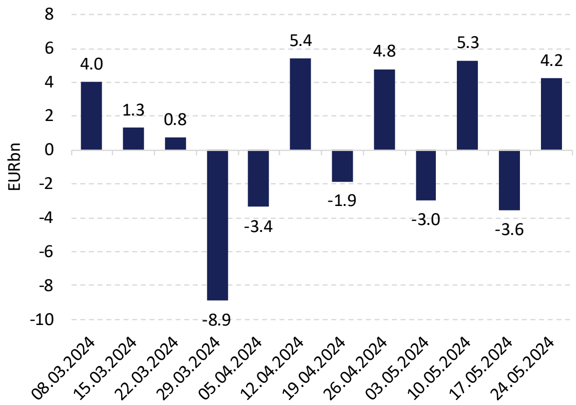
Source: ECB, Bloomberg, NORD/LB Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development



Weekly purchases



Source: ECB, Bloomberg, NORD/LB Floor Research

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
17/2024 ♦ 15 May	▪ Standard Chartered Bank Singapore boosts APAC growth ▪ Stability Council convenes for 29th meeting
16/2024 ♦ 08 May	▪ Whats happening away from the benchmark? ▪ Teaser: Issuer Guide - Dutch Agencies 2024
15/2024 ♦ 24 April	▪ A covered bond view of Portugal: Welcome back! ▪ Credit authorisations of the German Laender for 2024
14/2024 ♦ 17 April	▪ Moody's covered bond universe: An overview ▪ SSA review: EUR-ESG benchmarks in Q1/2024
13/2024 ♦ 10 April	▪ A review of Q1 in the Covered Bond segment ▪ A review of Q1 in the SSA segment
12/2024 ♦ 27 March	▪ Maybank: New covered bond issuer from Singapore ▪ A closer look at Export Development Canada (Ticker: EDC)
11/2024 ♦ 20 March	▪ Covered bond jurisdictions "Down Under" in the spotlight ▪ Collective Action Clauses (CACs) – An (Italian) update
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

NORD/LB:	NORD/LB:	NORD/LB:	Bloomberg:
Floor Research	Covered Bond Research	SSA/Public Issuers Research	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 Q1/2024 (quarterly update)

Transparency requirements §28 PfandBG Q1/2024 Sparkassen (quarterly update)

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 2024

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 preview: Don't be afraid of your own courage, please

Appendix
Contacts at NORD/LB

Floor Research

Dr Frederik Kunze
Covered Bonds/Banks

+49 172 354 8977
frederik.kunze@nordlb.de

Lukas Kühne
Covered Bonds/Banks

+49 176 152 90932
lukas.kuehne@nordlb.de

Dr Norman Rudschuck, CIIA
SSA/Public Issuers

+49 152 090 24094
norman.rudschuck@nordlb.de

Christian Ilchmann
SSA/Public Issuers

+49 157 851 64976
christian.ilchmann@nordlb.de

Lukas-Finn Frese
SSA/Public Issuers

+49 176 152 89759
lukas-finn.frese@nordlb.de

Sales

Institutional Sales	+49 511 9818-9440
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

Collat. Management/Repos	+49 511 9818-9200
Liquidity Management	+49 511 9818-9620 +49 511 9818-9650

Relationship Management

Institutionelle Kunden	rm-vs@nordlb.de
Öffentliche Kunden	rm-oek@nordlb.de

Disclaimer

The present report (hereinafter referred to as "information") was drawn up by NORDDEUTSCHE LANDESBANK GIROZENTRALE (NORD/LB). The supervisory authorities responsible for NORD/LB are the European Central Bank (ECB), Sonnemannstraße 20, D-60314 Frankfurt am Main, and the Federal Financial Supervisory Authority in Germany (Bundesanstalt für Finanzdienstleitungsaufsicht; BaFin), Graurheindorfer Str. 108, D-53117 Bonn and Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main. The present report and the products and services described herein have not been reviewed or approved by the relevant supervisory authority.

The present information is addressed exclusively to Recipients in Austria, Belgium, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Indonesia, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Singapore, Portugal, Spain, Sweden, Switzerland, the Republic of China (Taiwan), Thailand, the United Kingdom and Vietnam (hereinafter referred to as "Relevant Persons" or "Recipients"). The contents of the information are disclosed to the Recipients on a strictly confidential basis and, by accepting such information, the Recipients shall agree that they will not forward it to third parties, copy and/or reproduce this information without the prior written consent of NORD/LB. The present information is addressed solely to the Relevant Persons and any parties other than the Relevant Persons shall not rely on the information contained herein. In particular, neither this information nor any copy thereof shall be forwarded or transmitted to the United States of America or its territories or possessions, or distributed to any employees or affiliates of Recipients resident in these jurisdictions.

The present information does not constitute financial analysis within the meaning of Art. 36 (1) of the Delegate Regulation (EU) 2017/565, but rather represents a marketing communication for your general information **within the meaning of Art. 36 (2) of this Regulation. Against this background, NORD/LB expressly points out that this information has not been prepared in accordance with legal provisions promoting the independence of investment research and is not subject to any prohibition of trading following the dissemination of investment research.** Likewise, this information does not constitute an investment recommendation or investment strategy recommendation within the meaning of the Market Abuse Regulation (EU) No. 596/2014**.**

This report and the information contained herein have been compiled and are provided exclusively for information purposes. The present information is not intended as an investment incentive. It is provided for the Recipient's personal information, subject to the express understanding, which shall be acknowledged by the Recipient, that it does not constitute any direct or indirect offer, recommendation, solicitation to purchase, hold or sell or to subscribe for or acquire any securities or other financial instruments nor any measure by which financial instruments might be offered or sold.

All actual details, information and statements contained herein were derived from sources considered reliable by NORD/LB. For the preparation of this information, NORD/LB uses issuer-specific financial data providers, own estimates, company information and public media. However, since these sources are not verified independently, NORD/LB cannot give any assurance as to or assume responsibility for the accuracy and completeness of the information contained herein. The opinions and prognoses given herein on the basis of these sources constitute a non-binding evaluation of the employees of the Floor Research division of NORD/ LB. Any changes in the underlying premises may have a material impact on the developments described herein. Neither NORD/LB nor its governing bodies or employees can give any assurances as to or assume any responsibility or liability for the accuracy, appropriateness and completeness of this information or for any loss of return, any indirect, consequential or other damage which may be suffered by persons relying on the information or any statements or opinions set forth in the present Report (irrespective of whether such losses are incurred due to any negligence on the part of these persons or otherwise).

Past performance is not a reliable indicator of future performance. Exchange rates, price fluctuations of the financial instruments and similar factors may have a negative impact on the value and price of and return on the financial instruments referred to herein or any instruments linked thereto. Fees and commissions apply in relation to securities (purchase, sell, custody), which reduce the return on investment. An evaluation made on the basis of the historical performance of any security does not necessarily provide an indication of its future performance.
The present information neither constitutes any investment, legal, accounting or tax advice nor any assurance that an investment or strategy is suitable or appropriate in the light of the Recipient's individual circumstances, and nothing in this information constitutes a personal recommendation to the Recipient thereof. The securities or other financial instruments referred to herein may not be suitable for the Recipient's personal investment strategies and objectives, financial situation or individual needs.

Moreover, the present report in whole or in part is not a sales or other prospectus. Accordingly, the information contained herein merely constitutes an overview and does not form the basis for any potential decision to buy or sell on the part of an investor. A full description of the details relating to the financial instruments or transactions which may relate to the subject matter of this report is given in the relevant (financing) documentation. To the extent that the financial instruments described herein are NORD/LB's own issues and subject to the requirement to publish a prospectus, the conditions of issue applicable to any individual financial instrument and the relevant prospectus published with respect thereto as well NORD/LB's relevant registration form, all of which are available for download at www.nordlb.de and may be obtained free of charge from NORD/LB, Georgsplatz 1, 30159 Hanover, shall be solely binding. Furthermore, any potential investment decision should be made exclusively on the basis of such (financing) documentation. The present information cannot replace personal advice. Before making an investment decision, each Recipient should consult an independent investment adviser for individual investment advice with respect to the appropriateness of an investment in financial instruments or investment strategies subject to this information as well as for other and more recent information on certain investment opportunities.

Each of the financial instruments referred to herein may involve substantial risks, including capital, interest, index, currency and credit risks in addition to political, fair value, commodity and market risks. The financial instruments could experience a sudden and substantial deterioration in value, including a total loss of the capital invested. Each transaction should only be entered into on the basis of the relevant investor's assessment of his or her individual financial situation as well as of the suitability and risks of the investment.

NORD/LB and its affiliated companies may participate in transactions involving the financial instruments described in the present information or their underlying basis values for their own account or for the account of third parties, may issue other financial instruments with the same or similar features as those of the financial instruments presented in this information and may conduct hedging transactions to hedge positions. These measures may affect the price of the financial instruments described in the present information.

If the financial instruments presented in this information are derivatives, they may, depending on their structure, have an initial negative market value from the customer's perspective at the time the transaction is concluded. NORD/LB further reserves the right to transfer its economic risk from a derivative concluded with it to a third party on the market by means of a mirror-image counter transaction.

More detailed information on any commission payments which may be included in the selling price can be found in the "Customer Information on Securities Business" brochure, which is available to download at www.nordlb.de.

The information contained in the present report replaces all previous versions of corresponding information and refers exclusively to the time of preparation of the information. Future versions of this information will replace this version. NORD/LB is under no obligation to update and/or regularly review the data contained in such information. No guarantee can therefore be given that the information is up-to-date and continues to be correct.
By making use of this information, the Recipient shall accept the terms and conditions outlined above.

NORD/LB is a member of the protection scheme of Deutsche Sparkassen-Finanzgruppe. Further information for the Recipient is indicated in clause 28 of the General Terms and Conditions of NORD/LB or at www.dsgv.de/sicherungssystem.

Additional information for Recipients in Australia:
NORD/LB IS NOT A BANK OR DEPOSIT TAKING INSTITUTION AUTHORISED UNDER THE 1959 BANKING ACT OF AUSTRALIA. IT IS NOT SUPERVISED BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY. NORD/LB does not provide personal advice with this information and does not take into account the objectives, financial situation or needs of the Recipient (other than for the purpose of combating money laundering).

Additional information for Recipients in Austria:
None of the information contained herein constitutes a solicitation or offer by NORD/LB or its affiliates to buy or sell any securities, futures, options or other financial instruments or to participate in any other strategy. Only the published prospectus pursuant to the Austrian Capital Market Act should be the basis for any investment decision of the Recipient. For regulatory reasons, products mentioned herein may not be on offer in Austria and therefore not available to investors in Austria. Therefore, NORD/LB may not be able to sell or issue these products, nor shall it accept any request to sell or issue these products to investors located in Austria or to intermediaries acting on behalf of any such investors.

Additional information for Recipients in Belgium:
Evaluations of individual financial instruments on the basis of past performance are not necessarily indicative of future results. It should be noted that the reported figures relate to past years.

Additional information for Recipients in Canada:
This report has been prepared solely for information purposes in connection with the products it describes and should not, under any circumstances, be construed as a public offer or any other offer (direct or indirect) to buy or sell securities in any province or territory of Canada. No financial market authority or similar regulatory body in Canada has made any assessment of these securities or reviewed this information and any statement to the contrary constitutes an offence. Potential selling restrictions may be included in the prospectus or other documentation relating to the relevant product.

Additional information for Recipients in Cyprus:
This information constitutes an analysis within the meaning of the section on definitions of the Cyprus Directive D1444-2007-01 (No. 426/07). Furthermore, this information is provided for information and promotional purposes only and does not constitute an individual invitation or offer to sell, buy or subscribe to any investment product.

Additional information for Recipients in the Czech Republic:
There is no guarantee that the invested amount will be recouped. Past returns are no guarantee of future results. The value of the investments may rise or fall. The information contained herein is provided on a non-binding basis only and the author does not guarantee the accuracy of the content.

Additional information for Recipients in Denmark:
This Information does not constitute a prospectus under Danish securities law and consequently is not required to be, nor has been filed with or approved by the Danish Financial Supervisory Authority, as this Information either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

Additional information for Recipients in Estonia:
It is advisable to closely examine all the terms and conditions of the services provided by NORD/LB. If necessary, Recipients of this information should consult an expert.

Additional information for Recipients in Finland:
The financial products described herein may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, in the case of shares, such shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act (746/2012, as amended). The value of investments may go up or down. There is no guarantee of recouping the amount invested. Past performance is no guarantee of future results.

Additional information for Recipients in France:
NORD/LB is partially regulated by the “Autorité des Marchés Financiers” for the conduct of French business. Details concerning the extent of our regulation by the respective authorities are available from us on request. The present information does not constitute an analysis within the meaning of Article 24 (1) Directive 2006/73/EC, Article L.544-1 and R.621-30-1 of the French Monetary and Financial Code, but does represent a marketing communication and does qualify as a recommendation pursuant to Directive 2003/6/EC and Directive 2003/125/EC.

Additional information for Recipients in Greece:
The information contained herein gives the view of the author at the time of publication and may not be used by its Recipient without first having confirmed that it remains accurate and up to date at the time of its use. Past performance, simulations or forecasts are therefore not a reliable indicator of future results. Investment funds have no guaranteed performance and past returns do not guarantee future performance.

Additional information for Recipients in Indonesia:
This report contains generic information and has not been tailored to the circumstances of any individual or specific Recipient. This information is part of NORD/LB’s marketing material.

Additional information for Recipients in the Republic of Ireland:
This information has not been prepared in accordance with Directive (EU) 2017/1129 (as amended) on prospectuses (the “Prospectus Directive”) or any measures made under the Prospectus Directive or the laws of any Member State or EEA treaty adherent state that implement the Prospectus Directive or such measures and therefore may not contain all the information required for a document prepared in accordance with the Prospectus Directive or the laws.

Additional information for Recipients in Japan:
This information is provided to you for information purposes only and does not constitute an offer or solicitation of an offer to enter into securities transactions or commodity futures transactions. Although the actual data and information contained herein has been obtained from sources which we believe to be reliable and trustworthy, we are unable to vouch for the accuracy and completeness of this actual data and information.

Additional information for Recipients in South Korea:
This information has been provided to you free of charge for information purposes only. The information contained herein is factual and does not reflect any opinion or judgement of NORD/LB. The information contained herein should not be construed as an offer, marketing, solicitation to submit an offer or investment advice with respect to the financial investment products described herein.

Additional information for Recipients in Luxembourg:
Under no circumstances shall the present information constitute an offer to purchase or issue or the solicitation to submit an offer to buy or subscribe for financial instruments and financial services in Luxembourg.

Additional information for Recipients in New Zealand:
NORD/LB is not a bank registered in New Zealand. This information is for general information only. It does not take into account the Recipient's financial situation or objectives and is not a personalised financial advisory service under the 2008 Financial Advisers Act.

Additional information for Recipients in the Netherlands:
The value of your investment may fluctuate. Past performance is no guarantee for the future.

Additional information for Recipients in Poland:
This information does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers thereof dated 19 October 2005.

Additional information for Recipients in Portugal:
This information is intended only for institutional clients and may not be (i) used by, (ii) copied by any means or (iii) distributed to any other kind of investor, in particular not to retail clients. The present information does not constitute or form part of an offer to buy or sell any of the securities covered by the report, nor should it be understood as a request to buy or sell securities where that practice may be deemed unlawful. The information contained herein is based on information obtained from sources which we believe to be reliable, but is not guaranteed as to accuracy or completeness. Unless otherwise stated, all views contained herein relate solely to our research and analysis and are subject to change without notice.

Additional information for Recipients in Sweden:
This information does not constitute (or form part of) a prospectus, offering memorandum, any other offer or solicitation to acquire, sell, subscribe for or otherwise trade in shares, subscription rights or other securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The present information has not been approved by any regulatory authority. Any offer of securities will only be made pursuant to an applicable prospectus exemption under the EC Prospectus Directive (Directive (EU) 2017/1129), and no offer of securities is being directed to any person or investor in any jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, other offer documentation, registrations or other actions.

Additional information for Recipients in Switzerland:
This information has not been approved by the Federal Banking Commission (merged into the Swiss Financial Market Supervisory Authority (FINMA) on 1 January 2009). NORD/LB will comply with the Directives of the Swiss Bankers Association on the Independence of Financial Research (as amended). The present information does not constitute an issuing prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. The information is published solely for the purpose of information on the products mentioned herein. The products do not qualify as units of a collective investment scheme pursuant to the Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to supervision by FINMA.

Additional information for Recipients in the Republic of China (Taiwan):
This information is provided for general information only and does not take into account the individual interests or requirements, financial status and investment objectives of any specific investor. Nothing herein should be construed as a recommendation or advice for you to subscribe to a particular investment product. You should not rely solely on the information provided herein when making your investment decisions. When considering any investment, you should endeavour to make your own independent assessment and determination on whether the investment is suitable for your needs and seek your own professional financial and legal advice. NORD/LB has taken all reasonable care in producing this report and trusts that the information is reliable and suitable for your situation at the date of publication or delivery. However, no guarantee of accuracy or completeness is given. To the extent that NORD/LB has exercised the due care of a good administrator, we accept no responsibility for any errors, omissions, or misstatements in the information given. NORD/LB does not guarantee any investment results and does not guarantee that the strategies employed will improve investment performance or achieve your investment objectives.

Information for Recipients in the United Kingdom:
NORD/LB is subject to partial regulation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Details of the scope of regulation by the FCA and the PRA are available from NORD/LB on request. The present information is "financial promotion". Recipients in the United Kingdom should contact the London office of NORD/LB, Investment Banking Department, telephone: 0044 / 2079725400, in the event of any queries. An investment in financial instruments referred to herein may expose the investor to a significant risk of losing all the capital invested.

Time of going to press: 29 May 2024 (08:35)