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Capital Markets Spotlight
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Covered Bond & SSA View

NORD/LB Floor Research

27 November 2024 ♦ 39/2024
Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Authors: Alexander Grenner // Lukas Kühne

Primary market: CAFFIL temporarily interrupts the pre-Christmas lull

The primary market has been in a state of calm for several weeks now, which we would be almost tempted to describe as a pre-Christmas lull at this stage. However, Caisse Francaise de Financement Local (CAFFIL) re-injected some life into the market at the start of the week with the issuance of a 5y covered bond. While current market sentiment cannot necessarily be described as overly accommodating of new deals, we have already mentioned on several occasions that there is still a funding requirement on the part of French issuers. CAFFIL kicked things off with a guidance of ms +60bp area, which subsequently narrowed by three basis points to a final spread of ms +57bp over the course of the marketing process. The total volume of the issue was set at EUR 1.0bn after the books were closed. Overall, the deal was well received by investors, not least due to the relatively high new issue premium of seven basis points; the bid-to-cover ratio came in at 1.4x. Including this transaction, five of the last seven new deals have now originated in France. Despite the fact that we have entered the final throes of 2024, we retain the belief that further primary market activities are still conceivable, particularly from our French neighbours. However, this deal should not be seen as a reopening of the market, in our view. For the majority of issuers, the market for 2024 has now closed. Nevertheless, at the start of 2025 it will be exciting to see which maturity segments are favoured on the covered bond market, especially in view of the fact that none of the most recent deals have featured a term of more than six years. However, in the context of the current level of the Bund swap spread and the resultant repricing on the SSA market, it would seem unlikely that the ultra-long end will make a comeback. In parallel with the paucity of activity on the covered bond market, the financials market remains fairly busy, where numerous transactions in both senior preferred and senior non-preferred formats have been recorded over recent weeks. In contrast to covered bonds, it is therefore important to continue checking whether a repricing movement linked to the trend in the Bund swap spread will still materialise.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
CAFFIL	FR	25.11.	FR001400UCA3	5.0y	1.00bn	ms +57bp	- / Aaa / AA+	-

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

Secondary market: CAFFIL deal fails to inspire; trading sales fall

Despite the CAFFIL deal, the pre-Christmas blues are slowly but surely setting in on the secondary market. There is hardly anything in the way of turnover to report now, with only small deals changing hands. Longer maturities are still in demand, but these are hardly available on the market anymore. The CAFFIL deal mentioned above also failed to generate any enthusiasm and did not perform particularly well on the secondary market. Although a marginal rise in Bund swap spreads has taken some pressure off the spreads on the covered bond market, it is unlikely that repricing has been completed yet, particularly in the longer maturity bands of seven years and above.

Fitch: positive excess spreads of Spanish covered bonds expected to narrow

In a recent analysis, the rating experts from Fitch looked at the excess spreads of mortgage-backed Spanish covered bonds (Cedulas Hipotecarias, CH). The excess spread level comprises interest due on the cover assets minus funding costs. The current positive level is expected to decrease against the backdrop of a general reduction in the interest rate level and a growing share of variable-interest assets within the mortgage pools. According to Fitch, the average interest surplus of the eleven CH programmes that form part of its rating universe amounted to 80 basis points as at the end of the third quarter of 2024. If the expiring CHs, which were issued with low coupons in the midst of the low interest rate environment, were to be refinanced through new issues at current market conditions, this would, according to the risk analysts, further accelerate the decline in excess spreads. At the same time, this could drive up the break-even OC for certain ratings. This term reflects the lowest possible overcollateralisation corresponding to the respective rating. For CH programmes rated "AA" or "AAA" by Fitch, the average break-even OC is currently 13%, compared with an average nominal OC of 29%. The cover pools of Spanish issuers predominantly comprise residential cover (92%), with public loans playing a more subordinate role with a share of 8%. In addition, Fitch states that residential cover has a rather low non-indexed LTV ratio of 53%. In terms of the market for Spanish covered bonds in EUR benchmark format, the net new issuance volume for 2024 currently comes in at EUR -3.4bn. Due to the relatively low level of new lending activities, the strong consolidation trend seen in the Spanish banking market in recent years and a preference among Spanish issuers for seniors, we also expect new issuance volumes for the coming year to be low at EUR 5.5bn in relation to the high level of maturities (EUR 17.3bn), which would correspond to a market contraction of EUR -11.8bn.

Non-EUR deals: Bendigo & Adelaide Bank places dual tranche on the market

As part of our coverage, we regularly report on new covered bond deals in EUR benchmark or EUR sub-benchmark format. However, since activity is thin on the ground in these sub-markets, in the focus article of this present edition of our weekly publication we would like to take the opportunity to provide an overview of covered bond issues in currencies outside of the euro, which some issuers continue to actively use in the current situation. In keeping with the topic, on 21 November the Australian Bendigo & Adelaide Bank announced a new issue of one (or more) covered bonds in Australian dollars (AUD) with a term of five years. This deal comes as part of the bank's AUD 6bn covered bond programme, which is rated "AAA" and "Aaa" by the rating agencies Fitch and Moody's respectively and consists of prime Australian mortgage loans. The very next day, the issuer made the call to venture onto the market with a deal guided at 3mBBSW/SQ ASW +87bp. In the end, a dual tranche comprising a floater of AUD 500m was placed at 3mBBSW +83bp in addition to a bond worth AUD 250m with a fixed interest rate at a spread of SQ ASW +83bp. Bendigo & Adelaide Bank was most recently active in the EUR benchmark segment back in September 2023, when it successfully issued a covered bond in the amount of EUR 500m. If the market situation is more favourable next year, we are quite optimistic that we will be able to report on a fresh EUR-denominated covered bond from the bank again in the future.

S&P publishes Credit FAQs on Canadian covered bonds

On 22 November, the rating experts at S&P published their report “Credit FAQ: How We Rate Canadian Covered Bonds.” to address the specific legal, regulatory, operational and administrative factors of Canadian covered bonds and to examine how these aspects impact the ratings of covered bonds in this jurisdiction. In this context, the agency points to its own four-step rating process for covered bonds. In its first step, the focus is on analysing whether the covered bond programme can be rated higher than the issuer, taking various issuer-specific risks into consideration in the process. The second step determines the specific starting point of the rating analysis based on the relevant resolution regime and the third step determines the maximum achievable covered bond rating on the basis of an analysis of jurisdiction and cover pool-specific factors. The fourth and final step determines the final covered bond rating, which is mainly made up of a combination of the previous steps, but also takes additional factors such as country risks into account. With its Credit FAQs, S&P explains these steps in greater detail and at the same time links them to special features of Canadian covered bonds. The Canadian market for covered bonds in EUR benchmark format remains one of the largest markets in our coverage, despite a slight decline in the current year. In fact, in terms of the total outstanding volume, Canada ranks just behind the Netherlands in fourth place. Despite a comparatively small number of issuers in this market segment, this ranking is primarily down to the volume of individual transactions in addition to the increasing frequency of multi-tranche deals. Our provisional forecast for the coming year projects a positive net new issuance volume of EUR 2.5bn for Canada.

Moody’s: Portugal's “strong” macro profile

In a recent report, Moody’s assessed the macro profile of Portugal and rated it as “strong” overall. According to the risk analysts, this outcome is based not least on a competitive and diversified economy, which has recovered sustainably in the years following the major recession triggered by the Covid-19 pandemic in 2020 (GDP decline of 8.3%). Moody’s expects average economic growth of 2% p.a. over the next five years. Despite the relatively high level of private sector debt, credit conditions for market players have continuously improved, while the country's institutions are also resolute. Portuguese banks are additionally able to cover the majority of their refinancing requirements via a large and stable base of customer deposits. Overall, the capitalisation and profitability levels across the sector as a whole have increased significantly and the NPL ratio has also fallen continuously, although it does still remain just above the EU average. In the market for EUR benchmark covered bonds in 2024, Portuguese issuers were highly active towards the beginning of the year; in fact, all three issues from this jurisdiction took place in February, with a total of EUR 2bn in covered bonds ultimately brought to market. Our initial forecast for 2025 projects a net new issuance volume of EUR 3bn on the Portuguese market.

UniCredit tables takeover offer for Banco BPM and provokes a negative response

UniCredit announced on 25 November that it had submitted a takeover offer amounting to EUR 10.1bn for its Italian competitor Banco BPM, further details of which can be found in a press release. In the view of Andrea Orcel, CEO of UniCredit, this potential takeover would further consolidate the bank's position on the Italian market. He argues that Europe needs stronger, bigger banks, particularly in view of the competition with other major economic blocs. According to Orcel, UniCredit is particularly well placed to tackle this challenge owing to the solid work it has undertaken over the past three years. At the same time, the bank announced that the takeover offer should be viewed independently and irrespectively of its investment in Commerzbank. Takeover talks for the German bank had already been delayed in view of the early federal election and in consideration of Commerzbank stakeholders, although the stake remains an important investment with high potential for the Italians. UniCredit's takeover offer was rejected by Banco BPM the next day, arguing that the bid was unsolicited and did not appropriately reflect the value of Banco BPM. At the same time, the takeover would have a negative impact on employment and competition in the Italian banking market, Banco BPM stated. Added to this are the rumours that the French bank Credit Agricole, which has a 9% stake in Banco BPM, has increased its stake to 19% on the back of a share swap. However, this story has been dismissed by the French bank. Away from these takeover rumours, Banco BPM, in the form of its subsidiary Banco BPM Vita, which focuses on the provision of life insurance policies, made an offer for the Italian asset manager Anima Holding on 6 November. The transaction aims to strengthen Banco BPM Vita's business model and create a "national champion" in the field of life insurance and asset management. Both UniCredit and Banco BPM are regular issuers of covered bonds and each bank has several outstanding EUR benchmarks on the market. Banco BPM has been active on two occasions on the primary market in 2024, while the last new deal placed by UniCredit dates back to June 2023. For more detailed information on the banks, please refer to our NORD/LB Issuer Guide – Covered Bonds 2024.

Market overview SSA/Public Issuers

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

AFD updates SDG framework

In 2020, the French promotional bank Agence Française de Développement (AFD; ticker: AGFRNC) set out its framework for the issue of bonds in line with the UN's Sustainable Development Goals (SDG). Since then, securities in this format amounting to a total of over EUR 17bn have been placed in the capital market which aim to finance projects with the greatest ecological and social benefits for regions under serious threat. In mid-November, AFD updated its SDG bond framework. The objectives of the update are fivefold: i) To align the framework with the agency's new strategic objectives; ii) simplify eligibility criteria and integrate new market guidance; iii) increase the pool of eligible loans, while maintaining strict criteria (notably by integrating French overseas territories loans, while tightening eligibility criteria for public policy budget financing); iv) reflect the evolution of internal processes, and v) reaffirm AFD's contribution to a just transition. Loans will continue to be selected according to their contribution to the SDGs, with the framework taking into account the interrelationships between the SDGs according to the "Do No Significant Harm" principle, so that only loans with a positive or neutral score on each of the dimensions of the Sustainable Development analysis are retained. AFD's SDG Bond Report 2023 was published at the same time as its updated framework. The report indicates that, by the end of 2023, AFD had made available EUR 7.5bn to fight climate change and its consequences. Thanks to the projects being financed, over 70 million people have improved access to healthcare. Moreover, the financing has helped create or upgrade 4,000 km of roads between cities and 33 million hectares of land have benefited from programmes to maintain or restore terrestrial biodiversity. In all, over time, AFD has issued sustainable bonds in EUR and USD amounting to EUR 16.8bn. AFD's outstanding sustainable loans portfolio amounted to EUR 24.5bn at the reporting date, of which EUR 19.3bn came in the form of sustainable bonds (535 in total); climate loans (149) accounted for a further EUR 5.2bn.

NRW: Landtag approves supplementary budget for 2024

On 13 November, the regional parliament (Landtag) of North Rhine-Westphalia (ticker: NRW) passed the supplementary budget for the 2024 fiscal year. This brings the budget to a total of EUR 102.8bn. According to the Landtag, the adjustments were required because of a persistently weak economic situation and tax revenues that fell short of projections by around EUR 1.4bn. In light of this, NRW Finance Minister Dr. Marcus Optendrenk declared that the regional government was therefore using the economic component of the debt brake which allows carefully targeted borrowing in economically weaker times to safeguard projects and simultaneously operate anti-cyclically. However, he explained further that the extent to which NRW would make use to this economic component – which is enshrined in the constitution – would depend on the economic trend going forward.

NIB: Q3 results

On 06 November, Nordic Investment Bank (ticker: NIB) released its results for the third quarter and the entire nine-month period from January to September. In the first nine months of 2024, the supranational generated a net profit of EUR 198m (as against EUR 195m in the same period in 2023). New commitments during the same period amounted to EUR 3.2bn, up from EUR 1.6bn in the same period in 2023. These new commitments were split between different sectors and countries and was used, for example, to finance investment in the energy sector, the digital transformation as well as R&D. On the income front, net interest income was up +12.6% to EUR 244m in the first nine months. Meanwhile, total assets rose by +2.9% to EUR 41.4bn in the period under consideration. NIB President and CEO André Küüsvek commented: "Our financial performance and high level of activity indicates a good pipeline and therefore higher disbursements in the coming periods. […] In addition to our good financial performance, the quarter also marked another milestone for the Bank." In order to meet demand for its funding, the promotional bank raised fresh funds of EUR 8.2bn on the international capital markets across the first three quarters of this year, as against EUR 6.7bn during the same period in 2023. This included the biggest green bond to date which was issued under the NIB environmental bond framework (updated in August), with an issue volume of EUR 750m and a five-year maturity. The final reoffer spread stood at ms +8bp (cf. weekly publication of 11 September).

COP29: MDBs mobilise capacity for climate action

In a joint statement at the UN climate conference COP29 in Baku, Azerbaijan, a number of multilateral development banks (MDBs) outlined the financial support and other measures they propose to deploy in future to support states in reaching ambitious climate outcomes. By 2030, the MDBs estimate that their annual collective climate financing for low and middle-income countries will reach a total of USD 120bn, including USD 42bn for climate adaptation measures. MDBs also aim to mobilise USD 65bn from the private sector. For high-income countries, this collective climate financing is projected to reach as much as USD 50bn. In 2019, MDBs had already set ambitious projections for 2025 for their plans. These had since been exceeded with an increase of 25% in direct climate finance and a doubling in the mobilisation of private funds over the past year. Moreover, MDBs reaffirmed their joint support for efforts to foster closer cooperation between recipient countries, MDBs, donors and the private sector. Based on country demand, MDBs will build on successful examples to support the launch of new platforms, while deepening collaboration with partners including the International Monetary Fund (IMF). In a press release in relation to COP29, Nadia Calviño, President of the European Investment Bank (ticker: EIB), stated: "It is clear we must stay the course. The green energy revolution is underway, and communities and businesses have understood that ambitious climate action is not only the right thing to do but the smart thing to do. The family of multilateral development banks is walking the talk: with our collective commitment here at COP29 to global climate action over the next five years. This also involves increasing the impact of the projects we finance – helping countries around the world to meet their climate goals and adapt to the effects of climate change."

KBN: growth in green lending continues

On 07 November, the Norwegian municipal lender Kommunalbanken (ticker: KBN) published its results for Q3 2024 and the first nine months of the year. According to the report, the agency's core earnings in Q3 amounted to NOK 345m (equivalent to EUR 30.6m), representing an increase of just under +16% against the same period in 2023. Net interest income amounted to NOK 595m, up from NOK 556m in the prior-year period. KBN's solid growth in green lending this autumn was attributed to the many investments in Norway's largest cities. Consequently, the share of green loans in relation to the overall outstanding loans portfolio of 14.2% in Q3 2023 has now been increased to 17.1%. The Norwegian bank's aggregate customer financing rose by NOK +8.0bn in Q3 2024, as against an increase of NOK +5.6bn in Q3 2023. In terms of its results for the period from January to September, KBN has posted core earnings of NOK 984m. Net interest income during the same period was NOK 1.7bn and was achieved on the back of higher interest rates together with the growth in lending. As part of its funding activities, the municipal lender was able to complete all its refinancing transactions as planned. KBN raised a total of around NOK 83bn through 28 bond issues in the first nine months of this year, compared with NOK 63bn in the corresponding period in 2023.

Primary market

This week, we are able to report two new EUR benchmarks and five taps in the SSA segment. The week under consideration kicked off with an issue from Baden-Württemberg (ticker: BADWUR). The Bundesland was seeking to raise fresh funds of EUR 1bn with a six-year maturity; in the event, it raised the sum at ms +33bp (bid-to-cover ratio: 1.8x). After an absence of a few months, Brandenburg (ticker: BRABUR) also made its return to the benchmark segment, placing a six-year EUR 700m bond in line with guidance at ms +33bp. In a repeat of last week, the European Investment Bank (ticker: EIB) was active in the market with a digital bond, issuing EUR 100m at ms +34bp for five years. Details of the order book were not released. The Belgian region of Flanders represented by the Ministeries van de Vlaamse Gemeenschap (ticker: FLEMSH) opted for a tap. In this context, it was able to increase the volume of its 2034 bond by EUR 1.0bn at OLO +24bp (guidance: OLO +28bp area). The Free State of Thuringia (ticker: THRGN) also used the opportunity to meet further funding requirements with a tap deal. Its 2029 bond was tapped by EUR 250m at ms +30bp as per the original guidance. Finally, the French promotional bank Bpifrance (ticker: BIPFRA) tapped its 2034 bond by EUR 750m at a final price of OAT +15bp. On Monday, moreover, attention was back on the European Union (ticker: EU), which was active as part of its sixth and therefore final bond auction in H2 2024 (cf. funding plan). With a slightly oversubscribed order book, both the 2027 bond (bid-to-cover ratio: 1.66x) and the 2034 bond (bid-to-cover ratio: 1.59x) were tapped by EUR 1.9bn in each case. The EU's funding for the year is therefore now complete.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
BRABUR	DE	26.11.	DE000A30V653	6.0y	0.70bn	ms +33bp	- / Aaa / -	-
BADWUR	DE	20.11.	DE000A3H25W0	6.0y	1.00bn	ms+33bp	- / Aaa / AA+	-

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

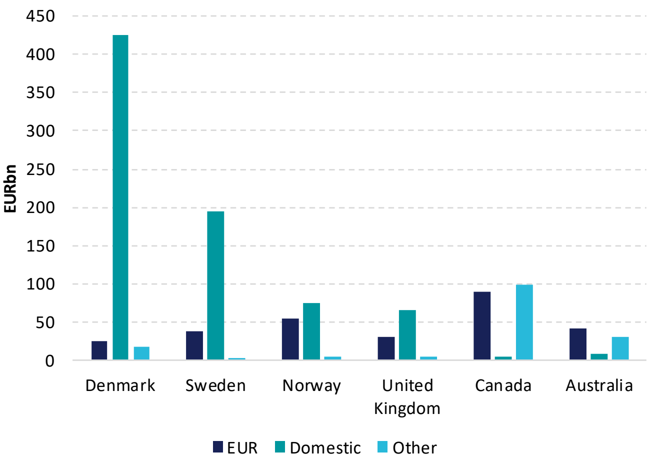
Covered Bonds
What's going on outside of the EUR benchmark segment?

Author: Lukas Kühne

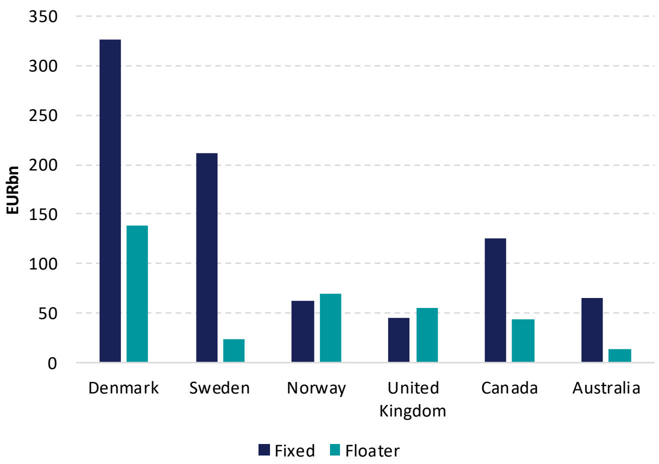
Focus on issuance activity in other currencies

As part of our weekly publication, we regularly focus on the EUR benchmark segment. In addition to this main topic, analysis of covered bonds denominated in currencies outside of the single currency often takes a back seat. However, some issuers are evidently using the the quiet phase in the primary market to continue placing deals in currencies other than EUR. In the last issue of our weekly publication we reported on two deals, one in AUD and the other in GBP, that have been successfully issued in recent weeks. Not all of these issuers has a primary funding requirement in the selected currency and so in some cases the choice of currency unit could be seen more as opportunistic. Before we go into the current market developments, we believe that a few preliminary considerations are in order. The covered bond market is undoubtedly a European market, and not just from a historical perspective. In this respect, the high EUR share in global outstanding issues is by no means surprising. This focus on the European single currency is characterised by both issuers and investors. The latter is also confirmed by the choice of issue currency in non-EMU countries such as Norway, Sweden and the UK. It is also noticeable that the Nordic markets, which have a comparatively long covered bond tradition, have an established domestic market. In the following sections, we frequently refer to non-EUR denominated covered bonds in benchmark size. We define them as issues with a volume of AUD 500m, GBP 250m and USD 500m based on their currency. No differentiation is made according to the type of coupon (fixed bond or floater). These issues are referred to as benchmarks in the following.

ECBC annual statistics 2023: "Largest currency markets"

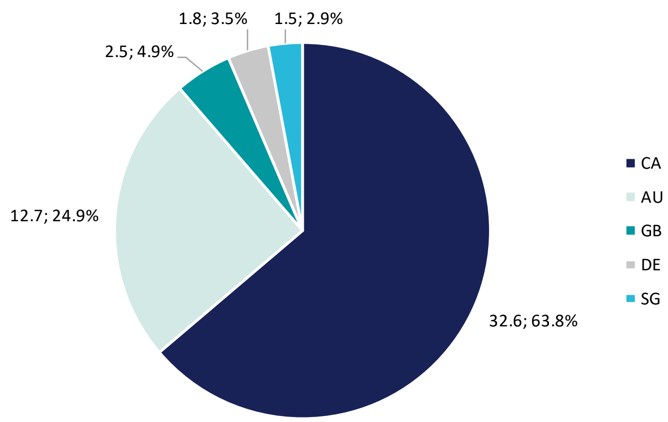


ECBC annual statistics 2023: "Fixed vs. floater"

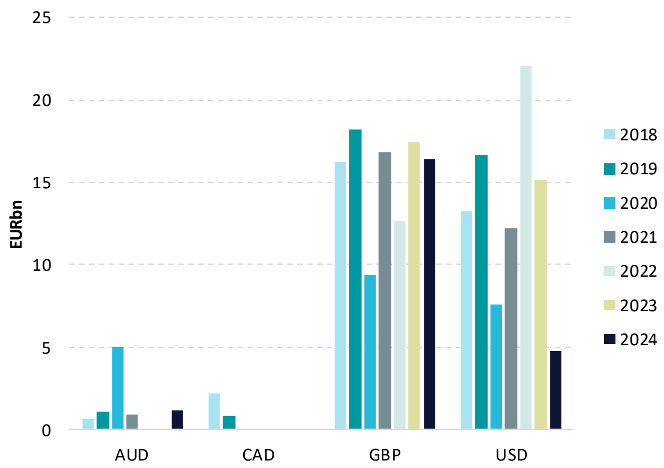


Source: ECBC, NORD/LB Floor Research

iBoxx USD Covered (USDbn)



BMK issues in different currencies



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

Benchmark issues in currencies other than EUR – an overview

In addition to the EUR benchmark segment, some issuers are active in benchmark size with publicly placed deals – particularly in USD, GBP, CAD and AUD. While only a few issues in benchmark size have been seen in AUD and CAD over the last few years, issuers are considerably more active with covered bonds in USD and GBP. After EUR 15.2bn in USD denominated benchmark deals were placed last year, the issuance volume for this year of around EUR 5bn is well down on previous years. In 2023, issuers from Australia and Canada together brought around EUR 13bn in USD denominated covered bonds to market, while the equivalent issuance volume from these two jurisdictions this year amounts to just EUR 2.4bn, which is attributable exclusively to Canadian issuers. In contrast to the significantly lower issuance volume in USD, issues in GBP are roughly in line with previous years. In total, GBP denominated covered bonds with a volume equivalent to EUR 16.4bn have been issued this year (previous year: EUR 17.4bn).

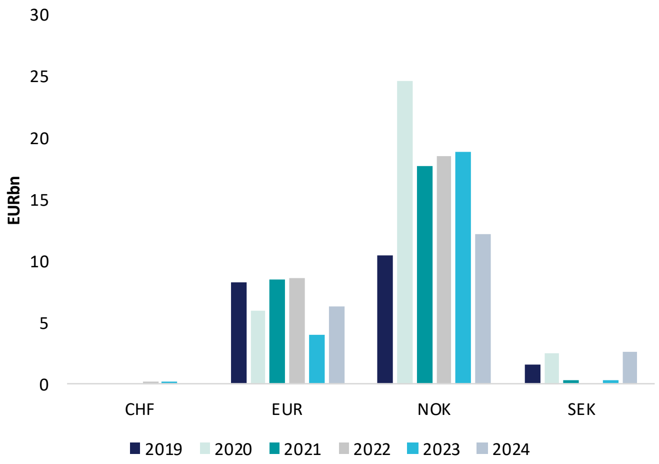
Canadian issuers dominate the iBoxx USD Covered

In our view, the market for covered bonds in USD benchmark format (with a fixed coupon) is represented by the iBoxx USD Covered. In the iBoxx USD Covered, Canadian issuers account for more than 60% of the outstanding volume, which totals USD 51.1bn. The second-largest share is made up of issuers from Australia, followed by the UK, Germany and Singapore. Two issuers from Germany are represented in the November composition of the iBoxx USD Covered with three deals. In November 2023, Deutsche Pfandbriefbank (ticker: PBB) placed a covered bond, which was increased to USD 600m shortly afterwards and included in the iBoxx USD Covered, while LBBW successfully brought a USD benchmark worth USD 600m to market in both January and May 2024. For both issuers, we see the transactions in the USD market more as complementary to the EUR benchmarks than as substitutes. In the case of PBB, we also believe that the bank's international business model is reflected very strongly. This applies to both the USD transaction and the most recent deal in GBP benchmark format.

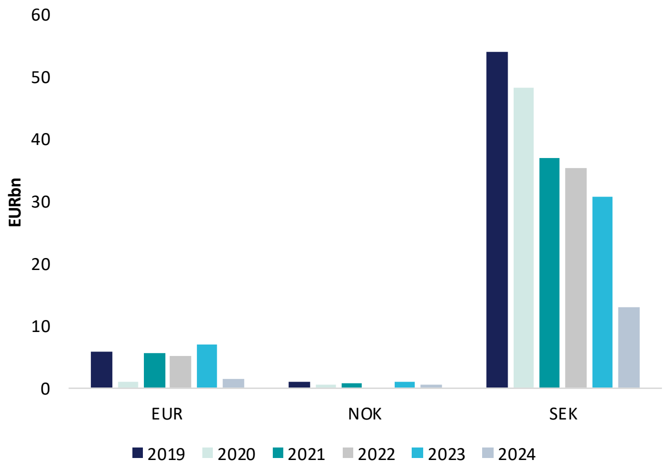
Strong covered bond domestic markets in Scandinavia!

When selecting the currency for their covered bond issues, Scandinavian issuers traditionally focus more on their respective domestic currency. We should emphasise here the established domestic market in these jurisdictions, which is one of the reasons for the dominant position of the domestic currency in the respective countries. Deals concluded by Scandinavian issuers are often local benchmark transactions, which are regularly tapped. In fact, regular taps are a unique feature of deals from these jurisdictions in particular. Nevertheless, some issuers are also active in the EUR benchmark segment. Other currencies generally play only a minor role. This year was no exception in this respect, with the majority of issues in Denmark, Norway and Sweden denominated in their respective domestic currencies. In the case of issuers active in the EUR benchmark segment, it can be concluded that the advantageousness of their "own" currency in terms of funding subdues EUR issues. Last but not least, the greater interest of international investors in deals in the currencies DKK, NOK and SEK is also a relevant factor for the attractiveness of issues in the home currency. Besides the sometimes more attractive spread level, deals from Scandinavian countries also often serve shorter maturity segments than EUR benchmark deals on the primary market. Especially if the investors are not reliant on the swap of the covered bond, this can result in more advantageous conditions for the investor than with comparable EUR benchmark transactions. In fact, we have observed over the course of 2024 that this relative attractiveness was very much a given for some deals. Overall, however, the volume of new issues in 2024 was weaker than in previous years, which can be attributed in part to the general funding requirements in jurisdictions such as Sweden and Norway owing to the extremely weak momentum on the property market and the more than sluggish new business.

Gross issues Norway



Gross issues Sweden

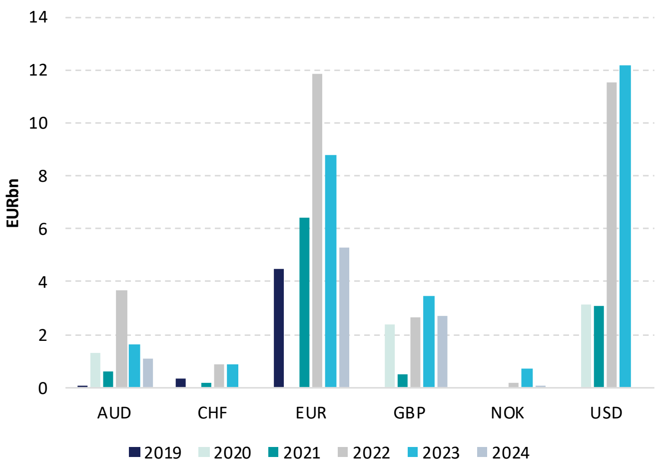


Source: Bloomberg, market data, NORD/LB Floor Research

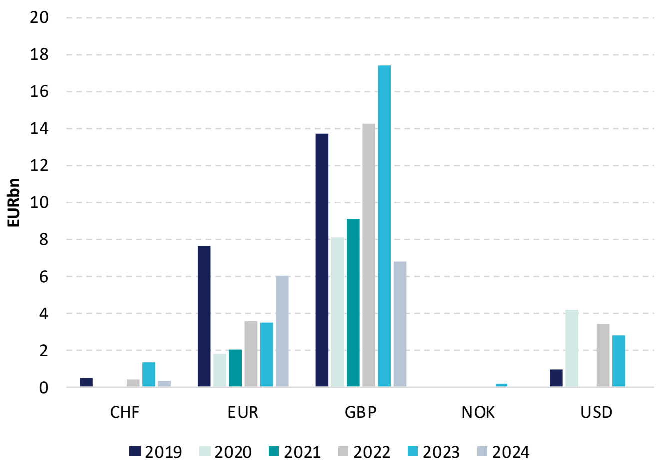
Issuers from Australia and Singapore are flexible in currency choice

Similar to the Canadian market, issuers from Australia and Singapore do not give preference to their domestic currency, but rather mainly focus on other currencies to issue covered bonds. Besides the euro, the institutions are also active on the market in the currency units USD, GBP, NOK, CHF and AUD. While in Australia the domestic currency ranks fourth in terms of outstanding volume, issuers from Singapore have no outstanding covered bonds in their home currency. This year, two institutions from Singapore, namely United Overseas Bank (5.0y) and DBS Bank (3.0y), have already approached investors with GBP denominated covered bonds in benchmark size. Both deals had a coupon with a variable interest rate. Two covered bonds each in AUD and GBP from Australian issuers were also placed on the market as floaters this year. In addition to the covered bond from ING Bank Australia highlighted in our last weekly publication, last Friday Bendigo & Adelaide Bank went to market with an AUD denominated covered bond with a volume of AUD 750m. In both jurisdictions, issuers are flexible in their choice of currency and make opportunistic decisions without much reference to their primary cover pool assets. The euro is, however, the most important source of funding for issuers from both countries.

Gross issues Australia



Gross issues UK



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

UK issuers mainly cover their funding requirements with GBP deals

Contrary to the conventions in Australia or Singapore, issuers from the United Kingdom mainly cover their primary funding requirements in GBP with issues in their domestic currency. The established market for GBP denominated covered bonds and the existing investor base can be seen as reasons for this trend. In addition to GBP, UK banks also issue covered bonds in the EUR benchmark segment. The last GBP deal in benchmark size (issuance volume: GBP 500m) was brought to market by TSB Bank in September of this year. The floater with a maturity of five years was finally placed at a price of SONIA +53bp. The number of non-EUR denominated benchmark deals from the UK currently totals eight, which account for an issuance volume of EUR 5.9bn. This corresponds to around 28% of the total issuance volume of all non-EUR benchmark deals.

Floating rate notes dominant in benchmark transactions

In terms of the deals in benchmark size that are not denominated in euro, it is noticeable in 2024 that there is a clear preference for floaters over covered bonds with a fixed coupon. Only four deals had a fixed coupon in the currency units we have taken into account (AUD, GBP and USD). This is where this sub-market differs fundamentally from the EUR benchmark segment that we monitor more closely, i.e. there are no “benchmarks” with variable coupons in the iBoxx EUR Covered. Overall, FRNs play a very minor role in the market for publicly placed EUR deals. According to our records, just four deals with variable coupons in syndicated format have been placed on the market this year. In addition to Toronto-Dominion Bank, which has launched a syndicated FRN in benchmark format twice so far this year, UBS Switzerland and Nordea Mortgage Bank have also been active in this market segment. The table below shows all covered bonds placed in AUD, GBP or USD as a benchmark in 2024. On balance, we would take the view that activity in the foreign currency segment has not played a part in slowing the momentum in the EUR benchmark segment, but does however represent an attractive funding alternative for some issuers.

Syndicated benchmark issues in AUD, GBP and USD this year

Issuer	Country	Timing	ISIN	Maturity	Currency	Size	Spread	Cpn
Bendigo & Adelaide Bank	AU	Nov-24	AU3FN0094165	5.0y	AUD	0.5bn	BSSW + 83bp	floating
Desjardins	CA	Nov-24	AU3FN0094157	3.0y	AUD	0.6bn	BBSW + 67bp	floating
Aareal Bank	DE	Nov-24	XS2941482486	3.3y	GBP	0.3bn	-	fixed
ING Bank Australia	AU	Nov-24	AU3FN0093845	5.0y	AUD	0.7bn	BBSW + 80bp	floating
Commonwealth Bank (AU)	AU	Oct-24	XS2919641501	3.0y	GBP	1.0bn	SONIA + 52bp	floating
CIBC	CA	Oct-24	XS2916456663	5.0y	GBP	0.8bn	SONIA + 62bp	floating
United Overseas Bank	SG	Sep-24	XS2900259404	3.0y	GBP	0.8bn	SONIA + 53bp	floating
TSB Bank PLC	GB	Sep-24	XS2898163568	5.0y	GBP	0.5bn	SONIA + 53bp	floating
Santander UK PLC	GB	Sep-24	XS2892385225	5.0y	GBP	1.0bn	SONIA + 48bp	floating
Aareal Bank AG	DE	Jul-24	XS2872750562	8.0y	USD	0.6bn	SOFR + 175bp	floating
Toronto-Dominion	CA	Jul-24	USC8888MBQ09	3.0y	USD	2.5bn	-	fixed
Westpac Banking	AU	Jun-24	XS2852049688	4.0y	GBP	1.3bn	SONIA + 60bp	floating
Co-Operative Bank	GB	Jun-24	XS2838925902	3.0y	GBP	0.5bn	SONIA + 53bp	floating
Toronto-Dominion	CA	Jun-24	XS2838372113	5.0y	GBP	0.8bn	SONIA + 60bp	floating
LBBW	DE	May-24	DE000LB39ED4	3.7y	USD	0.6bn	-	fixed
Yorkshire Building Society	GB	May-24	XS2823336438	5.0y	GBP	0.8bn	SONIA + 45bp	floating
DBS Bank Ltd/London	SG	May-24	XS2813128555	3.0y	GBP	1.0bn	SONIA + 55bp	floating
Desjardins	CA	Apr-24	XS2798874769	3.5y	GBP	0.8bn	SONIA + 60bp	floating
Leeds Building Society	GB	Mar-24	XS2791036887	5.0y	GBP	0.5bn	SONIA + 48bp	floating
National Westminster Bank	GB	Mar-24	XS2795569925	5.0y	GBP	0.8bn	SONIA + 45bp	floating
Deutsche Bank SA Esp	ES	Mar-24	XS2793149134	5.0y	USD	0.8bn	SOFR + 115bp	floating
Barclays Bank UK	GB	Mar-24	XS2781417212	5.0y	GBP	0.5bn	SONIA + 47bp	floating
LBBW	DE	Jan-24	DE000LB39BD0	2.0y	USD	0.6bn	-	fixed
Toronto-Dominion	CA	Jan-24	XS2749463936	3.0y	GBP	1.3bn	SONIA + 67bp	floating
Santander UK	GB	Jan-24	XS2747638257	3.5y	GBP	1.3bn	SONIA + 54bp	floating

Source: Bloomberg, NORD/LB Floor Research

A look at the investor side

When valuing covered bonds outside the “classic” EUR benchmark, the question of the investor base inevitably arises. At this point, we believe it is important to differentiate again between jurisdictions with an established domestic market and those without one. For GBP deals, this is due not least to the fact that UK issuers have a “domestic” currency. However, the “overseas supply” in GBP has also been able to generate significant demand, as the Commonwealth Bank of Australia (CBA) GBP benchmark showed. The final order book (GBP 1.0bn; 3.0y) totalled GBP 1.5bn, with the strong demand also allowing the spread to tighten by three basis points compared with the guidance. Although the majority of the allocation went to the UK and Ireland (87%), the deal also held a certain attraction for investors in the rest of Europe (share of allocation: 7%) and in the APAC region (6%). Aareal Bank was also active on the market this month with a GBP deal (GBP 325m; 3.3y). In contrast to the CBA, Aareal Bank’s covered bond had a fixed coupon, which is the exception rather than the rule for GBP deals in benchmark format. The deal started the marketing phase with a guidance of ms +90bp area and could finally be priced at ms +87bp (order book: GBP 365m). In addition to GBP denominated covered bonds, some issuers have also approached investors with AUD deals in recent weeks, including ING Bank Australia. It successfully placed a dual tranche bond on the market. Together with a covered bond with a fixed coupon (issuance volume: AUD 300m), a floater (AUD 700m) was also issued, both with a maturity of five years. In view of the order book of around AUD 3bn, demand is certainly high. While 50% of the FRN allocation went to investors from Australia and New Zealand, the figure for the fixed bond was as high as 79%. However, demand from the APAC region and Europe (34% and 16% respectively) for the benchmark with a variable interest coupon are also indicators of the high demand from other jurisdictions.

Conclusion

With regard to issues of non-EUR denominated benchmarks, a few changes in currency preference have emerged this year, but some constants have also remained. The supply of fresh USD benchmarks was significantly lower than in 2023, whereas the supply of GBP denominated covered bonds has remained largely constant. By contrast, the focus of Scandinavian issuers on their domestic market remains unchanged. Although the odd deal was placed in the EUR benchmark segment from these countries, most institutions continued to focus on deals in their domestic currency. On the investor side, it can be noted that there is certainly international demand for non-EUR denominated covered bonds in benchmark size, even if the majority of the investor allocation tends to still be attributable to the issuers’ respective home countries. Overall, this sub-market currently also appears to be attractive for issuers and investors who want to place floaters on the market alongside fixed bonds.

SSA/Public Issuers
Teaser: Issuer Guide – Down Under 2024

Authors: Dr Norman Rudschuck, CIIA // Christian Ilchmann // Lukas-Finn Frese // assisted by Maximilian Lingenfelser

Federal organisation of Australia and status of the federated states

The federal structure of Australia was created following the formation of the Commonwealth of Australia in 1901, which subsequently attained practically full independence from the United Kingdom in 1907. The idea of forming an association of (British) colonies developed over the course of the 19th Century, primarily owing to the requirement for a unified defence strategy, coordinated foreign policy and the creation of a common trade area. Today, Australia is organised on a federal basis and is divided into six federated states and three territories. While the six states are anchored in the constitution and enjoy wide-ranging autonomy (particularly in the areas of education, healthcare and internal infrastructure), the territories have less constitutional independence. According to the constitution, the territories are directly subordinate to the Australian Parliament. This empowers it to exercise full legislative power in the territories, although they are represented in Australia's bicameral parliament by members of the House of Representatives (lower house) and senators in the Senate (upper house). While the internal territories, with the exception of Jervis Bay Territory, do have their own governments, the external territories are subject to direct administration by the federal government. The Australian Constitution divides powers relating to taxation between the central government and the sub-sovereigns. In this context, the central government is responsible for raising direct taxes (income tax, corporation tax and national VAT, among others). In 2023, the central government generated revenues of approximately AUD 618bn (EUR equivalent: EUR 382bn) from these sources. This accounted for around 81.8% of total tax receipts across all levels of government. By way of comparison, the states and territories were responsible for a share of just 15.3% in relation to direct tax revenues. This discrepancy highlights the limited fiscal autonomy of the sub-sovereigns, as they are heavily dependent on financial transfers from the central government. This financial dependency leads to the federal government playing a central role in the distribution of funds and fiscal policy. However, despite their limited sovereignty in tax matters, the governments of Australian sub-sovereigns are responsible for arranging essential services such as healthcare, education and infrastructure, which in turn further increases the importance of these financial transfers.

Link to the central government

Our understanding is that there is no explicit guarantee from the central Australian government for its federal states or territories in terms of liability. Art. 105 of the Australian Constitution regulates potential support for states in the event that they encounter financial difficulties, with formal details on agreements for the central government to assume debts incurred by the states laid down in Art. 105A: the Australian parliament may take over public debt incurred by states proportionately to their population and convert, extend or consolidate this debt (or part of it). In turn, the federal states are supposed to pay compensation to the central government for the debt obligations assumed. This might, for example, take the form of the central government deducting or retaining the interest to be paid on the debt obligations assumed from the surplus of the allocation (as part of the federal financial equalisation system) to the respective state.

Regulatory classification

As part of the upcoming Issuer Guide, we shall go into greater detail regarding the methodology for determining regulatory treatment of exposure vis-à-vis the sub-sovereigns "Down Under". However, in this teaser article, we would like to briefly summarise the key outcomes. From our perspective, it is possible to apply a risk weight of 0% to the Australian federal states and territories in line with the standard approach of the CRR. Classification as Level 1 assets within the framework of the LCR Regulation is also possible, as firstly the Australian central government can be categorised as Level 1 and secondly a risk weight of 0% applies to the sub-sovereigns. The factor for the required stable funding within the framework of the NSFR therefore equally stands at 0%. In principle, the classification of New Zealand sub-sovereigns into relevant regulatory frameworks is analogous to the Australian states and territories. However, the Reserve Bank of New Zealand (RBNZ), as the domestic regulatory authority, makes a decisive intervention at one point of this process. Specifically, the RBNZ has decided that a risk weight of 20% is to be applied to its sub-sovereigns. As a result, on this basis we determine a classification as a Level 2A asset pursuant to Art. 11 LCR for the LCR classification. The factor for the required stable funding within the framework of the NSFR therefore comes to 15%. The classification under Solvency II is identical for both Australia and New Zealand: bonds from the relevant sub-sovereigns are, as we understand it, to be considered as "non-preferred", as these bonds are issued by regional governments from non-Member States and Solvency II does not currently track the provisions of the CRR when it comes to the treatment of risk positions vis-à-vis international sub-sovereigns. In our opinion, this means that Australian federal states and territories are subject to the same regulatory treatment as currently applies to Canadian sub-sovereigns, for example. However, their New Zealand counterparts are to be regarded as rather unattractive from a purely regulatory perspective, particularly due to the higher risk weight and the poorer LCR level.

Regulatory overview of Australian/New Zealand sub sovereigns

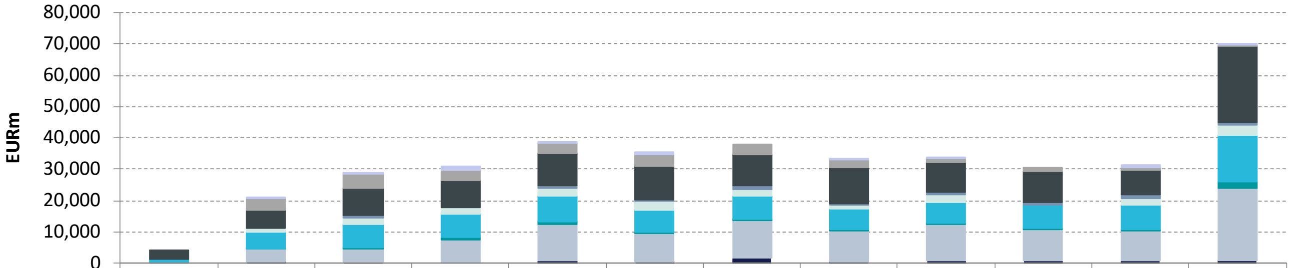
Risk weight	0%/20%
LCR classification	Level 1/2A
NSFR classification	0/15%
Solvency II classification	Non-preferred (both jurisdictions)

Source: Regulation (EU) No. 575/2013, Delegated Regulation (EU) 2015/61, Delegated Regulation (EU) 2015/35, APRA, RBNZ, NORD/LB Floor Research

Victoria and New South Wales both feature comparatively high funding requirements

The total volume of outstanding bonds of Australian federal states and territories, as well as Auckland (ticker: AUCKCN) in New Zealand, amounts to the equivalent of around EUR 397bn. With a volume of EUR 4.3bn, the EUR is the most important foreign currency here. A closer look at the maturities set to fall due over the next few years reveals that Victoria (ticker: TCV) and New South Wales (ticker: NSWTC) have the greatest refinancing requirements among Australian sub-sovereigns, at an average of EUR 8.7bn and EUR 8.2bn per year respectively until 2034. Conversely, the equivalent figures for Northern Territory (ticker: NTTC) and AUCKCN, at EUR 0.4bn in each case, are far lower. The short-term refinancing needs of Western Australia (ticker: WATC) are particularly striking: over the next two years alone, around 30% of the total outstanding bond volume, or EUR 8.6bn, must be repaid. No less striking, but by contrast long-term in nature, is the refinancing structure of NTTC. At around EUR 2.3bn, more than a third of the outstanding bond volume is not set to fall due until after the year 2034.

Outstanding bonds of Australian federal states – a comparison*



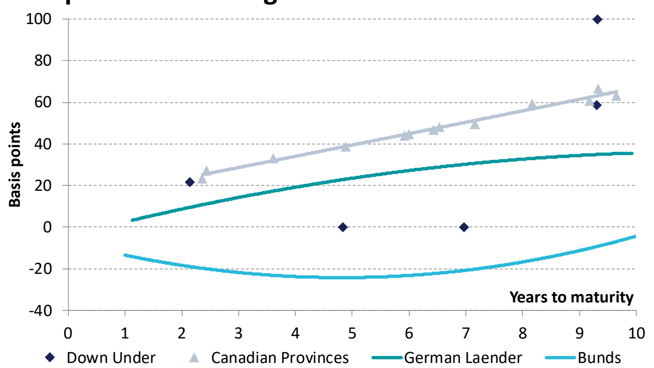
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	>2034
AUCKCN	0	425	549	1,083	395	934	0	586	107	0	785	362
WATC	0	4,033	4,558	3,223	3,418	3,690	3,009	2,407	1,178	1,467	1,116	456
TCV	2,811	5,553	8,444	8,900	10,085	10,726	9,995	11,423	9,523	9,887	7,899	24,483
TASCOR	0	0	833	0	1,036	310	1,119	683	744	678	939	846
SAFA	0	1,393	2,197	1,849	2,507	3,129	2,398	931	2,327	0	2,172	3,309
QTC	1,322	5,062	7,204	7,628	8,234	6,634	7,205	6,683	6,699	7,343	7,802	14,582
NTTC	0	13	403	471	470	470	491	527	527	558	527	2,265
NSWTC	0	4,134	4,444	7,666	11,847	9,144	11,951	9,749	11,550	10,011	9,534	22,942
AUSCAP	0	620	326	0	776	558	1,706	620	776	776	776	1,036

* Foreign currencies are converted into EUR at rates as at 26 November 2024.
Source: Bloomberg, NORD/LB Floor Research

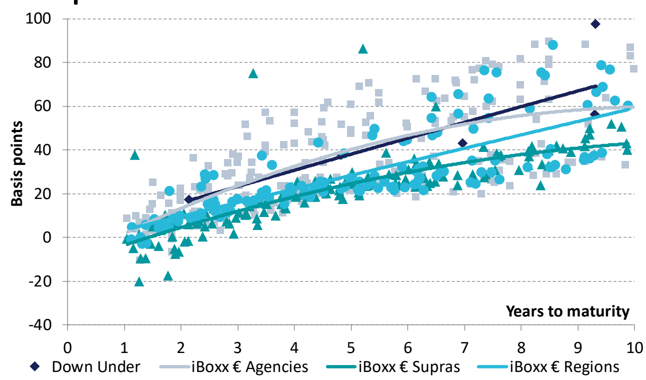
EUR bonds from “Down Under” trade with spread premiums

Overall, EUR-denominated bonds from “Down Under” trade with a significant spread premium, above all in comparison with the German Laender. It is worth noting that, with the exception of the bond set to mature in 2034 issued by Auckland Council, the ASW curve Down Under is consistently below that of the Canadian provinces. In the past, our studies have shown this situation to be the reverse. Please note that bonds issued by AUCKCN are to be regarded as “secured bonds” in terms of their structure.

ASW spread level of regional bonds



ASW spreads Down Under vs. iBoxx € Indices



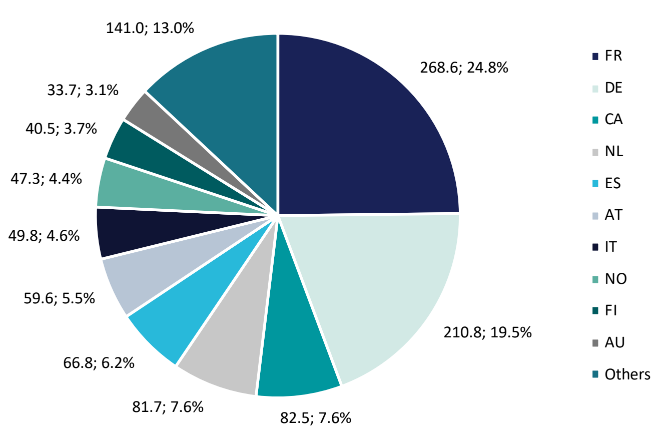
Source: Bloomberg, NORD/LB Floor Research

Conclusion

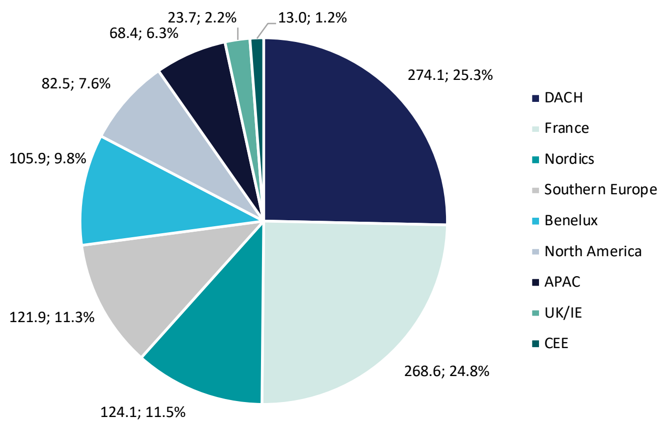
With an outstanding EUR volume of EUR 4.3bn at present, the Australian market for regional bonds (supplemented by Auckland Council in New Zealand) can still be regarded as something of a niche. In particular, the latter sub-sovereign in particular dominates the supply of securities issued in the European single currency. From a regulatory perspective, the Australian states and territories are classified identically to, for example, Canadian sub-sovereigns, while their New Zealand counterparts are slightly less attractive in terms of their classification. Further details, economic analyses and individual issuer profiles will be included in the full Issuer Guide, which is to be published in the near future.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



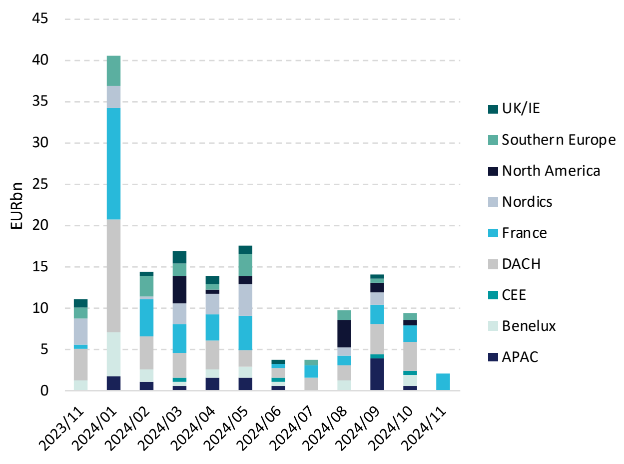
EUR benchmark volume by region (in EURbn)



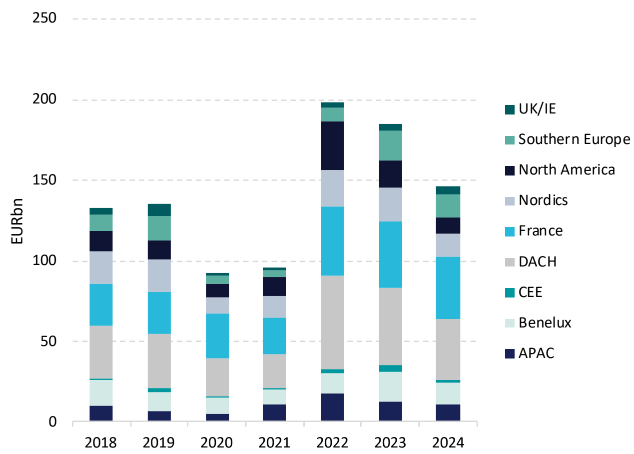
Top-10 jurisdictions

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	268.6	258	29	0.98	9.2	4.7	1.49
2	DE	210.8	299	46	0.65	7.8	3.8	1.52
3	CA	82.5	61	1	1.33	5.6	2.6	1.45
4	NL	81.7	82	3	0.93	10.5	5.9	1.40
5	ES	66.8	53	5	1.14	11.1	3.1	2.19
6	AT	59.6	100	5	0.59	8.0	4.1	1.56
7	IT	49.8	64	5	0.76	8.5	3.9	2.01
8	NO	47.3	58	12	0.81	7.2	3.4	1.11
9	FI	40.5	46	4	0.87	6.8	3.3	1.75
10	AU	33.7	32	0	1.05	7.2	3.7	1.79

EUR benchmark issue volume by month

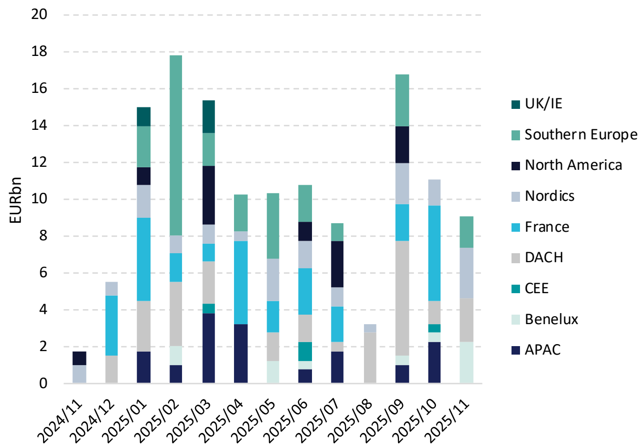


EUR benchmark issue volume by year

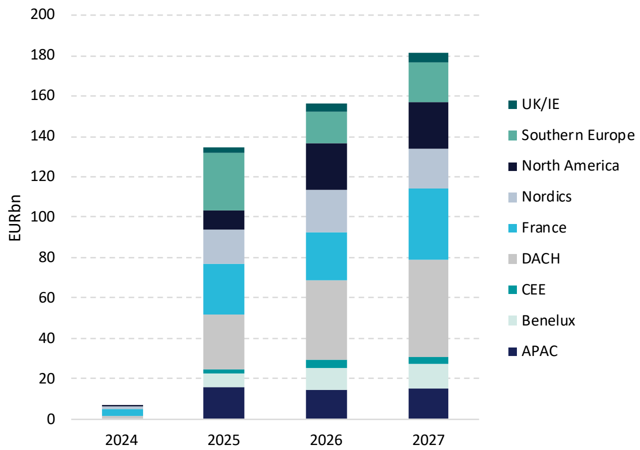


Source: Market data, Bloomberg, NORD/LB Floor Research

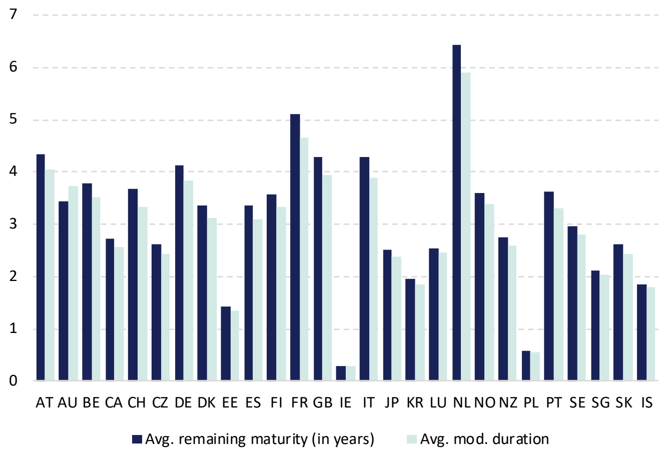
EUR benchmark maturities by month



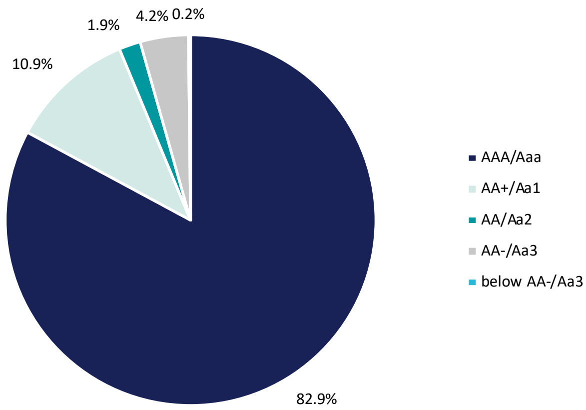
EUR benchmark maturities by year



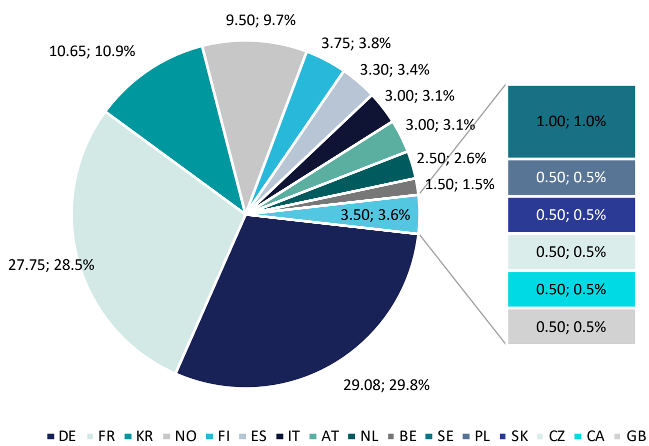
Modified duration and time to maturity by country



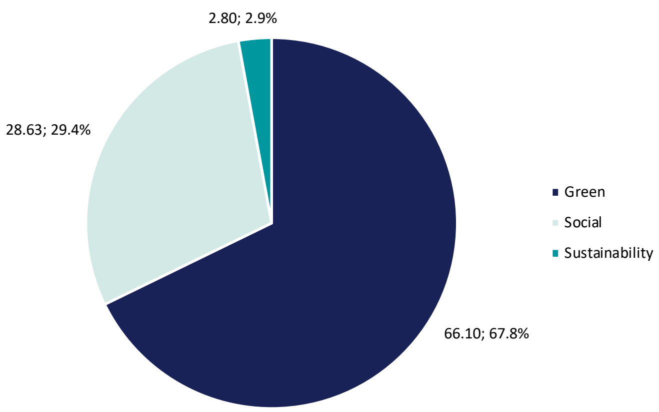
Rating distribution (volume weighted)



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

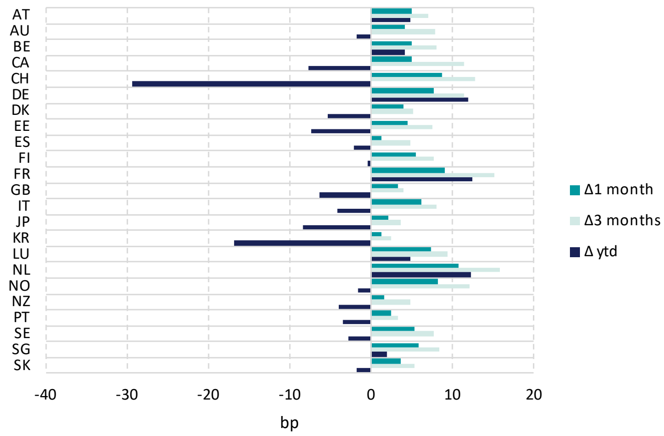


EUR benchmark volume (ESG) by type (in EURbn)

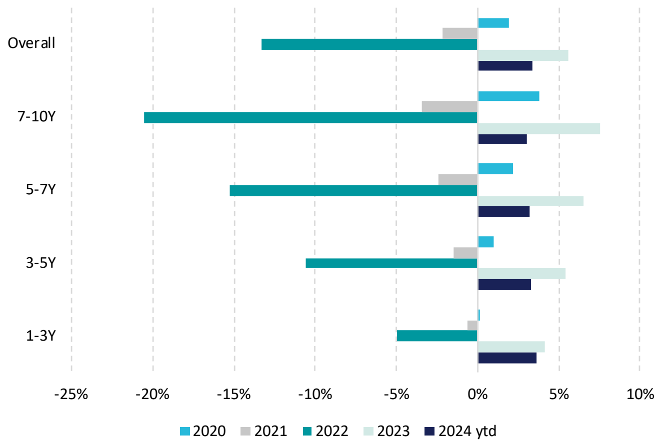


Source: Market data, Bloomberg, NORD/LB Floor Research

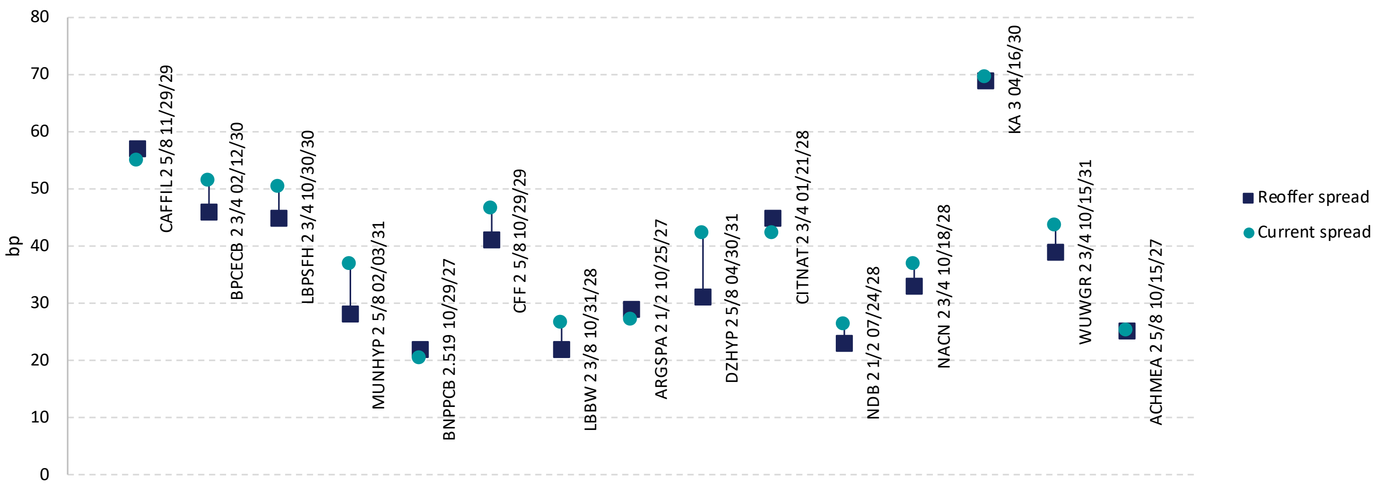
EUR benchmark emission pattern



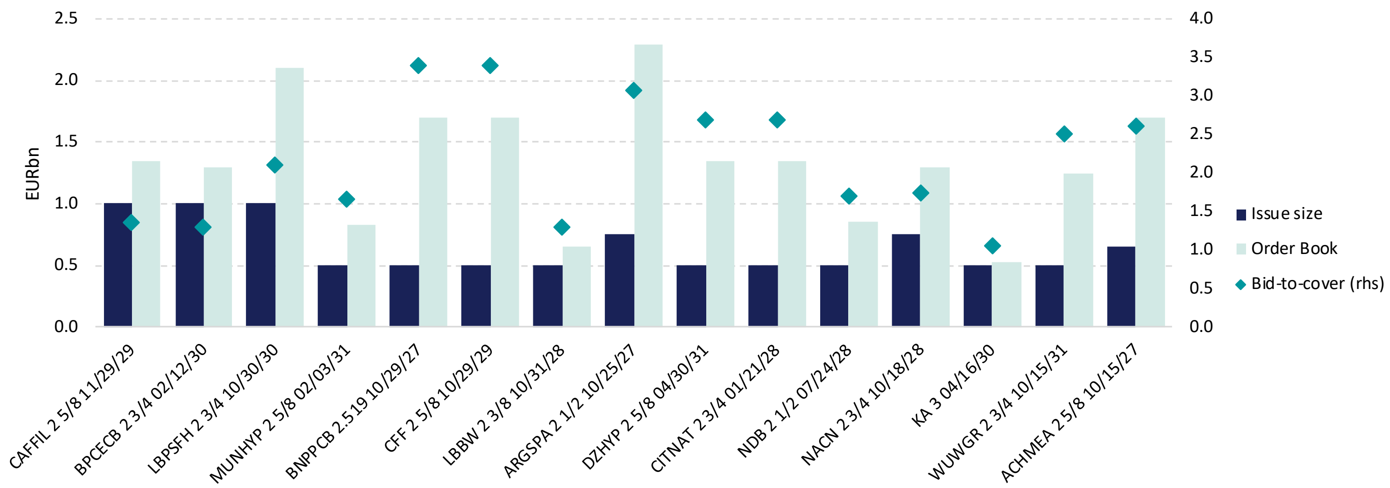
Covered bond performance (Total return)



Spread development (last 15 issues)



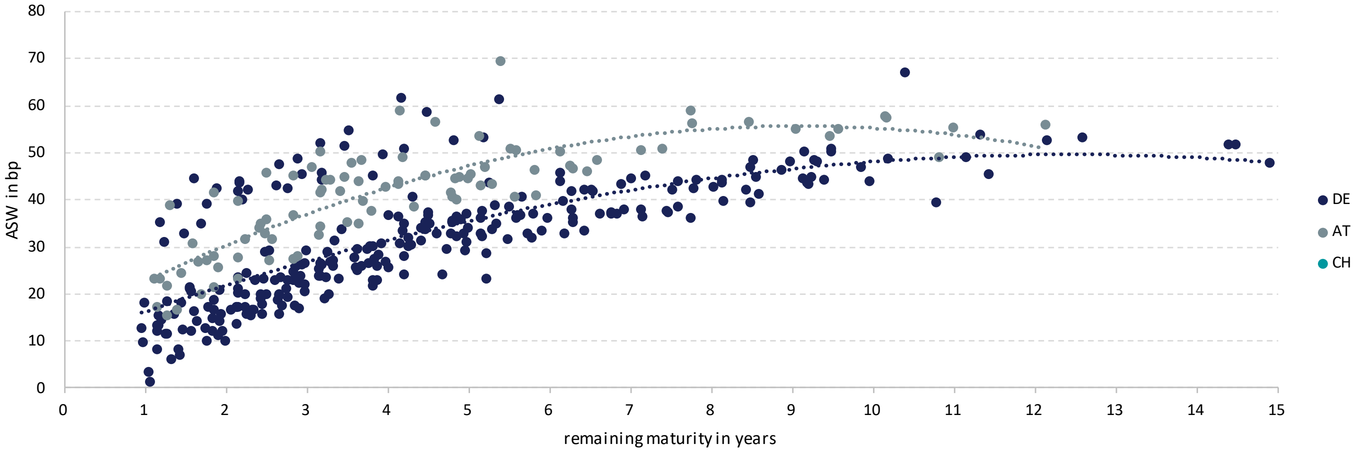
Order books (last 15 issues)



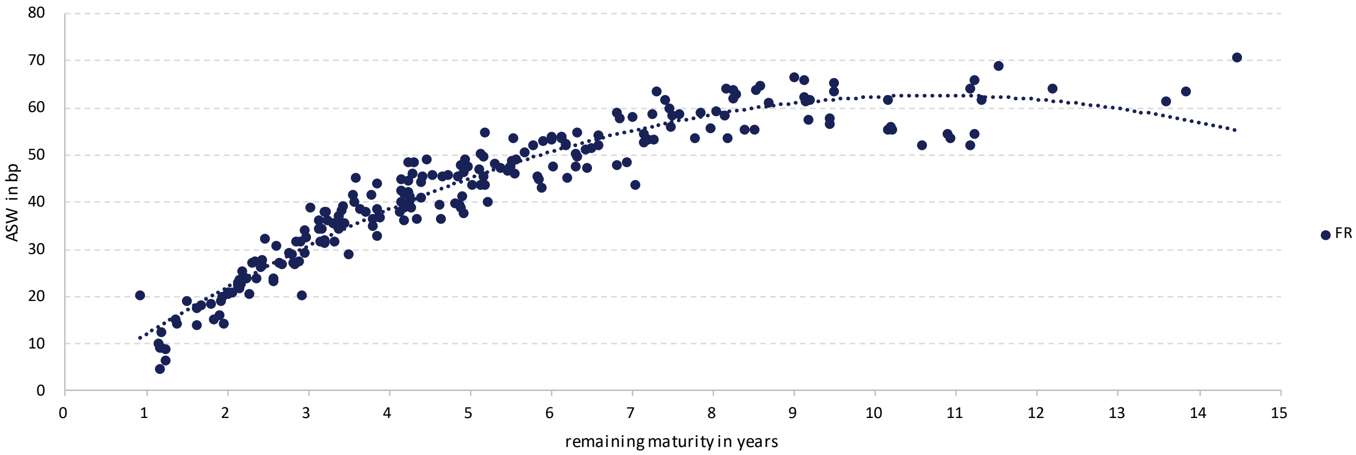
Source: Market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

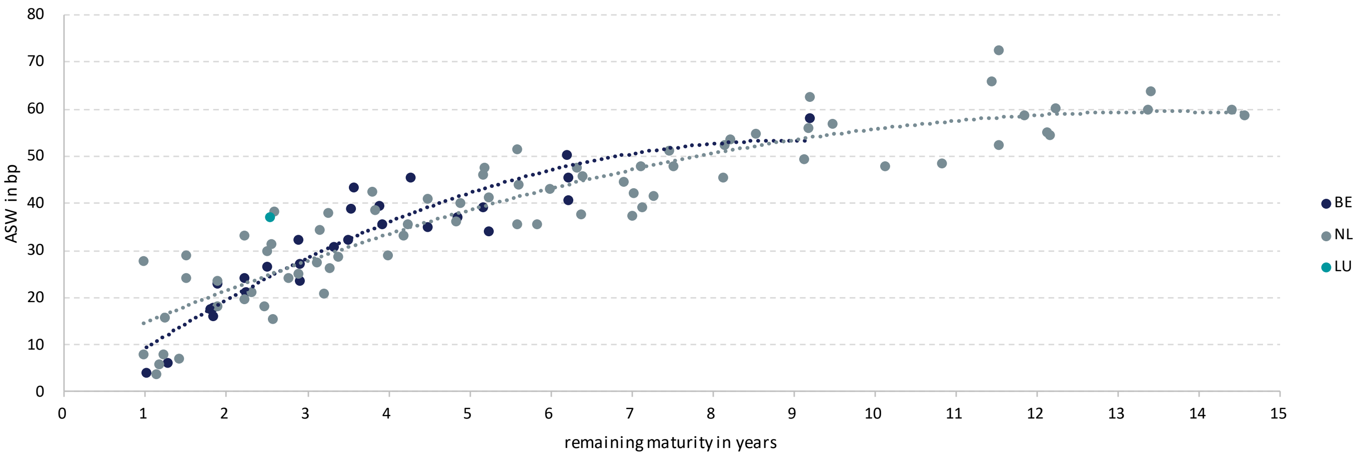
DACH



France

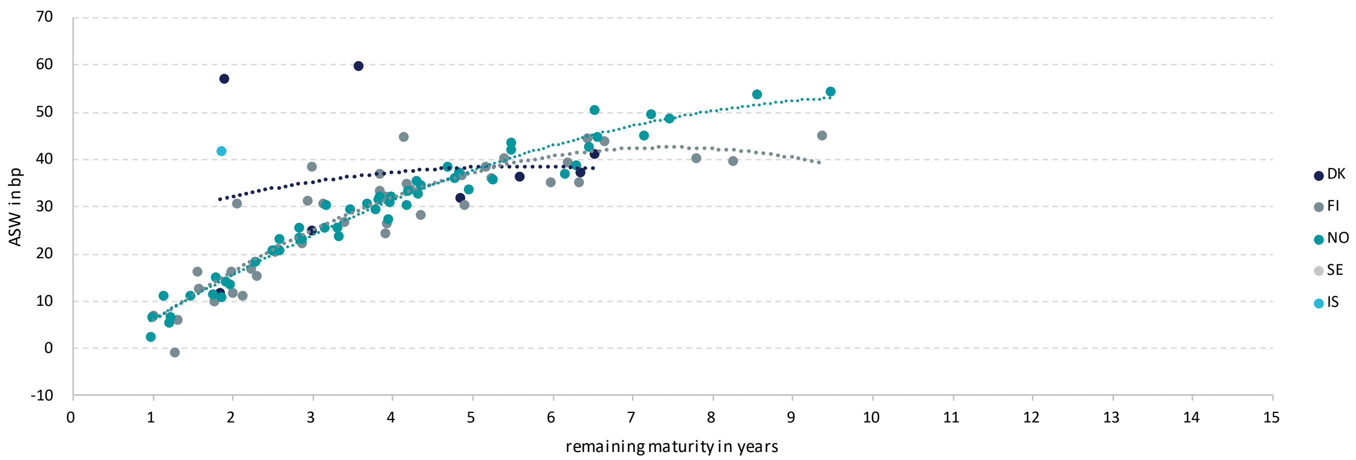


Benelux

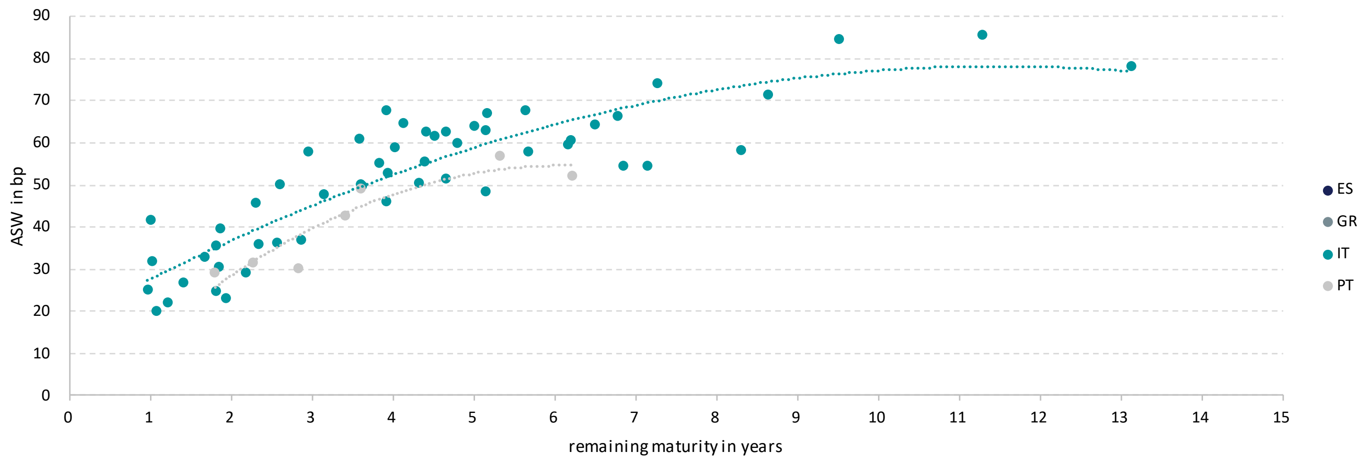


Source: Market data, Bloomberg, NORD/LB Floor Research [1]Time to maturity 1 ≤ y ≤ 15

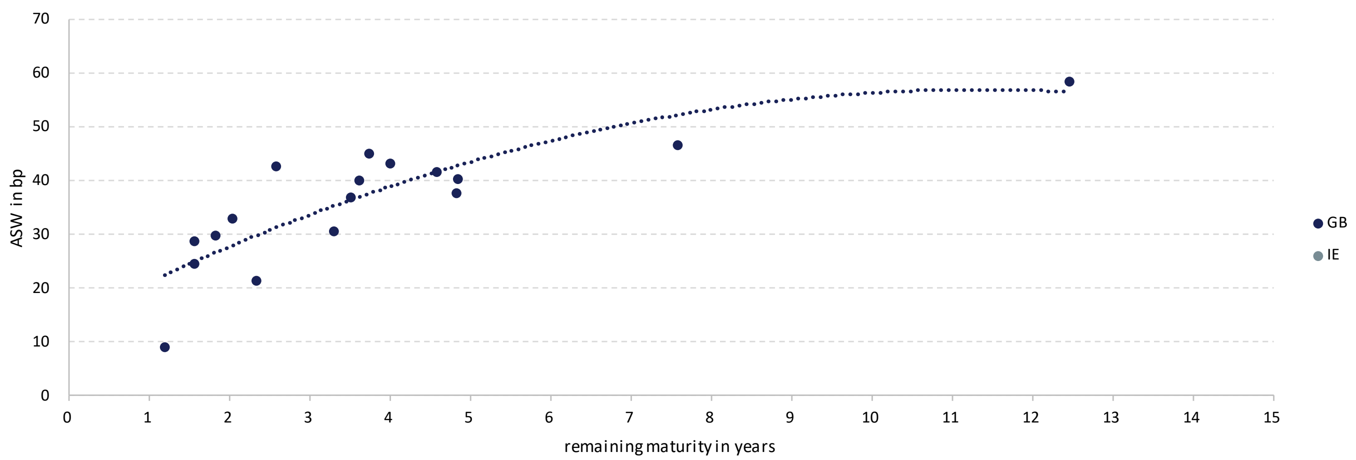
Nordics



Southern Europe

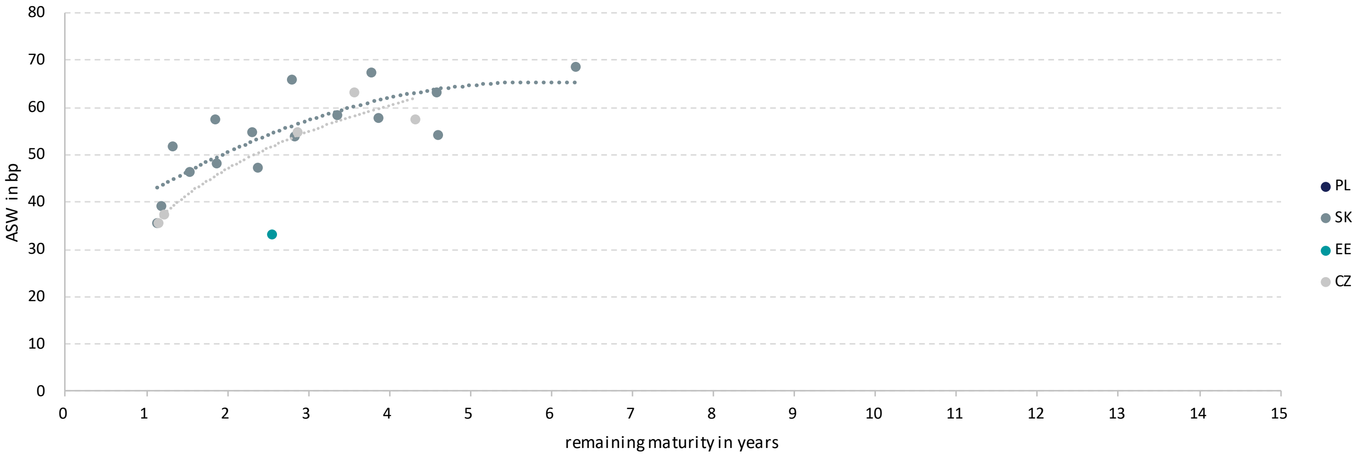


UK/IE

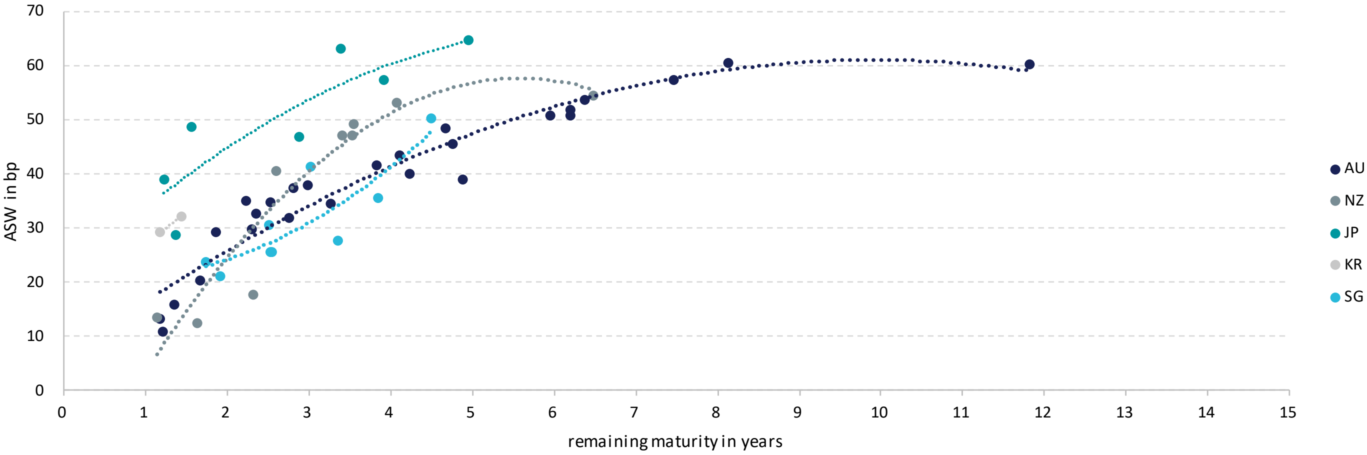


Source: Market data, Bloomberg, NORD/LB Floor Research

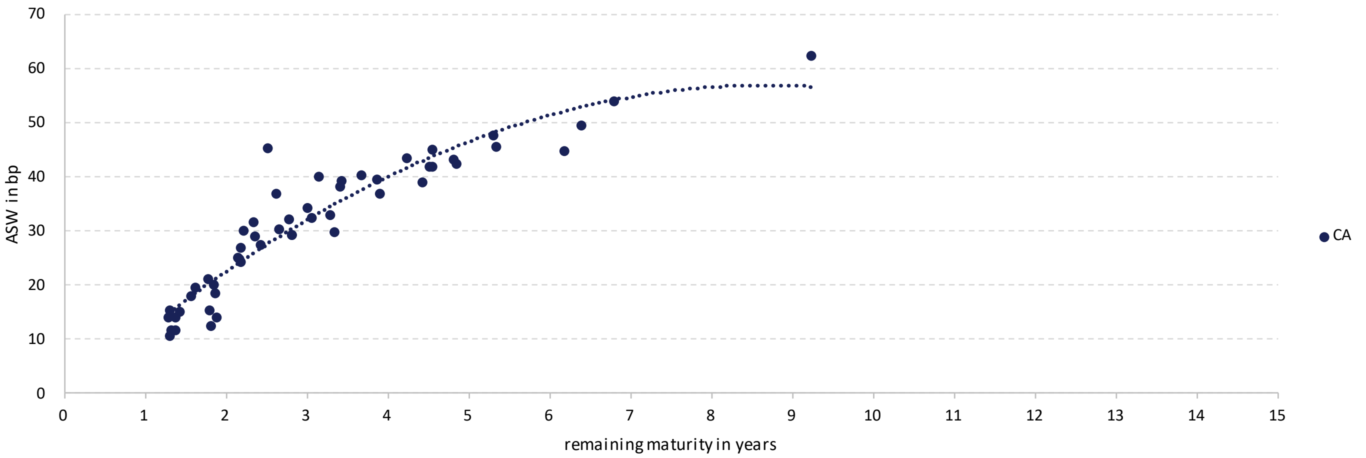
CEE



APAC



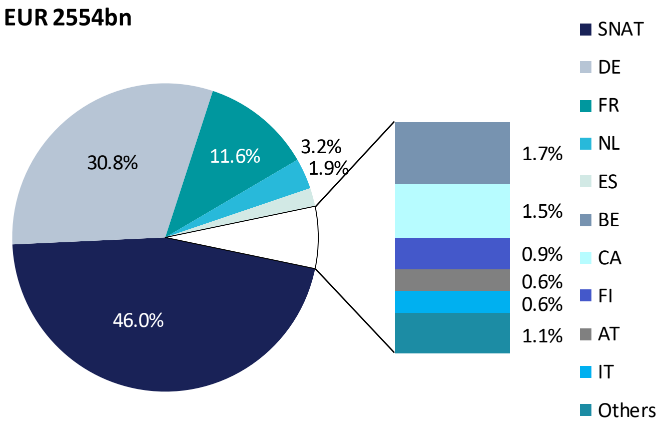
North America



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

Charts & Figures
SSA/Public Issuers

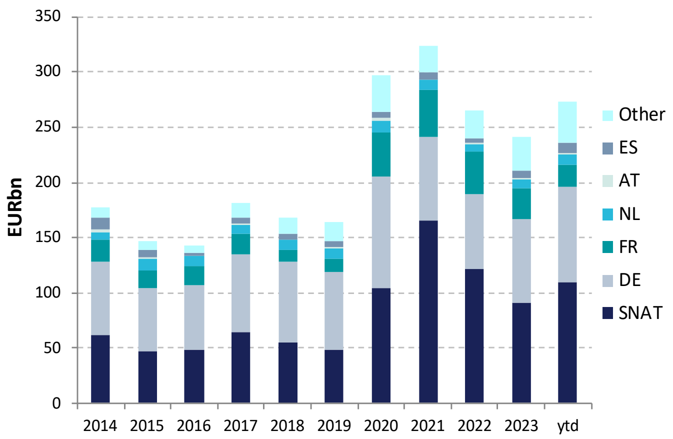
Outstanding volume (bmk)



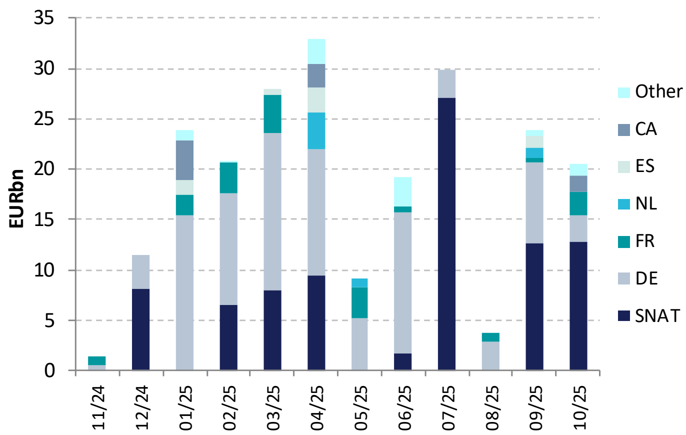
Top 10 countries (bmk)

Country	Vol. (EURbn)	No. of bonds	ØVol. (EURbn)	Vol. weight. ØMod. Dur.
SNAT	1,175.4	243	4.8	7.9
DE	785.4	592	1.3	6.1
FR	295.0	199	1.5	5.7
NL	82.3	67	1.2	6.4
ES	49.4	69	0.7	4.8
BE	44.7	46	1.0	10.1
CA	38.2	28	1.4	4.8
FI	23.2	25	0.9	4.6
AT	16.0	21	0.8	4.9
IT	15.6	20	0.8	4.3

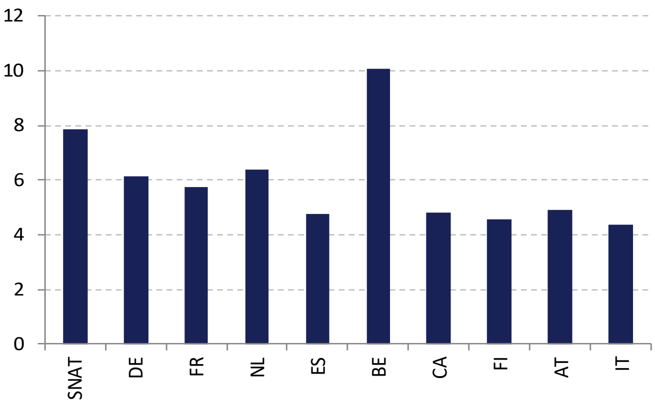
Issue volume by year (bmk)



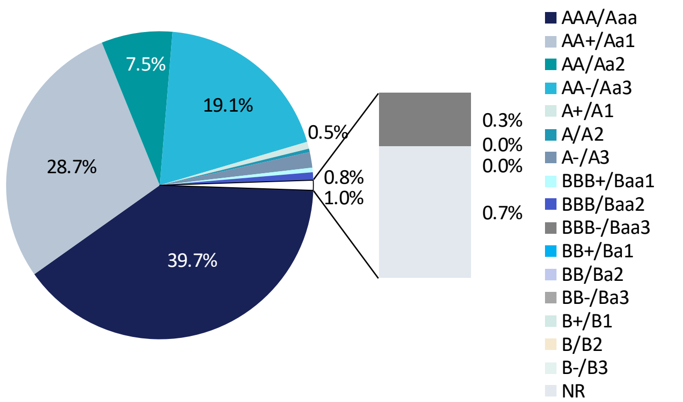
Maturities next 12 months (bmk)



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

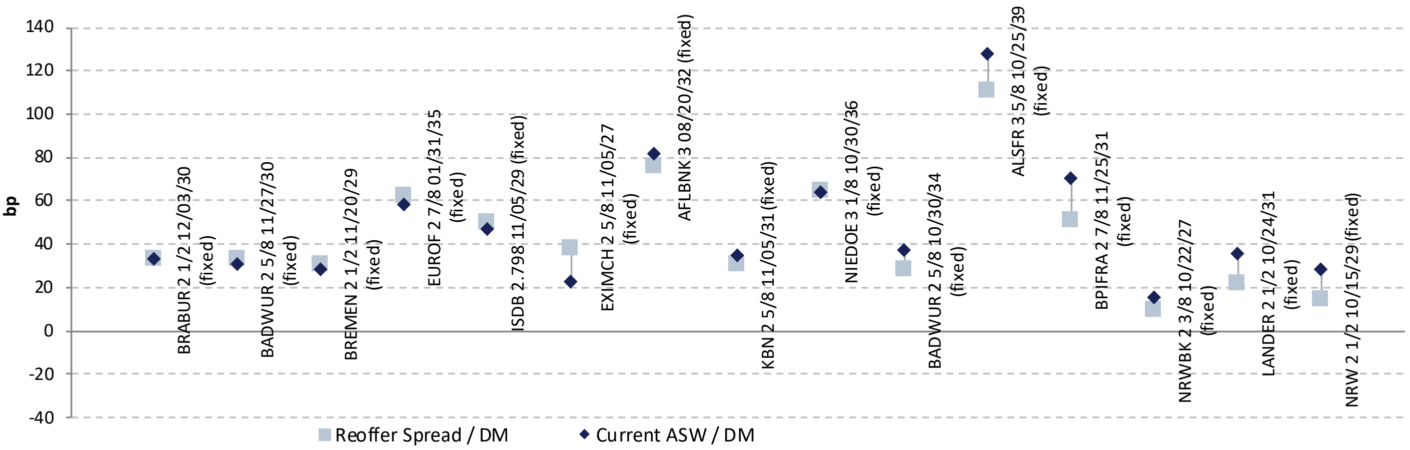


Rating distribution (vol. weighted)

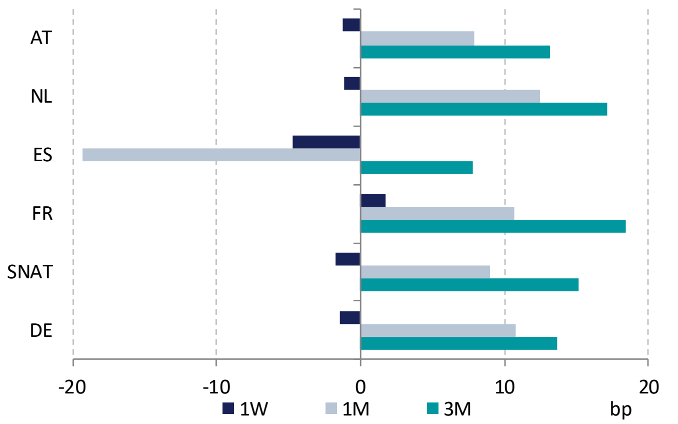


Source: Bloomberg, NORD/LB Floor Research

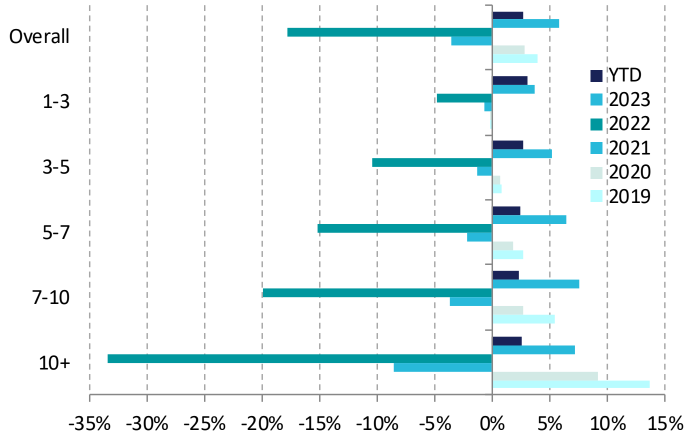
Spread development (last 15 issues)



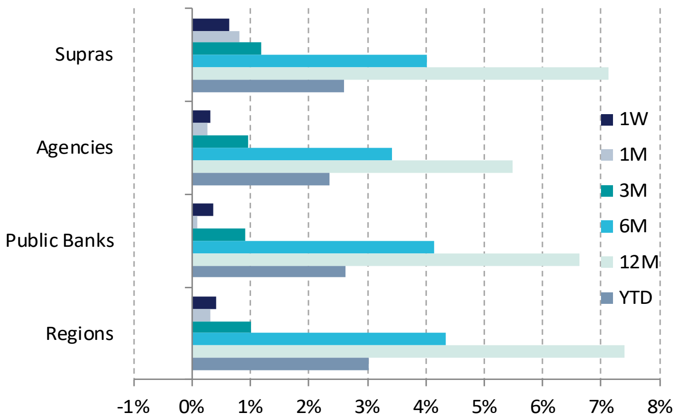
Spread development by country



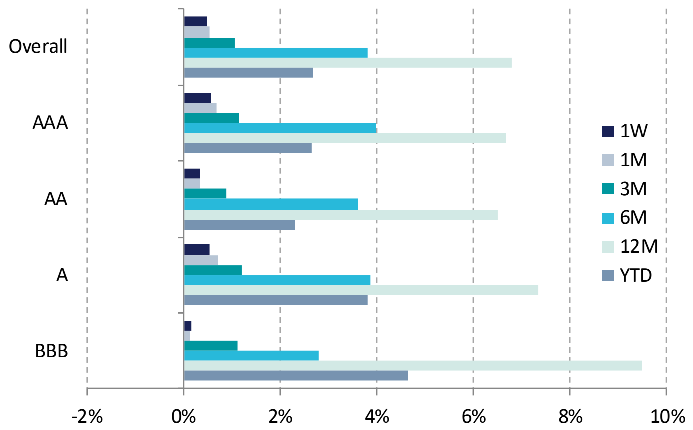
Performance (total return)



Performance (total return) by segments

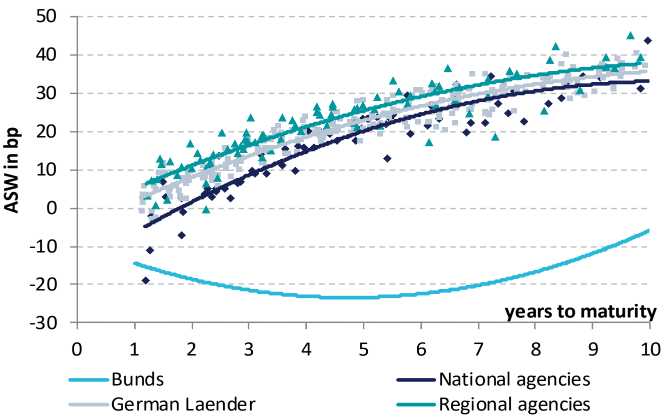


Performance (total return) by rating

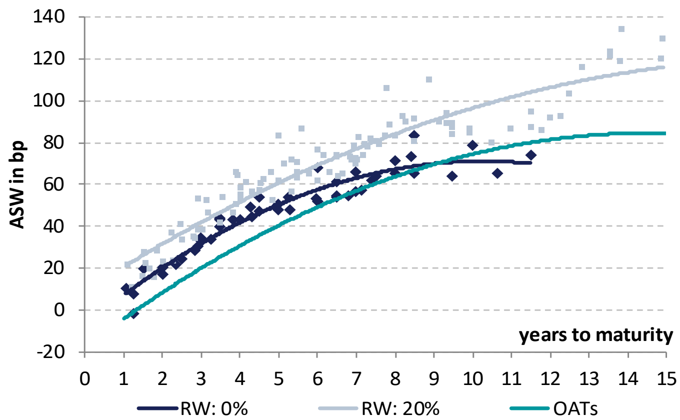


Source: Bloomberg, NORD/LB Floor Research

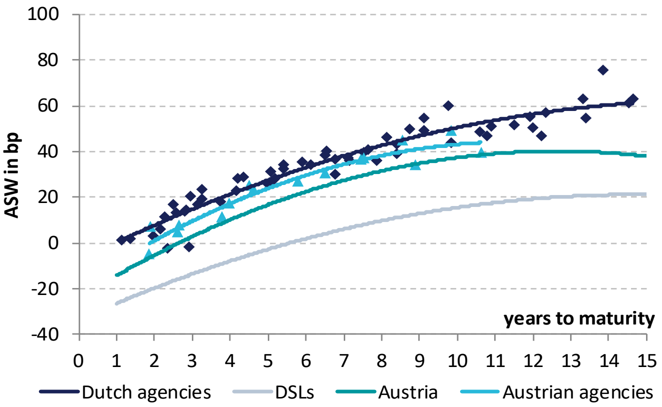
Germany (by segments)



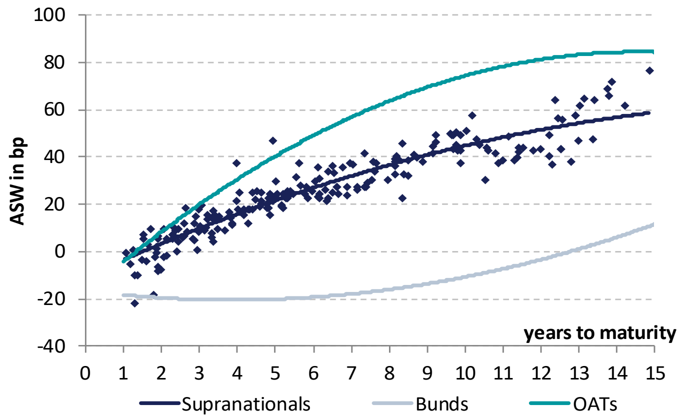
France (by risk weight)



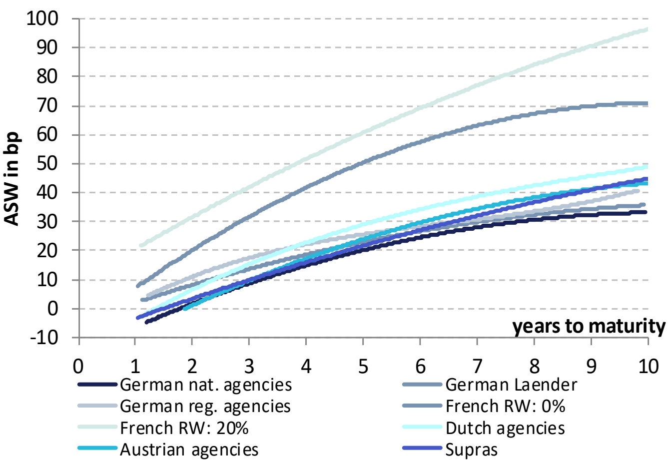
Netherlands & Austria



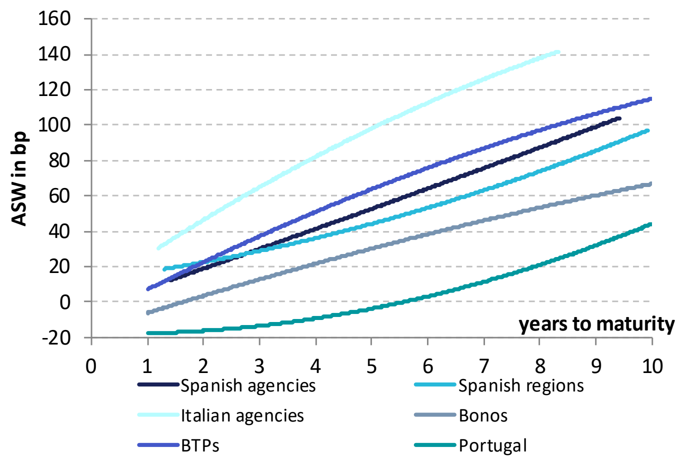
Supranationals



Core



Periphery



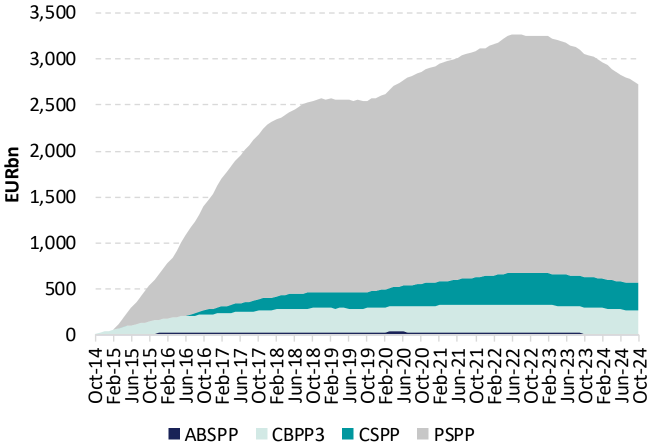
Source: Bloomberg, NORD/LB Floor Research

ECB tracker

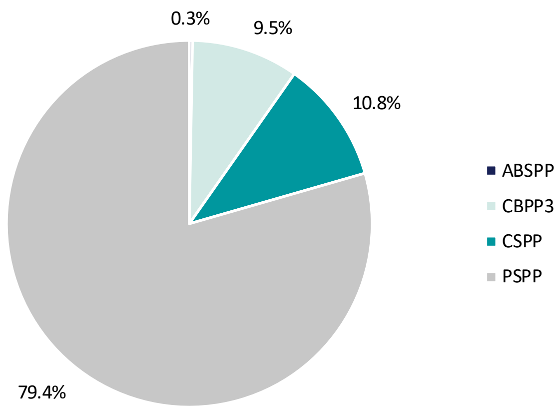
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Sep-24	8,003	258,768	297,662	2,196,710	2,761,143
Oct-24	7,748	258,032	294,507	2,165,737	2,726,024
Δ	-256	-736	-3,154	-30,973	-35,119

Portfolio development

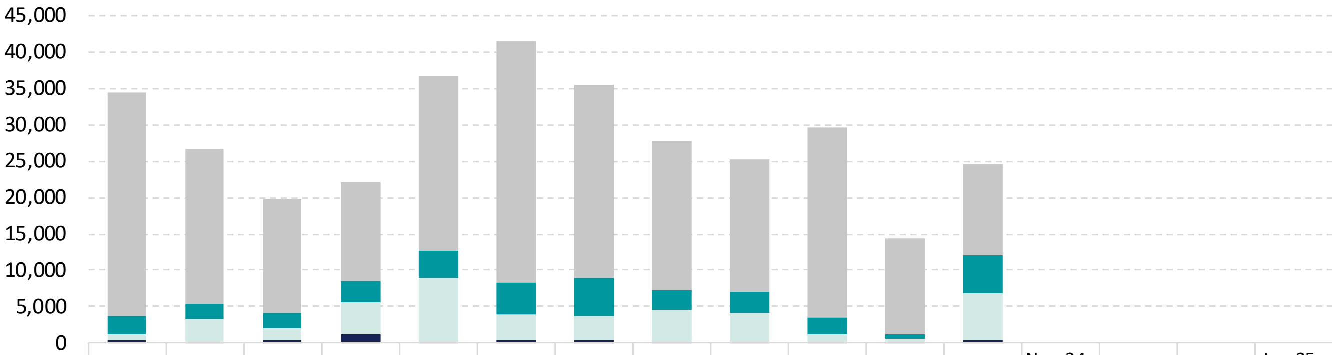


Portfolio structure



Source: ECB, NORD/LB Floor Research

Expected monthly redemptions (in EURm)

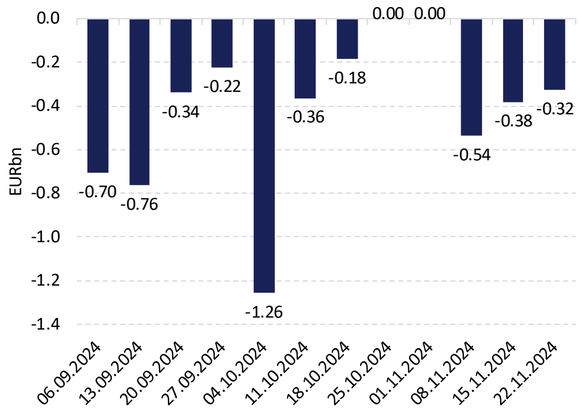


	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-24 - Oct-25	2023	2024	Jan-25 - Oct-25
APP	34,358	26,695	19,721	22,039	36,658	41,660	35,527	27,846	25,290	29,618	14,310	24,596	338,318	338,664	323,141	341,959
PSPP	30,578	21,298	15,643	13,463	24,021	33,379	26,671	20,541	18,261	26,161	13,114	12,568	255,698	260,705	255,173	260,955
CSPP	2,613	2,031	1,944	2,973	3,788	4,279	5,137	2,699	2,940	2,156	562	5,259	36,381	31,158	30,772	34,750
CBPP3	736	3,136	1,790	4,335	8,635	3,709	3,373	4,448	3,864	1,135	468	6,492	42,121	36,226	30,791	42,219
ABSPP	431	230	344	1,268	214	293	346	158	225	166	166	277	4,118	10,575	6,405	4,035

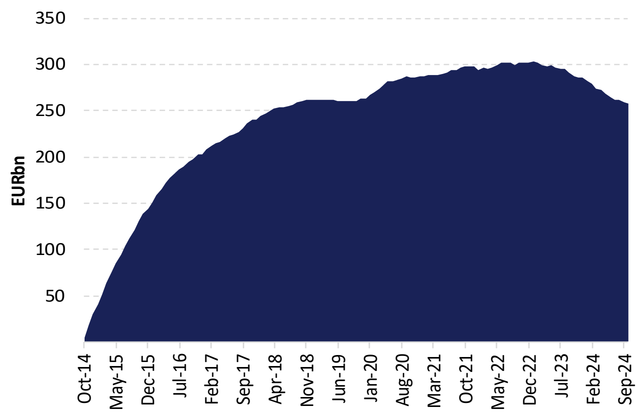
Source: ECB, Bloomberg, NORD/LB Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

Weekly purchases

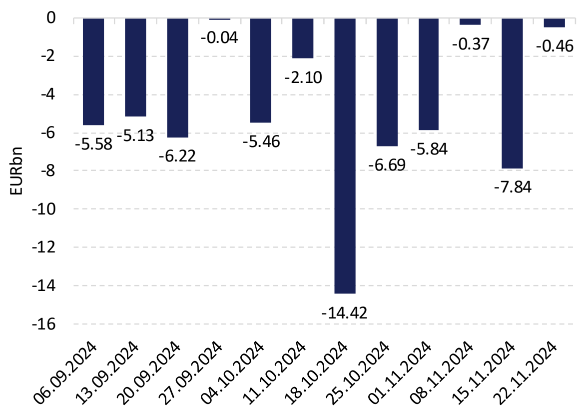


Development of CBPP3 volume

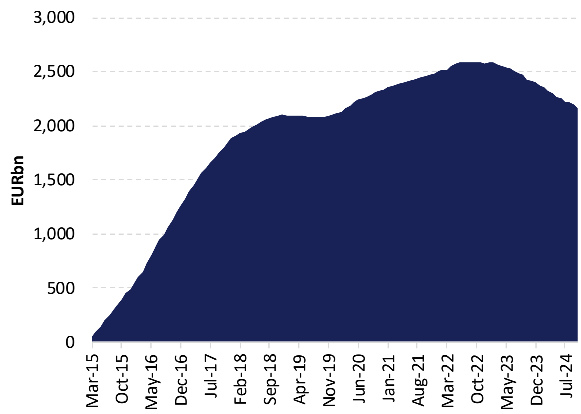


Public Sector Purchase Programme (PSPP)

Weekly purchases



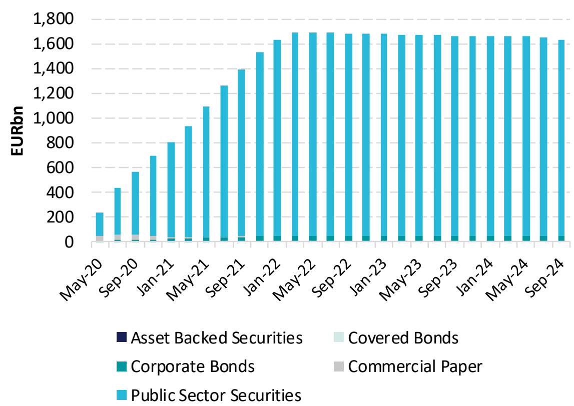
Development of PSPP volume



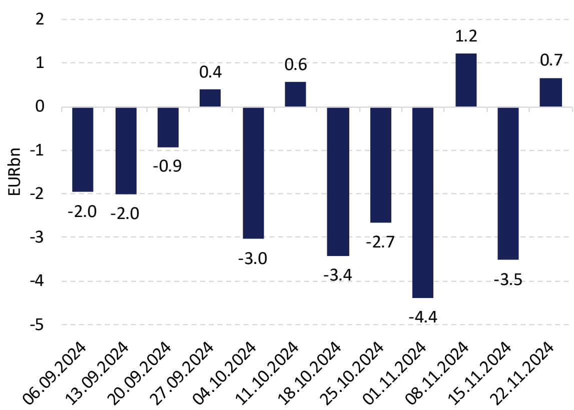
Source: ECB, Bloomberg, NORD/LB Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development



Weekly purchases



Source: ECB, Bloomberg, NORD/LB Floor Research

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Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
38/2024 ♦ 20 November	▪ Transparency requirements §28 PfandBG Q3/2024 ▪ ECB repo collateral rules and their implications for Supranationals & Agencies
37/2024 ♦ 13 November	▪ Development of German property market (vdp index) ▪ Auvergne-Rhône-Alpes Region – spotlight on REGRHO
36/2024 ♦ 06 November	▪ ESG covered bonds: Benchmark segment on a growth trajectory ▪ Current LCR classification for our SSA coverage
35/2024 ♦ 30 October	▪ Maturities the future driver in the primary market? ▪ German-speaking Community of Belgium – spotlight on DGBE
34/2024 ♦ 23 October	▪ A relative value investigation of covered bonds ▪ Current risk weight of supranationals & agencies
33/2024 ♦ 16 October	▪ The covered bond universe of Moody's: an overview ▪ Teaser: Issuer Guide – European Supranationals 2024
32/2024 ♦ 09 October	▪ A look at the CEE covered bond market ▪ NGEU: Green Bond Dashboard
31/2024 ♦ 02 October	▪ A review of Q3 in the Covered Bond segment ▪ Teaser: Beyond Bundeslaender – Spanish Regions
30/2024 ♦ 25 September	▪ The EUR benchmark segment after the summer break ▪ Update on German municipality bonds: DEUSTD and NRWGK
29/2024 ♦ 18 September	▪ ECBC publishes annual statistics for 2023 ▪ Sukuk bonds – an update on sharia-compliant investments
28/2024 ♦ 11 September	▪ Banca Sella joins the EUR sub-benchmark segment ▪ Teaser: Beyond Bundeslaender – Autonomous Portuguese regions
27/2024 ♦ 04 September	▪ New Pfandbrief issuer: Lloyds Bank GmbH ▪ Agencies and resolution instruments of the BRRD
26/2024 ♦ 21 August	▪ Central bank eligibility of covered bonds ▪ Teaser: Issuer Guide – German Agencies 2024
25/2024 ♦ 14 August	▪ Development of the German property market (vdp index) ▪ Classification of Supranationals and Agencies under Solvency II
24/2024 ♦ 07 August	▪ Transparency requirements §28 PfandBG Q2/2024 ▪ Teaser: Issuer Guide – Spanish Agencies 2024
23/2024 ♦ 10 July	▪ Repayment structures on the covered bond market: An update ▪ SSA review: EUR-ESG benchmarks in H1/2024
22/2024 ♦ 03 July	▪ Covereds: Half-year review and outlook for the second half of 2024 ▪ SSA half-year review 2024

NORD/LB:	NORD/LB:	NORD/LB:	Bloomberg:
Floor Research	Covered Bond Research	SSA/Public Issuers Research	RESP NRDR <GO>

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Appendix
Publication overview

Covered Bonds:

Issuer Guide – Covered Bonds 2024

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 Q3/2024 (quarterly update)

Transparency requirements §28 PfandBG Q3/2024 Sparkassen (quarterly update)

SSA/Public Issuers:

Issuer Guide – German Laender 2024

Issuer Guide – German Agencies 2024

Issuer Guide – Canadian Provinces & Territories 2024

Issuer Guide – European Supranationals 2024

Issuer Guide – French Agencies 2023

Issuer Guide – Nordic Agencies 2024

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 2024

ECB: An autumn of interest rate cuts that wasn't supposed to be?

NORD/LB:	NORD/LB:	NORD/LB:	Bloomberg:
Floor Research	Covered Bond Research	SSA/Public Issuers Research	RESP NRDR <GO>

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Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Institutional Sales MM/FX	+49 511 9818-9460
Fixed Income Relationship Management Europe	+352 452211-515

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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

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Origination Corporates	+49 511 361-2911

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