

Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

Agenda

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Market overview

Covered Bonds

Author: Dr Frederik Kunze

Primary market remains lively

The past five trading days have seen a total of five issuers from four separate jurisdictions offer bonds to investors in the EUR benchmark segment. On Thursday, Finland's Nordea Kiinnitysluottopankki (Nordea) went to market with a EUR 1.5bn covered bond. The order book for the second deal out of Finland in 2022 totalled EUR 2.1bn and the bond was placed at ms +4bp (guidance: ms +8bp area; maturity: 7.0y). On the same day, Arkea Public Sector SCF issued its first EUR benchmark for almost two years. The EUR 500m deal (6.0y) started at ms +9bp area in the marketing phase and was ultimately placed at a reoffer spread of ms +5bp. At the end of the trading week, SR-Boligkreditt (see [NORD/LB Issuer View](#)) was active on the primary market, successfully issuing a EUR 750m benchmark (7.0y). Following initial guidance at ms +12bp area, the final spread tightened to ms +9bp. Geographically, the largest share of the allocated volume went to the German-speaking DACH region (52%), while 21% went to the Nordics and 19% to the Benelux countries. In terms of investor type, banks dominated with a share of 68%, while a total of 20% went to Central Banks/OI. At the beginning of the new trading week, Westpac Banking Corporation placed the fourth bond of the year out of Australia. During the marketing phase, the reoffer spread for the EUR 1.25bn benchmark (5.0y) was fixed at ms +12bp (guidance: ms +16bp area). In geographical terms, the majority of this deal was allocated to accounts in Germany and Austria (29%), followed by the Benelux countries (22%) and Switzerland (16%). When looking at investor type, the high share in the Central Banks/OI category is striking. Indeed, at 39%, this category made up the largest share, ahead of Banks (32%) and Asset Managers (24%). Yesterday, on Tuesday, another Canadian issuer entered the market in the form of Bank of Montreal (BMO). BMO once again placed a noteworthy volume (EUR 1.75bn) with a comparatively short maturity (4.0y). The reoffer spread was set at ms +8bp following guidance for the deal of ms +12bp area at the start of the marketing phase. The order book for the deal totalled EUR 2.0bn. This pushed the issuance volume from Canada up to EUR 18.7bn in the year to date, approaching our revised forecast for this jurisdiction that we recently increased to EUR 23bn. OP Mortgage Bank ensured ongoing momentum in the ESG segment yesterday. After its green debut in the ESG covered bond sub-market in March 2021, which also represented Finland's first green benchmark bond, OP Mortgage Bank approached investors again with another green deal. The bank placed a EUR 1.0bn benchmark (5.5y) at ms +2bp. During the marketing phase, the reoffer spread narrowed by four basis points versus initial guidance (ms +6bp area). In our [Covered Bond focus article](#) this week, we look at the ESG sub-market in the EUR benchmark segment. The total issuance volume for the whole covered bond market in the year to date (shortly before the end of the first quarter) amounts to a more than respectable EUR 74.6bn.

Market remains receptive

Looking back at the past five trading days, what is particularly striking in our opinion is the fact that some issuers have opted for the maturity segment of more than six years and have been met with ample investor interest without new issuance premiums having to be significantly increased. In fact, based on our observations of Bloomberg screen prices, primary market deals have also performed on the secondary market. When looking at this in isolation, this certainly indicates that the market will continue to remain receptive to deals.

| Issuer | Country | Timing | ISIN | Maturity | Size | Spread | Rating | ESG |
|-------------------------|---------|--------|--------------|----------|--------|----------|-------------|-----|
| BMO | CA | 29.03. | XS2465609191 | 4.0y | 1.75bn | ms +8bp | AAA/Aaa/- | - |
| OP Mortgage Bank | FI | 29.03. | XS2465142755 | 5.5y | 1.00bn | ms +2bp | -/Aaa/AAA | X |
| Westpac | AU | 28.03. | XS2463967286 | 5.0y | 1.25bn | ms +12bp | AAA/Aaa/- | - |
| SR-Boligkreditt | NO | 25.03. | XS2464091029 | 7.0y | 0.75bn | ms +9bp | - / Aaa / - | - |
| Arkea Public Sector SCF | FR | 24.03. | FR0014009GQ8 | 6.0y | 0.50bn | ms +5bp | - /Aaa/ - | - |
| Nordea | FI | 24.03. | XS2463702907 | 7.0y | 1.50bn | ms +4bp | -/Aaa/- | - |

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

ECB remains cautious: prudent withdrawal of easing on collateral haircuts

The ECB introduced extensive monetary policy easing measures following the escalation of the coronavirus crisis worldwide. The adjustments to the central bank's monetary policy toolkit included temporary easing measures with regard to the provision of collateral in transactions with the ECB. In our opinion, these measures became very important in the context of the take-up of longer-term funding in the form of TLTRO III. Ultimately, momentum in the primary market was severely constrained by the sharp rise in the volume of retained covered bonds that were, and are, being used as collateral in the Eurosystem. At the same time, however, this easing created notable additional leeway for commercial banks with regard to funding via the Eurosystem. It therefore comes as no surprise that in its announcement on ending the measures, the ECB has opted for a graduated approach for collateral valuation haircuts. The central bank is thereby taking account of future maturities under the TLTRO III tender, as also stated in its press release (cf. [ECB press release](#)). We also see the ECB's announcement as an indication of the central bankers' thought process regarding further TLTRO tenders. We at least consider our fundamental expectation that there will be no new version of the tender (in the form of TLTRO IV) to be confirmed. The gradual phase-out also fits in with the course taken by the ECB in terms of the Pandemic Emergency Purchase Programme (PEPP), for which net purchases are now coming to an end. Maturities from the PEPP portfolio (volume as at 25 March 2022: EUR 1,697bn) will be reinvested over a comparatively long period (at least until the end of 2024). Therefore, the central bankers will maintain a significant degree of flexibility, as [recently](#) confirmed again by Vice-President Luis de Guindos.

Fitch outlook for covered bond ratings remains "neutral"

According to the rating experts at Fitch, the economic impact of the war of aggression against Ukraine should not lead to any rating downgrades for covered bonds. The rating agency cited both the rating buffer above the issuer default rating as well as the existing overcollateralisation ratios of the Fitch-rated programmes. Consequently, in its press release dated 24 March 2022, the agency left its outlook for the covered bond sector at neutral.

Market overview

SSA/Public Issuers

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

KfW increases its Special Refugee Facilities Programme...

In a previous [edition](#), we looked in detail at the Special Refugee Facilities Programme launched by KfW. With this programme, the promotional bank is supporting municipalities which wish to provide, modernise and/or equip housing for refugees. Originally, KfW made available a volume of EUR 250m from its own resources. In view of the high level of demand for these interest-subsidised loans, which currently feature a signal interest rate of -0.5% (previously: -0.75%), the funding volume has now been increased to EUR 500m in total. Applications received on or after 22 March 2022 have a maximum development loan amount of EUR 10m. Applications may be made until 31 December 2022 – provided that the total volume of EUR 500m has not yet been utilised by then. To provide some context, Europe is currently experiencing refugee movements not seen since World War II as a result of Russian president Vladimir Putin's war of aggression against Ukraine. Cautious estimates meanwhile assume the arrival of 5 million refugees from Ukraine in EU countries, with other estimates ranging from as many as 8 to 10 million refugees.

...and publishes the findings of an SME survey on risks arising from the war

A representative [survey](#) by KfW Research concluded that, overall, one third of small and medium-sized enterprises (SMEs) see the war in Ukraine as a medium to high risk to their business activities. Of the 3.8 million SMEs in Germany in total, 2,200 SMEs with an annual turnover of up to EUR 500m took part in this KfW SME panel survey. The share of companies from the manufacturing industry and trade which stated that they foresee above-average major risks (17% and 22% respectively) should be highlighted. Conversely, the relevant share was only 12% for both the services sector and the construction industry. Overall, according to the survey findings, it was evident that companies which also assessed rising energy prices as a high risk were particularly concerned about the war causing a high risk to their business performance. The loss of Russia as a market is also likely to represent a risk for some SMEs. However, the export links between Germany's SMEs and Russia are rather limited overall.

Germany's energy relief package launched (Entlastungspaket II)

In view of the sharp increase in energy prices, the German government resolved a second package of assistance, Entlastungspaket II. The package comprises a cut in the energy tax on fuel (petrol: EUR 0.30 per litre, diesel: EUR 0.14 per litre), a one-off energy discount of EUR 300 per taxpayer in work, reduced ticket prices on public transport, lump sum payments to families of EUR 100 per child as well as further lump sum payments to those on benefits. The resultant additional burden on the national budget amounts to EUR 17bn, according to Christian Lindner, Germany's Federal Minister of Finance. It is to be financed through the supplementary budget that has already been announced. This supplementary budget is to be presented to the Cabinet on 27 April 2022 to reflect the consequences of the war in Ukraine.

LfA Förderbank Bayern – savings banks grant LfA development loans worth EUR 670m

According to a press release issued by the LfA covering the annual financial statements, Bavaria's savings banks (Sparkassen) made 2,500 commitments to Bavarian SMEs and entrepreneurs totalling EUR 670m for LfA development loans in 2021. This represents a share of more than 38% of the programme-linked development loan volume, based on which Bavaria's savings banks are an important business partner in promoting economic development. Dr Bernhard Schwab, LfA's Chief Executive Officer, explained: "Our successful partnership with the savings banks adds value for SMEs in Bavaria. We support businesses comprehensively in stabilising their situation during difficulties and help to strengthen them for transformation." Professor Dr Ulrich Reuter, President of the Savings Banks Association of Bavaria, added: "It would be impossible to imagine the advisory and financing services of the Bavarian savings banks without the financial support provided by LfA. Together, we enhance the competitiveness of our economy and, as a result, wealth in Bavaria." In the capital market, LfA (ticker: BAYLAN) currently has a total of 45 bond issues outstanding with a volume totalling EUR 12.9bn (all denominated in EUR).

EUROFIMA published financial results for 2021

The European Company for the Financing of Railroad Rolling Stock (EUROFIMA, ticker: EUROF) recently published its financial results for the 2021 reporting year. To recap, EUROFIMA was established in 1956 based on an international treaty between 14 European countries (now 25), and its mission is to support the development of rail transportation in Europe. Originally, its mandate was for a limited period of 50 years. However, on 1 February 1984, an extension of the term until 2056 was agreed. Total assets decreased by EUR 1.1bn in financial year 2021 (-6.5% Y/Y) to EUR 15.9bn as a result of loan portfolio maturities. No non-performing loans were identified in 2021 – as was also the case in the preceding 64 years. Income amounted to EUR 22m, which represents a reduction of EUR 2.5m on the previous year. Although net commission income increased, net interest income was down due to generally low interest rates. Last year, EUROFIMA was present in the capital market as an issuer of green bonds. The organisation also updated its green bond framework last year which, according to Sustainalytics, is in line with the EU taxonomy. Based on information provided in the annual report, net proceeds of EUR 3.7bn from the nine green bond issues launched in the period up to 2021 were used to finance electric public passenger rail transportation. A total of 54% of the proceeds was invested in electrical multiple unit trains, 15% in coaches, 17% in electric locomotives and 14% in intercity high-speed trains. In geographical terms, Switzerland benefited from the highest share at 38%, followed by Italy and Spain at 27% each, Belgium at 4% and Denmark und Luxembourg at 2% each.

ECB eligible collateral – removal of pandemic-related reduction by 2024

ECB eligible collateral (marketable assets) is divided into five haircut categories, which differ in terms of the issuer group and type of collateral. The haircut category is decisive for the valuation discount applied to certain debt instruments. In addition, the haircuts vary, depending on the time to maturity and coupon structure. In the wake of the pandemic, a temporary reduction of the rule regarding the collateral framework by 20% was resolved until June 2022. The ECB has now announced a schedule for the gradual phasing out of the pandemic-related reduction for the period from July 2022 to March 2024. A relevant assessment is provided in the [Market overview Covered Bonds](#) section.

Primary market

In the previous trading week on which we commented, the focus definitely was on the dual tranche of the European Commission on behalf of the EU, which is also the ticker used. To recap, a 10y bond with a volume of EUR 10bn was issued under the NGEU programme as well as a 15y social bond (SURE programme) worth EUR 2.17bn. We would therefore like to start this section with supplementary information about the transactions: with the NGEU deal, the EU has issued EUR 20bn under the NGEU programme in the year to date (2022). This means that the EU has achieved 40% of its target NGEU funding for the first half of 2022. A further EUR 30bn is therefore still expected over the next three months. Incidentally, the social bonds worth EUR 2.17bn are to be used to support short-term employment programmes in Poland, Portugal and Hungary. In contrast, a range of different issuers have been present with activities in the current trading week. The mandate from the Swedish public sector finance provider Kommuninvest (ticker: KOMINS), on which we previously reported, was successfully implemented last Wednesday in the form of a 7y green bond placed in the market at ms -4bp. The order book worth EUR 1.7bn and a bond volume of EUR 500m (WNG) resulted in a bid-to-cover ratio of 3.4x. In view of the high level of demand from investors, tightening of three basis points compared with the initial guidance (ms -1bp area) was achieved. A BNG transaction – ticker: BNG – was observed in the Dutch agency market. The social bonds amounting to a volume of EUR 1bn with a 15-year maturity were placed at ms +3bp. Tightening occurred compared with the guidance of ms +5bp area. The book was totalling EUR 1.5bn. KfW was also active in the capital market, issuing a 15y bond worth EUR 2bn at ms -8bp. During the marketing phase, the order book amounted to EUR 2.75bn. The guidance for the deal was also in the area of ms -8bp. After the European Financial Stability Facility (ticker: EFSF) sent a RfP to several banks last Wednesday, this deal had already been finalised by yesterday (Tuesday, 29.03.). The bond issue comprises EUR 3bn and has a maturity of six years, with a guidance in the area of ms -15bp. The order book swelled to EUR 7bn during the marketing phase, with the spread subsequently set at ms -17bp. We also spotted some tap issues during the current trading week. The Land of Berlin raised a further EUR 450m (WNG) at ms -15bp (guidance: ms -15bp area) with its BERGER 0.625% 02/05/29. Furthermore, the EU carried out its scheduled auction and increased EU 0% 10/04/28 by EUR 2.498bn to now total EUR 13.995bn overall. Bids totalled a EUR 2.626bn overall, which resulted in a bid-to-cover ratio of 1.05x. Another four mandates were also issued yesterday: the Belgian region of Wallonia intends to launch a 10y EUR benchmark bond issue. In addition, the autonomous regions of Madrid and the Azores issued mandates, as did the French infrastructure operator Société du Grand Paris. We expect the relevant order books to open today. Last but not least, the European Union sent out an RfP due to its additional funding requirement under the NGEU programme.

| Issuer | Country | Timing | ISIN | Maturity | Size | Spread | Rating | ESG |
|--------|---------|--------|--------------|----------|--------|----------|---------------|-----|
| EFSF | SNAT | 28.03. | EU000A2SCAB4 | 6.4y | 3.00bn | ms -17bp | AA / Aa1 / AA | - |
| KfW | DE | 23.03. | DE000A3MP7K3 | 15.0y | 2.00bn | ms -8bp | - / Aaa / AAA | - |
| BNG | NL | 23.03. | XS2463550702 | 15.0y | 1.00bn | ms +3bp | AAA / - / AAA | X |
| KOMINS | Nordics | 22.03. | XS2462606489 | 7.4y | 0.50bn | ms -4bp | - / - / AAA | X |

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

Covered Bonds

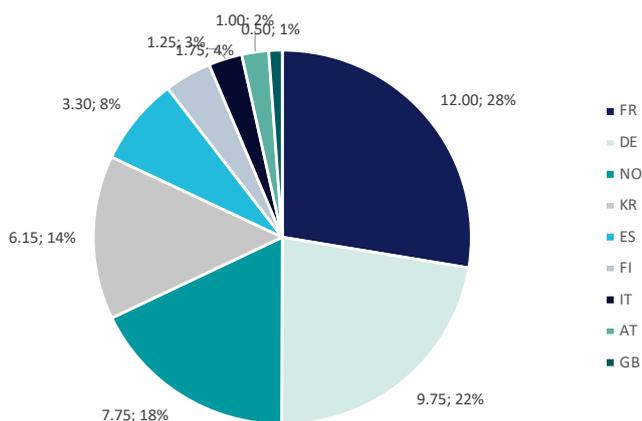
An overview of the market for ESG covered bonds

Author: Dr Frederik Kunze

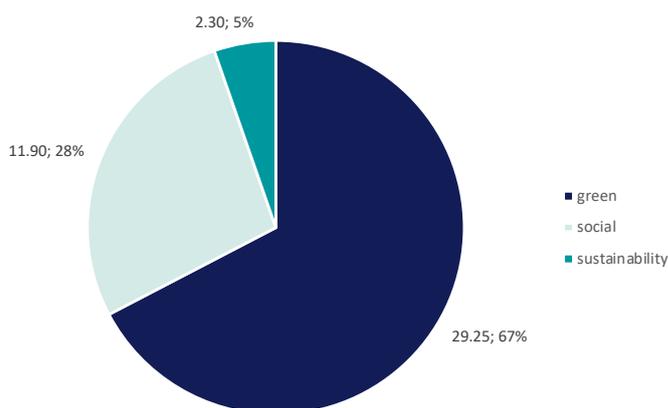
ESG covered bond market

The topic of ESG has become a firm part of the international bond market as well. Green, social or general sustainability bonds can be found across nearly the entire breadth of active jurisdictions and major currencies. We examined this development recently in our [NORD/LB Fixed Income Special – ESG Update 2022](#). In a global context, by the end of 2021, green bonds accounted for most of the outstanding sustainability bonds with a share of 50%. For 2022, a new ESG issuance volume of around USD 1tn is expected worldwide. The fundamental momentum of the ESG segment and preponderance of green bonds is also reflected in the market for ESG covered bonds. Based on the data in the ECBC Factbook 2021, ESG covered bonds with a volume of EUR 39bn were outstanding as of mid-2021, with a share of 71% attributable to green covered bonds. We regularly examine the EUR benchmark segment and in June 2021, when the new version of the ICMA Green and Social Bond Principles was published, we provided an overview of active covered bond issuers in the ESG universe (see [NORD/LB Covered Bond & SSA View dated 16 June 2021](#)). As we approach the end of Q1 2022, in today’s issue of our weekly publication, we review the first part of the year in terms of EUR benchmarks in ESG format. We also provide an updated overview of the issuers currently active in green, social and sustainability covered bonds.

ESG covered bonds by country (EUR BMK; EURbn)



ESG covered bonds by type (EUR BMK; EURbn)

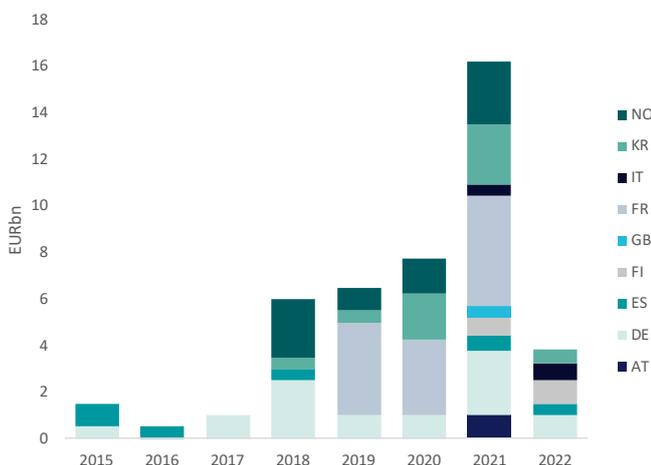


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

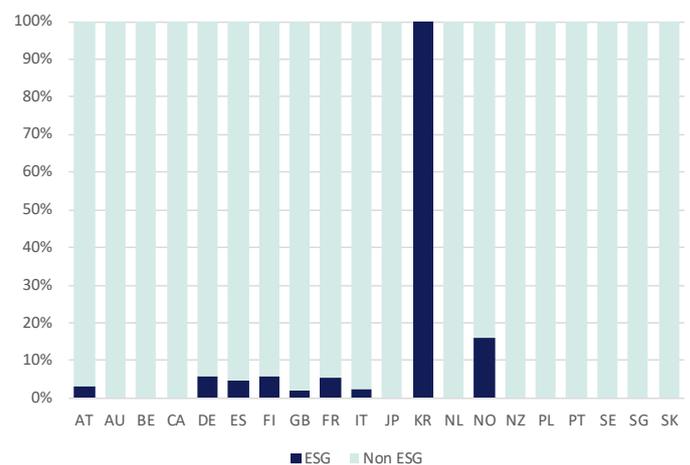
EUR benchmarks in ESG format

The outstanding volume of EUR benchmarks in ESG format totals EUR 43.45bn and is spread across 59 outstanding bonds. The largest market shares are attributable to France (EUR 12bn; 11 bonds) and Germany (EUR 9.75bn; 17 bonds). The more active jurisdictions so far also include Norway (EUR 7.75bn; 9 bonds) and South Korea (EUR 6.15bn; 10 bonds). With regard to South Korean issues, it should be noted that the market has an extremely large weighting of ESG bonds because of the public mandate of Korea Housing Finance Corporation (KHFC). In fact, there are only ESG covered bonds in the EUR benchmark segment in South Korea at the moment. In terms of the type of ESG bond, green bonds dominate (EUR 29.25bn; 38 bonds). Social covered bonds account for EUR 11.9bn (17 bonds) and the sustainability category for EUR 2.4bn (4 bonds).

ESG covered bond issues (EUR BMK)



ESG covered bonds: share of total market (EUR BMK)



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

Market developments in recent months

Looking back over the last few years, it is clear that 2021 sets the record for new issuance volumes to date. An impressive total of EUR 16.25bn was placed in 2021 (green: EUR 10.75bn; social: EUR 4.8bn; sustainability: EUR 0.7bn). In 2021, a total of 12 newcomers also made their first foray onto the ESG market, including Yorkshire Building Society (UK; ESG BMK debut UK), Kookmin Bank (KR), ING-DiBa (DE), UniCredit Bank (DE), NORD/LB (DE), BAWAG (AT; ESG BMK debut AT), Eika Boligkreditt (NO), OP Mortgage Bank (FI; ESG BMK debut FI), Credit Agricole Italia (IT; ESG debut IT), Hypo Tirol Bank (AT; ESG debut AT), as well as Hana Bank (KR). Not only has the group of issuers widened, the number of jurisdictions represented in the ESG market has also increased significantly. In the year to date, the issuance volume totals EUR 3.85bn. In record year 2021, the total issuance volume amounted to EUR 4.25bn at the end of the first quarter. Growth in the number of issuers and jurisdictions since the start of 2022 has been notable in our opinion. Caja Rural de Navarra (ES) tapped investors with a green EUR benchmark for the first time, while DZ HYP ([Link](#)) successfully placed its first ESG benchmark in the form of a green Pfandbrief. Italy's Banco BPM ([Link](#)) also recently joined the group of active issuers.

ESG covered bonds in benchmark format: 30 active issuers

The EUR benchmark segment therefore comprises 30 active ESG issuers with a total of 59 outstanding bonds. Some issuers such as Cara Rural de Navarra (sustainability and green), CAFFIL (social and green), Credit Agricole Home Loan SFH (social and green) and Kookmin Bank (sustainability and green) are active in several sub-segments. As we pointed out in our review in June 2021 as well as in the ESG update, the ICMA Principles also now constitute the main foundation for the ESG market for covered bonds.

Issuers of EUR benchmarks in ESG format

| Issuer | Country | ESG Type | No. of ESG BMKs | Volume (in EUR) | Framework based on ICMA principles |
|-------------------------------|---------|----------------|-----------------|-----------------|------------------------------------|
| Hypo Tirol Bank | AT | social | 1 | 0.50bn | YES (Link) |
| BAWAG PSK | AT | green | 1 | 0.50bn | YES (Link) |
| Berlin Hyp | DE | green | 7 | 3.50bn | YES (Link) |
| NORD/LB | DE | green | 3 | 1.50bn | YES (Link) |
| Deutsche Kreditbank | DE | social | 2 | 1.00bn | YES (Link) |
| DZ HYP | DE | green | 1 | 1.00bn | YES (Link) |
| ING-DiBa | DE | green | 1 | 1.25bn | YES (Link) |
| Landesbank Baden-Wuerttemberg | DE | green | 1 | 0.50bn | YES (Link) |
| Muenchener Hypothekenbank | DE | green | 1 | 0.50bn | YES (Link) |
| UniCredit Bank | DE | green | 1 | 0.50bn | YES (Link) |
| Caja Rural de Navarra SCC | ES | sustainability | 2 | 1.10bn | YES (Link) |
| | | green | 1 | 0.50bn | |
| Kutxabank | ES | social | 1 | 1.00bn | YES (Link) |
| Eurocaja Rural | ES | sustainability | 1 | 0.70bn | YES (Link) |
| OP Mortgage Bank | FI | green | 2 | 1.75bn | YES (Link) |
| BPCE SFH | FR | green | 2 | 2.75bn | YES (Link) |
| CAFFIL | FR | social | 3 | 2.75bn | YES (Link) |
| | | green | 1 | 0.75bn | |
| Credit Agricole Home Loan SFH | FR | green | 1 | 1.25bn | YES (Link) |
| | | social | 1 | 1.00bn | YES (Link) |
| Societe Generale SFH | FR | green | 3 | 3.50bn | YES (Link) |
| Banco BPM | IT | green | 1 | 0.75bn | YES (Link) |
| Credit Agricole Italia | IT | green | 1 | 0.50bn | YES (Link) |
| Hana Bank | KR | social | 1 | 0.50bn | YES (Link) |
| Kookmin Bank | KR | sustainability | 1 | 0.50bn | YES (Link) |
| | | green | 1 | 0.50bn | |
| Korea Housing Finance Corp | KR | social | 7 | 4.65bn | YES (Link) |
| DNB Boligkreditt | NO | green | 2 | 3.00bn | YES (Link) |
| Eika Boligkreditt | NO | green | 1 | 0.50bn | YES (Link) |
| SpareBank 1 Boligkreditt | NO | green | 2 | 2.00bn | YES (Link) |
| Sparebanken Soer Boligkreditt | NO | green | 1 | 0.50bn | YES (Link) |
| Sparebanken Vest Boligkreditt | NO | green | 2 | 1.25bn | YES (Link) |
| SR-Boligkreditt | NO | green | 1 | 0.50bn | YES (Link) |
| Yorkshire Building Society | UK | green | 1 | 0.50bn | YES (Link) |

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

Conclusion

It is hardly a surprise that global momentum in the ESG segment is also now being reflected in the covered bond sub-market. The preponderance of green issues is reflected here too, although the other two sub-markets are also being targeted by issuers. We have already welcomed several debut issuers in recent years, but there is still notable potential for further momentum. Over the coming months, we expect to see debut issues from the UK or Spain among others, depending on market circumstances. In addition, we understand that the number of active French issuers will increase further in the future. We also expect new frameworks and inaugural bonds from Austria. We believe the ESG market for covered bonds will continue to grow in terms of depth as well. While some issuers such as Berlin Hyp, for example, have a well-established green curve, there are others with only one or two ESG bonds in the market so far. Looking purely at the share of ESG bonds in the total EUR benchmark volume at jurisdiction level shows that there is huge issuance potential here. To fully exploit this, some frameworks and terms and conditions need to be further developed on the issuer side as well. The requirements under the EU Taxonomy should therefore be viewed as setting the direction for the market and should by no means be disregarded in terms of covered bonds in ESG format either. Moreover, regarding impact reporting, we believe that suitable further developments are also desirable from an investor perspective, with comparability of issuers and jurisdictions coming to mind in particular.

SSA/Public Issuers

Issuer Guide SSA 2022: the Austrian agency market

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

Three institutions dominate the Austrian agency market

The Austrian agency market is relatively small in a European comparison. Three issuers included in our coverage have already issued bonds in benchmark format: Österreichische Kontrollbank (OeKB), ÖBB-Infrastruktur and Autobahn- und Schnellstraßen-Finanzierungs-AG (ASFiNAG). In total, these three Austrian issuers have a total of 74 outstanding bonds with maturities amounting to the equivalent of EUR 39.7bn. The dominance of agencies involved in the management of transport infrastructure is unusual for the European agency market: while ÖBB-Infrastruktur manages the Austrian rail network, ASFiNAG is responsible for managing Austria's motorway and highway network. There is a constant funding requirement because of the need for continuous maintenance and investment, which both agencies cover to a large extent through the capital market. Since 2017, ÖBB-Infrastruktur has been pursuing a new financing concept that is primarily based on loans from the Austrian Treasury (OeBFA). All previous bonds and their guarantees from the Republic of Austria remain unaffected by this. No new issuances are therefore to be expected in future. OeKB, whose activities are shaped by the administration of export guarantees provided by the state and the provision of export financing, is the largest Austrian agency in terms of outstanding volume. OeKB's ownership structure is unorthodox for a European agency: the company is owned solely by Austrian banks, which is among the reasons why it operates on a non-competitive basis in its main area of business. OeKB also has a constant funding requirement, with foreign currencies used to cover the vast majority of this on account of its role as an export financier.

Austrian agencies – an overview

| Institution | Type | Owner(s) | Guarantee | Risk weighting |
|---|-----------------------|---------------------|---|----------------|
| Österreichische Kontrollbank (OeKB) | Export financier | 100% Austrian banks | Explicit guarantee for bonds covered by the rules of the Export Financing Guarantees Act (AFFG) | 0% |
| ÖBB-Infrastruktur | Rail network operator | 100% ÖBB-Holding | Explicit guarantee for the EMTN programme and maintenance obligation | 0% |
| Autobahnen- und Schnellstraßen-Finanzierungs-AG (ASFiNAG) | Motorway operator | 100% Austria | Explicit guarantee for the EMTN programme and maintenance obligation | 0% |

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

Explicit guarantees for bonds issued by OeKB, ÖBB-Infrastruktur and ASFiNAG

As a general rule, the bond programmes operated by Austrian agencies are guaranteed by the state. The EMTN programmes of ÖBB-Infrastruktur and ASFiNAG are covered by explicit guarantees on the part of the Austrian government. Bonds issued by OeKB, which is the largest Austrian agency, are explicitly guaranteed by the Austrian state, provided that they have been or are issued as part of the Export Financing Guarantees Act (AFFG).

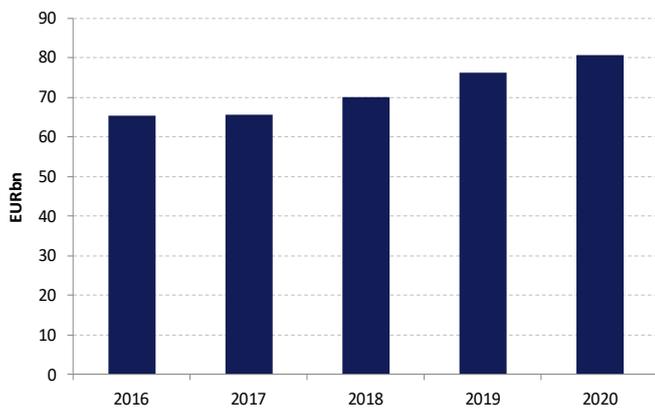
Maintenance obligations for ÖBB-Infrastruktur and ASFiNAG

Aside from explicit guarantees, ÖBB-Infrastruktur and ASFiNAG each enjoy a maintenance obligation. The Austrian Federal Railway Act and the ASFiNAG Act stipulate that the state must make the necessary funds available to cover the expenditure of both agencies. The resulting maintenance obligation subsequently obliges the state to ensure that these agencies can meet their payment obligations.

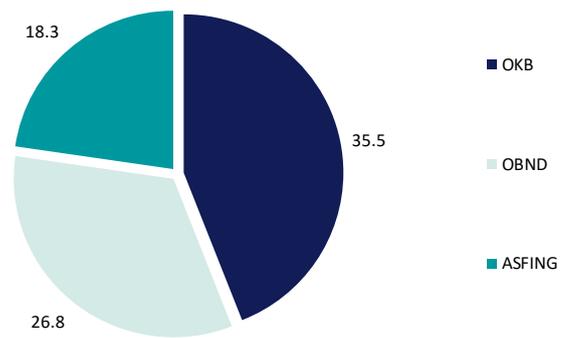
0% risk weighting under CRR/Basel III

The explicit guarantees on the part of the Austrian state for the bond issuance programmes of Austrian agencies mean that the bonds placed by these respective issuers qualify for a risk weighting of 0% according to Basel III, provided that OeKB's Bonds are issued under the AFGG.

Balance sheet totals of Austrian agencies



Comparison of total assets (EURbn)



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

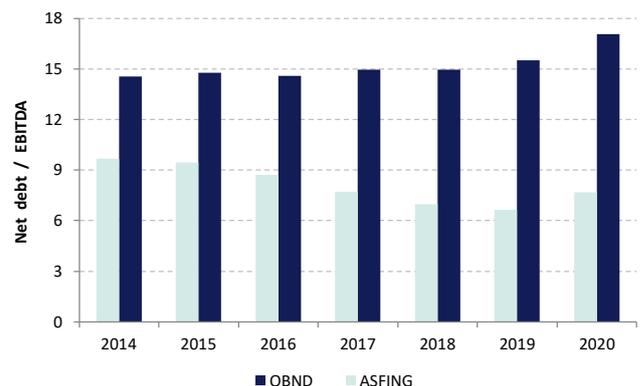
Increased balance sheet totals

Between the years 2018 and 2020, a sharper increase was again recorded for the aggregated balance sheet totals of Austrian agencies. In 2020, the aggregated value increased by approximately 6.0%, having already risen by 8.8% in 2019. In 2020, OeKB posted balance sheet growth of EUR +2.2bn, while ÖBB-Infrastruktur and ASFiNAG recorded increases of EUR +1.5bn and EUR +0.9bn respectively. The balance sheet growth at OeKB can be partly attributed to the increased volume in export financing activities. The aggregated balance sheet total of the three agencies therefore now stands at EUR 80.6bn (EUR +4.6bn Y/Y). Net financial liabilities on the part of Austrian issuers (excluding OeKB) rose again.

Net debt of Austrian agencies (excl. OeKB)

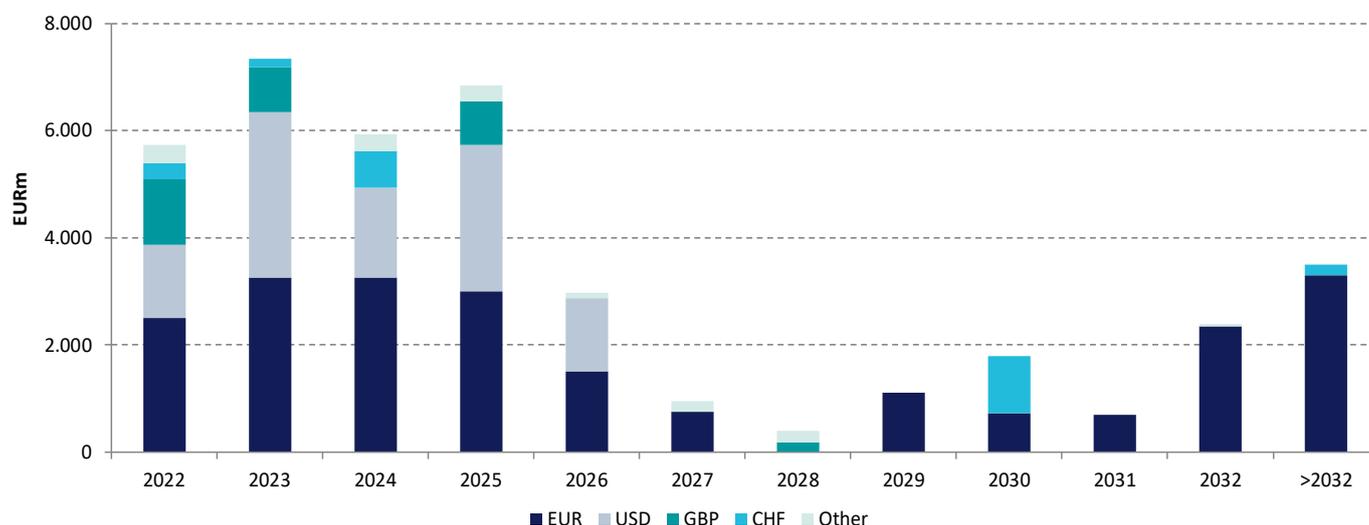


Net debt to EBITDA ratio (excl. OeKB)

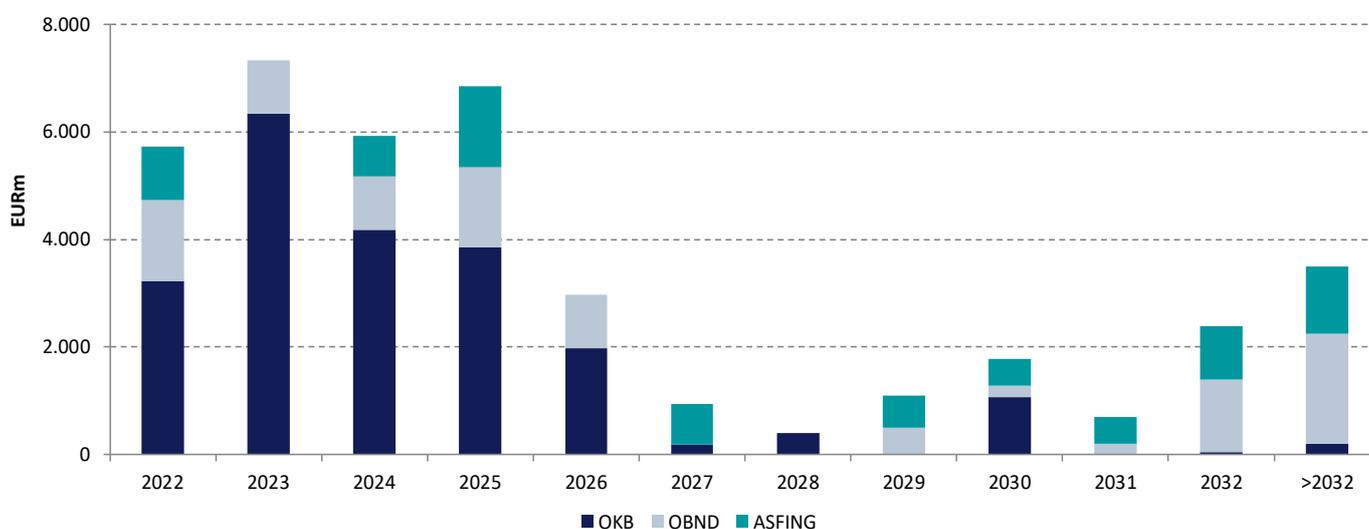


Source: Issuers, NORD/LB Markets Strategy & Floor Research

Austrian agencies: outstanding bonds by currency



Austrian agencies: outstanding bonds by issuer



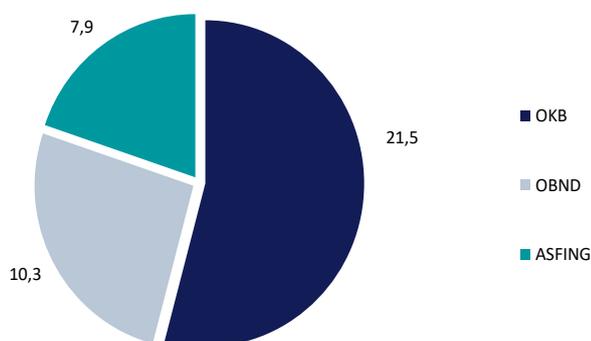
NB: Foreign currencies are converted into EUR at rates as at 28 March, 2022.

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

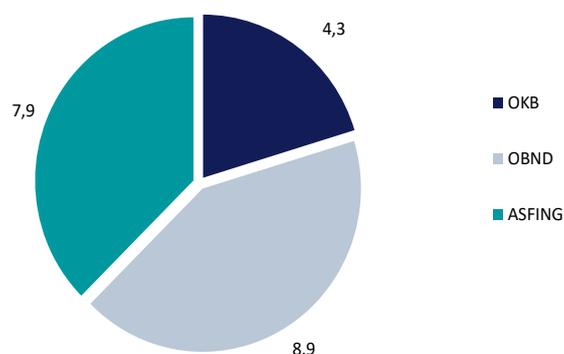
Slight decline in outstanding bond volumes of Austrian agencies

While the outstanding volume of OeKB has risen, bonds from ÖBB-Infrastruktur have fallen due in the same period, thereby reducing its outstanding volume. Fresh supply – above all in EUR – has in the meantime become limited, with new bonds in this context having generally been more likely to be brought to market by OeKB and, to a slightly lesser extent, by the infrastructure operator ASFINAG. However, Österreichische Kontrollbank is regularly active in the US Dollar. As a rule, sufficient liquidity should be available for investors here. Since 2017, ÖBB-Infrastruktur issuance activities have been conducted exclusively in conjunction with the Austrian Treasury (OeBFA). As such, it is no longer independently active on the primary market. The picture for ÖBB-Personenverkehr AG, which is part of the ÖBB Group, looks slightly different: in 2017, 2018 and 2020, it placed SSDs under the identical ticker (OBND). Of course, these deals do not come with an ISIN.

Outstanding bond volume (EURbn)



Outstanding EUR benchmarks (EURbn)



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

Austrian agencies – an overview

| Name | Ticker | Ratings (Fitch/Moody's/S&P) | Outstanding volume (EURbn equivalent) | EUR volume (EURbn) | Funding target 2022 (EURbn equivalent) |
|--------------|--------|--------------------------------|--|-----------------------|---|
| OeKB | OKB | - / Aa1 / AA+ | 21.5 | 4.3 | 4 |
| ÖBB-Infra | OBND | - / Aa1 / AA+ | 10.3 | 10.3 | 0 |
| ASFiNAG | ASFING | - / Aa1 / AA+ | 7.9 | 7.9 | 0.7 |
| Total | | | 39.7 | 22.4 | 4.7 |

NB: Foreign currencies are converted into EUR at rates as at 28 March 2022.

On account of the individual funding mix of the issuers, the values for "funding target" may deviate from reality.

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

Primary market activities at a stable level

The primary market activities of Austrian agencies have stabilised in recent years at over EUR 4bn, although a slight increase in new supply was recorded in 2019. Nevertheless, refinancing activities are primarily driven by Österreichische Kontrollbank, which in turn conducts a significant portion of its funding in foreign currencies. In 2020, ASFiNAG was unexpectedly forced to increase its issuance volume due to the COVID-19 pandemic.

Comment and conclusion

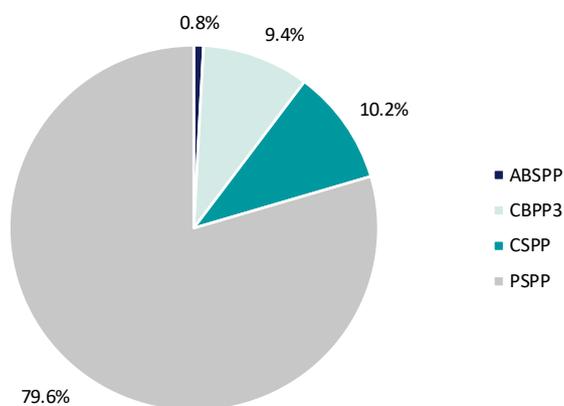
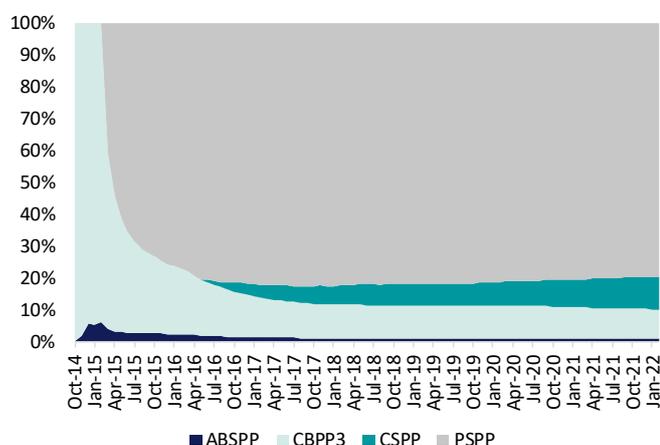
Measured in terms of outstanding bond volumes, the Austrian agency market is relatively small in relation to other European markets. Nevertheless, there is a modest supply of EUR benchmarks, offering a comparatively wide range of choice at the (ultra-)long end especially. However, primary market activities have declined over recent years, which can be primarily attributed to the fall in OeKB's funding requirements caused by the economic situation. The COVID-19 pandemic temporarily boosted supply in this regard. Moreover, ÖBB will no longer make independent capital market appearances, with an agreement now in place for refinancing activities to be conducted directly via the Republic of Austria instead. Therefore, ÖBB-Infrastruktur AG will have at its disposal funding via the Austrian Treasury as well as project funding via the European Investment Bank (EIB). As a result, the smaller volumes in conjunction with a less frequent supply of fresh bonds (above all in EUR) is posing a problem for investors, who require a certain degree of liquidity from these bonds. In addition, the Eurosystem is purchasing Austrian bonds under the APP and the PEPP, further exhausting the already scarce liquidity of the supply.

ECB tracker

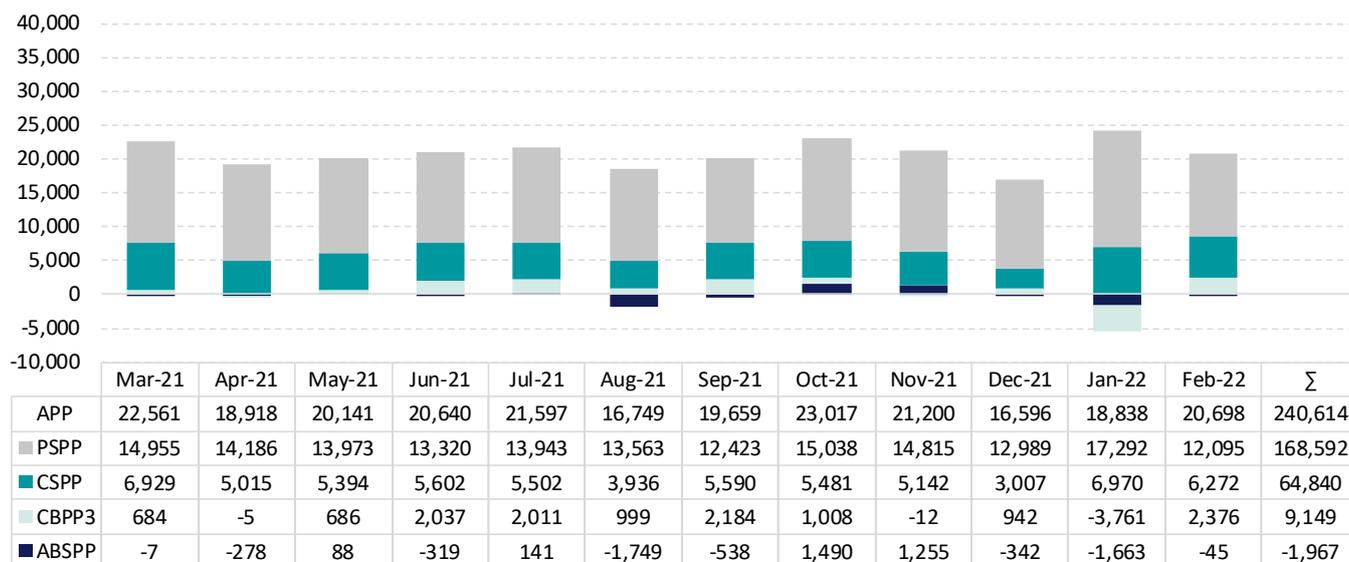
Asset Purchase Programme (APP)

| | ABSPP | CBPP3 | CSPP | PSPP | APP |
|----------|--------|---------|---------|-----------|-----------|
| Jan-22 | 26,740 | 294,407 | 316,646 | 2,504,428 | 3,142,221 |
| Feb-22 | 26,696 | 296,783 | 322,918 | 2,516,523 | 3,162,920 |
| Δ | -45 | +2,376 | +6,272 | +12,095 | +20,698 |

Portfolio structure

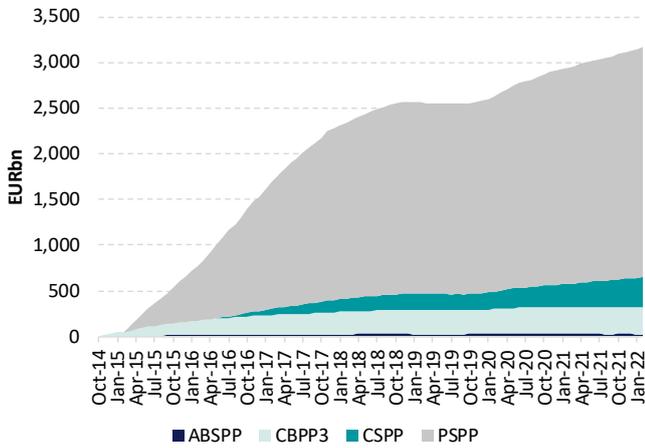


Monthly net purchases (in EURm)

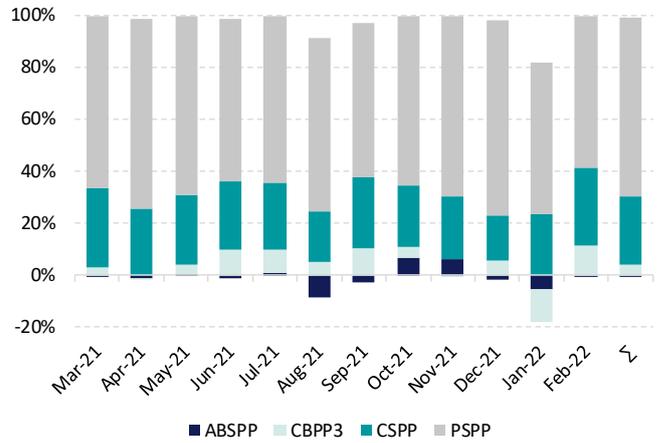


Source: ECB, NORD/LB Markets Strategy & Floor Research

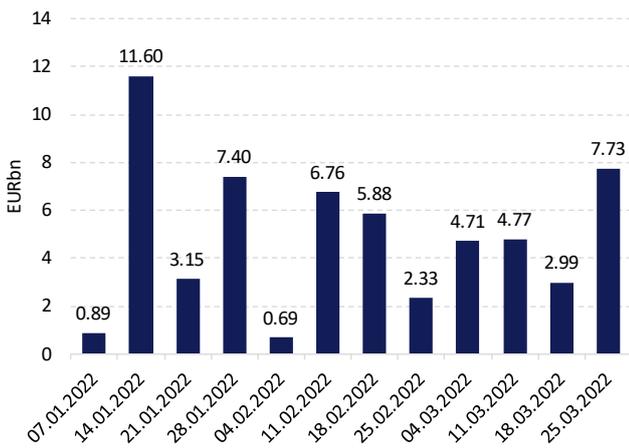
Portfolio development



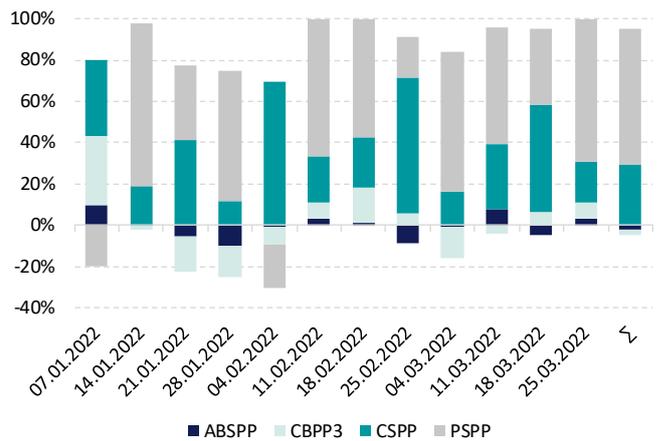
Distribution of monthly purchases



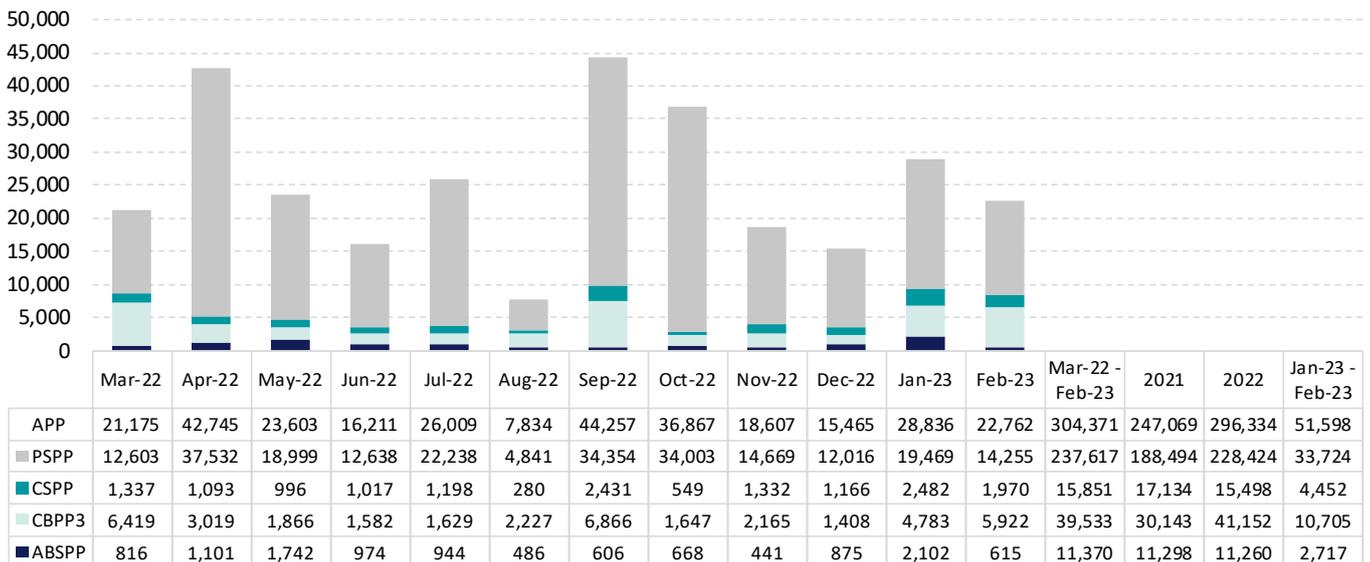
Weekly purchases



Distribution of weekly purchases



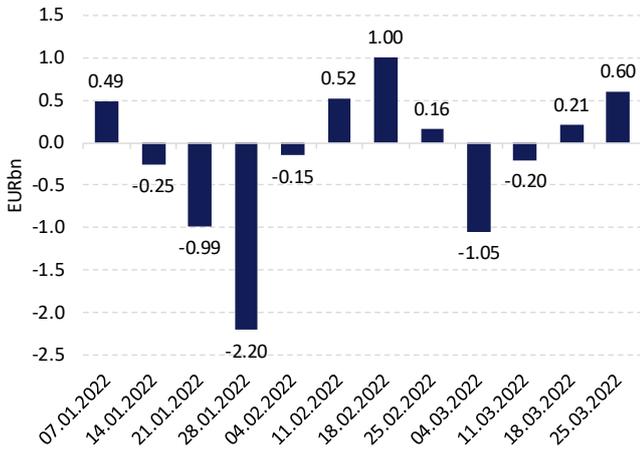
Expected monthly redemptions (in EURm)



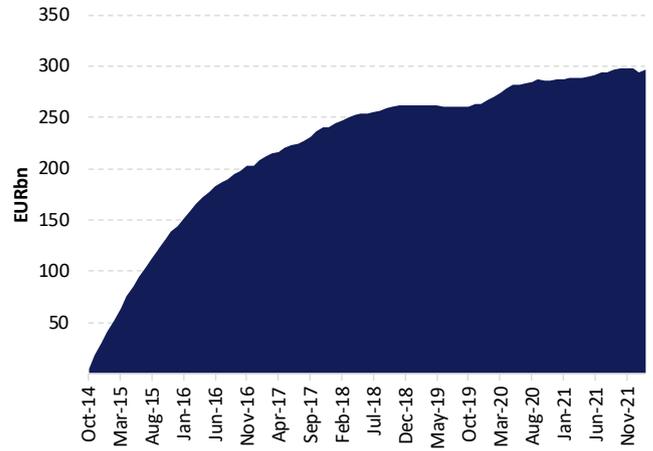
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

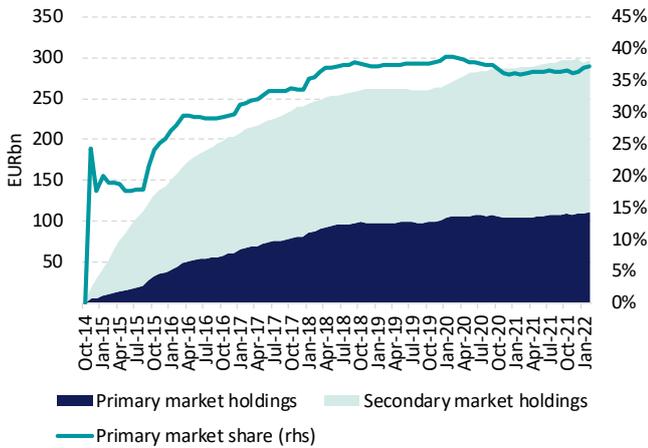
Weekly purchases



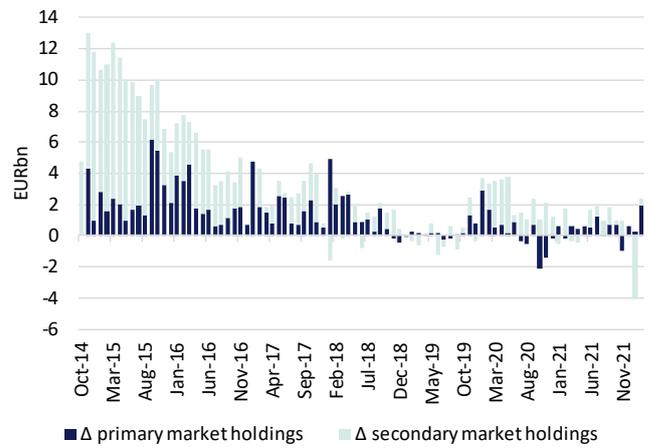
Development of CBPP3 volume



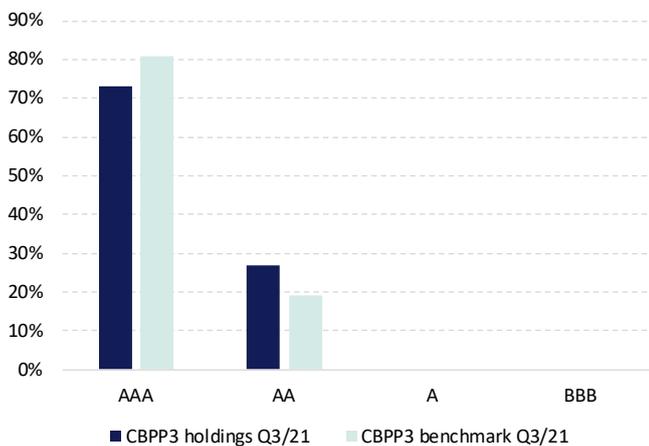
Primary and secondary market holdings



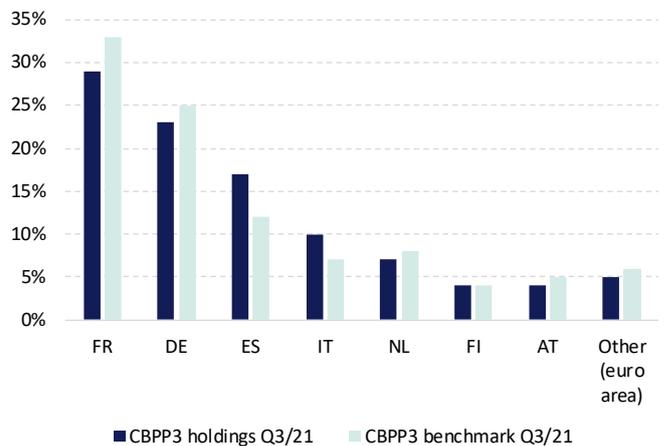
Change of primary and secondary market holdings



Distribution of CBPP3 by credit rating

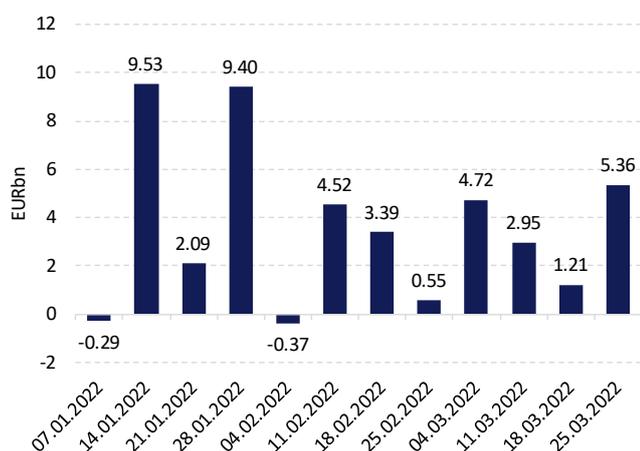


Distribution of CBPP3 by country of risk

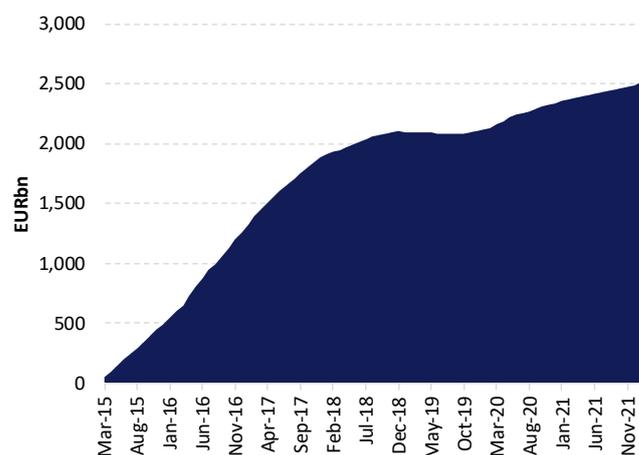


Public Sector Purchase Programme (PSPP)

Weekly purchases



Development of PSPP volume



Overall distribution of PSPP buying at month-end

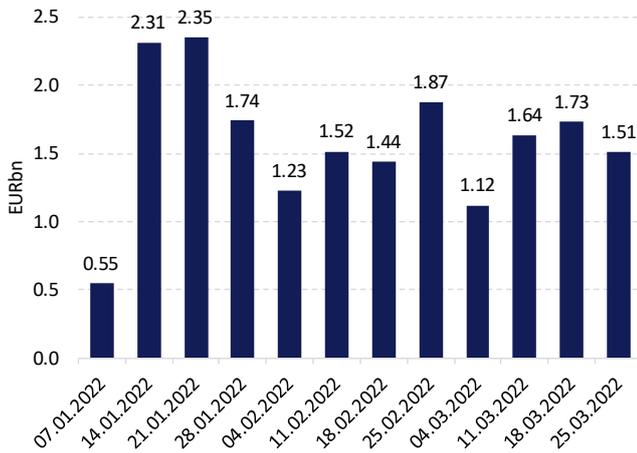
| Jurisdiction | Adjusted distribution key ¹ | Purchases (EURm) | Expected purchases (EURm) ² | Difference (EURm) | Avg. time to maturity ³ (in years) | Market average ³ (in years) ³ | Difference (in years) |
|---------------------|--|------------------|--|-------------------|---|---|-----------------------|
| AT | 2.7% | 73,940 | 71,860 | 2,080 | 7.5 | 7.6 | -0.1 |
| BE | 3.4% | 92,603 | 89,448 | 3,155 | 8.0 | 10.2 | -2.2 |
| CY | 0.2% | 4,275 | 5,283 | -1,008 | 9.9 | 8.8 | 1.1 |
| DE | 24.3% | 640,615 | 647,220 | -6,605 | 6.6 | 7.6 | -1.0 |
| EE | 0.3% | 414 | 6,916 | -6,502 | 9.2 | 7.5 | 1.7 |
| ES | 11.0% | 305,586 | 292,769 | 12,817 | 8.0 | 8.4 | -0.4 |
| FI | 1.7% | 42,422 | 45,098 | -2,676 | 6.9 | 7.7 | -0.8 |
| FR | 18.8% | 522,937 | 501,452 | 21,485 | 7.2 | 8.1 | -0.9 |
| GR | 0.0% | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| IE | 1.6% | 41,963 | 41,575 | 388 | 8.5 | 10.1 | -1.6 |
| IT | 15.7% | 437,653 | 417,097 | 20,556 | 7.1 | 7.9 | -0.8 |
| LT | 0.5% | 5,649 | 14,210 | -8,561 | 10.2 | 10.6 | -0.4 |
| LU | 0.3% | 3,944 | 8,087 | -4,143 | 5.6 | 7.2 | -1.7 |
| LV | 0.4% | 3,440 | 9,567 | -6,127 | 11.3 | 10.4 | 0.9 |
| MT | 0.1% | 1,375 | 2,575 | -1,200 | 9.5 | 9.2 | 0.3 |
| NL | 5.4% | 124,353 | 143,884 | -19,531 | 7.7 | 9.0 | -1.4 |
| PT | 2.2% | 52,086 | 57,463 | -5,377 | 7.0 | 7.2 | -0.2 |
| SI | 0.4% | 10,544 | 11,822 | -1,278 | 9.9 | 10.2 | -0.3 |
| SK | 1.1% | 17,322 | 28,117 | -10,795 | 8.2 | 8.3 | -0.1 |
| SNAT | 10.0% | 279,373 | 266,049 | 13,324 | 7.7 | 8.9 | -1.2 |
| Total / Avg. | 100.0% | 2,660,494 | 2,660,494 | 0 | 7.3 | 8.2 | -0.9 |

¹ Based on the ECB capital key, adjusted to include supras and the disqualification of Greece² Based on the adjusted distribution key³ Weighted average time to maturity of the bonds eligible for purchasing under the PSPP (semi-annual data, Q1/2021)

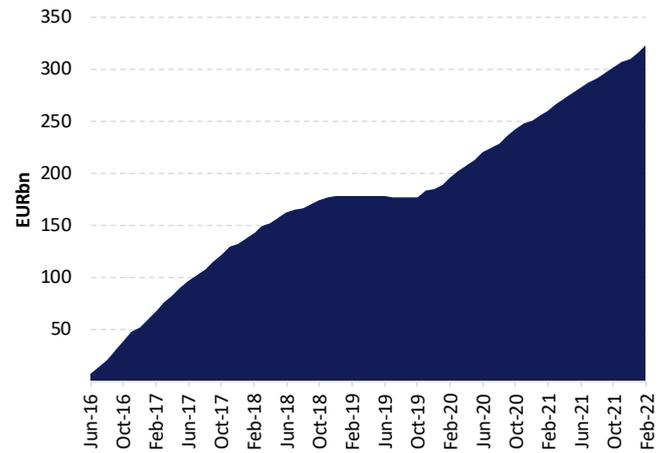
Source: ECB, NORD/LB Markets Strategy & Floor Research

Corporate Sector Purchase Programme (CSPP)

Weekly purchases

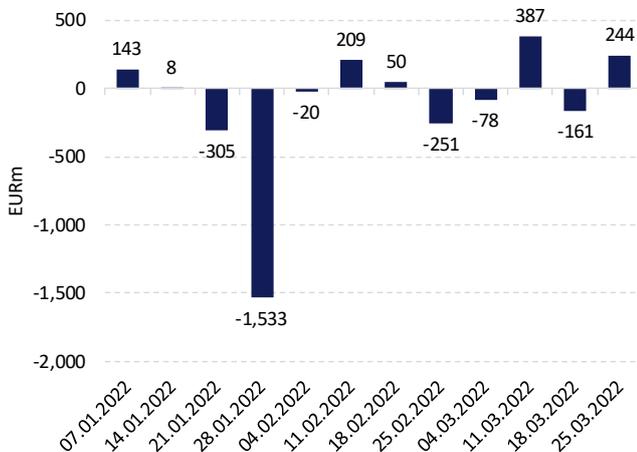


Development of CSPP volume

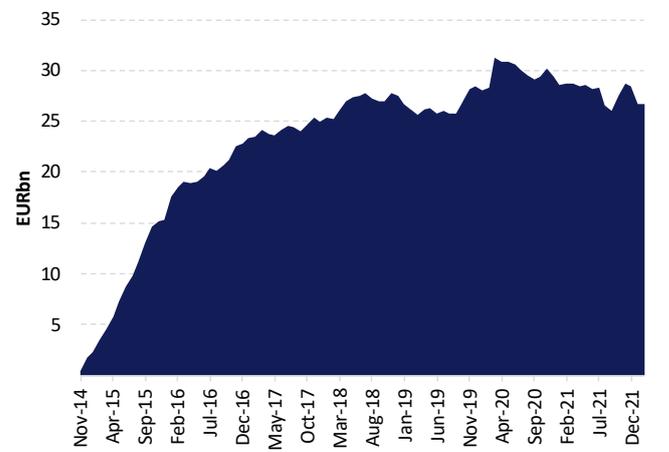


Asset-Backed Securities Purchase Programme (ABSPP)

Weekly purchases



Development of ABSPP volume



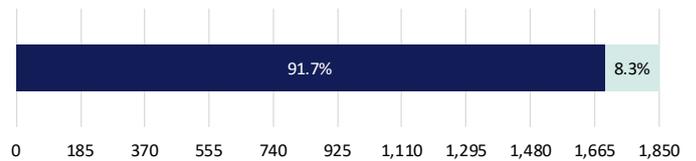
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Holdings (in EURm)

| | PEPP |
|----------|----------------|
| Jan-22 | 1,647,678 |
| Feb-22 | 1,687,862 |
| Δ | +40,184 |

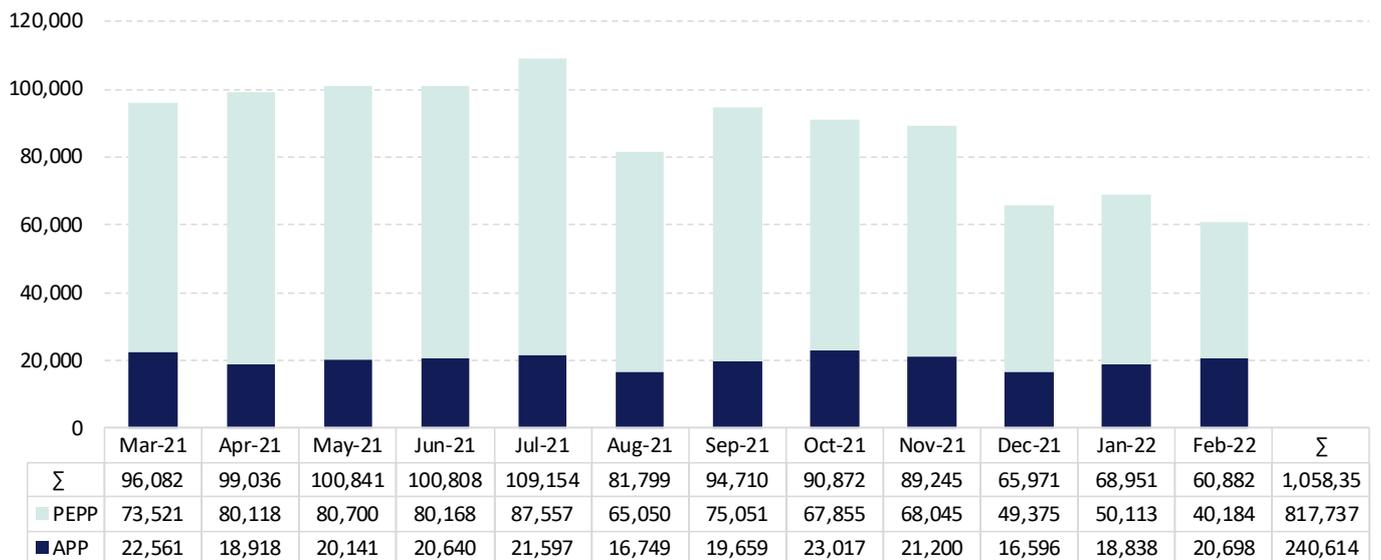
Volume already invested (in EURbn)



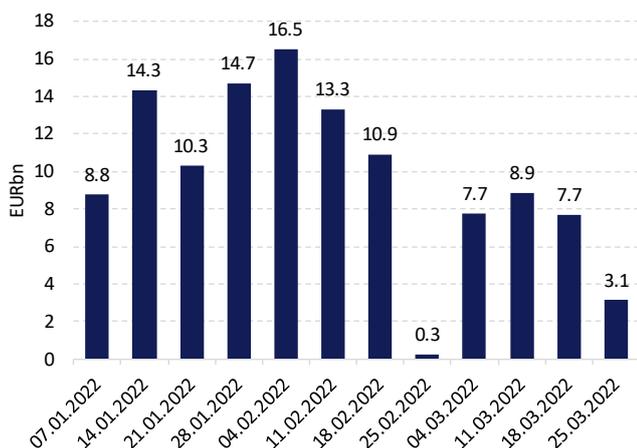
Estimated portfolio development

| Assumed pace of purchases | Weekly net purchase volume | PEPP (theoretically) limit hit in ... |
|---|----------------------------|---------------------------------------|
| Average weekly net purchase volume so far | EUR 16.3bn | 9 weeks (27.05.2022) |

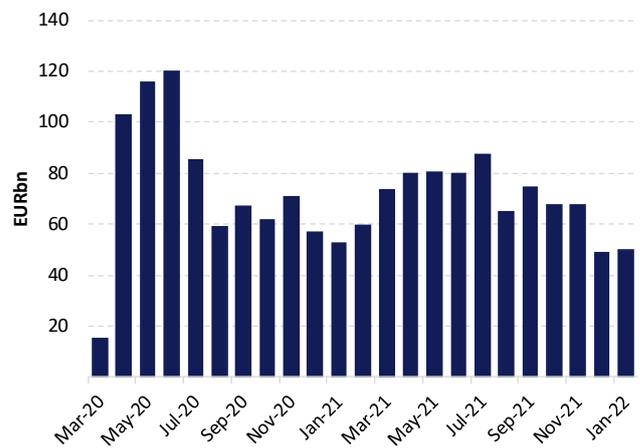
Monthly net purchases (in EURm)



Weekly purchases



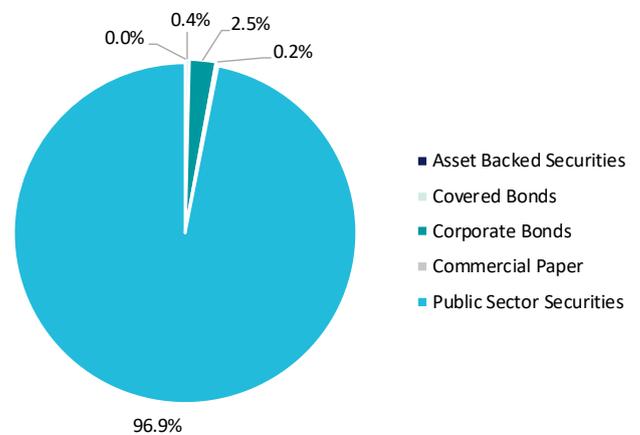
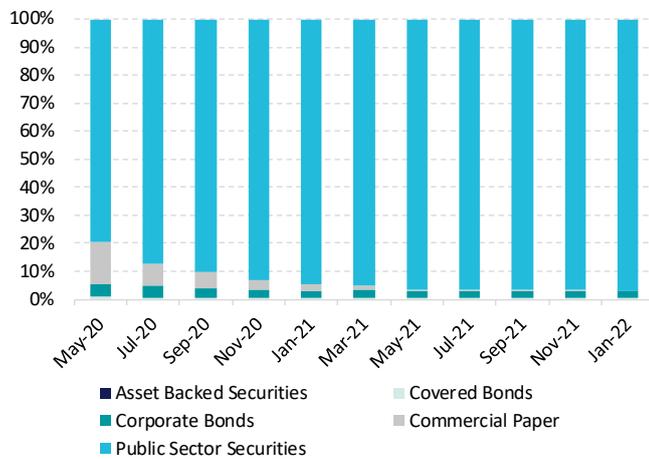
Development of PEPP volume



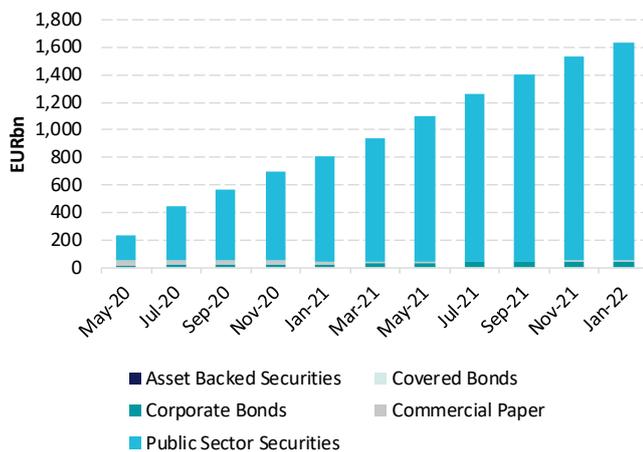
Holdings under the PEPP (in EURm)

| | Asset-backed Securities | Covered Bonds | Corporate Bonds | Commercial Paper | Public Sector Securities | PEPP |
|---------------|-------------------------|---------------|-----------------|------------------|--------------------------|-----------|
| Nov-21 | 0 | 6,079 | 39,871 | 4,032 | 1,485,526 | 1,535,508 |
| Jan-22 | 0 | 6,073 | 40,301 | 3,857 | 1,580,547 | 1,630,779 |
| Δ | 0 | 0 | +467 | -172 | +99,193 | +99,488 |

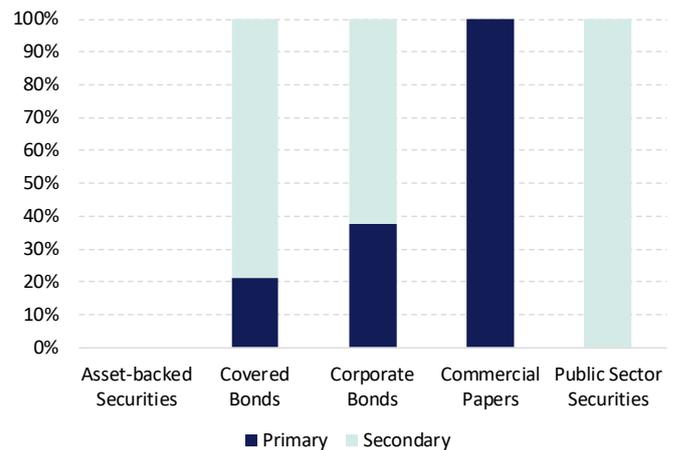
Portfolio structure



Portfolio development



Share of primary and secondary market holdings



Breakdown of private sector securities under the PEPP

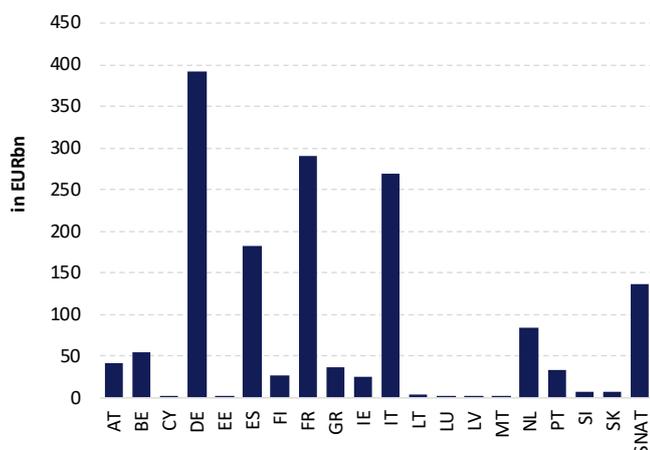
| Jan-22 | Asset-backed securities | | Covered bonds | | Corporate bonds | | Commercial paper | |
|-------------------------|-------------------------|-----------|---------------|-----------|-----------------|-----------|------------------|-----------|
| | Primary | Secondary | Primary | Secondary | Primary | Secondary | Primary | Secondary |
| Holdings in EURm | 0 | 0 | 1,298 | 4,775 | 15,101 | 25,200 | 3,857 | 0 |
| Share | 0.0% | 0.0% | 21.4% | 78.6% | 37.5% | 62.5% | 100.0% | 0.0% |

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

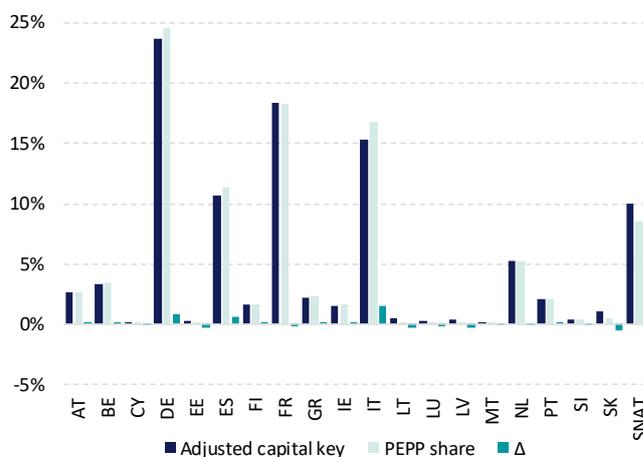
Breakdown of public sector securities under the PEPP

| Jurisdiction | Holdings (in EURm) | Adj. distribution key ¹ | PEPP share | Deviations from the adj. distribution key ² | Ø time to maturity (in years) | Market average ³ (in years) | Difference (in years) |
|---------------------|-----------------------|--|---------------|--|-------------------------------------|---|--------------------------|
| AT | 42,272 | 2.6% | 2.6% | 0.0% | 8.2 | 7.0 | 1.2 |
| BE | 54,203 | 3.3% | 3.4% | 0.1% | 6.6 | 9.2 | -2.6 |
| CY | 2,514 | 0.2% | 0.2% | 0.0% | 8.6 | 8.1 | 0.5 |
| DE | 392,570 | 23.7% | 24.6% | 0.9% | 6.2 | 6.8 | -0.6 |
| EE | 256 | 0.3% | 0.0% | -0.2% | 8.4 | 8.4 | 0.0 |
| ES | 181,624 | 10.7% | 11.4% | 0.6% | 7.7 | 7.5 | 0.2 |
| FI | 26,807 | 1.7% | 1.7% | 0.0% | 6.9 | 7.5 | -0.7 |
| FR | 291,113 | 18.4% | 18.2% | -0.2% | 8.1 | 7.5 | 0.6 |
| GR | 36,876 | 2.2% | 2.3% | 0.1% | 8.9 | 9.6 | -0.7 |
| IE | 25,332 | 1.5% | 1.6% | 0.1% | 8.9 | 9.5 | -0.6 |
| IT | 268,405 | 15.3% | 16.8% | 1.5% | 7.1 | 6.9 | 0.2 |
| LT | 3,129 | 0.5% | 0.2% | -0.3% | 10.5 | 10.1 | 0.4 |
| LU | 1,914 | 0.3% | 0.1% | -0.2% | 6.3 | 6.3 | 0.0 |
| LV | 1,710 | 0.4% | 0.1% | -0.2% | 9.3 | 9.2 | 0.0 |
| MT | 544 | 0.1% | 0.0% | -0.1% | 10.8 | 9.0 | 1.9 |
| NL | 83,893 | 5.3% | 5.3% | 0.0% | 7.6 | 8.5 | -0.9 |
| PT | 33,857 | 2.1% | 2.1% | 0.0% | 6.9 | 7.3 | -0.4 |
| SI | 6,311 | 0.4% | 0.4% | 0.0% | 9.2 | 9.2 | 0.0 |
| SK | 7,605 | 1.0% | 0.5% | -0.6% | 9.2 | 8.4 | 0.8 |
| SNAT | 136,399 | 10.0% | 8.5% | -1.5% | 10.1 | 8.5 | 1.5 |
| Total / Avg. | 1,597,334 | 100.0% | 100.0% | 0.0% | 7.5 | 7.5 | 0.1 |

Distribution of public sector assets by jurisdiction



Deviations from the adjusted distribution key

¹ Based on the ECB capital key, adjusted to include supras ² Based on the adjusted distribution key³ Weighted average time to maturity of the bonds eligible for purchasing under the PEPP

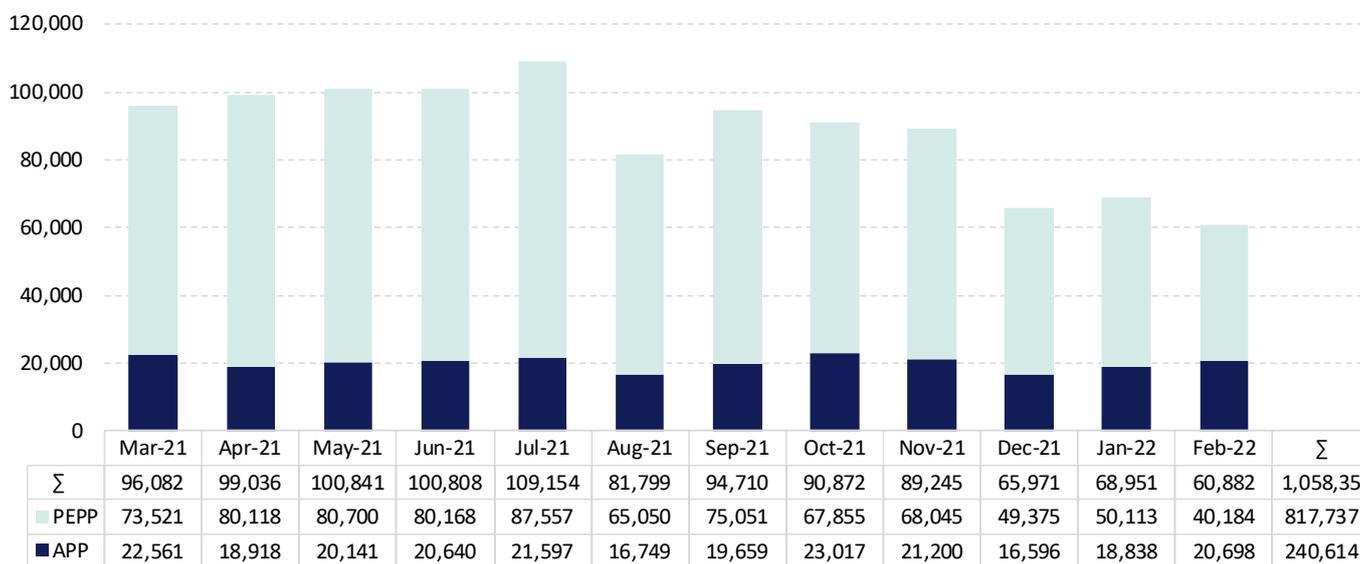
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Aggregated purchase activity under APP and PEPP

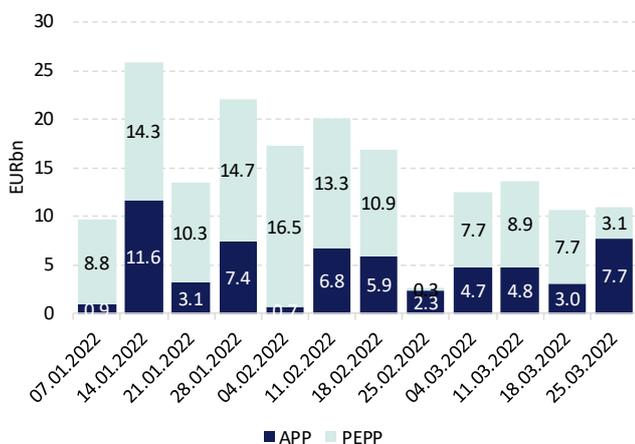
Holdings (in EURm)

| | APP | PEPP | APP & PEPP |
|---------------|-----------|-----------|------------|
| Jan-22 | 3,142,221 | 1,647,678 | 4,789,899 |
| Feb-22 | 3,162,920 | 1,687,862 | 4,850,782 |
| Δ | +20,698 | +40,184 | +60,882 |

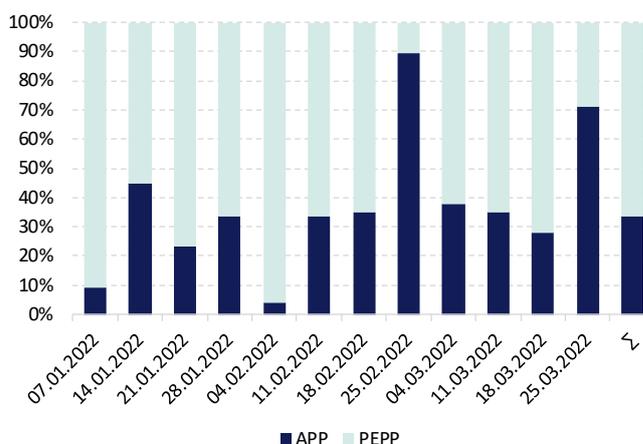
Monthly net purchases (in EURm)



Weekly purchases



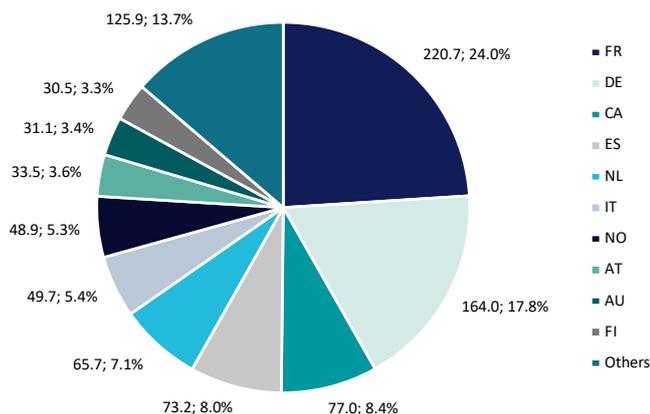
Distribution of weekly purchases



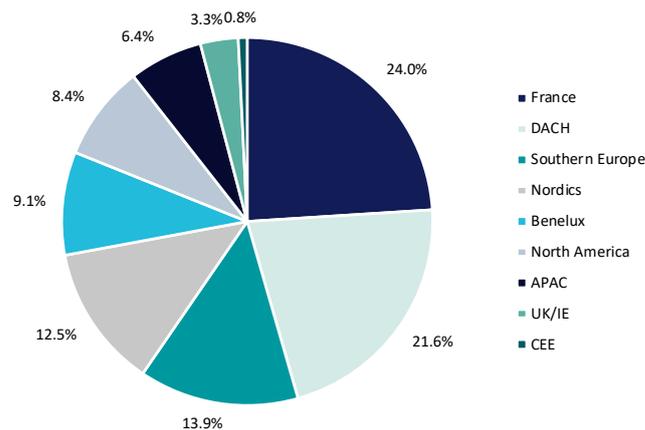
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Charts & Figures Covered Bonds

EUR benchmark volume by country (in EURbn)



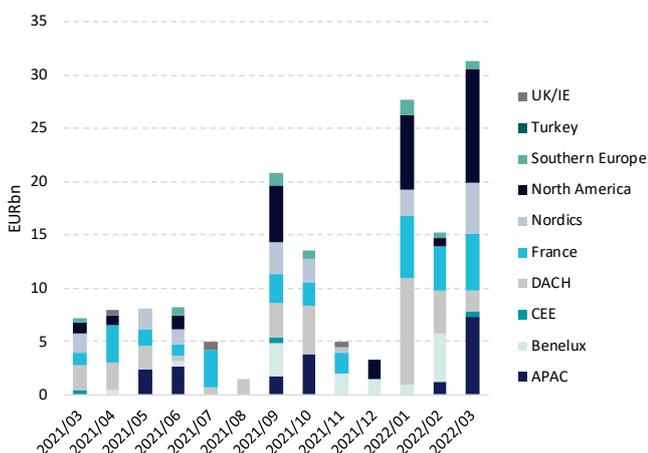
EUR benchmark volume by region (in EURbn)



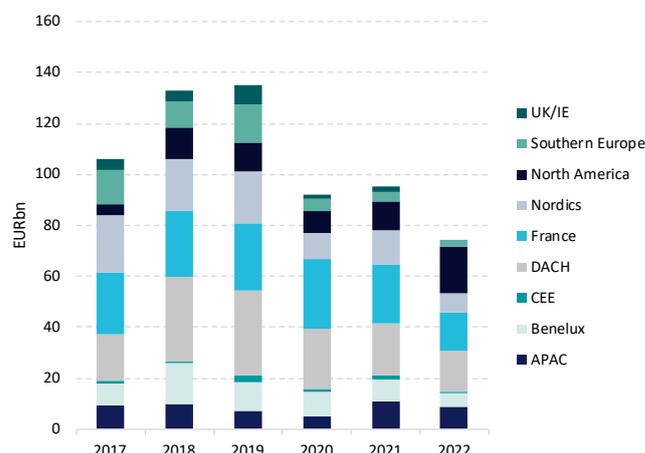
Top-10 jurisdictions

| 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 | 220.7 | 212 | 11 | 0.94 | 10.0 | 5.6 | 0.79 |
| 2 | DE | 164.0 | 238 | 17 | 0.63 | 8.4 | 4.6 | 0.41 |
| 3 | CA | 77.0 | 60 | 0 | 1.24 | 5.9 | 3.3 | 0.25 |
| 4 | ES | 73.2 | 59 | 5 | 1.13 | 11.8 | 3.8 | 1.78 |
| 5 | NL | 65.7 | 67 | 0 | 0.93 | 11.6 | 7.6 | 0.71 |
| 6 | IT | 49.7 | 59 | 2 | 0.81 | 9.2 | 4.3 | 1.24 |
| 7 | NO | 48.9 | 58 | 9 | 0.84 | 7.4 | 4.0 | 0.35 |
| 8 | AT | 33.5 | 62 | 2 | 0.54 | 9.9 | 6.3 | 0.53 |
| 9 | AU | 31.1 | 31 | 0 | 1.00 | 8.4 | 4.0 | 0.92 |
| 10 | FI | 30.5 | 33 | 2 | 0.92 | 7.6 | 3.9 | 0.40 |

EUR benchmark issue volume by month

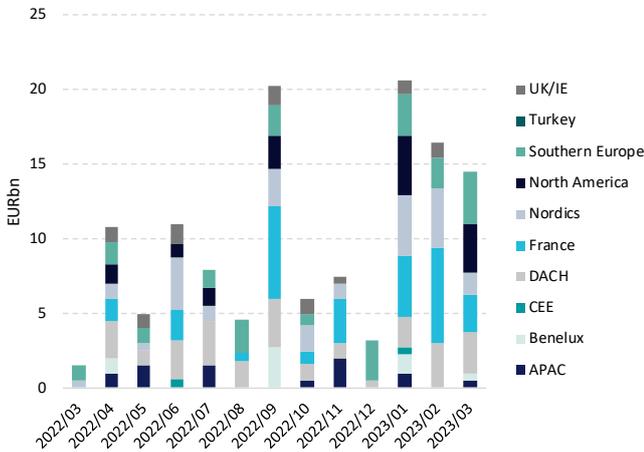


EUR benchmark issue volume by year

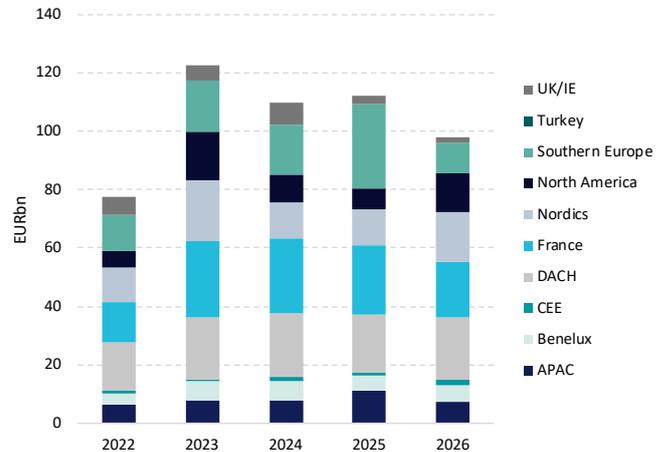


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

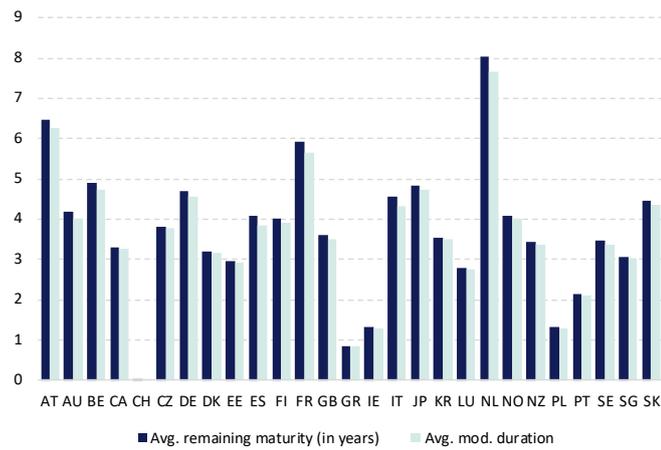
EUR benchmark maturities by month



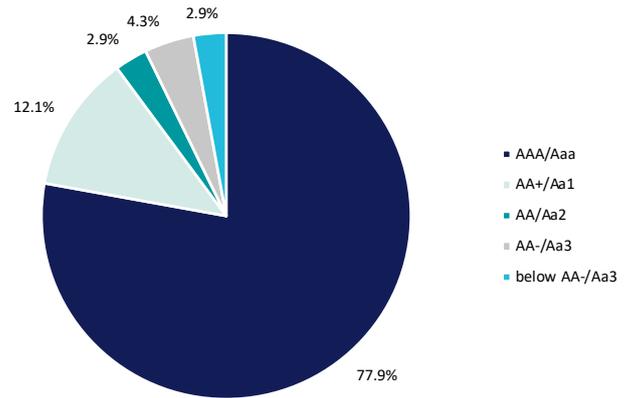
EUR benchmark maturities by year



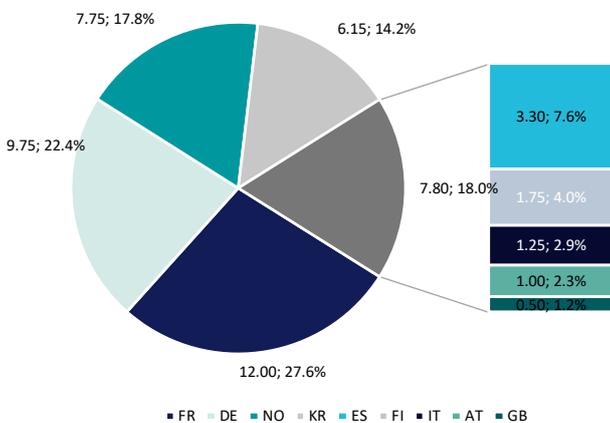
Modified duration and time to maturity by country



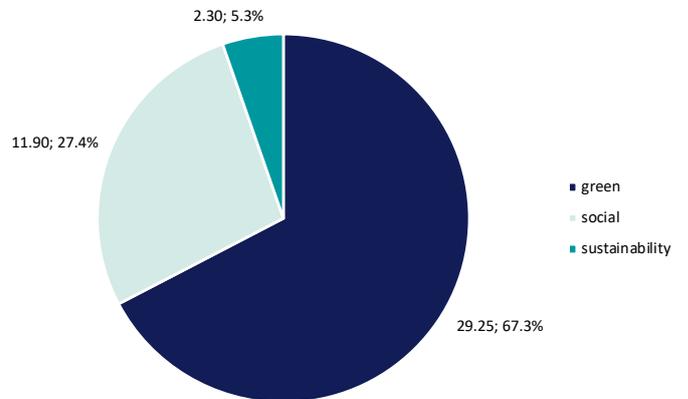
Rating distribution (volume weighted)



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

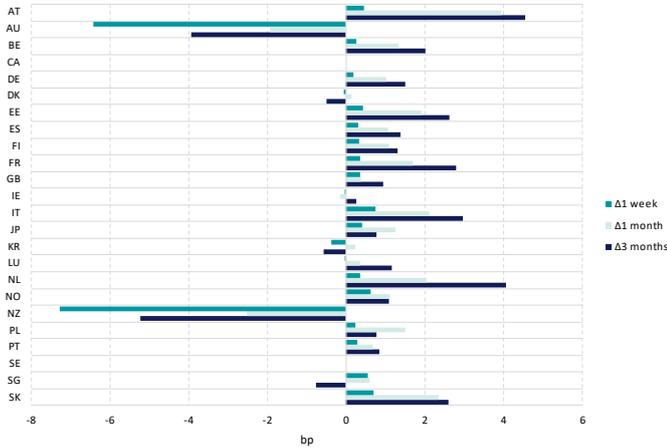


EUR benchmark volume (ESG) by type (in EURbn)

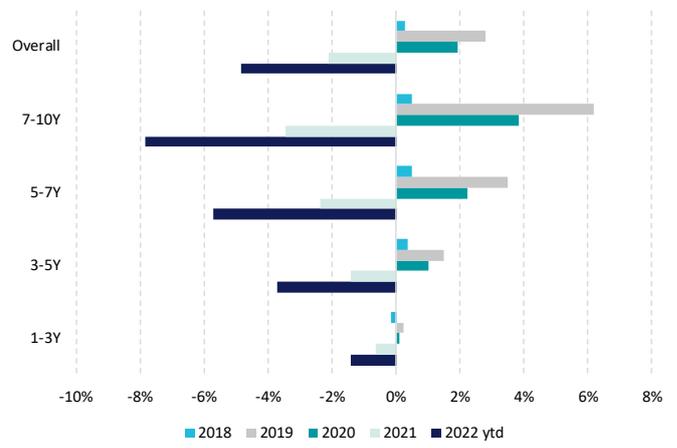


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

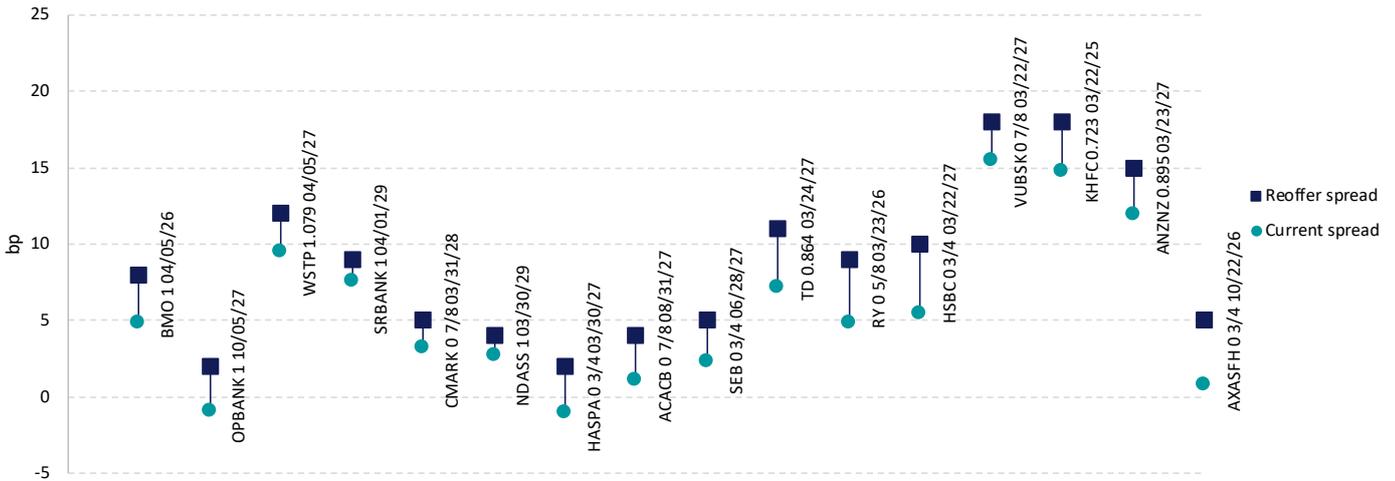
Spread development by country



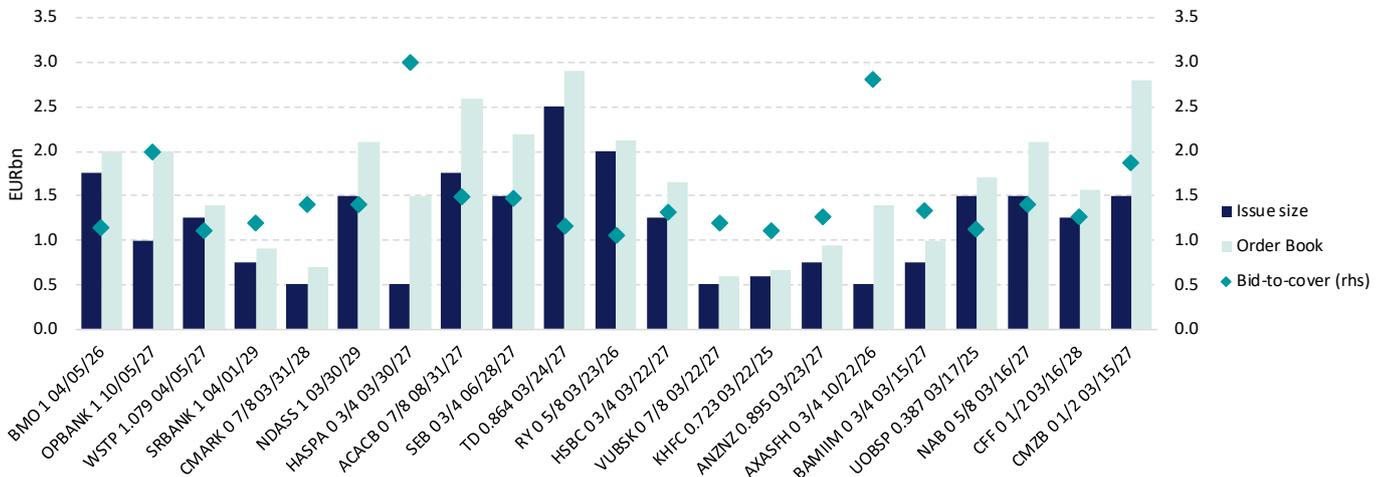
Covered bond performance (Total return)



Spread development (last 15 issues)

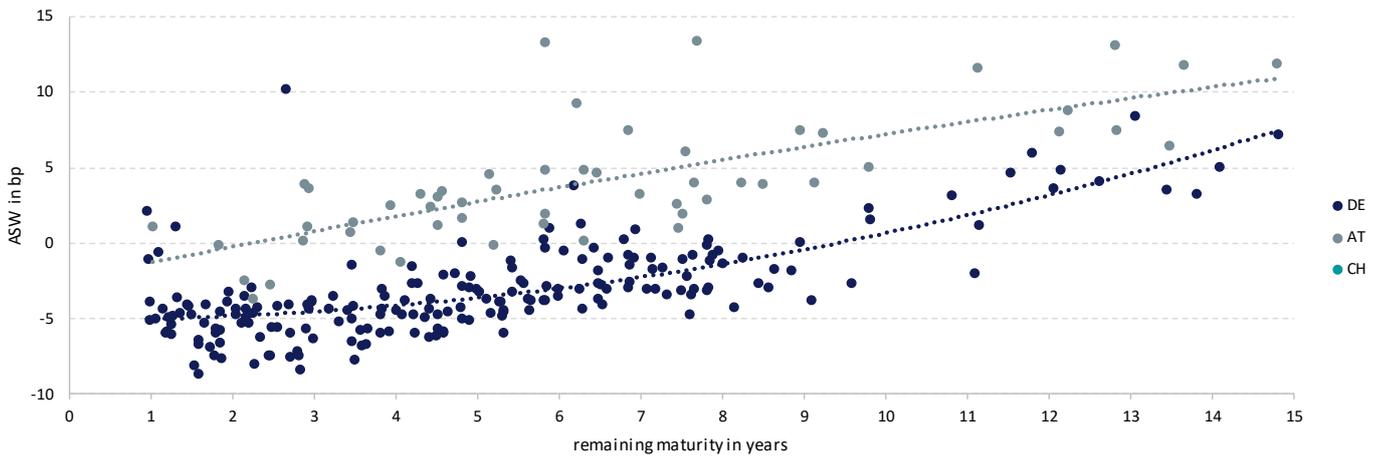


Order books (last 15 issues)

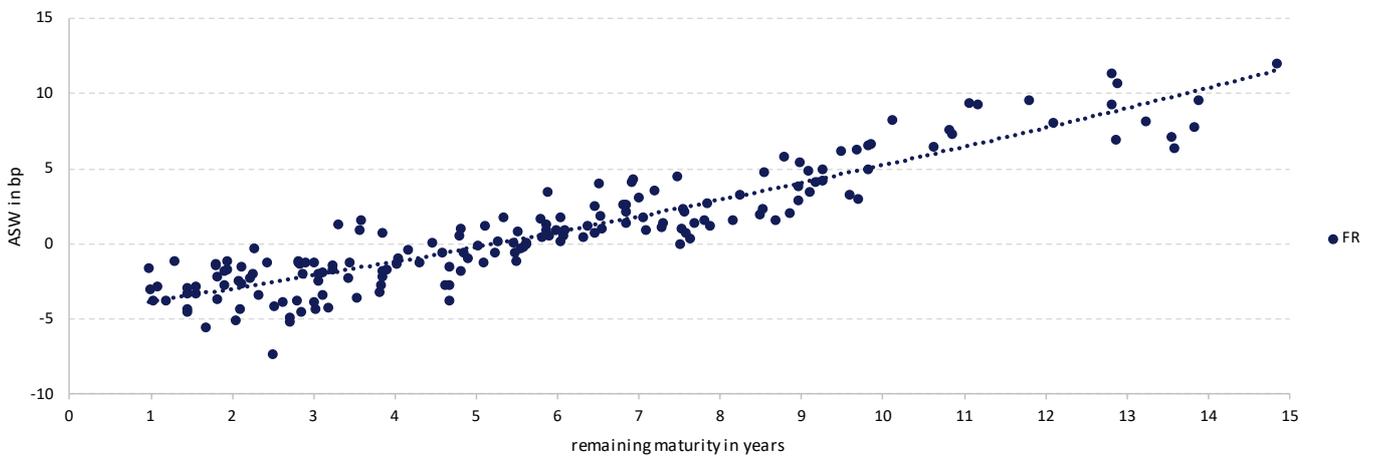


Spread overview¹

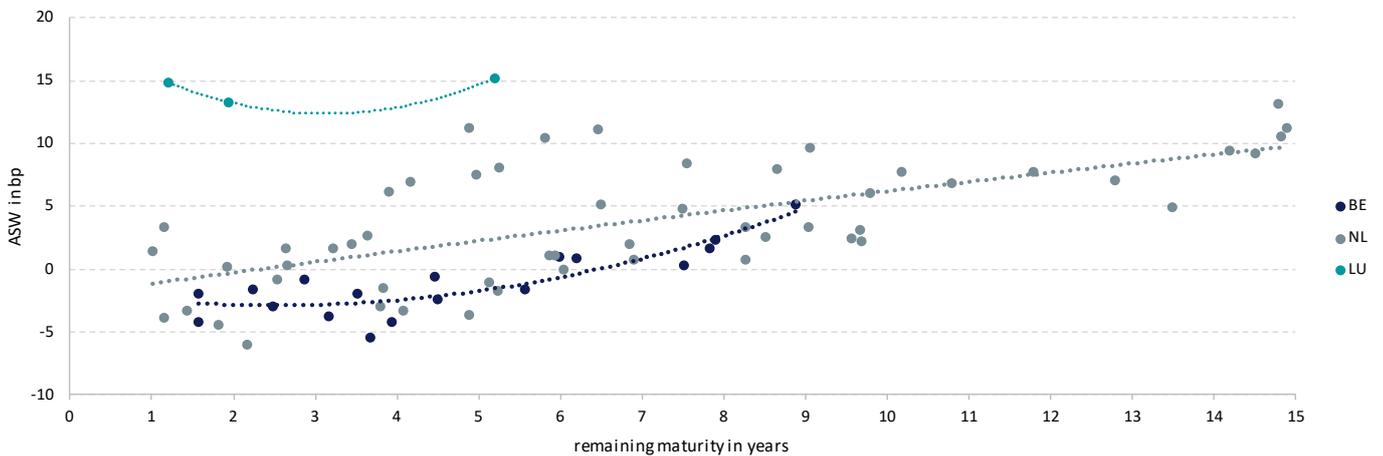
DACH 



France 

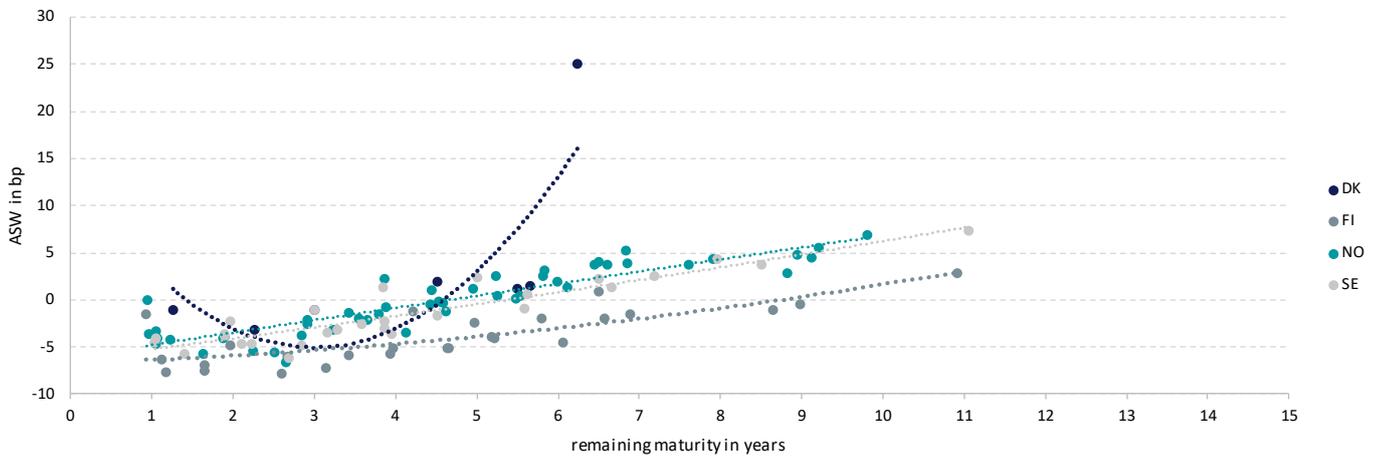


Benelux 

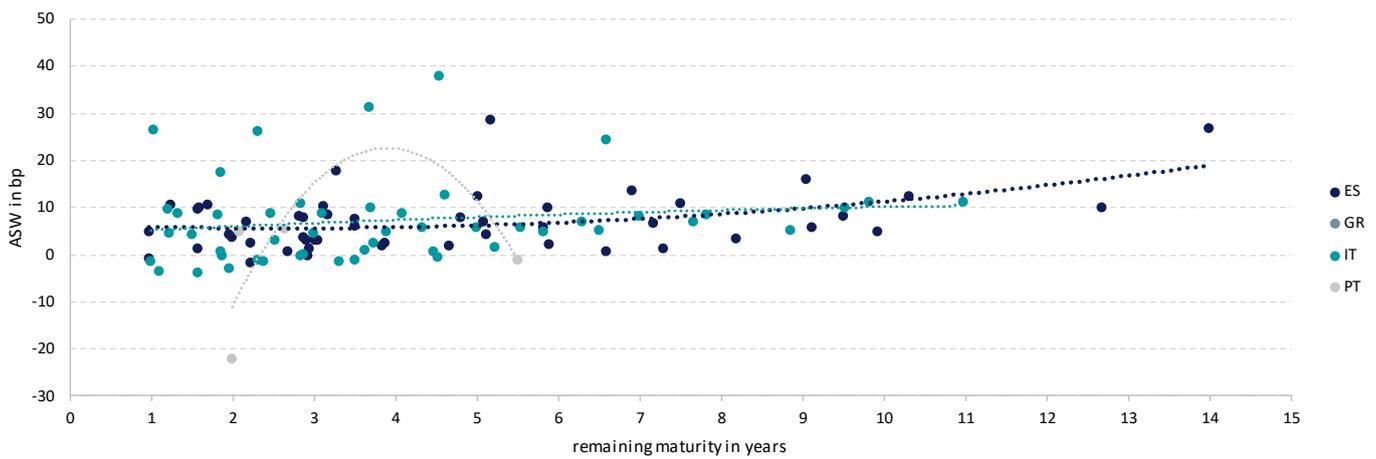


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research ¹Time to maturity 1 ≤ y ≤ 15

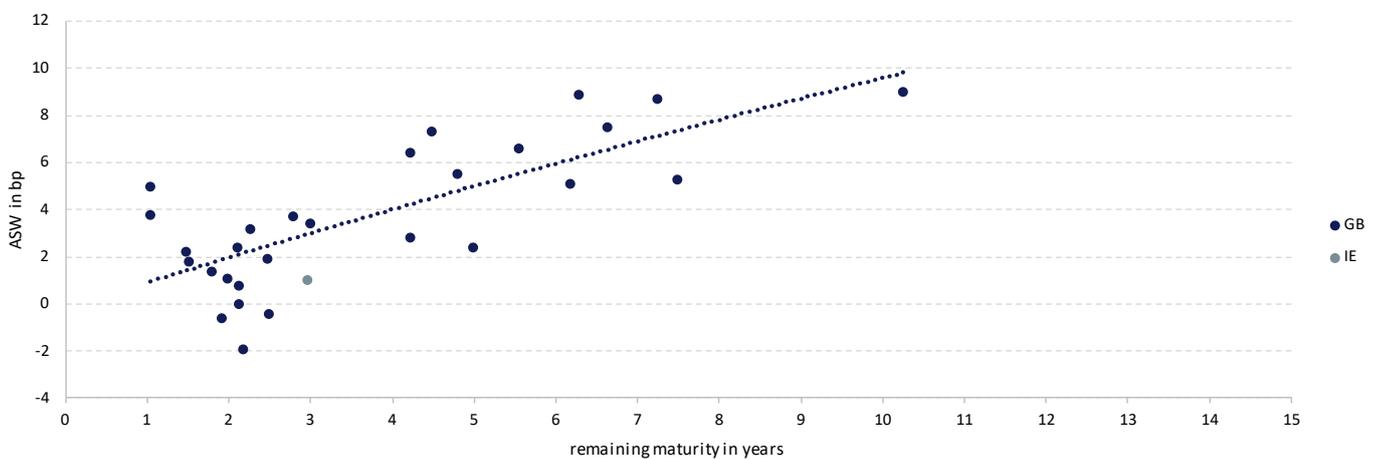
Nordics 🇩🇰 🇫🇮 🇳🇴 🇸🇪



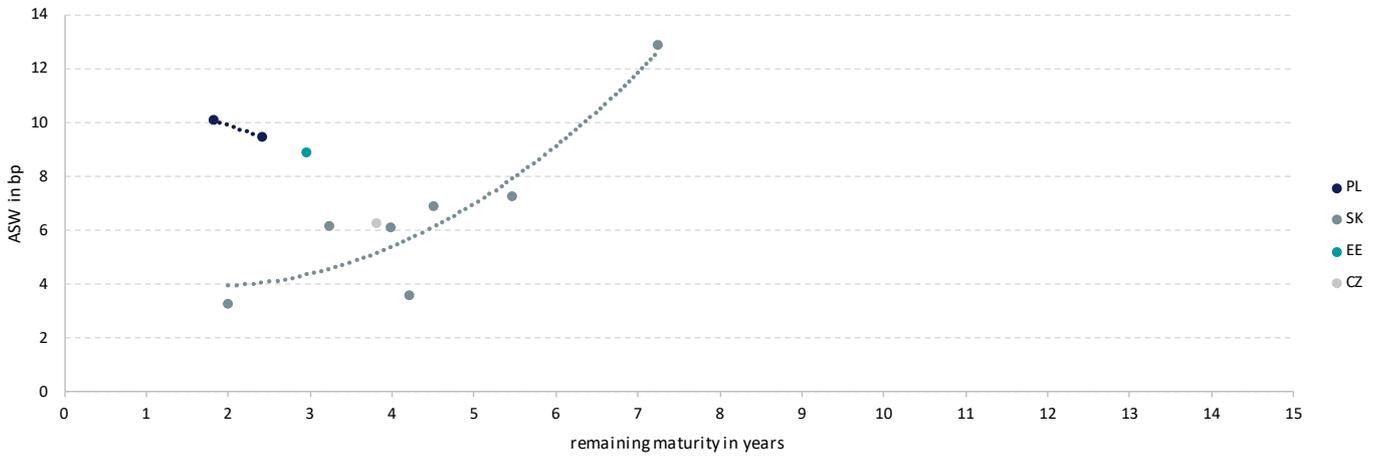
Southern Europe 🇪🇸 🇬🇷 🇮🇹 🇵🇹



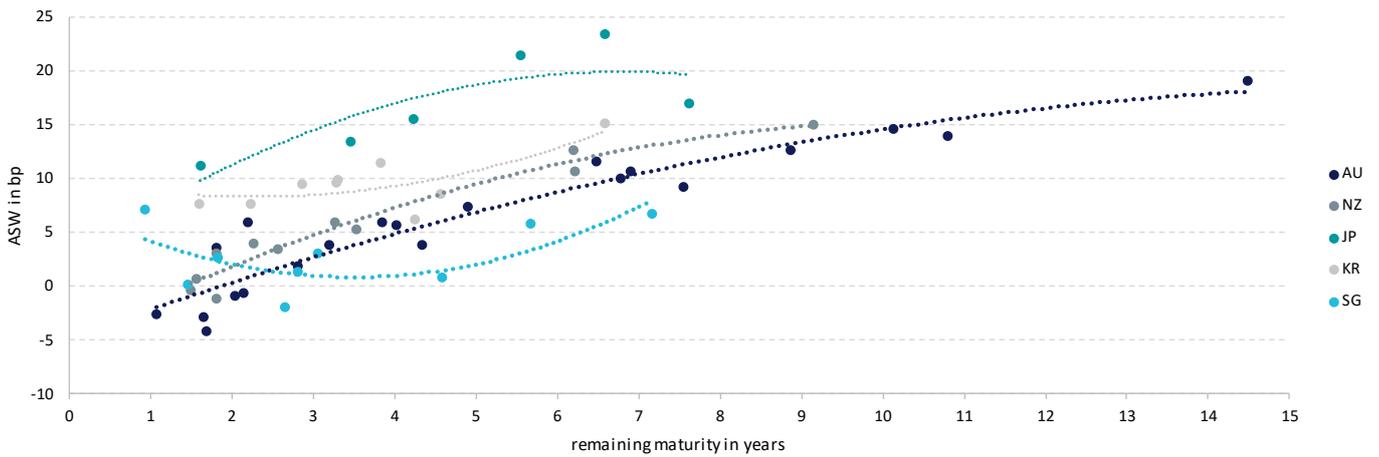
UK/IE 🇬🇧 🇮🇪



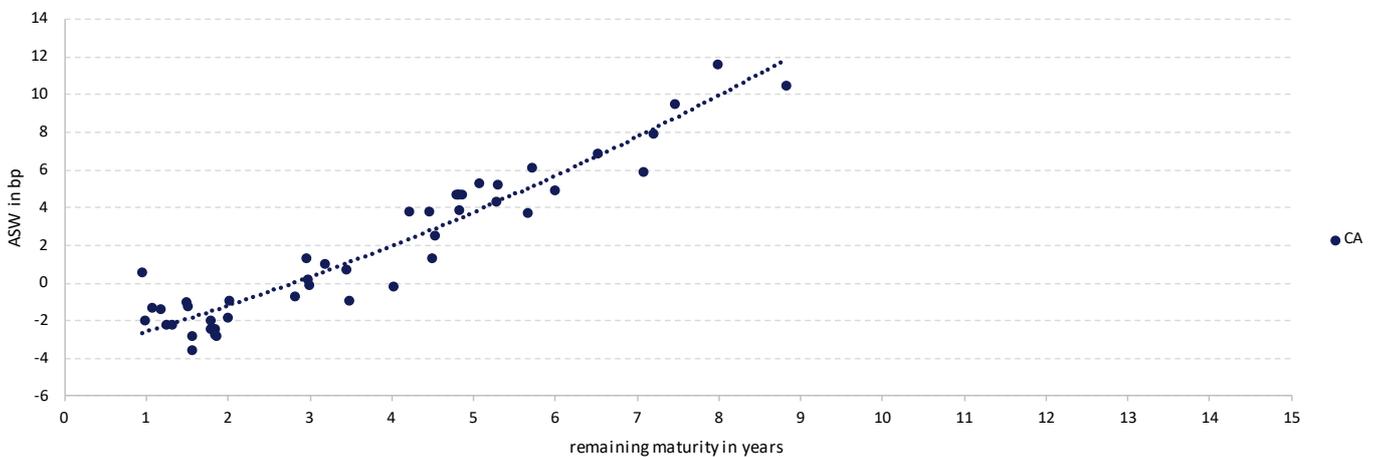
CEE 



APAC 



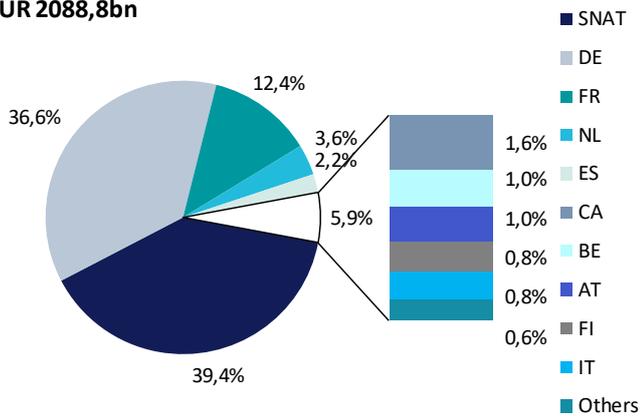
North America 



Charts & Figures SSA/Public Issuers

Outstanding volume (bmk)

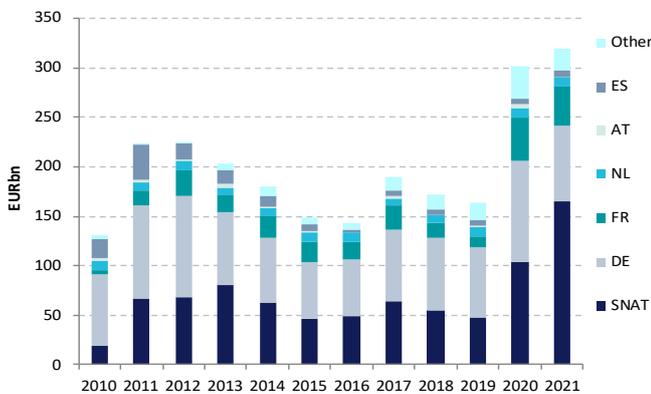
EUR 2088,8bn



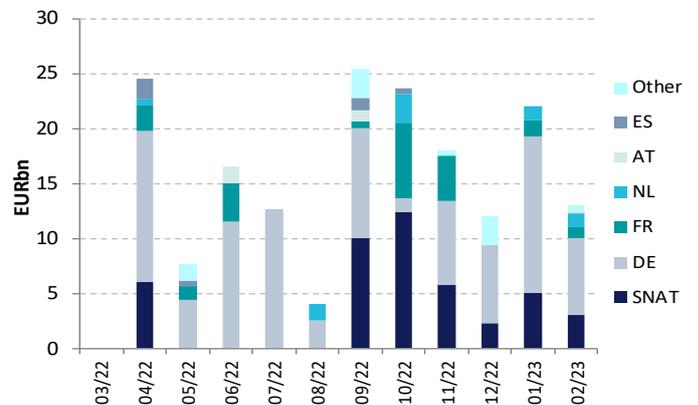
Top 10 countries (bmk)

| Country | Vol. (€bn) | No. of bonds | ØVol. (€bn) | Vol. weight. ØMod. Dur. |
|---------|------------|--------------|-------------|-------------------------|
| SNAT | 823,0 | 202 | 4,1 | 8,5 |
| DE | 763,6 | 577 | 1,3 | 6,7 |
| FR | 258,3 | 180 | 1,4 | 6,5 |
| NL | 75,4 | 70 | 1,1 | 6,7 |
| ES | 45,7 | 58 | 0,8 | 4,9 |
| CA | 33,2 | 22 | 1,5 | 5,2 |
| BE | 21,7 | 25 | 0,9 | 13,4 |
| AT | 21,2 | 23 | 0,9 | 4,7 |
| FI | 17,5 | 21 | 0,8 | 5,9 |
| IT | 16,8 | 20 | 0,8 | 5,3 |

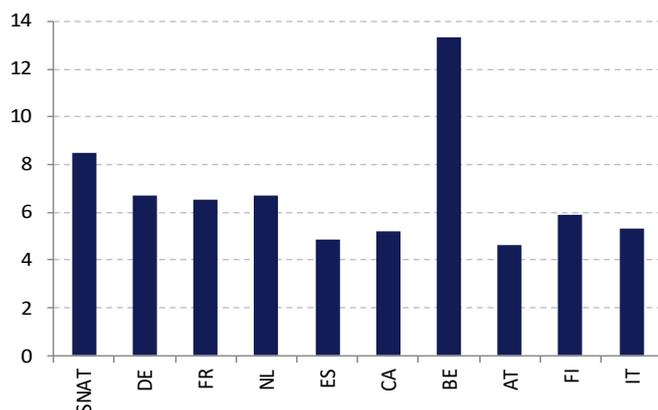
Issue volume by year (bmk)



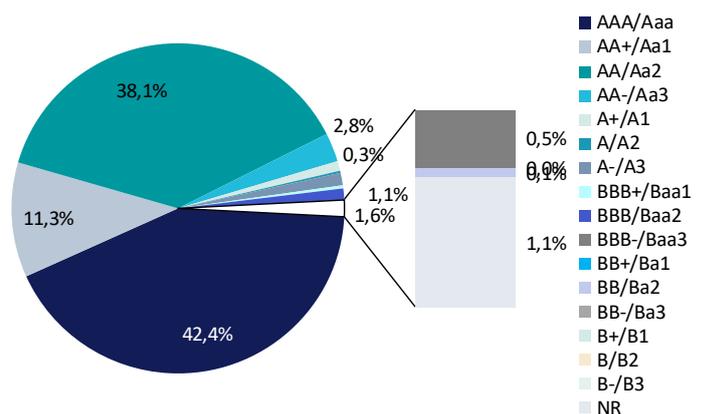
Maturities next 12 months (bmk)



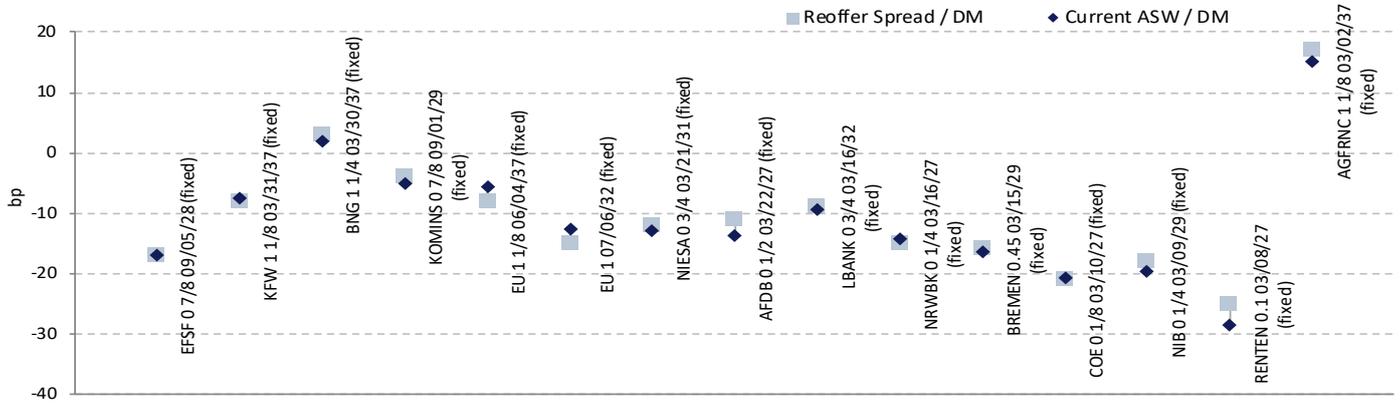
Avg. mod. duration by country (vol. weighted)



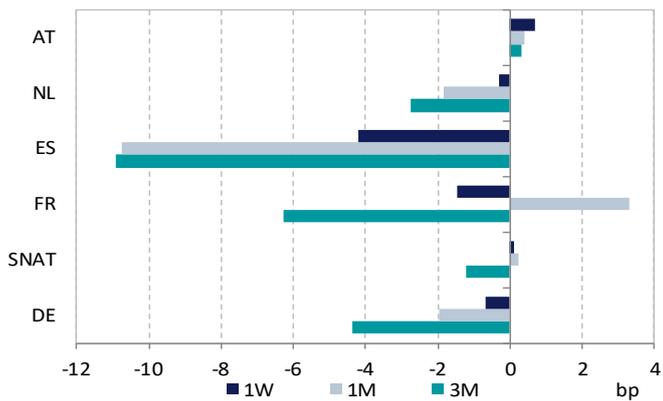
Rating distribution (vol. weighted)



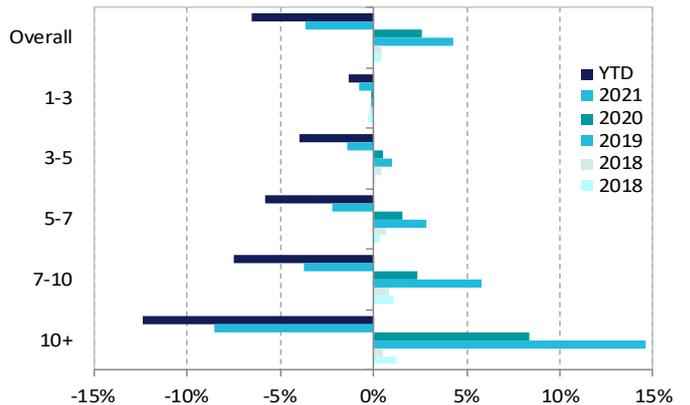
Spread development (last 15 issues)



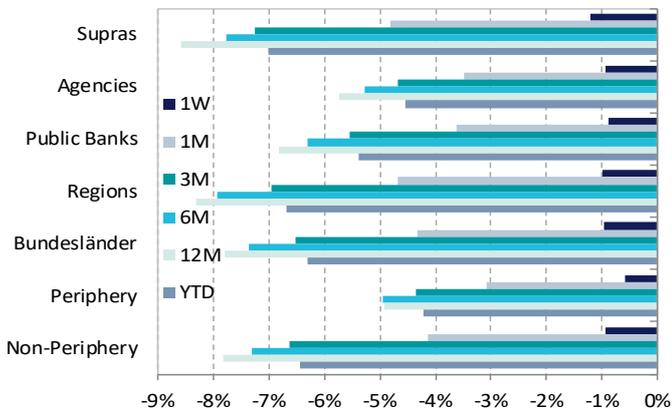
Spread development by country



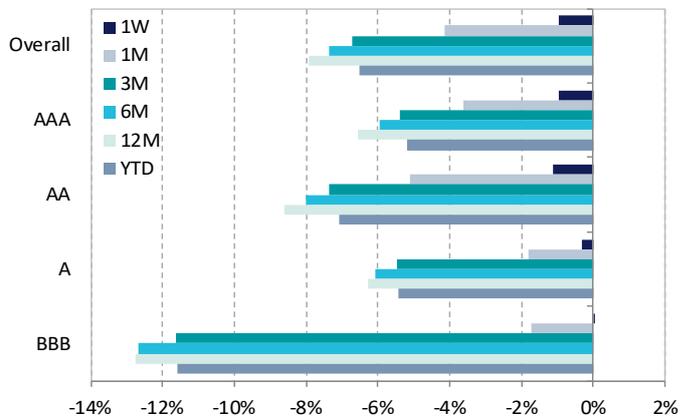
Performance (total return)



Performance (total return) by regions

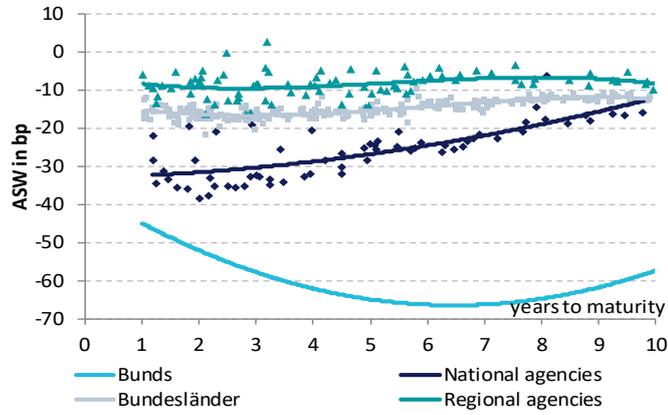


Performance (total return) by rating

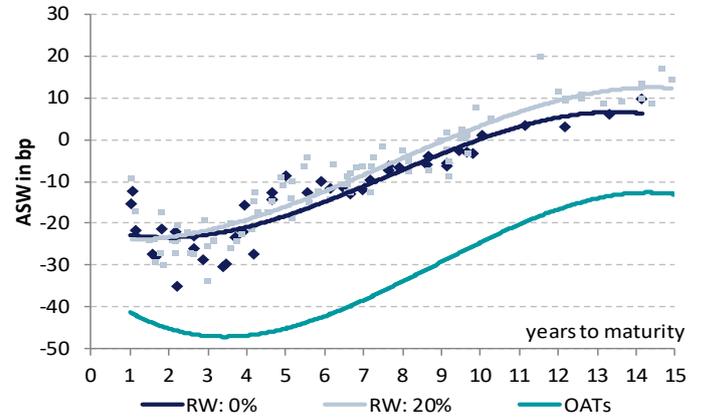


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

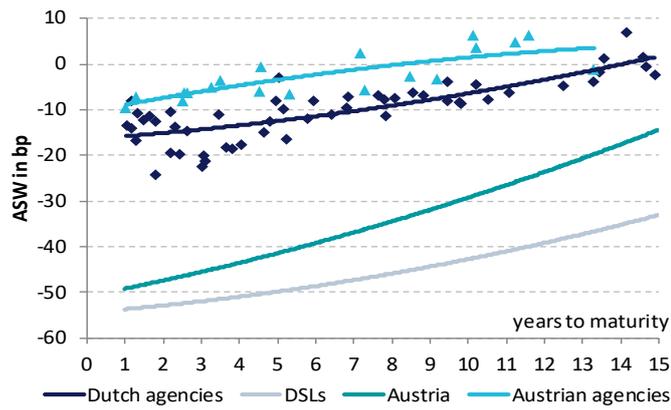
Germany (by segments)



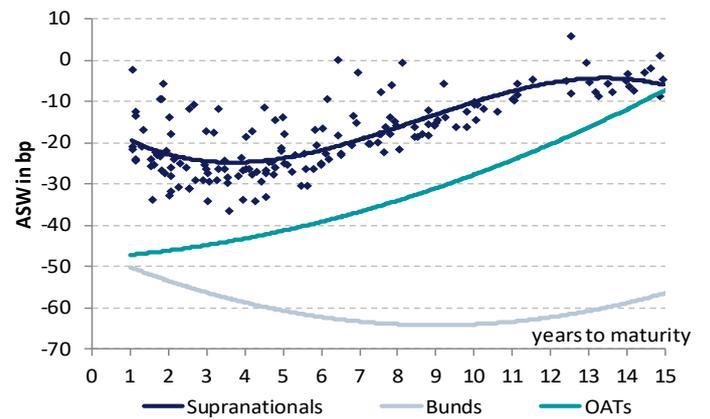
France (by risk weight)



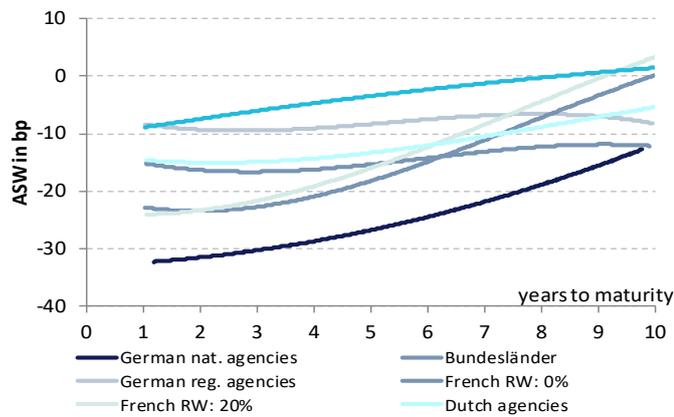
Netherlands & Austria



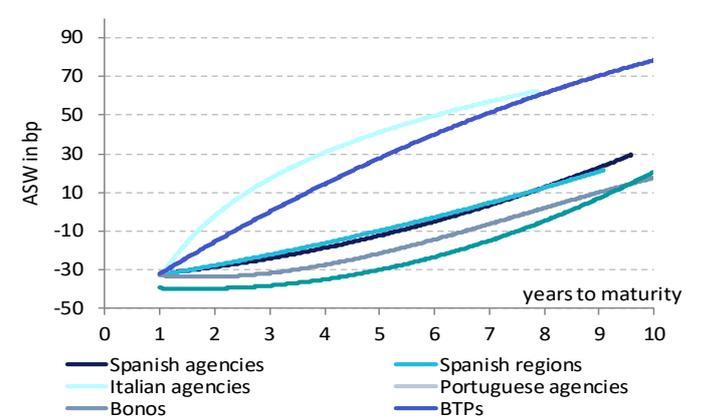
Supranationals



Core



Periphery



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

Appendix

Overview of latest Covered Bond & SSA View editions

| Publication | Topics |
|---------------------------------------|--|
| 11/2022 ♦ 23 March | <ul style="list-style-type: none"> ESG update 2022 in the spotlight The ratings approach of DBRS |
| 10/2022 ♦ 16 March | <ul style="list-style-type: none"> What does the recent ECB meeting mean for covered bonds? Credit authorisations of the German Laender for 2022 |
| 09/2022 ♦ 09 March | <ul style="list-style-type: none"> Transparency requirements § 28 PfandBG Q4/2021 Issuer Guide SSA 2022: The Dutch agency market |
| 08/2022 ♦ 02 March | <ul style="list-style-type: none"> ECB: Not everyone can get their act together at a turning point Welcome expansion of the covered bond ESG universe: Banco BPM green covered bond War in Ukraine and sanctions on Russia: spotlight on the European banking landscape |
| 07/2022 ♦ 23 February | <ul style="list-style-type: none"> ECB banking regulator also views the residential real estate market as a potential risk driver for banks Development of the German property market Beyond Bundeslaender: Paris metropolitan area (IDF and VDP) |
| 06/2022 ♦ 16 February | <ul style="list-style-type: none"> PEPP reporting: Finish line in sight, but no photo finish expected DZ HYP issues inaugural green Pfandbrief: ESG market in Germany continues its growth trajectory |
| 05/2022 ♦ 09 February | <ul style="list-style-type: none"> ECB: full speed, throttling, U-turn – or wrong turn? Insurance companies as covered bond investors: the bank-insurer nexus |
| 04/2022 ♦ 02 February | <ul style="list-style-type: none"> Covered Bonds – Review of January 2022: a reversion to old patterns does not always have to be bad SSA – New year, new hope? Less oomph to kick off the new year |
| 03/2022 ♦ 26 January | <ul style="list-style-type: none"> ECB preview: 10y Bund spotted in positive terrain. What's next? EUR benchmark segment in Canada: our supply forecast already null and void |
| 02/2022 ♦ 19 January | <ul style="list-style-type: none"> Spotlight on the EUR benchmark segment: a look at the covered bond markets in Belgium and the Netherlands 24th meeting of the Stability Council (Dec. 2021) |
| 01/2022 ♦ 12 January | <ul style="list-style-type: none"> Covered Bonds Annual Review 2021 The Moody's covered bond universe – an overview SSA Annual Review 2021: Record after record |
| 40/2021 ♦ 15 December | <ul style="list-style-type: none"> ECB preview: End of PEPP, booster for APP?! Our view of the covered bond market in 2022 SSA Outlook 2022: Public sector caught between ECB & COVID |
| 39/2021 ♦ 08 December | <ul style="list-style-type: none"> The ECB, monetary policy and covered bond market: Hypothetical "What if...?" considerations The Moody's rating approach |
| 38/2021 ♦ 01 December | <ul style="list-style-type: none"> United Kingdom: Spotlight on the EUR benchmark segment Beyond Bundeslaender: Region Pays de la Loire (PDLL) |
| 37/2021 ♦ 24 November | <ul style="list-style-type: none"> Benchmark deals outside the euro: momentum has returned! Transparency regulations under Section 28 of the Pfandbriefgesetz (PfandBG - German Pfandbrief Act) Q3 2021 Beyond Bundeslaender: Auvergne-Rhône-Alpes Region (ARA) |

Appendix Publication overview

Covered Bonds:

[Issuer Guide Covered Bonds 2021](#)

[Risk weights and LCR levels of covered bonds](#) (updated semi-annually)

[Transparency requirements §28 PfandBG](#) (quarterly update)

[Covered bonds as eligible collateral for central banks](#)

SSA/Public Issuers:

[Issuer Guide – German Laender 2021](#)

Issuer Guide – Canadian Provinces & Territories 2020

Issuer Guide – Supranationals & Agencies 2019 (update planned for 2022)

Issuer Guide – Down Under 2019

Fixed Income Specials:

[ESG-Update 2022](#)

[Face-saving ECB decision: Hawks have won – for now](#)

[ECB decision: PEPP benched for now, APP comes in as Point Guard](#)

[ECB holds course, but ups the ante – PEPP running until 2022](#)

ECB launches PEPP (Pandemic Emergency Purchase Programme)

Appendix

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Sales

| | |
|-----------------------------------|-------------------|
| Institutional Sales | +49 511 9818-9440 |
| Sales Sparkassen & Regionalbanken | +49 511 9818-9400 |
| Sales MM/FX | +49 511 9818-9460 |
| Sales Europe | +352 452211-515 |

Origination & Syndicate

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

Treasury

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

Trading

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

Sales Wholesale Customers

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

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Additional information

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None

Sources and price details

For the preparation of investment recommendations, we use issuer-specific financial data providers, our own estimates, company information and publicly available media. Unless otherwise stated in the information, price information refers to the closing price of the previous day. Fees and commissions are incurred in connection with securities (purchase, sale, custody), which reduce the return on the investment.

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Positive: Positive expectations for the issuer, a bond type or a bond placed by the issuer.

Neutral: Neutral expectations for the issuer, a bond type or a bond of the issuer.

Negative: Negative expectations for the issuer, a type of bond or a bond placed by the issuer.

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Breakdown of recommendations (12 months)

Positive: 37%

Neutral: 55%

Negative: 8%

Recommendation record (12 months)

For an overview of our overall pension recommendations for the past 12 months, please visit www.nordlb-pib.de/empfehlungsuebersicht_renten. The password is "renten/Liste3".

| Issuer / security | Date | Recommendation | Bond type | Cause |
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