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Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

15 March 2023 ♦ 10/2023

Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Authors: Dr Frederik Kunze // Stefan Rahaus // Melanie Kiene, CIIA

Primary market: increased uncertainty puts covered bond activity on standby

The general market environment is without doubt being influenced by events in the US banking sector and increased volatility. The high level of uncertainty is obviously also affecting the assessments of market participants with regard to both the Fed's further course of monetary policy (next meeting on 22 March) as well as that of the ECB (next meeting on 16 March; cf. ECB preview on 8 March). As a result, greatly increased volatility can be observed in many market segments on the capital market, which is likely to be the result of outright uncertainty when it comes to what happens next and measures outside the remit of monetary policy. In view of tomorrow's interest rate meeting, the subsequent press conference should now be the focus of even greater attention than before. With regard to the decisions of the ECB Governing Council, anything between "ignoring" and "overreacting" to events is possible in theory. To what extent the recent capital market developments dovetail neatly with the ECB's mantra of "data dependency" very much remains to be seen. The covered bond primary market already shifted into standby mode last Friday. The highly dynamic issuance activity has recently slowed down somewhat. However, this should by no means be confused with a slump in primary market activity. This was also shown by the deals placed up to Friday of the last trading week. On Wednesday we even saw the first EUR benchmark from New Zealand so far in 2023. Westpac New Zealand (WSTPNZ) placed a volume of EUR 750m (5.1 years) at ms +44bp and was able to generate an order book of EUR 2.25bn (bid-to-cover ratio: 3.0x). On the same day, Nationwide Building Society (NWIDE; cf. NORD/LB Issuer View) proceeded with the second transaction from the UK in the current year. For this deal, a sum of EUR 1.0bn was raised from investors at ms +24bp, which generated an order book of EUR 2.1bn in the process. The French issuer Caisse Française de Financement Local (CAFFIL), which issued a volume of EUR 4.5bn overall in the EUR benchmark segment across 2022 as a whole, came to market with its second new deal of 2023 last Thursday. With issuance proceeds of EUR 750m for this deal (hard bullet; 9.0y; re-offer spread: ms +27bp), overall issuance activity on the part of French issuers so far in 2023 amounts to EUR 21.9bn as of today.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
CAFFIL	FR	09.03.	FR001400GM85	9.0y	0.75bn	ms +27bp	- / Aaa / AA+	-
Westpac Securities NZ	NZ	08.03.	XS2597905905	5.1y	0.75bn	ms +44bp	AAA / Aaa / -	-
Nationwide Building Soc.	GB	08.03.	XS2597919013	5.0y	1.00bn	ms +24bp	AAA / - / AAA	-

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

Secondary market: covered bonds remain stable

Covered bonds have been stable of late, although marginal widening tendencies and slightly more ask prices have also been observed. Should the market open up again – for example through a Tier 1 issuer – rising new issue premiums can certainly be expected, which should then also move the secondary market accordingly. Overall, the widening is likely to be comparatively restrained for covered bonds, as has been the case in other, comparable market phases.

EUR sub-benchmark segment: newcomer from Iceland and further activity from Finland

Shortly after the amended covered bond law came into force in Iceland on 1 March 2023 following the implementation of the European Covered Bond Directive (CBR), we welcomed a newcomer from this Nordic jurisdiction to the international covered bond market last week. With Landsbankinn (LANBNN), which was able to place a volume of EUR 300m for five years at a spread of ms +90bp with investors on 9 March 2023, there are now three Icelandic representatives in the EUR benchmark or EUR sub-benchmark segment alongside Íslandsbanki (ISLBAN) and Arion Banki (ARION). Landsbankinn's inaugural deal also bore the "European Covered Bond (Premium)" label, which Icelandic issuers are eligible to use following the implementation of the CBR. This additionally entails preferential regulatory treatment for the EUR sub-benchmark deal from Landsbankinn. The expected S&P rating of "A" for the bond results in classification as a Credit Quality Step 2 (CQS 2) asset, from which we believe an LCR level 2A can be derived, which is also the best possible classification due to the volume of this deal. Furthermore, European Covered Bonds (Premium) from Iceland can be used as collateral for repo transactions with the ECB. Last Wednesday we also saw the third EUR sub-benchmark issue from Finland this year, when Suomen Hypoteekkiyhdistys (SUOHYP) placed a deal with a volume of EUR 300m for 5.5 years with a re-offer spread of ms +32bp.

vdp reports fall in real estate financing business on the part of Pfandbrief banks across the full year 2022

While the first two quarters of 2022 still brought growth in the real estate financing business compared with the same periods in the previous year, loan commitments in the second half of 2022 declined significantly. As the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken, vdp) has announced (cf. press release from 13 March 2023), a decline of EUR -19.5bn (-11%) to EUR 158.5bn in real estate financing was recorded among vdp member banks across 2022 as a whole. In this context, the decline in the residential real estate financing business was above average (-17.1% from EUR 118.4bn to EUR 98.2bn). The most significant declines for residential real estate financing were seen within the sub-segments of financing for condominiums (-29.3%) as well as for single and two family houses (-18.2%). Conversely, the volume of loan commitments for the purchase of multi-family houses declined by only 5.5% in 2022. At a volume of EUR 60.3bn for the full year 2022, a slight increase was posted in the commercial real estate financing business versus the prior year (EUR 59.6bn), although here, too, lending fell sharply in the fourth quarter of 2022. In the process, growth was posted in the financing volumes for commercial buildings (+10.3%) and hotels (+6.2%), although the volume of financing for office properties fell by -3.3% year on year. The geographical breakdown of real estate financing on the part of vdp members remains striking: at 40.5%, the foreign share of commercial real estate financing comfortably outstrips the 5.9% foreign share of residential real estate financing. At EUR 994.2bn, the loan portfolio of vdp banks as at year-end 2022 was +3.8% up on the value in the previous year (EUR 957.5bn). Jens Tolckmitt, vdp's CEO, summarises the situation: "In light of the continued restraint in the new real estate financing business, we expect the Pfandbrief banks' loan portfolio to grow somewhat more slowly this year, and possibly even to stagnate." In this present edition of our weekly publication we have taken a closer look at the development of the cover pools of Pfandbrief issuers in the article entitled "Transparency requirements §28 PfandBG Q4/2022".

Moody's comments on business figures of four major Italian banks

The rating agency Moody's took a closer look at the business figures published by the four largest listed Italian banks (Intesa Sanpaolo, UniCredit, Banco BPM and BPER Banca) for 2022. Together, they represent over 50% of Italy's banking assets. In summary, according to the rating agency, the four banks enjoyed a strong year in 2022, which was characterised by higher interest income (double-digit growth rates) and stable costs. The banks were able to counter inflationary pressure on the cost side with programmes aimed at securing efficiency gains. Together, the four banks generated net interest income of EUR 11.7bn, which reflects growth of +33% year on year. The return on assets rose from 38bp to 54bp across the same period. Moody's also sees a further improvement in performance for the current financial year. The risk experts are taking the view that higher interest rates on loans will provide significant support to the net interest income trend and will more than offset weaker lending growth, although loan provisions are likely to rise and wholesale funding has become more expensive. According to Moody's, credit growth came in at just 0.3% in December 2022, down from 2.2% and 3.3% in October and August 2022 respectively. The agency expects credit growth to remain weak in 2023. Rising (non-significant) risk costs are also expected due to high inflation and stagnation in the economy, which is likely to place the finances of both households and corporates under strain. The four banks are also important issuers of covered bonds with an outstanding volume of EUR 23.35bn in total. We recently took a closer look at the Italian covered bond market as part of a focus article in our weekly publication.

Moody's comments on the Canadian covered bond market in Q4 2022

As part of a recent covered bond sector profile, the risk experts at Moody's focused on the Canadian covered bond market. The study covered the trend in mortgage interest rates in Canada. In this context, the profile highlights how the increase, which began in the latter part of 2021, has now also increasingly started to impact existing loans. This can be seen in particular as a result of the increased market interest rates, which were the key factor behind the extended terms. The term of the contract (fixed interest rate) for Canadian mortgages is typically five years or less, although the typical repayment period for loans is 25 to 30 years. Normally, at the end of this contractual term, mortgages are extended for a further period of five years at the prevailing market rate. Moody's also sees rising interest rates as the reason for the decline in house prices in Canada. These eventually fell sharply, declining by 10% from their peak in May 2022 up to the end of 2022. However, in comparison with December 2021, prices have remained stable. Despite the slump in house prices, Moody's still considers Canadian mortgages to be well secured and, in this context, cites the proportion of equity used in financing as a key factor for this. The agency refers to the pool reports of the Canadian covered bond issuers in its analysis. After all, the cover pools represent over a third of all uninsured residential mortgages held by Canadian banks, with the robust credit quality and low leverage (as measured by LTV) reflecting the strength of the sector. In February 2023, we took a detailed look at the Canadian covered bond market, which currently has a volume of EUR 85.20bn in outstanding EUR benchmark bonds.

Deutsche Hypo: Spanish property market defying the challenges

Deutsche Hypo – as the NORD/LB competence centre for the commercial mortgage business – has produced a deep dive on the Spanish property market. In summary, the report states: “The Spanish real estate market is holding its own despite economic and geopolitical challenges.” The report also makes reference to the above-average economic impetus in a European comparison and the positive investment and general development prospects for 2023. The study looks at the office, retail, hotel and logistics segments. These were impacted by the Covid-19 pandemic to very different extents and have subsequently recovered in just as varied fashion. As in other countries, the market environment has been impaired by the war in Ukraine as well as the historically high inflation rates, rising interest rates and energy crisis that the conflict has spawned. However, the study also reveals that the Spanish real estate market has the capacity to withstand the economic and geopolitical challenges. For example, the transaction volume increased by 10% in 2022 and therefore exceeded the pre-crisis level. According to the authors of the report, it is above all the hotel and retail property markets that have been able to recover from the pandemic and that remain on the growth path. Although the transaction momentum in Spain is still expected to be slower in the first half of 2023, there is hope for a more dynamic development in the second half of the year. We took a detailed look at the Spanish banking and covered bond market in February of this year as part of the Covered Bond & SSA View. In this focus article, we also shone a light on the property market in Spain. The NORD/LB Issuer Guide Covered Bonds 2022 likewise provides a detailed overview of Spanish covered bond programmes in the EUR benchmark segment. Looking at the sub-markets covered by Deutsche Hypo, the share of commercial assets in the cover pools of the 13 issuers that form part of the coverage is certainly striking. These range from 5.0% (Deutsche Bank S.A.E) to as much as 28.1% (Banco de Sabadell).

Market overview
SSA/Public Issuers

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Kommunalbanken promotional business 2022: record growth in green loans (+24% Y/Y)

The Norwegian municipal financier (ticker: KBN) supported regional governments and local authorities (RGLAs) by providing subsidised funding worth the equivalent of EUR 3.5bn last year. In comparison, it provided around EUR 4.3bn in the previous year. Overall, the issuer believes it has both benefited and suffered from the imbalances in financial markets. On the one hand, the valuation situation affecting fixed rate loans put pressure on profits. On the other hand, the bank experienced record demand for its core products (long-term loans). The provision of green loans was also highlighted in the annual financial statements in particular: the portfolio for investments in climate or environmentally friendly projects increased by +24% in the past financial year, which equated to growth of around EUR 760m in absolute terms. At the end of 2022, therefore, a total of 134 Norwegian municipalities, five provincial authorities and a total of 70 other customers had received green loans from KBN, which meant that the total portfolio amounted to the equivalent of EUR 3.9bn. Looking at the breakdown in more detail, sustainable property financing stands out with a share of 71%, followed by water and wastewater management (13%). The strong growth in “green” assets was also reflected in issuance activity in the last financial year: having placed three green bonds (SEK 1.75bn; AUD 300m; CAD 500m), the issuer’s outstanding volume in this segment rose to the equivalent of EUR 3.7bn. The first green financing dates back to 2010, while KBN became the first financial institution in the Nordics to issue a green public sector bond in 2013. Both sides of the balance sheet are also expected to become more sustainable in the future: for 2023, it has set itself the target of raising the green share of the loan portfolio to at least 15% by the end of the year. It is expected to reach at least 20% by the end of 2025. On the funding side, at least 8% of the funding is to be covered by green bonds in 2023. The figure is set to rise to 10% in 2025.

EBRD: AAA confirmed by Moody’s; risk from Ukraine/Russia exposure is low

The European Bank for Reconstruction and Development (acronym and ticker: EBRD) was again awarded the highest rating of AAA and a stable outlook by the rating agency Moody’s in February. On this occasion, the rating experts referred extensively to the potential effects of the Russia-Ukraine war on the bank’s exposure. Most of its current commitments in Ukraine, Russia and Belarus already qualify as “non-performing” or have at least been placed on the bank’s internal watchlist. Consequently, the bank has increased its loan loss provisions and as a result contained most of the uncertainties in this respect. In the case of the financial aid promised to Ukraine and its neighbouring countries of EUR 3.0bn, Moody’s drew attention to the fact that this is covered by subsidies and guarantees from shareholders that have high credit ratings as a whole. The underlying liability mechanism of the EBRD in the form of callable capital of EUR 23.5bn, paired with the high level of liquidity and robust market access, again constitute the key factors for the highest rating in the updated rating report.

Rentenbank: record figure for the "Agriculture Investment Programme" in 2023

Interest from companies in the agricultural and food sector reached a record figure in this year's round of applications to the "Agriculture Investment Programme" with total investment of EUR 2.64bn. Last year, the figure was EUR 1.85bn, meaning that the planned funds for climate and environmentally friendly projects increased by +43%. As was the case last year, companies demonstrated most interest in investments in relevant machinery. This element of the investment programme accounted for a share of 64.4% (2022: 72.3%) of the total volume. Interest in investments in commercial fertiliser storage facilities has also increased. Its share now stands at 31.0% (2022: 22.8%). The sharp growth in the investment volume required is evidence for Nikola Steinbock, spokesperson for the Management Board of Landwirtschaftliche Rentenbank, that the transformation of the green sector is being driven to a very significant extent by agricultural companies. In terms of classification, the "Agriculture Investment Programme" is part of the "Agriculture and Food Industry" promotional area of Landwirtschaftliche Rentenbank (ticker: RENTEN), which performed very positively according to the latest data in the first half of 2022. Accordingly, new business in this promotional area increased to EUR 613m at the end of H1 2022 (H1 2021: EUR 432m). Specifically, subsidised funding is provided for steel buildings and other buildings, machinery, the purchase of land and equipment, ensuring liquidity as well as animal and environmental protection such as measures to improve species-appropriate animal husbandry or measures to reduce emissions. In 2021, the agriculture and food industry promotional area ranked second with a share of 34% of total new promotional business, with "General Financing of Regional Authorities and Banks" (43%) occupying top spot.

NRW: S&P again confirms a sound capital market presence

The rating agency S&P's assessment of the credit rating of North Rhine-Westphalia (ticker: NRW) is unchanged at good. The AA rating with a stable outlook is based on the NRW's outstanding liquidity and interest rate management. The press office emphasised the fact that this means one of the three leading rating agencies has now given North Rhine-Westphalia a consistently positive rating since 2019. "Despite all the various crises, the judgement of the capital market has remained stable. Financial experts have faith in North Rhine-Westphalia's financial strength even in periods of significant financial challenges – which is by no means a given," says Dr Marcus Optendrenk, Minister of Finance. "Our sound budget policy is continuing to pay dividends. We consistently work to continuously improve the state's financial and budgetary situation." NRW has been pursuing the right course during the pandemic, the energy crisis and the current period of inflation from the perspective of the rating experts as well. In terms of funding, NRW is highlighted as an "established issuer in the benchmark segment", which can successfully operate on the market even in currencies outside its domestic currency (e.g., in USD). We also share this view, as the state government has, for example, been able to place nine sustainability bonds (in addition to other formats) worth around EUR 20.3bn that were subject to high-level demand over recent years. As a result, NRW has become one of the world's largest public issuers of sustainability bonds. The extremely long maturities chosen, which in some cases are up to 100 years, were also mentioned in the rating report. The experts at S&P stress that this means that NRW has reliable access to the capital markets at any time.

Strong growth across all promotional areas at Bpifrance in 2022

Despite the imbalances in the French economy and the fluctuating general market environment in 2022, Banque Publique d'Investissement (BPI, ticker: BPIFRA, formerly OSEOFI) was able to announce a net profit of EUR 1.5bn (2021: EUR 1.1bn). Overall, the promotional bank's product range can be divided into three business areas covering corporate loans and co-financing packages, guarantees as well as soft loans to promote innovation. On top of this, export credits and relevant insurance policies are available via the state-owned Bpifrance Assurance Export. These stood out particularly in the 2022 financial statements with growth of +58% compared with 2021 to now stand at EUR 32bn. Here, growth was driven primarily by credit insurance associated with several large orders in the defence, aviation, cruise ship and rail transport sectors. A further record was achieved with the financing of innovative projects. The bank was able to support 6,450 companies with EUR 4.5bn in total particularly in the context of the "France 2030" strategic plan and other initiatives in the start-up sector and among industrial SMEs. Business development in 2022 resulted in an increase of +11% in the area of medium and long-term loans, for which a value of EUR 9.0bn was recorded in absolute terms. These funds were made available to 7,500 companies in total. This also includes the investment loans promotional area, for example, which was virtually at the previous year's level, however, at EUR 4.8bn. Provision of short-term loans was similarly buoyant, meaning that around EUR 8.0bn was reported in this category at the end of 2022 (+15% Y/Y). Expansion in the export financing promotional area, for example, is again expected for 2023 as soon as the impacts of parallel crises (impact of the pandemic and the Russia-Ukraine war) start to ease.

Agence Française de Développement (AFD) again awarded with high credit rating

The rating agency S&P again rated Agence Française de Développement (ticker: AGFRNC) highly, at AA with a negative outlook, in mid-February. The decision was justified with the critical role played by AFD in French foreign policy. It fulfils a key role for development aid and, in doing so, focuses particularly on sustainability. The gradual injection of capital by the government since 2021 shows that AFD is likely to continue being entrusted with this role. Because of the close connection with the public sector (100% ownership), the negative outlook reflects the alignment with the French government's rating. Although there is no explicit guarantee of support, S&P deduces from the above-mentioned points that it is extremely likely that the government would support the agency and that is largely responsible for the high rating. At the same time, the promotional bank's role exposes it to some extent to natural risks from exposures in developing and emerging countries, from which the quality of the assets has suffered recently. As far as the rating agency is concerned, the risks associated with this, however, are limited and sufficiently addressed: the French government has already provided AFD with extraordinary support in the past in that it assumed debt relief for African countries as part of initiatives by the IMF and the World Bank for highly indebted developing countries. A special item for reserves to hedge government risks was also established, which can under certain circumstances also affect AFD. Additional government funds of EUR 150m are also envisaged for the promotional bank in 2023 to convert part of the proceeds from the loans from the French Treasury ("ressources à conditions spéciales") into equity and, in so doing, continue to support the operations of AFD.

Quietly rests the lake

As has often been the case previously, the primary market exercised restraint in the run up to tomorrow's key rate meeting at the ECB. You can read our assessment of the upcoming meeting in the last week's edition of our weekly publication. In addition, events in the US banking sector, in particular, are currently dominating the general market environment, meaning that new issues are on standby instead of being placed in the current volatile situation. As regards the EUR bond markets of relevance to us, we look at this situation in more detail in the Covered Bond Market Overview section. Specifically, for the SSA primary market this means that we have not seen any new issues at all since 10 March (excluding the KfW tap). We do not expect the market environment to settle down until after the ECB meeting and the new conditions that this will establish. Until then, it's a case of "quietly rests the lake".

Primary market

Before we start with new deals in the trading week we consider (Wednesday to Tuesday), we would like to start by offering some additional information about the previous week. As a reminder, the Spanish autonomous community Andalusia (ticker: ANDAL) issued EUR 600m in the form of a sustainability bond. This week, we now have the statistics for this deal: in the breakdown by investor type, banks accounted for by far the largest share, at 83%, followed by fund managers, at 13%. In the geographical breakdown, Spain (unsurprisingly), accounts for the lion's share at 75%. Second place is occupied by Italy, on 9%. Following the mandate for a sub-benchmark (EUR 250m WNG) from BayernLabo (ticker: BYLABO), which had been discussed in the previous issue, marketing started immediately on Wednesday. Investors were sought for the bond with a twelve-year maturity at ms +11bp (which was also the guidance). The order book of EUR 250m suggests a precision landing. At the same time, KfW issued its seven-year Jumbo (EUR 5bn) at ms -8bp. Compared with the guidance of ms -6bp area, the deal tightened by two basis points during marketing, while the order book ultimately totalled a lofty EUR 25.8bn. Meanwhile the French Community of Belgium (ticker: LCFB) brought fresh supplies in social format: it raised EUR 700m with a maturity of ten years at OLO +43bp. The guidance amounted to OLO +45bp area. With an order book of EUR 1.3bn, the deal was almost twice oversubscribed. The Swedish municipal financier Kommuninvest (ticker: KOMINS) was also active and raised EUR 500m at ms -8bp (guidance: ms -4bp area) with a green bond (4Y). Based on the orderbook of EUR 4bn, it was clear that there was great investor interest in this deal, not least due to the short maturity, which still seems to represent a sweet spot. Before the primary market came to a standstill on Friday, Rhineland-Palatinate placed a benchmark bond just in time on Thursday. The volume amounts to EUR 750m with a maturity of slightly more than two years, whereby EUR 250m was retained by the issuer. No information on pricing was made public, although the bond is trading at ms -30bp on the secondary market. Despite the turbulence, KfW tapped KFW 2.5% 11/19/2025 by EUR 1bn at ms -41.3bp on Tuesday (yesterday). Looking ahead to the next trading week, an EU bond auction is set to take place on 20 March. We shall comment on the results as per usual in next week's edition.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
RHIPAL	DE	09.03.	DE000RLP1403	2.3y	0.75bn	ms -30bp	AAA / - / -	-
LCFB	BE	08.03.	BE0002933142	10.3y	0.70bn	ms +42bp	- / A2 / -	X
KOMINS	Nordics	07.03.	XS2597673263	4.0y	0.50bn	ms -8bp	- / Aaa / AAA	X
KFW	DE	07.03.	DE000A30V9J0	7.3y	5.00bn	ms -8bp	- / Aaa / AAA	-

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

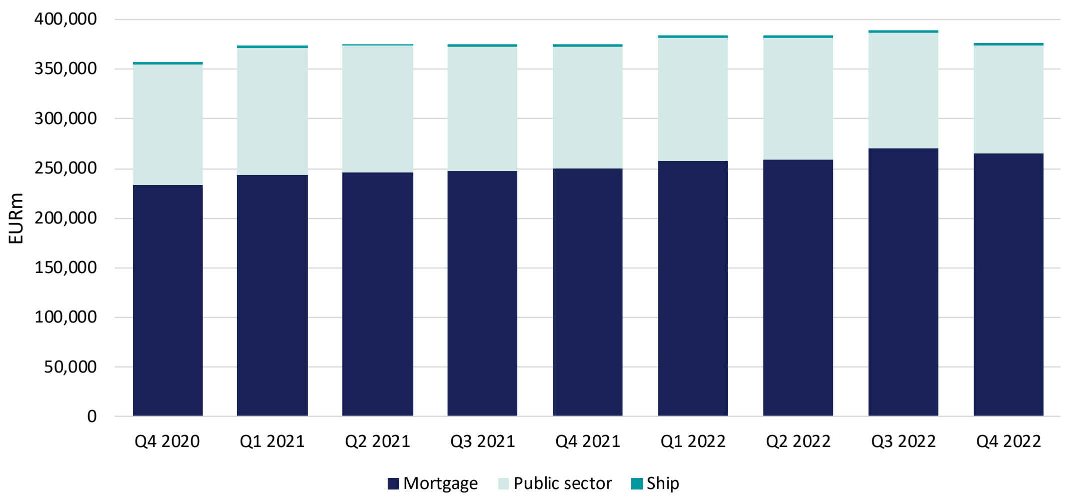
Covered Bonds
Transparency requirements §28 PfandBG Q4/2022

Author: Stefan Rahaus

Transparency requirements pursuant to Section 28 PfandBG: NORD/LB Covered Bond Special on disclosures for Q4 2022 involving 37 Pfandbrief issuers

Around two weeks ago, the Pfandbrief issuers that are members of the Association of German Pfandbrief Banks (vdp) submitted their transparency disclosures on the composition of their cover pools as per the end of Q4 2022 in accordance with Section 28 PfandBG. There have been some small changes within the group of issuers. In the mortgage Pfandbrief section (Hypfe), BBBank now has an outstanding volume of EUR 5.0m (previous quarter EUR 0.0m), while DSK Hyp has seen a reduction in both the cover pool and the Pfandbrief volume to EUR 0.0m (previous quarter: EUR 61.0m/EUR 13.0m). DSK Hyp AG (formerly SEB AG) has returned its banking and Pfandbrief licences after repayment of the last outstanding Pfandbrief in December 2022. In the public Pfandbrief segment (Öpfe), the outstanding cover pool and Pfandbrief volume attributable to M.M. Warburg & CO Hypothekenbank AG has also been reduced to EUR 0.0 in each case as per the end of Q4 2022. Sparkasse KölnBonn no longer shows a volume for Öpfe under outstanding Pfandbriefe. Overall, the NORD/LB Covered Bond Special "Transparency requirements §28 PfandBG Q4/2022" includes cover pool data relating to 37 mortgage Pfandbrief issuers, 22 issuers of public Pfandbriefe and two ship Pfandbrief issuers. Once again, our publication includes data on Deutsche Bank's cover assets not reported on the vdp's website, which we have added manually. In the following, we summarise the main developments and key information in the transparency reports as per the end of Q4 2022.

Trend in the volume of outstanding Pfandbriefe

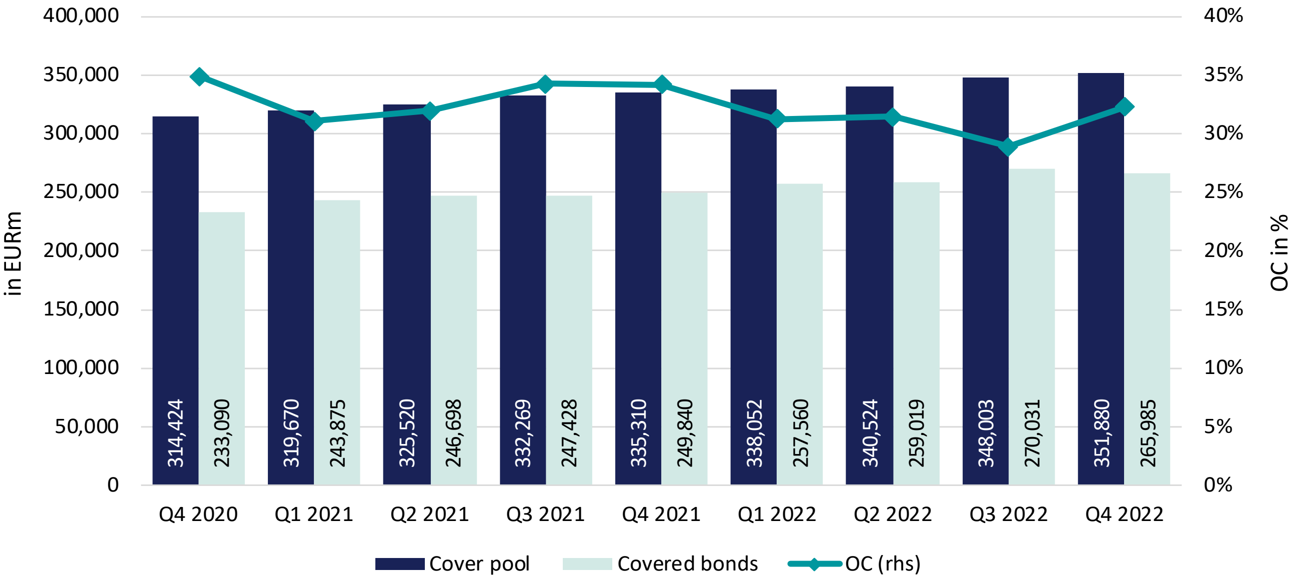


Source: vdp, Deutsche Bank, NORD/LB Markets Strategy & Floor Research

Outstanding Pfandbriefe: fall in total volume for the first time in four quarters

Based on outstanding Pfandbriefe of EUR 376.4bn, the total volume is down against the previous quarter (EUR 389.4bn as at 30 September 2022) for the first time in four quarters (-3.3% against Q3 2022). Year on year, however, there was still a minimal increase of 0.3%. The outstanding mortgage Pfandbrief volume was down by EUR 4.1bn or -1.5% quarter on quarter to EUR 266.0bn as per the end of Q4 2022, whereas the outstanding volume of public Pfandbriefe fell sharply again, by EUR 8.7bn (-7.5% Q/Q) on this occasion, to stand at EUR 108.5bn. The volume of outstanding ship Pfandbriefe (Schipfe) was down by EUR 250.0m (-11.5% against the previous period), falling back below the EUR 2.0bn mark for the first time since Q3 2021. In contrast, as regards cover assets, there was a slight increase of EUR 93.0m in the case of ship Pfandbriefe; mortgage assets were up by EUR 3.9bn and the cover pools of public Pfandbriefe were down by EUR 1.8bn.

Trend in mortgage Pfandbriefe

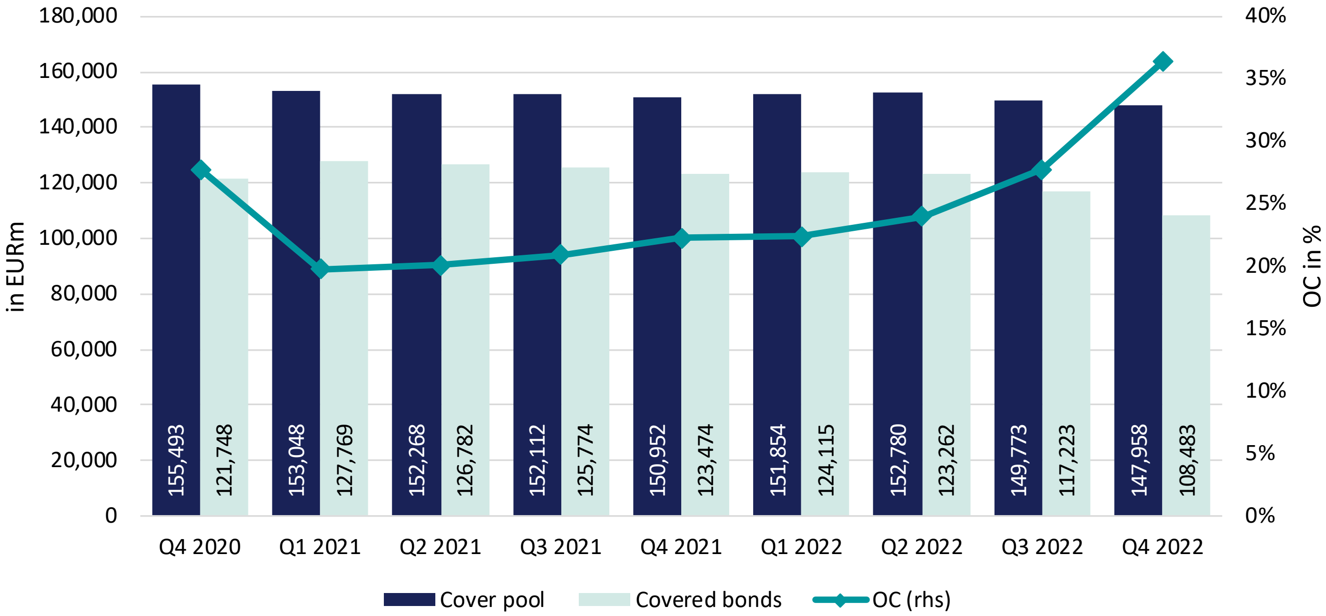


Source: vdp, Deutsche Bank, NORD/LB Markets Strategy & Floor Research

Mortgage Pfandbriefe: OC up to 32.3%

After the increases of the last few quarters, there was a decline in the volume of mortgage Pfandbriefe of EUR 4.1bn to EUR 266.0bn in the reporting period from October to December 2022. In contrast, there was still a year-on-year increase of 6.5% (Q4 2021: EUR 249.8bn). The sharpest falls in the outstanding volume of mortgage Pfandbriefe in a quarterly comparison were reported by Deutsche Apotheker- und Ärztebank (EUR -3.4bn), Berlin Hyp (EUR -2.5bn) and Münchener Hypothekenbank (EUR -1.1bn). Outstanding mortgage Pfandbriefe amounting to a total of EUR 266.0bn were offset by cover assets of EUR 352.0bn (+1.1% Q/Q; +4.9% Y/Y). At EUR +3.1bn year on year, Commerzbank reported the biggest increase in cover assets. Average OC rose by 3.4 percentage points to 32.3% against Q3 2022, on the back of a decline in outstanding mortgage Pfandbriefe and simultaneous rise in the volume of cover assets. The OC ratio in Q4 2021 was 34.2%.

Trend in public Pfandbriefe



Source: vdp, Deutsche Bank, NORD/LB Markets Strategy & Floor Research

Public Pfandbriefe: further marked decline

In Q4 2022, there was another marked decline in outstanding public Pfandbriefe. The volume at the end of Q4 2022 stood at EUR 108.5bn (-7.5% Q/Q), whereas total public Pfandbriefe still amounted to EUR 117.2bn as at 30 September 2022. In a year-on-year comparison, the outstanding volume fell by EUR 15.0bn or 12.1%. As regards issuers, Landesbank Hessen-Thüringen showed the sharpest absolute decline both against the previous quarter and previous year (EUR -2.3bn Q/Q; EUR -3.4bn Y/Y), followed by Commerzbank (EUR -2.1bn Q/Q and EUR -3.3bn Y/Y). All the issuers except Saar LB (EUR +53m) and Münchener Hypothekenbank (EUR +3m) have posted a decline in their volume of public Pfandbriefe in the current reporting period. Overall, the outstanding volume was offset by cover assets of EUR 148.0bn (-1.2% Q/Q; -2.0% Y/Y). As a result of a disproportionate decline in outstanding public Pfandbriefe in relation to cover assets, average OC rose sharply to 36.4% against the previous quarter (27.8% as at 30 September 2022). In a year-on-year comparison, the OC ratio has risen by as much as 14.1 percentage points (Q4 2021: 22.3%). In the last two years, the share of public Pfandbriefe in relation to total outstanding volume has fallen from 34.1% in Q4 2020 to just 28.8% in Q4 2022. In contrast, the share of mortgage Pfandbriefe rose from 65.3% to 70.7% during the same period.

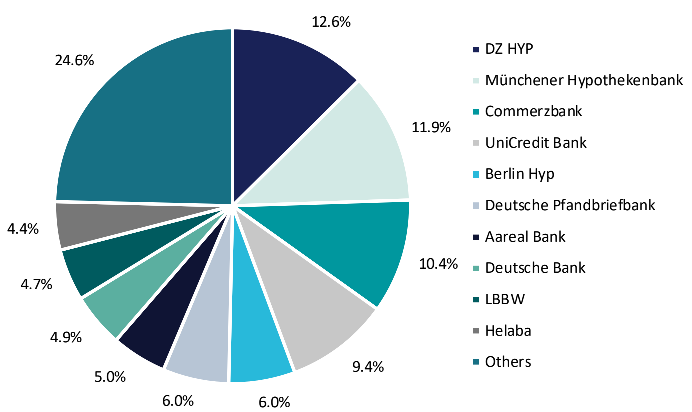
Ship Pfandbriefe still a niche product

At 0.5% of the total volume, the ship Pfandbrief segment is still a market niche within the German Pfandbrief market. At the same time, outstanding Schipfe fell from EUR 2,182.0m in the previous quarter to EUR 1,921.0m (-11.5% Q/Q). At present, only two institutions have outstanding ship Pfandbriefe, namely Commerzbank (EUR -50.0m Q/Q) and HCOB (EUR -200.0m Q/Q), of which HCOB accounts for a share of around 97%. Cover pools in the ship segment rose slightly overall (Commerzbank: EUR -51.0m Q/Q; HCOB: EUR +144.0m Q/Q), leading to an increase in average OC from 14.6% in Q3 2022 to 34.2% in Q4 2022.

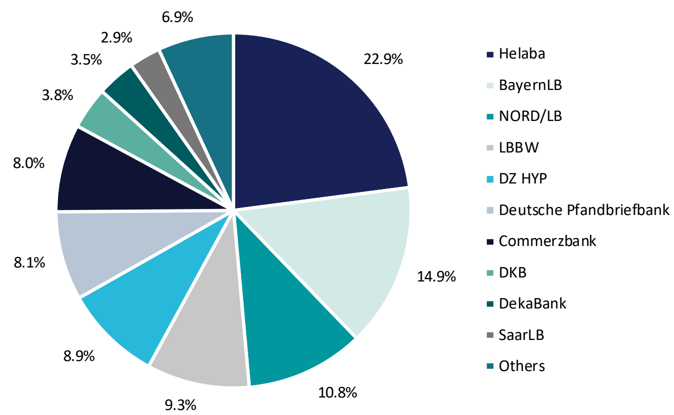
A look at the top 10: marginal changes against the previous quarter

There were absolutely no changes in the rankings of the seven largest mortgage Pfandbrief issuers. The biggest issuer in the sub-market of mortgage-backed Pfandbriefe, therefore, is still DZ HYP, followed by Münchener Hypothekenbank and Commerzbank. Further down the list, Deutsche Bank (now in 8th place) and LBBW (now in 9th) have traded places. The ten biggest issuers account for 75.4% of the outstanding volume. This figure in the case of public Pfandbriefe stands at 93.1%, with Helaba, BayernLB and NORD/LB still occupying the top three spots. Commerzbank has slipped back from fourth to seventh place for market share in relation to Q3 2022, whereas SaarLB has taken tenth place from UniCredit.

Market share – mortgage Pfandbriefe



Market share – public Pfandbriefe



Source: vdp, Deutsche Bank, NORD/LB Markets Strategy & Floor Research

Conclusion

The total volume of outstanding Pfandbriefe fell in Q4 2022 for the first time in four quarters. We regard the decline in mortgage lending business affecting German credit institutions in Q4 2022 (cf. Market Overview Covered Bonds) as one of the main causes of this. The latest issuance activity on the part of German Pfandbrief institutions in the EUR benchmark and EUR sub-benchmark segments is not yet reflected in the current set of data. To date in 2023, a Pfandbrief volume of EUR 14.5bn has been publicly placed in the EUR benchmark segment and EUR 750m in the EUR sub-benchmark segment. In this context, Pfandbriefe with public cover pools accounted for a share of EUR 1.75bn (12.1%) and EUR 500m (66.7%) respectively.

NORD/LB

SSA/Public Issuers
Credit authorisations of the German Laender for 2023

Author: Dr Norman Rudschuck, CIIA

Substantial (gross) credit authorisations of at least EUR 90bn expected

The German Laender have largely completed their credit planning for the current year, although some Laender still need to finalise their figures for credit authorisations in 2023. The data, which can be understood as a funding target in the widest sense of the gross figure, mostly provided a comparatively good indicator in the past as to how active the Laender were likely to be on capital markets during the year. This planning also includes promissory note loans (SSD) and private placements – and does not have to be exhausted, as 2022 emphatically demonstrated: BADWUR planned EUR 23.78bn last year and did not issue a single benchmark bond. The gross figure currently aggregated across 13 Laender stands at EUR 81.3bn for 2023, which naturally corresponds to a decline compared with the figures that were distorted upwards by the coronavirus crisis (2020: EUR 156.6bn; 2021: EUR 119.4bn). Our presentation still does not include the approvals of the budgets for Hesse, Mecklenburg-Western Pomerania and Rhineland-Palatinate for 2023. Here, we expect a further EUR 9bn in total as a minimum, which would again take the total amount for all 16 Laender above EUR 90bn. In the years before the pandemic, credit authorisations were far lower at EUR 70.3bn (2020; pre-coronavirus and due to the debt brake) and EUR 66.8bn (2019) respectively. The increasing focus of the Laender on the topic of budget consolidation was clearly reflected in this development up to March 2020. The majority of the Laender want to (and must) reduce their absolute debt levels steadily in the future. The year 2020 was characterised by several supplementary budgets, in some cases two per Bundesland, with 2021 somewhat quieter on this front and 2022 almost signalling a return to "normal" again despite the war. In 2023, the basis for planning offers higher tax receipts thanks to inflation.

German Laender credit authorisations 2023 (EURbn)*

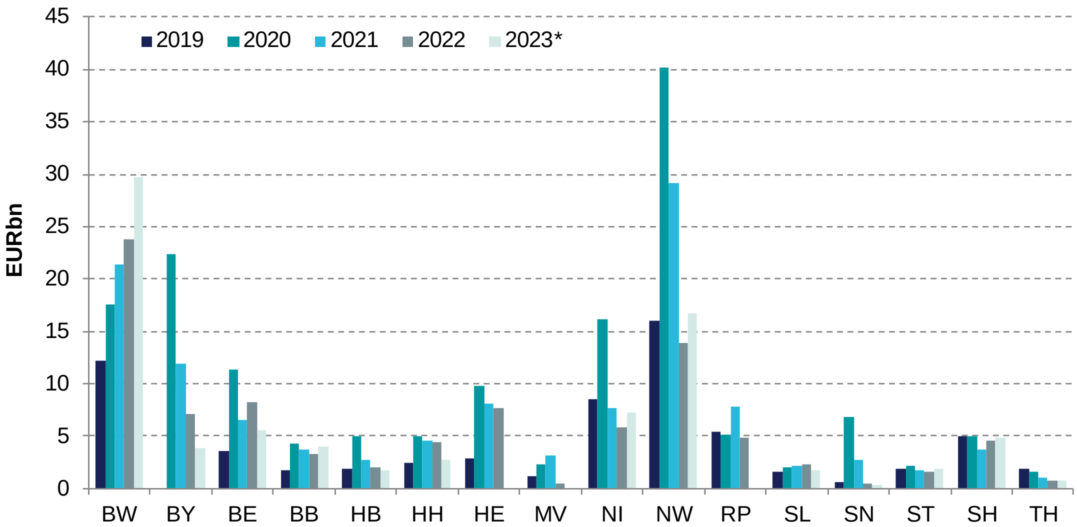
	Net	Gross
Baden-Wuerttemberg	1.25	29.79
Bavaria	-0.05	3.83
Berlin	0.10	5.49
Brandenburg	1.58	4.04
Bremen	0.54	1.80
Hamburg	0.06	2.80
Hesse	-	-
Mecklenburg-Western Pomerania	-	-
Lower Saxony	0.00	7.25
North Rhine-Westphalia	5.00	16.70
Rhineland-Palatinate	-	-
Saarland	0.00	1.70
Saxony	0.00	0.28
Saxony-Anhalt	-	1.91
Schleswig-Holstein	0.33	4.86
Thuringia	-0.24	0.87
Total	**8.57**	**81.32**

Source: Bloomberg, NORD/LB Markets Strategy & Floor Research
*Some figures may be rounded or preliminary figures

Focus on debt brake compliance across the board by 2024 at the earliest

Developments up to 2020 were very consistently for the better and since then have naturally headed diametrically in the "wrong" direction: On the one hand, it has taken huge efforts on the part of the Bundeslaender to maintain economic conditions as much as possible in the face of the pandemic. Because of the consequences of the war, this also applies to disrupted supply chains, inflation and coping with migration or streams of refugees. On the other, the debt brake also in force at Laender level since 2020 calls for (even) greater budgetary discipline. Some Laender had been managing without any new borrowing on a sustained basis before the debt brake officially started, and their development has in some cases now been set back several years. This has led to downgrades for Baden-Württemberg and Saxony-Anhalt at a still high level, among others, as well as to changes in the rating outlook to "negative" for other Bundeslaender. The attack by Russia on Ukraine in breach of international law and the many serious effects on the population and the economy are compromising the foundations of sustainable development and, in the opinion of some, even social peace in Germany. Having been caused outside the country, they constitute an extraordinary threat and demand massive financial endeavours. According to the federal allocation of responsibilities, the German government is carrying the majority of the burden. The German Bundestag had declared an extraordinary emergency for budget year 2022 and approved borrowing in response to the emergency. There is no such resolution for budget year 2023; the draft, which the Budget Committee of the German Bundestag has now finished discussing, does not envisage any borrowing in response to the emergency in 2023. Analysis – willingly critical – of detailed regulations and considerations of modifications, if they protect the framework specified by the constitution, does not conflict with the commitment to the debt brake either. Local constitutions at the level of individual Laender have also contained a regulation about the debt brake since 2019, which entirely corresponds to the requirements in the Basic Law and specifies the requirements for borrowing clearly and, compared with other Laender, strictly overall. This can legitimise a local suspension of the debt brake.

Credit authorisations of the German Bundeslaender over time

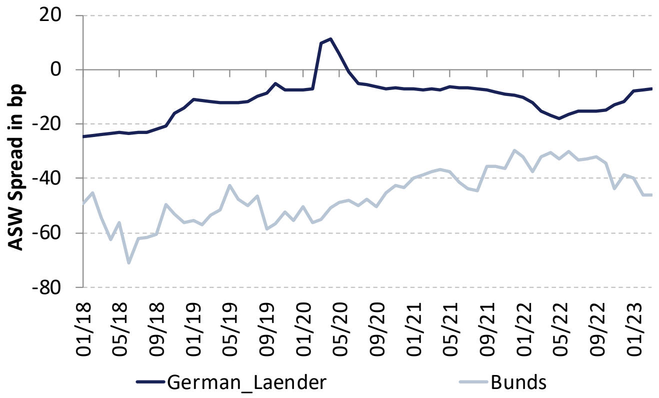


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research; *Some figures may be rounded or preliminary figures
BW = BADWUR, BY = BAYERN, BE = BERGER, BB = BRABUR, HB = BREMEN, HH = HAMBRG, HE = HESSEN, MV = MECVOR, NI = NIESA, NW = NRW, RP = RHIPAL, SL = SAARLD, SN = SAXONY, ST = SACHAN, SH = SCHHOL, TH = THRGN.

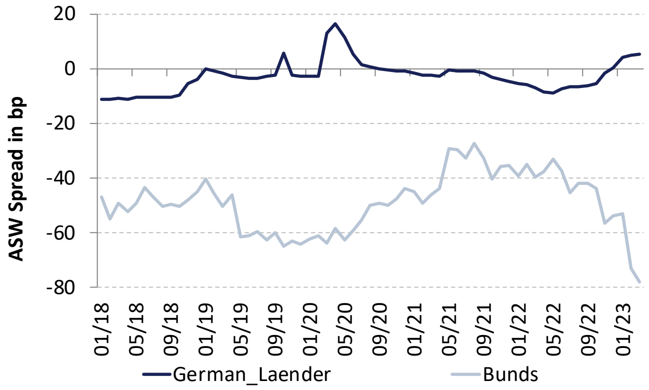
Shifts in funding requirements
The highest gross figure by far had previously always been reported by NRW. Accordingly, this most densely populated of the Bundeslaender usually made frequent appearances in the primary market. The planned EUR 16.7bn is sufficient for second place in 2023 and has already entailed various transactions since the beginning of the year. In comparison with previous years, maturities are a great deal lower here, meaning that EUR +5.0bn is expected in net terms. In 2023, the funding requirement is only higher in BADWUR. The Bundesland has published a gross credit authorisation of EUR 29.8bn, which is also due to the extremely high maturities, since only an increase of EUR 1.3bn is expected in net terms. Lower Saxony follows in third place in this category (EUR 7.3bn), while in 2022 BERGER (now fourth with EUR 5.5bn) had claimed the bronze medal. As we explained, Hesse and Rhineland-Palatinate, which are also usually found in the upper half of the table for gross credit authorisations, are still missing here.

Substantial new issuance is meeting slowly diminishing demand from the Eurosystem
New issuance is therefore not as substantial as it was in 2020 and 2021 but will still be higher in 2023 than before the pandemic. In particular, we do not assume that there will be any significant shift within the funding instruments used (away from Kassenkredite, SSD or even private placements towards Laender bonds). At present, this substantial supply has been meeting falling demand since 1 March, which is primarily determined by the declining balance sheet of the Eurosystem (key phrase: reduced reinvestments).

Spread trend of selected Laender bonds – 5Y



Spread trend of selected Laender bonds – 10Y

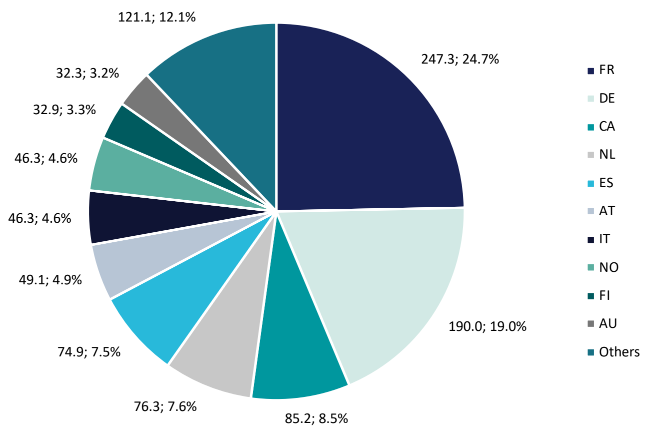


Source: Bloomberg, Markit, NORD/LB Markets Strategy & Floor Research

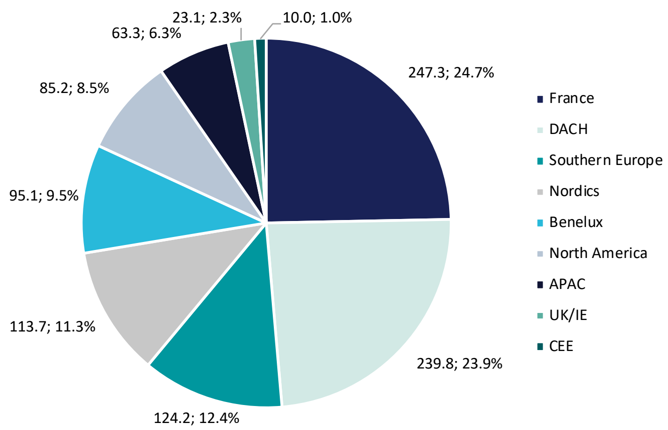
Comment and conclusion
In the years before the pandemic, a clearly declining trend was apparent for net and gross credit authorisations, which had or would have stabilised at around EUR 70bn for 2020 before the Covid-19 crisis. For the third time in succession, the net credit authorisations would have been negative according to the initial estimate – aggregated across all Laender – which would have equated to a repayment of total debt. As we all know, this did not happen at all. The majority of the data for the current year 2023 has now been published as well, with the credit authorisations for 13 of the 16 German Bundeslaender totalling EUR 81.3bn. Once we have obtained all the figures, we again expect to exceed EUR 90bn. For the capital market, this means that a substantial supply will meet diminishing demand from the ECB. On balance, the spread effects in this segment are likely to remain manageable for the moment. By this, we do not mean the up and down pattern of current yields, but rather the slowly rising ASW spread.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



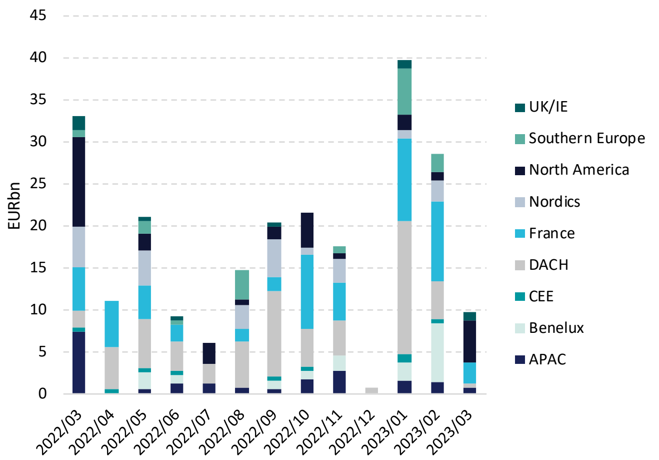
EUR benchmark volume by region (in EURbn)



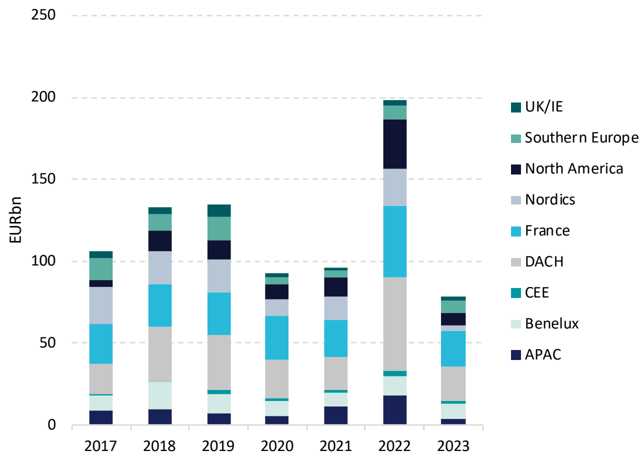
Top-10 jurisdictions

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	247.3	238	16	0.96	9.6	5.3	1.11
2	DE	190.0	271	31	0.65	8.1	4.3	0.88
3	CA	85.2	64	0	1.30	5.6	2.9	0.74
4	NL	76.3	76	2	0.94	10.9	6.7	0.98
5	ES	74.9	60	6	1.14	11.0	3.7	1.91
6	AT	49.1	84	4	0.58	8.7	5.4	1.09
7	IT	46.3	57	2	0.79	9.2	3.6	1.24
8	NO	46.3	55	11	0.84	7.3	3.8	0.51
9	FI	32.9	35	3	0.93	7.4	3.8	0.90
10	AU	32.3	32	0	1.01	7.6	3.8	1.19

EUR benchmark issue volume by month

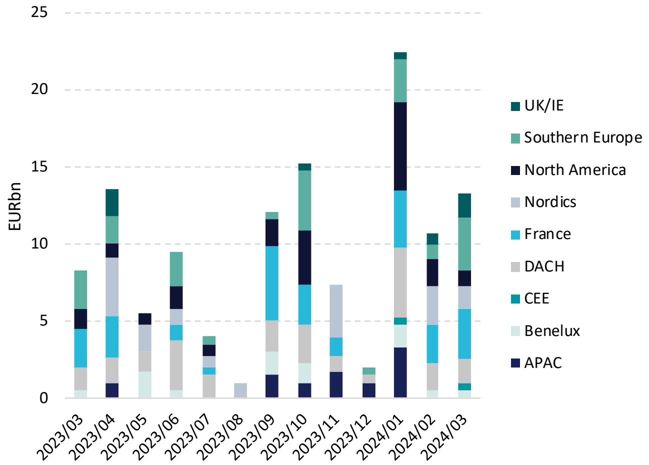


EUR benchmark issue volume by year

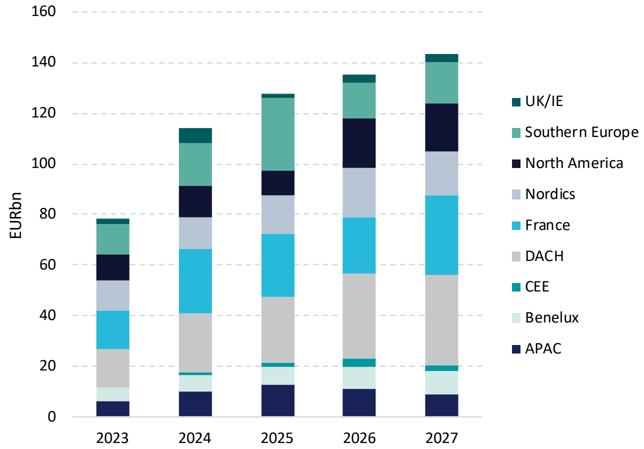


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

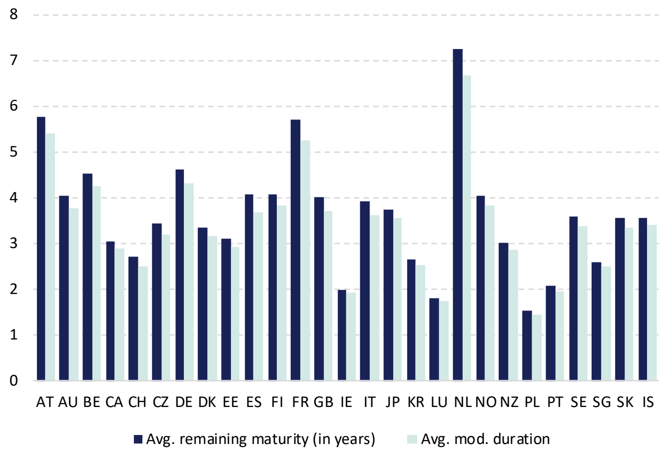
EUR benchmark maturities by month



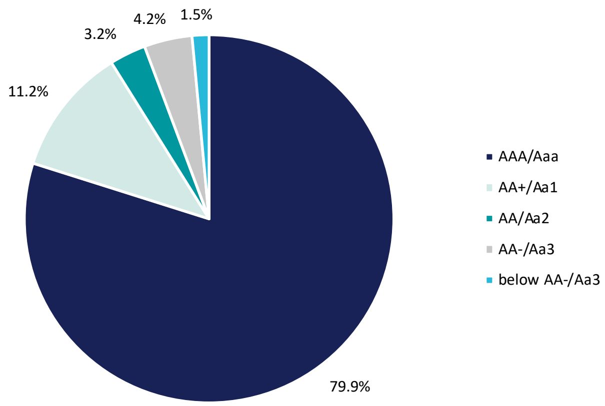
EUR benchmark maturities by year



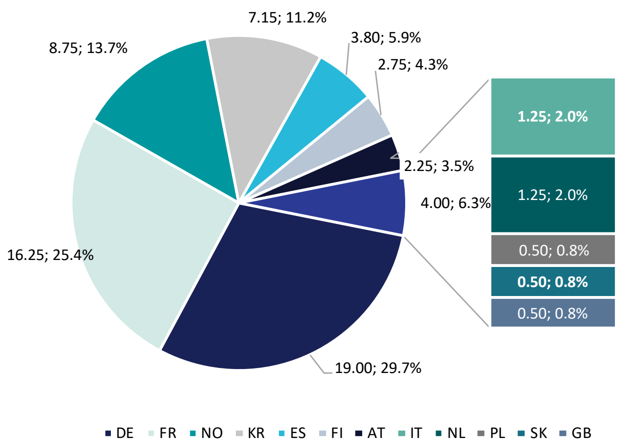
Modified duration and time to maturity by country



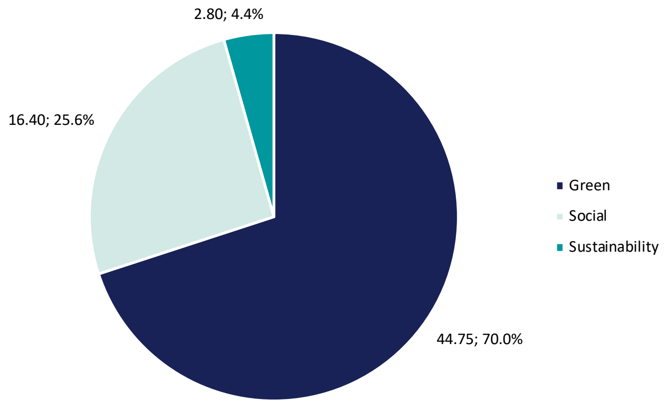
Rating distribution (volume weighted)



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

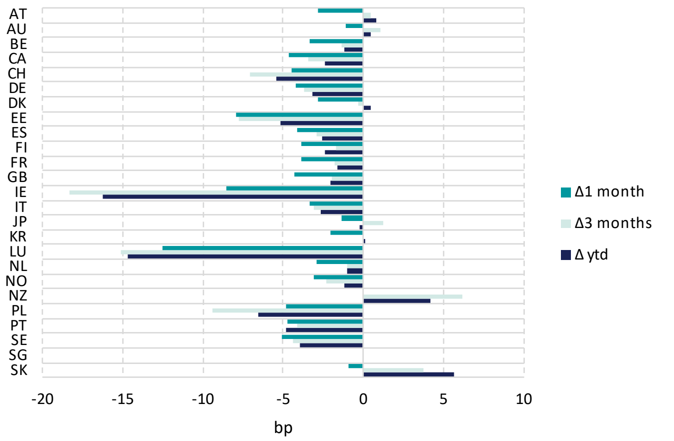


EUR benchmark volume (ESG) by type (in EURbn)

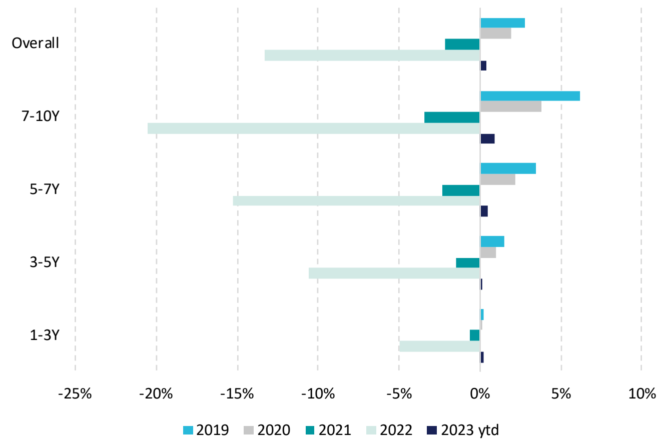


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

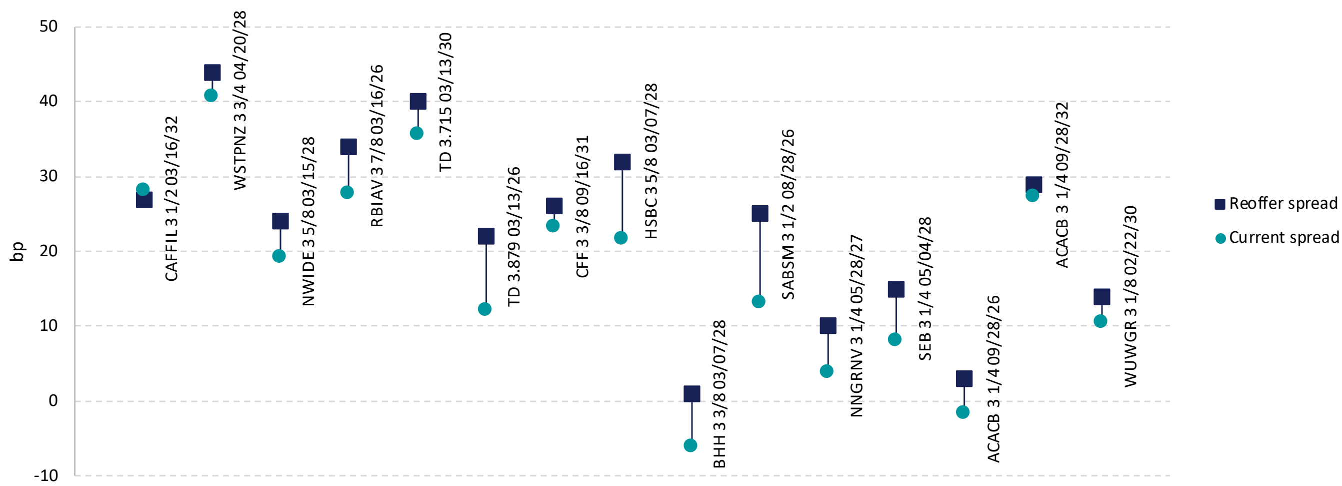
Spread development by country



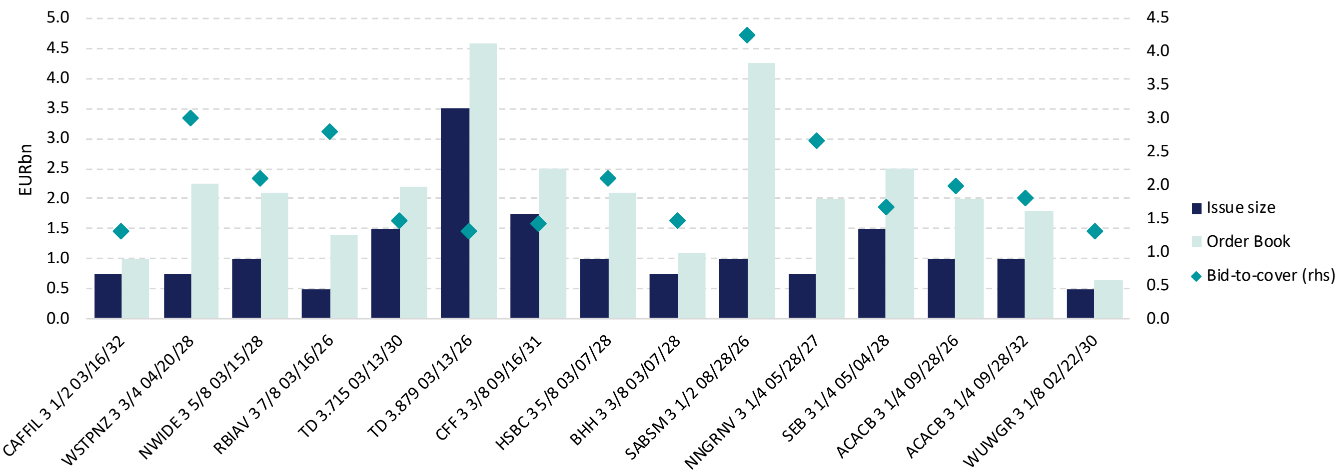
Covered bond performance (Total return)



Spread development (last 15 issues)



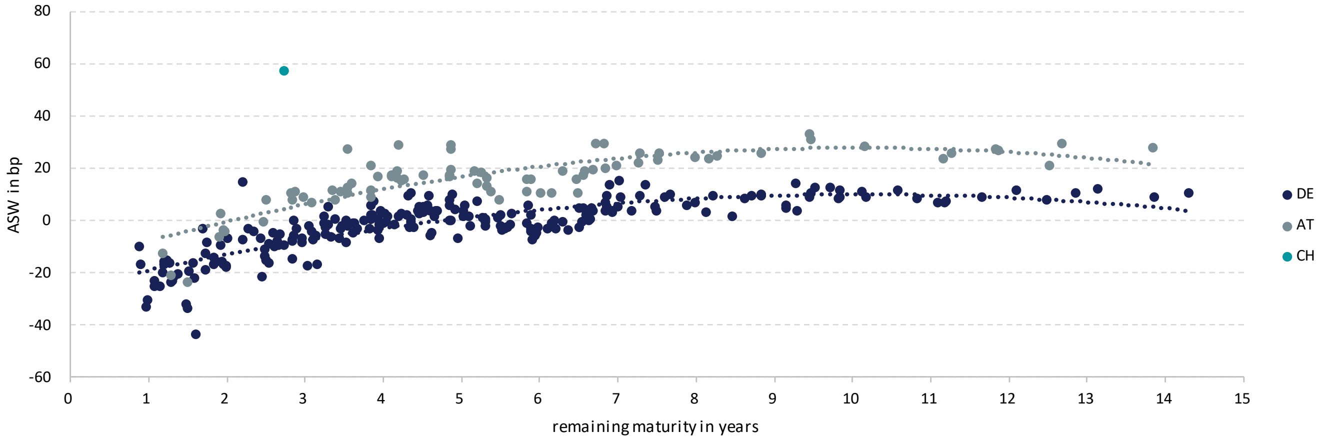
Order books (last 15 issues)



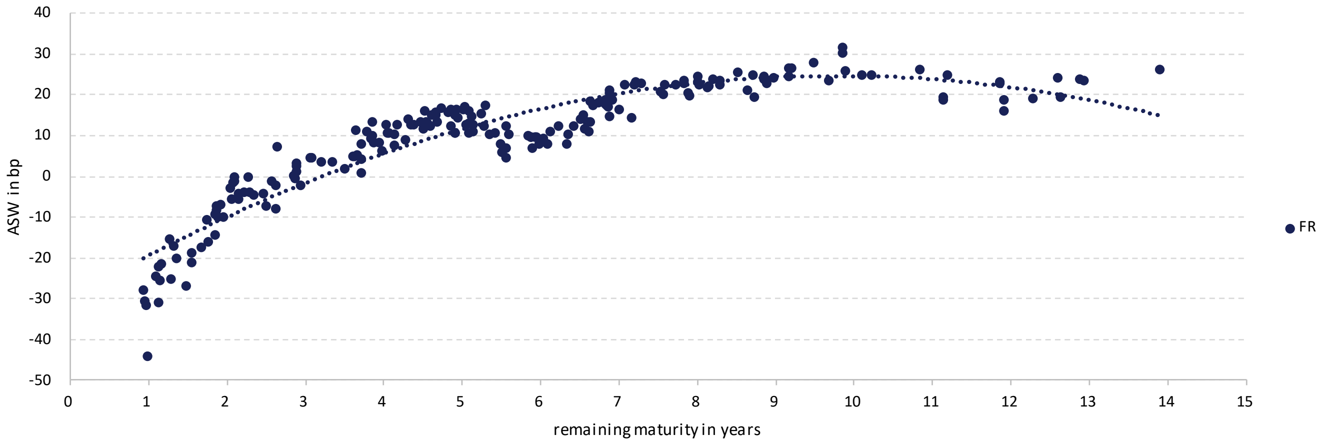
Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview[1]

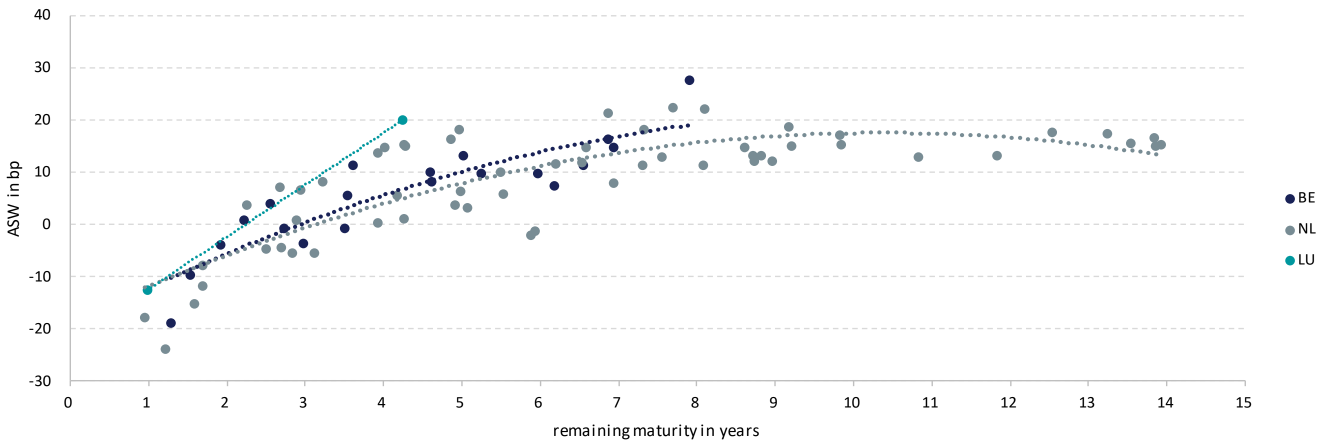
DACH



France

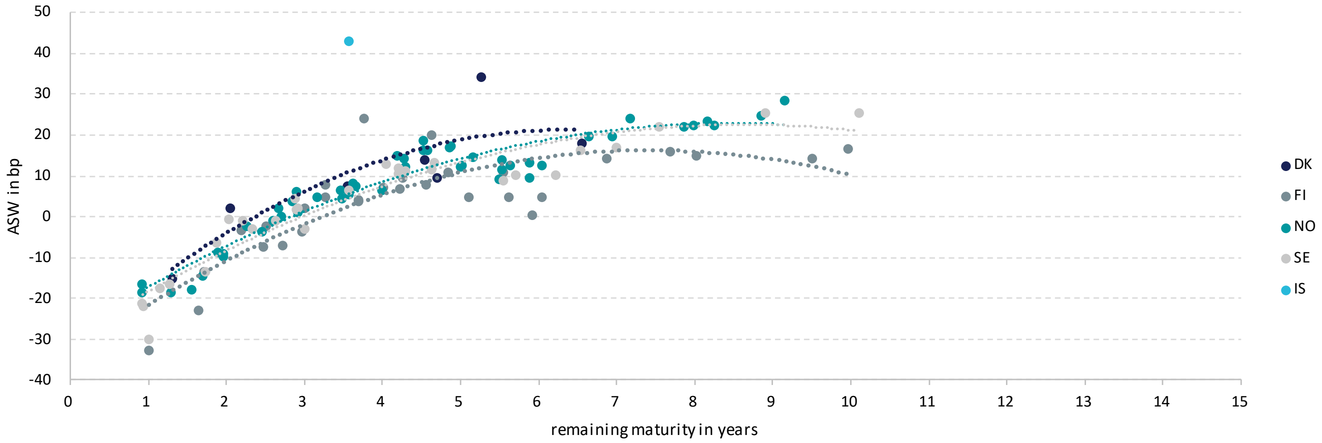


Benelux

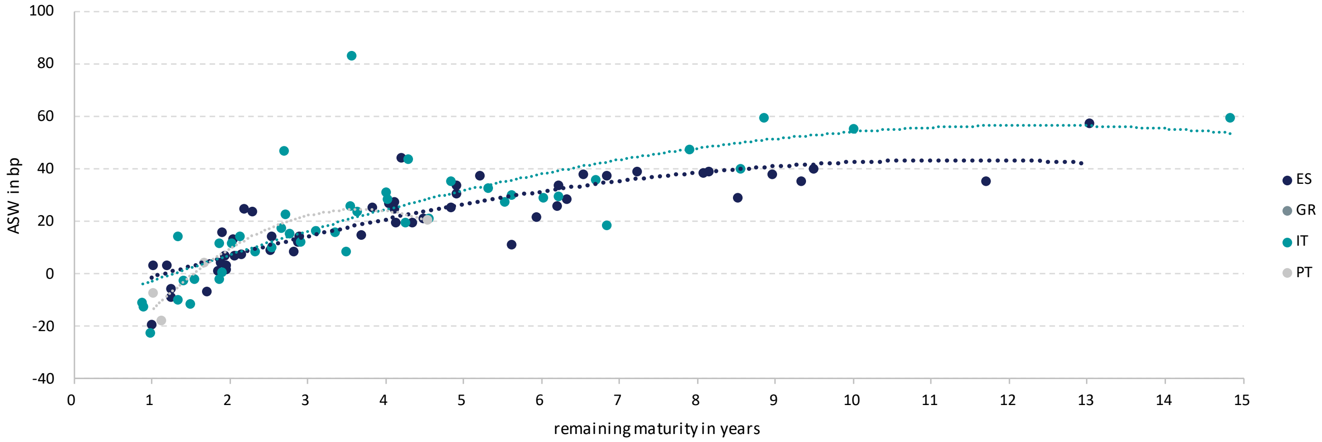


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research [1]Time to maturity 1 ≤ y ≤ 15

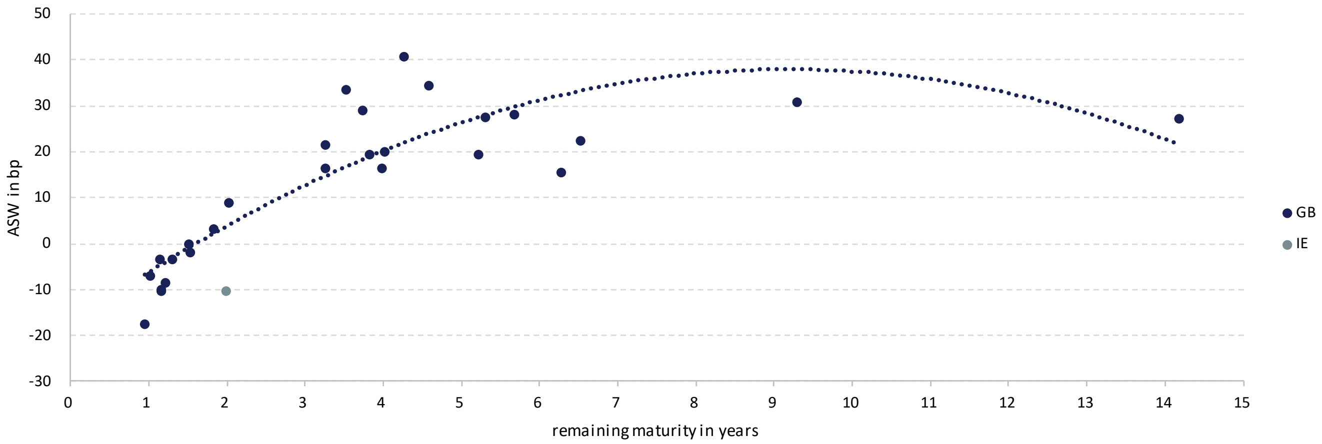
Nordics



Southern Europe

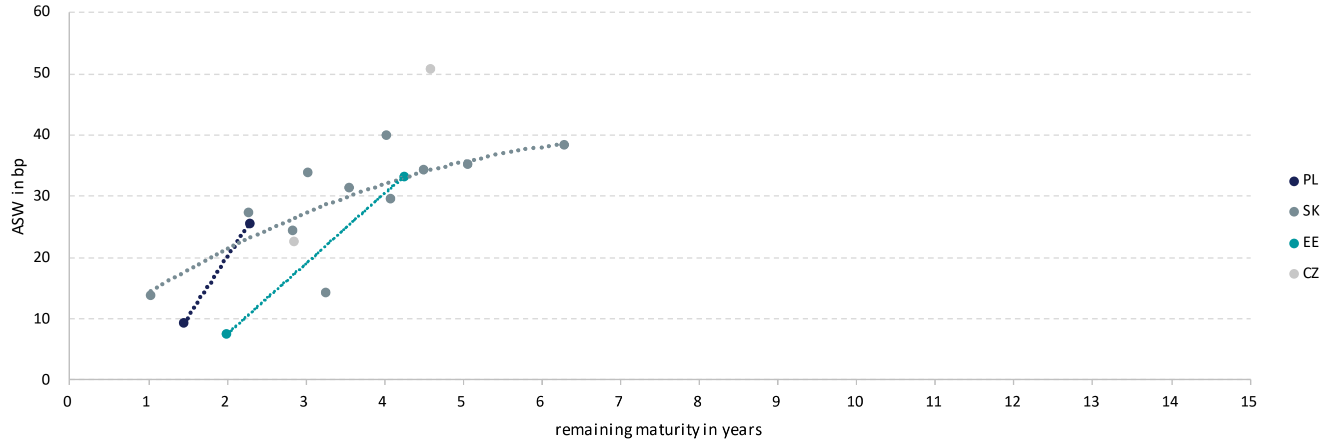


UK/IE

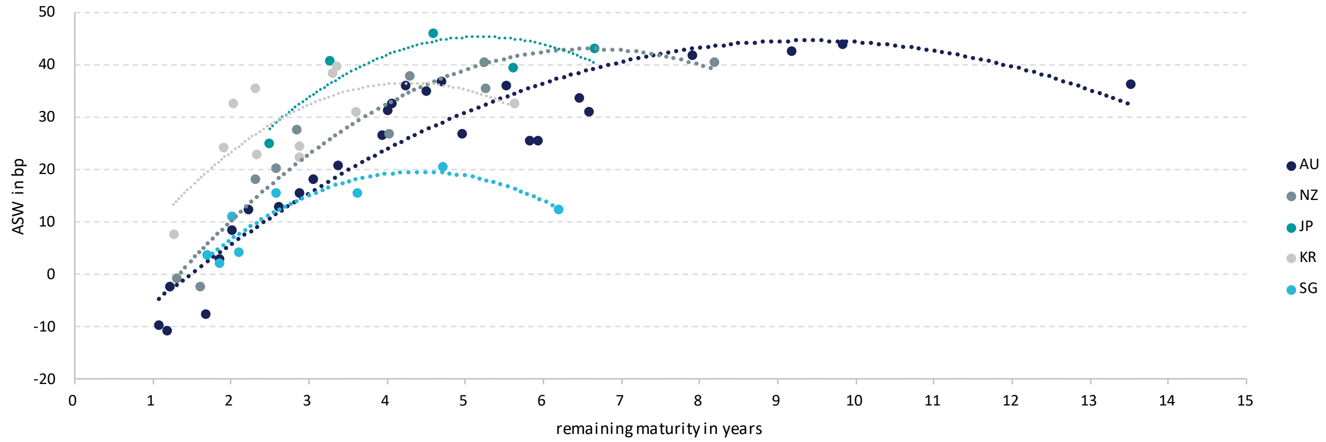


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

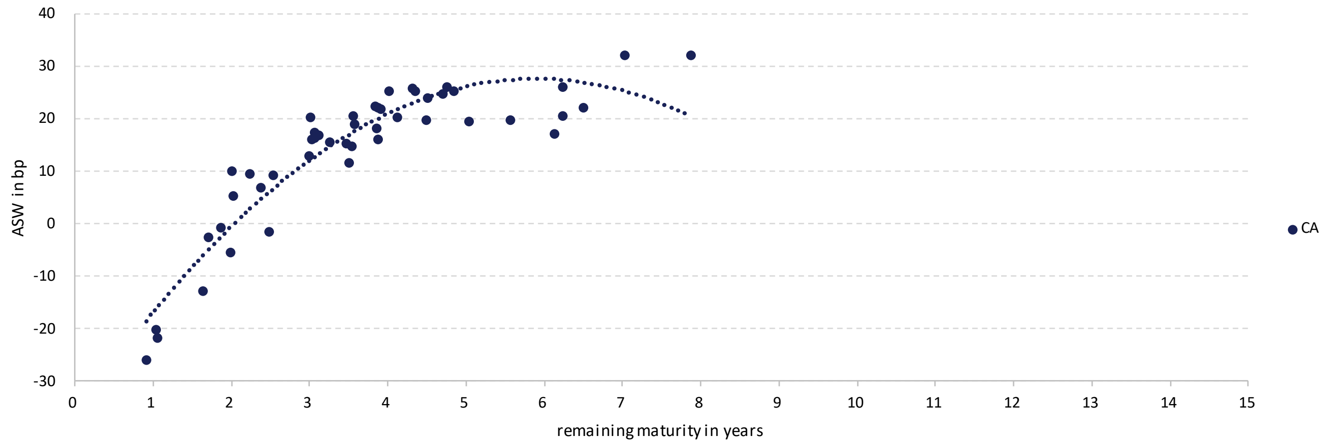
CEE



APAC



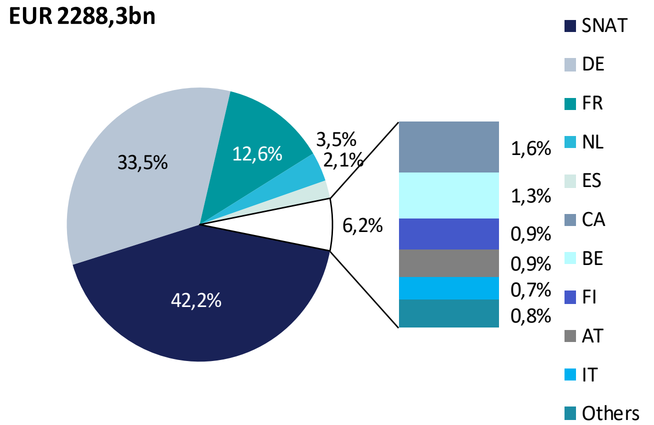
North America



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

Charts & Figures
SSA/Public Issuers

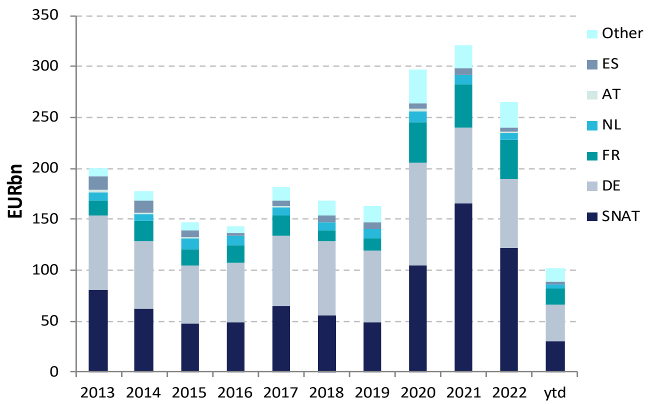
Outstanding volume (bmk)



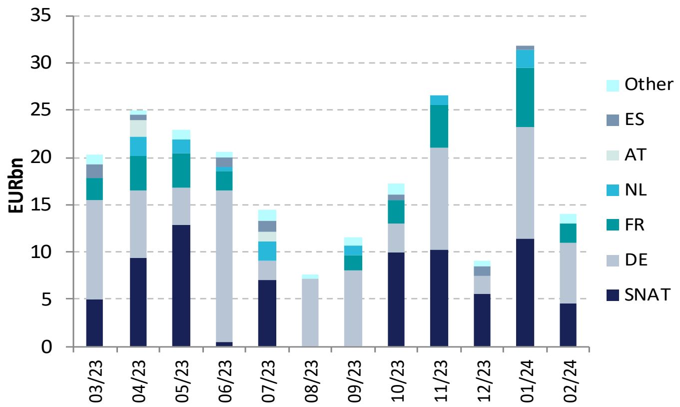
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	965,4	226	4,3	8,0
DE	765,7	565	1,4	6,3
FR	288,1	190	1,5	6,1
NL	79,4	70	1,1	6,5
ES	48,9	65	0,8	4,7
CA	35,5	25	1,4	4,5
BE	30,2	34	0,9	11,4
FI	21,2	24	0,9	5,2
AT	19,6	22	0,9	4,3
IT	15,5	20	0,8	4,7

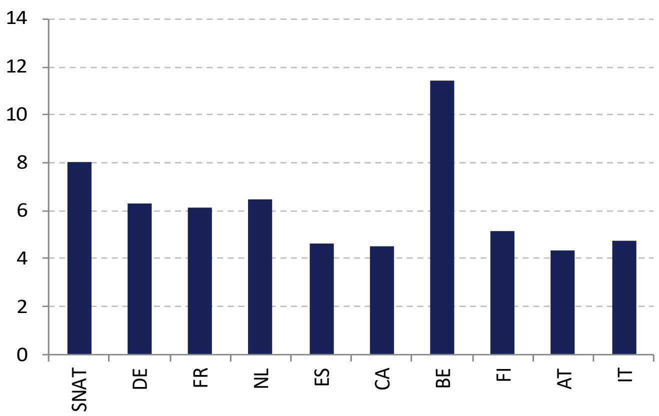
Issue volume by year (bmk)



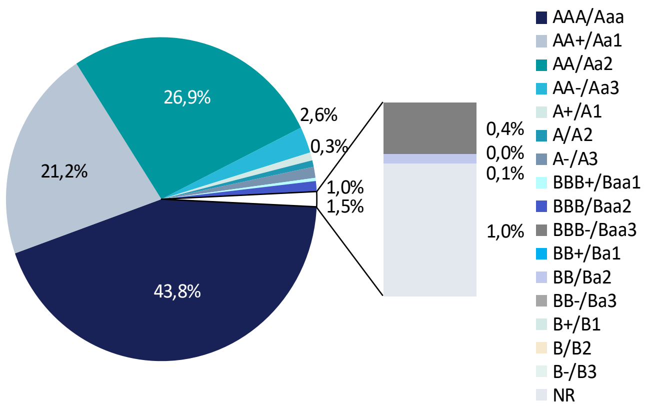
Maturities next 12 months (bmk)



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

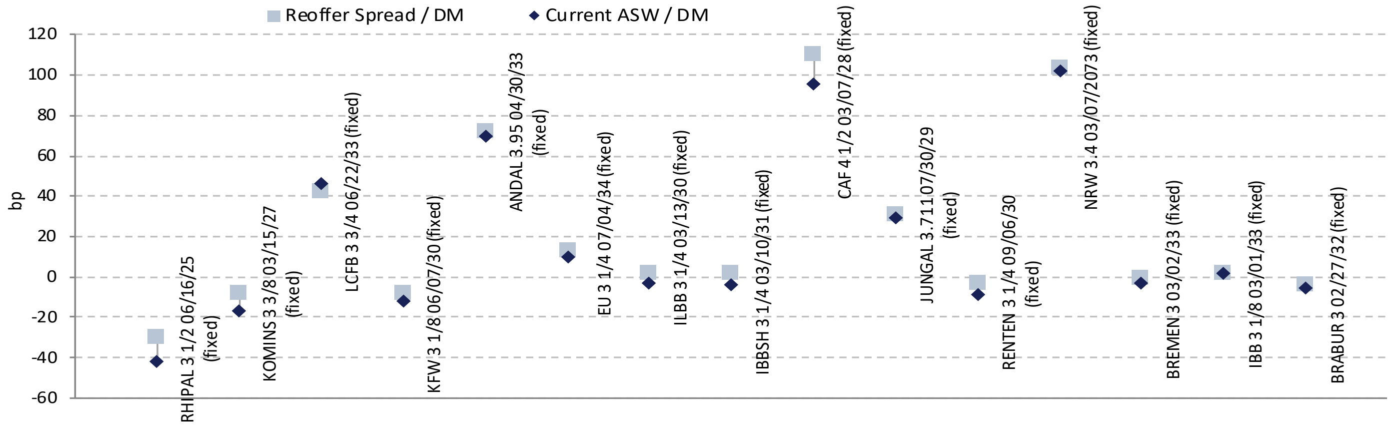


Rating distribution (vol. weighted)

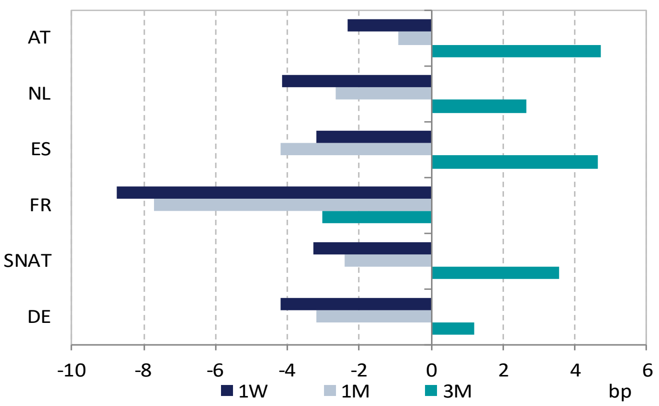


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

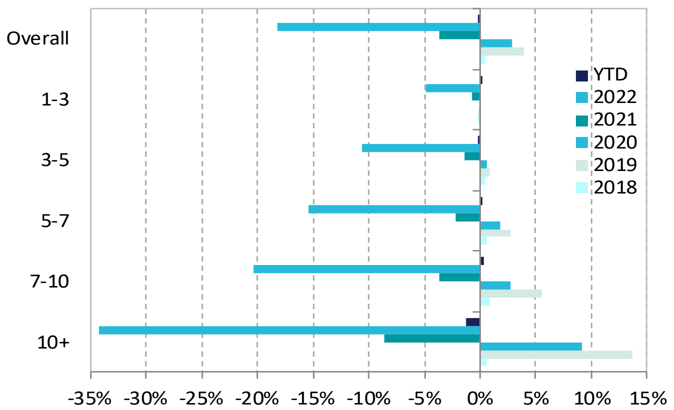
Spread development (last 15 issues)



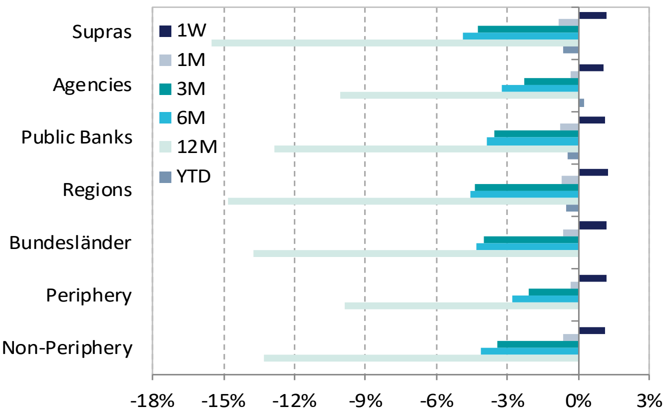
Spread development by country



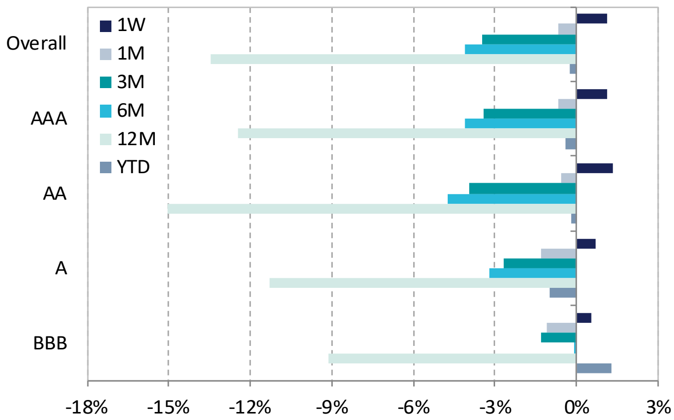
Performance (total return)



Performance (total return) by segments

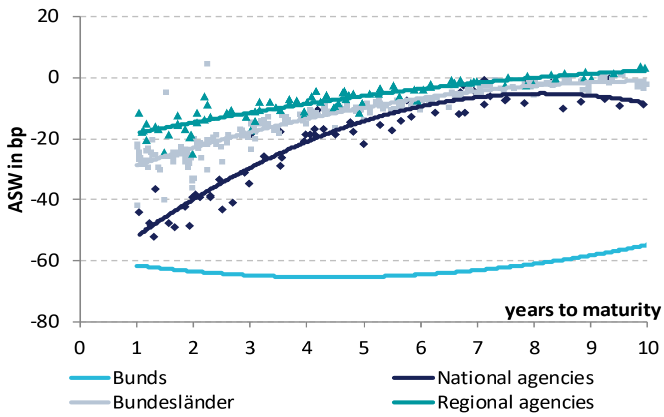


Performance (total return) by rating

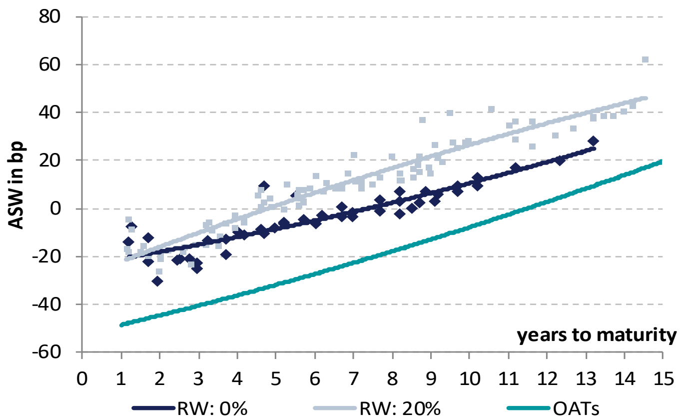


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

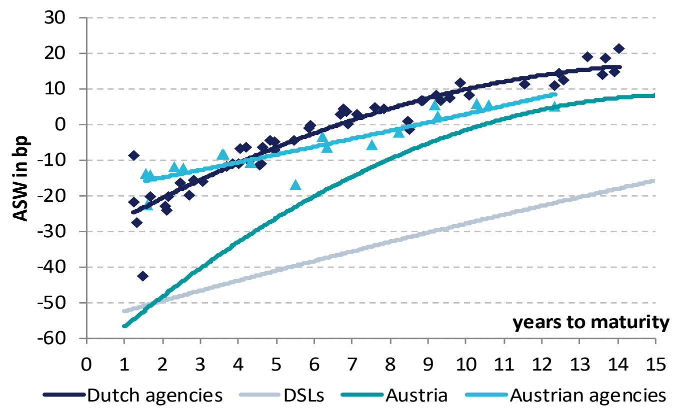
Germany (by segments)



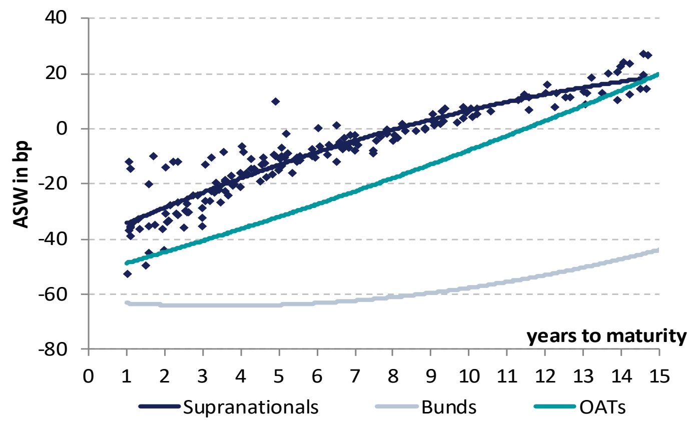
France (by risk weight)



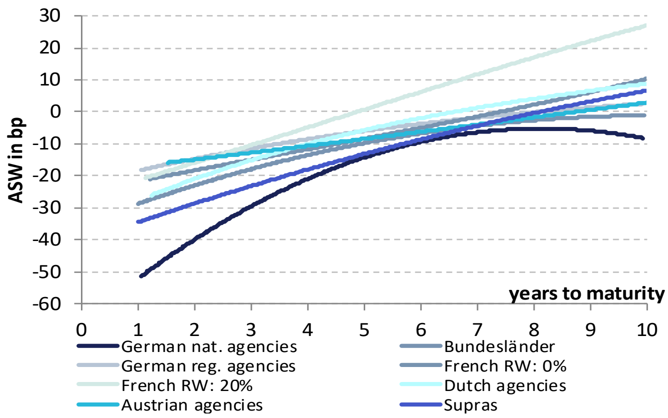
Netherlands & Austria



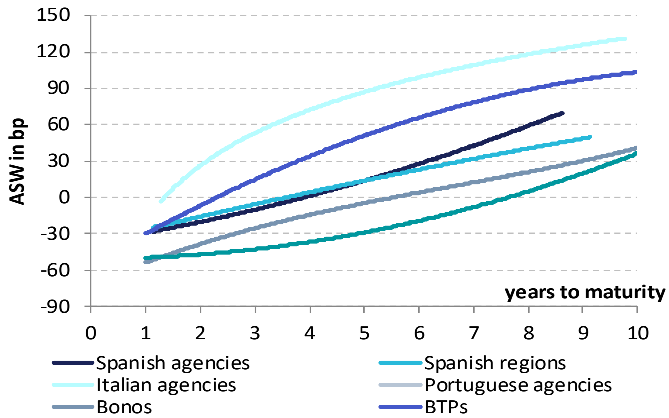
Supranationals



Core



Periphery



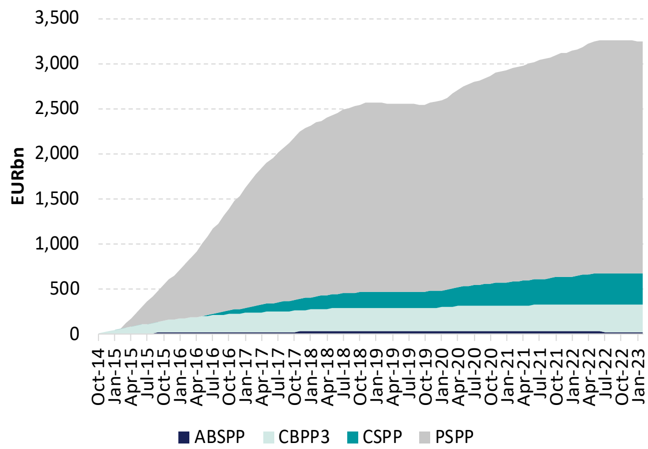
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

ECB tracker

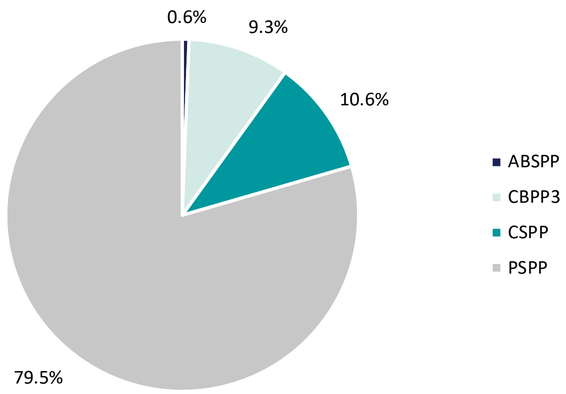
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Jan-23	20,829	303,269	344,010	2,584,798	3,252,906
Feb-23	20,191	302,677	344,102	2,584,935	3,251,905
Δ	-638	-592	+92	+137	-1,001

Portfolio development

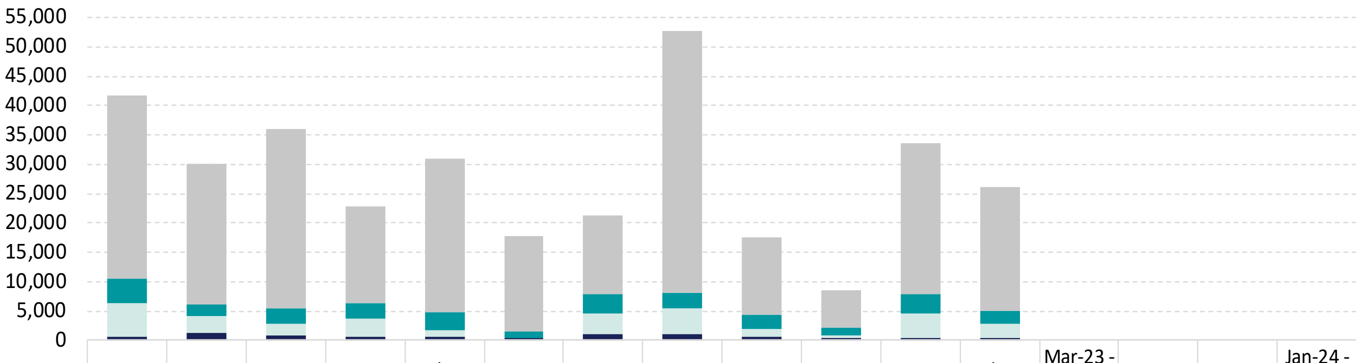


Portfolio structure



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

Expected monthly redemptions (in EURm)

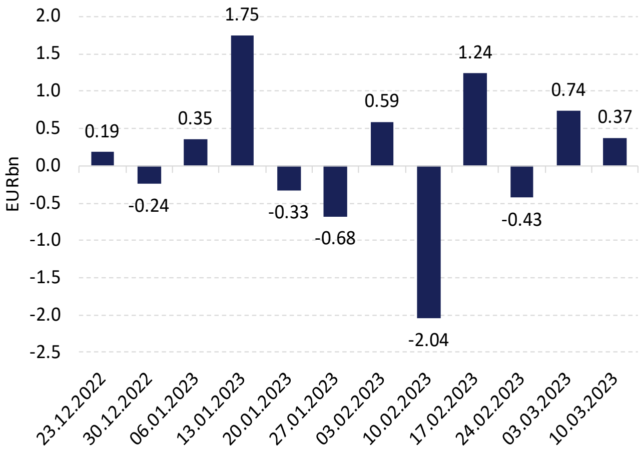


	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-23 - Feb-24	2022	2023	Jan-24 - Feb-24
APP	41,620	29,968	35,912	22,863	30,887	17,856	21,217	52,596	17,507	8,556	33,467	26,100	338,549	299,142	331,104	331,104
PSPP	31,061	23,858	30,558	16,619	26,130	16,445	13,351	44,559	13,255	6,336	25,524	21,013	268,709	228,585	255,266	255,266
CSPP	4,219	1,965	2,579	2,557	3,038	986	3,377	2,616	2,393	1,336	3,357	2,282	30,705	17,670	30,428	30,428
CBPP3	5,631	2,937	1,874	3,112	1,170	0	3,346	4,465	1,351	408	4,109	2,447	30,850	41,244	35,145	35,145
ABSPP	709	1,208	901	575	549	425	1,143	956	508	476	477	358	8,285	11,643	10,265	10,265

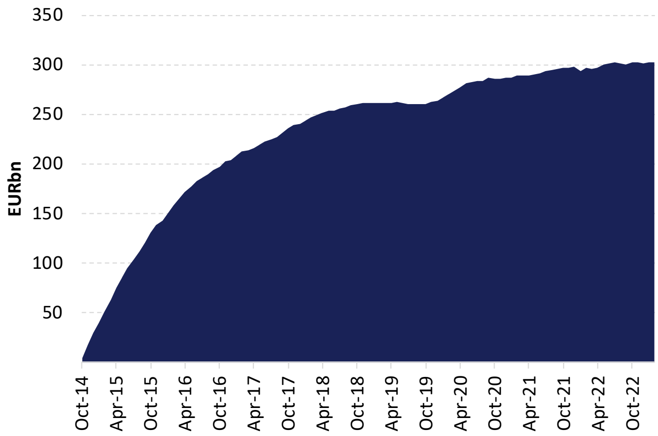
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

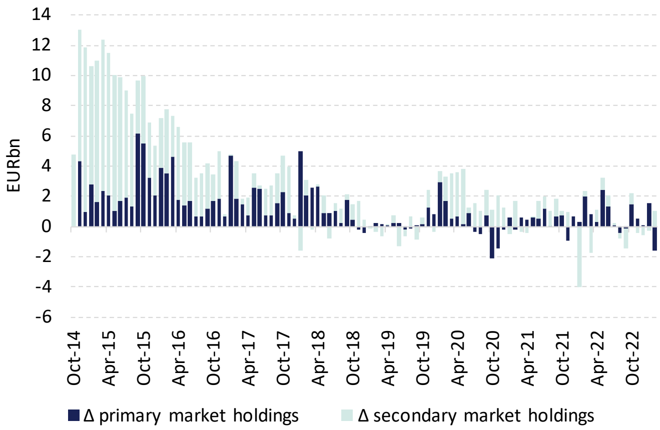
Weekly purchases



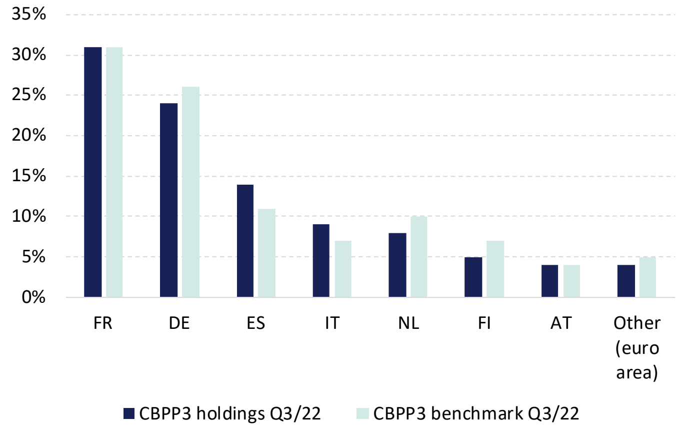
Development of CBPP3 volume



Change of primary and secondary market holdings

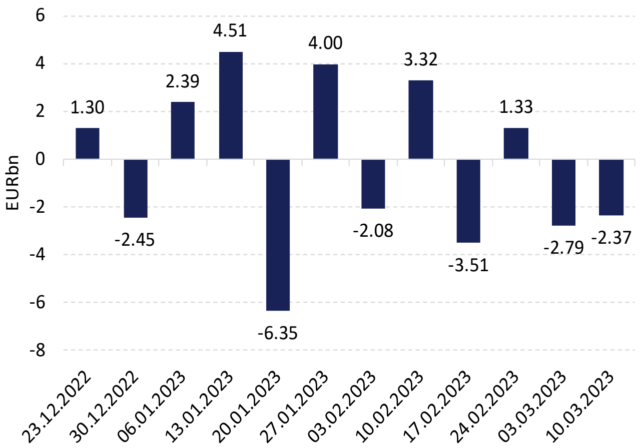


Distribution of CBPP3 by country of risk

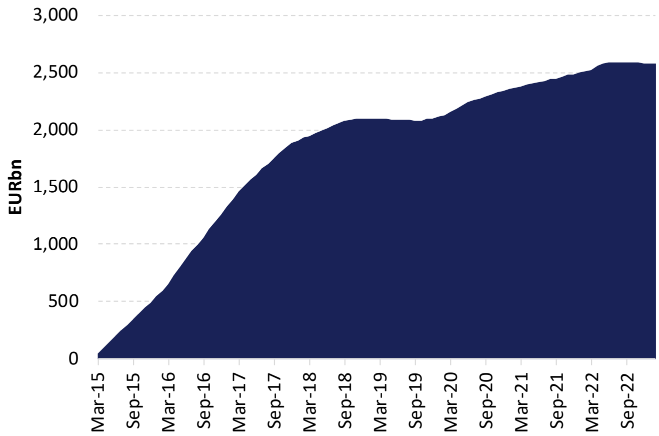


Public Sector Purchase Programme (PSPP)

Weekly purchases



Development of PSPP volume

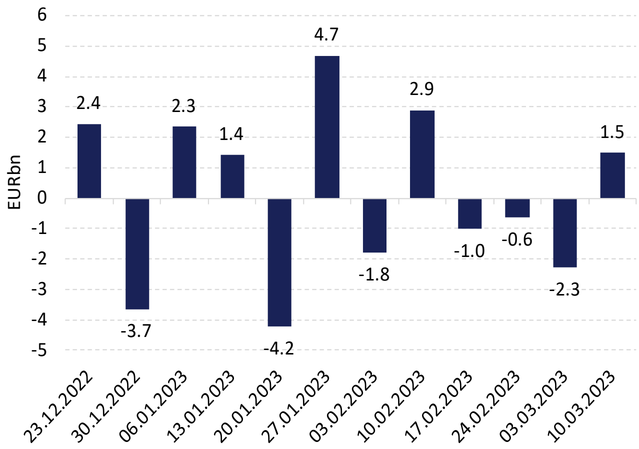


Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development

Weekly purchases



Breakdown of public sector securities under the PEPP

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

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

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Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
09/2023 ♦ 08 March	▪ ECB preview: Soft landing lets ECB play hard ball with key rates ▪ Where does the Pfandbrief stand within the covered bond universe?
08/2023 ♦ 01 March	▪ The covered bond market and the ECB: a gradual farewell? ▪ Beyond Bundeslaender: Focus on Greater Paris (IDF and VDP)
07/2023 ♦ 22 February	▪ The Italian market for EUR benchmark covered bonds ▪ European supranationals – an overview
06/2023 ♦ 15 February	▪ Maturity premiums on covered bonds ▪ Development of the German property market ▪ Spotlight on the EU: a mega issuer spawned by the crisis
05/2023 ♦ 08 February	▪ January 2023: record start to the new covered bond year ▪ SSA monthly review: dynamic issuance activity to kick off the new year
04/2023 ♦ 01 February	▪ Focus on covered bond jurisdictions: Canada in the spotlight ▪ Focus on covered bond jurisdictions: Slovakia and Czech Republic in the spotlight ▪ 26th meeting of the Stability Council (December 2022)
03/2023 ♦ 25 January	▪ ECB preview: all eyes and ears on the press conference ▪ Successful start to the year for EUR sub-benchmarks as well ▪ ESG covered bonds from France: La Banque Postale SFH issues inaugural social covered bond
02/2023 ♦ 18 January	▪ Focus on covered bond jurisdictions: Belgium in the spotlight ▪ The Moody's covered bond universe: an overview ▪ Beyond Bundeslaender: focus on Belgian issuers
01/2023 ♦ 11 January	▪ ECB review: 2022 entailed all manner of monetary policy action ▪ Covered Bonds Annual Review 2022 ▪ SSA: Annual review of 2022
39/2022 ♦ 14 December	▪ Our view of the covered bond market heading into 2023 ▪ SSA outlook 2023: ECB, NGEU and the debt brake in Germany
38/2022 ♦ 07 December	▪ ECB preview – next hike but total assets (finally) reduced?! ▪ Covered bond jurisdictions in the spotlight: a look at Spain
37/2022 ♦ 30 November	▪ Transparency requirements §28 PfandBG Q3 2022 ▪ ECB repo collateral rules and their implications for Supranationals & Agencies
36/2022 ♦ 23 November	▪ ESG covered bonds - another record year ▪ Current LCR classifications for our SSA coverage
35/2022 ♦ 16 November	▪ Covered bond jurisdictions in the spotlight: a look at Austria ▪ Development of the German property market ▪ EIB goes Blockchain… again!

NORD/LB: Markets Strategy & Floor Research

NORD/LB: Covered Bond Research

NORD/LB: SSA/Public Issuer Research

Bloomberg: RESP NRDR <GO>

Appendix
Publication overview

Covered Bonds:

Issuer Guide Covered Bonds 2022

Covered Bond Directive: Impact on risk weights and LCR levels

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

Transparency requirements §28 PfandBG Q3/2022 (quarterly update)

Covered bonds as eligible collateral for central banks

SSA/Public Issuers:

Issuer Guide – German Laender 2022

Issuer Guide – German Agencies 2022

Issuer Guide – Dutch Agencies 2022

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Spotlight on Spanish regions (Update planned in 2023)

Fixed Income Specials:

ESG-Update 2022

ECB interest rate decision: Roadmap to QT

ECB: The Wishing-Table, the Gold-Ass, and the Cudgel in the Sack

ECB interest rate decision: delivered as expected?

ECB acts as the 'House of Hikes' – or: Winter is coming!

Appendix
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Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

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Time of going to press: Wednesday, 15 March 2023 (08:55)