With the Whitsun holiday approaching
...we'll be taking a short break!
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Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

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Marketing communication (see disclaimer on the last pages)

NORD/LB

Agenda

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Market overview Covered Bonds

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One public holiday after another – "full" week with brisk primary market activity

With last Thursday a public holiday in several European countries, Friday was popular as a "bridge day" to create an extended weekend off work. The result was a quiet end to the week for the primary market, although the issuance window was wide open again on Monday with a range of issuers in the starting blocks. In fact, Aktia Bank (FI), Equitable Bank (CA) and van Lanschot (NL) all announced deals on Monday, with KBC Bank issuing a bond of its own on the same day. Before tackling the current week in greater detail, we should mention the covered bond placed by the Danish issuer Jyske Bank (EUR 750m, 7y) on Wednesday last week. This deal went into the marketing phase with an initial guidance of ms +34bp area before eventually being issued at ms +30bp. KBC Bank from Belgium kicked off the current week by raising a total of EUR 750m at ms +15bp from investors for a term of five years. Based on the initial guidance of ms +17bp, the deal tightened by two basis points after generating an order book of EUR 1.1bn. Another issuer from our neighbours to the west, namely ING Belgium, followed on Tuesday. The subsidiary of the Dutch ING group raised EUR 1.25bn at ms +17bp (4y, guidance: ms +19bp area). The order book amounted to EUR 1.5bn. Staying with events from yesterday, the Finnish bank Aktia approached investors with an offer. Aktia, which was making its first primary market appearance since January 2022, offered EUR 500m (WNG) with a guidance of ms +21bp area for a bond with a 4y term to maturity. After a period of around two hours, the deal was placed at ms +17bp (order book: EUR 1.1bn). Looking at the issuance pipeline, we expect the primary market to remain active over the next few days.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Equitable Bank	CA	23.05.	XS2629069498	3.0y	0.30bn	ms +52bp	AA / - / -	-
Aktia Bank	FI	23.05.	XS2630109226	4.0y	0.50bn	ms +17bp	- / Aaa / -	-
ING Belgium	BE	23.05.	BE0002947282	4.0y	1.25bn	ms +17bp	AAA / Aaa / -	-
KBC Bank	BE	22.05.	BE0002948298	5.0y	0.75bn	ms +15bp	AAA / Aaa / -	-
Jyske Realkredit	DK	17.05.	DK0009412553	7.1y	0.75bn	ms +30bp	- / - / AAA	-

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

Secondary market: spreads stable with solid demand

Since the last edition of our weekly publication, it has also been relatively quiet on the customer demand front. In actual fact, this has basically been the case for the entire month, with the spate of public holidays having certainly played a role in this situation. Bonds with short terms with maturities in 2024 and 2025 are still subject to greater demand, with demand clearly exceeding supply here. Demand for bonds with residual maturities of three years is much lower. Spreads have been stable recently, with new issues being absorbed by the market and narrowing slightly.

Achmea sounding out investors with regard to swapping from CPT to soft bullet bonds

In the Netherlands, Achmea Bank is currently offering its investors the opportunity to switch its outstanding covered bonds with a CPT structure (XS1722558258, XS1953778807, XS2189964773) to a soft bullet structure. Voting is open until 09 June. We have looked in extensive detail at the various repayment structures for covered bonds in our Covered Bond focus article "Repayment structures on the covered bond market: an update" in this issue of our weekly publication.

Equitable Bank places fourth EUR sub-benchmark

The first overseas issuer to approach investors this month was the Canadian issuer Equitable Bank. We want to highlight this deal because it involves an active EUR sub-benchmark issuer. The issue was announced with guidance of ms +50-52bp and a term to maturity of three years. The consortium had announced a possible benchmark deal (EUR 500m) in advance of the placement, with an order book of EUR >300m ultimately producing a final spread of ms +52bp in the end. The deal arrangers cited an expected rating of AA (Fitch), with an issuer rating of BBB-. Equitable Bank has been a regular issuer in the EUR sub-benchmark segment since 2021 and now boasts four bonds with a total volume of EUR 1.2bn. The EUR sub-benchmark segment therefore amounts to EUR 28.2bn overall, with EUR 4.7bn of this figure having been issued this year alone. With new issues in this sub-segment totalling just under EUR 1.9bn in 2023, Austria continues to rank among the most active jurisdictions here.

Fitch comments on strong issuance activity from Canada

In mid-May, the rating agency Fitch commented on the covered bond issuance volume from Canadian banks in the first quarter of 2023. According to our data, a total of EUR 13.0bn in EUR benchmark bonds was issued from Canada in the current year up to and including 23 May 2023, with EUR 11.3bn of this figure coming in the first three months alone. The outstanding volume totals EUR 88.2bn. Measured against the EUR 118.5bn in EUR benchmarks issued so far this year, Canada therefore accounts for the third-largest share after France (EUR 29.7bn) and Germany (EUR 21.8bn). Fitch does not see any major risks in the relatively high volume of covered bond issues and the resulting encumbered assets (Total Assets Pledged), as the Canadian regulator has stipulated an issuance limit of 5.5% for issuers (ratio of assets encumbered by covered bonds to the total assets of the bank). According to Fitch, the average limit utilisation (based on the covered bond programmes rated by the agency) is 3.5% and the individual values for each issuer are between 2.5% and 4.8%. The rating agency also describes the performance of the Canadian cover pools as stable since December 2022, although inflation in Canada is exerting a negative influence on consumers. For this year, Fitch is working on the assumption that the USA will slide into a recession, which will spread to Canada and therefore have a slight impact on credit quality north of the border as well. However, the rating agency has left the rating outlook for covered bonds unchanged at "stable", as the programmes have a buffer against possible issuer downgrades of one to seven notches. We still expect a further EUR 4.0bn or so in EUR benchmark issues from Canada this year. We last discussed this sub-market in greater detail back in February of this year, when we published a focus article as part of our weekly publication.

Following strong Q1, Scope sees Italian banks as well set for the full year 2023

The rating agency Scope has analysed the most recent quarterly results reported by Italian banks in greater detail and sees the pleasing results as confirmation of its own assessment of the credit profile of domestic banks. Supported by the combination of higher interest margins, cost-cutting measures and lower provisions for loan defaults, the experts from Scope expect a continuation of the positive development over the next few months. The banks covered by Scope anticipate that net interest income will grow by +27% Y/Y across the full year 2023, having previously projected an increase of +18% Y/Y. At the same time, the banks do not expect any rise in risk costs, which are currently at record lows. Nevertheless, Scope has also identified some risks on the horizon. This is due to the fact that high inflation and rising credit costs impact the risk tolerance of banks and demand for credit. For example, declining credit demand could in turn affect the earnings situation. The non-performing exposure (NPE) ratios are currently stable with increasing coverage ratios. Capital ratios have also risen, meaning that Italian banks have built up a healthy buffer against macroeconomic uncertainties, as Scope explains. So far, there have been no signs in Italy of a price war for deposits. Despite pending maturities of around 45% of the outstanding TLTRO III tenders at the end of June, according to Scope there is hardly any issuance requirement due to "pre-financing" activities on the capital market. Nevertheless, we are still expecting to see new covered bond deals from Italy totalling EUR 9.0bn this year, with a total of EUR 7.3bn set to fall due before the end of the year as well. With Italy still taking its time to implement the Covered Bond directive, the suspense is rising as we wait to see who makes the first move under the country's new legal framework. We took a closer look at the Italian covered bond market as part of our weekly publication as well as more recently in The Covered Bond Report "The Southern European Covered Bond Roundtable 2023".

vdp: demand for real estate financing remains low

The Association of German Pfandbrief Banks (vdp) has reported in a press release that vdp member banks provided new real estate financing of EUR 25.6bn in the first quarter of the year. This reflects a slight increase of +3.2% in comparison with the previous quarter, although the value still lags well behind the record quarter (Q1 2022) of EUR 49.0bn. At this time, anticipatory effects in expectation of rising interest rates were responsible for a sharp increase. Altered framework conditions resulting from the war in Ukraine, inflation and interest rate hikes are the reasons behind this diminished momentum. In addition, the process of price adjustment on the buy and sell side has not yet been completed, which is leading to a degree of reluctance to make transactions. In the first quarter of 2023, demand for residential mortgage loans on the part of vdp member bank customers amounted to EUR 16.3bn (-4.2% Q/Q), with commercial real estate financing accounting for a sum of EUR 9.3bn (+19.2% Q/Q and -45.0% Y/Y). Increased yield requirements, price rises over the past decade, higher financing costs and requirements for energy-efficient renovations, among other aspects, have reduced the relative attractiveness of the real estate asset class. Jens Tolckmitt, vdp Chief Executive, evaluates the figures as follows: "As long as the current phase of uncertainty over the further development of prices and interest rates persists, demand for financing is also likely to remain restrained".

Spain adopts new property law with its sights set on renters

In mid-May, the Senate of Spain approved a package of measures allowing the state to intervene in areas such as housing, renovation, regeneration and urban renewal. In this way, the aim is to guarantee access to the housing market for vulnerable groups with affordable rents. Among other aspects, the law stipulates rent caps, tax surcharges for vacant houses and eviction protection for households. Moody's has evaluated the effects of the new law as negative for banks and securitisations, which it puts down to reduced incentives for investors to invest in the real estate market. In addition, the law would make it more difficult for banks to sell problematic assets in addition to limiting rental yields for properties held by banks and reducing income (due to any longer-lasting periods in which no rent is paid owing to the fact that forced evictions or sales are no longer possible). This is negative for covered bonds, as recovery rates could fall and investor interest in residential real estate assets could potentially dwindle. A revised version of the Spanish Covered Bond Act was also adopted by Congress last week. Moody's sees these revisions as positive for bonds in Spain. The acceleration test has been corrected so that the administrator now has the option of managing the cover pool and servicing the bonds until final maturity or, where the value of the cover assets is greater than the value of the bonds, transferring the cover pool and covered bonds to another entity. Should the value of the cover assets be less than the value of the covered bonds, the maturity of the covered bonds would be accelerated and the pool would be liquidated. Under the current law, there are ambiguities (errors) that make premature maturity more likely even when the programme is overcollateralised. The revised version now aligns with existing frameworks in other EU markets and reduces the default risk. Cover assets can now also be exchanged, with the revised act now also stipulating the frequency of real estate valuations as at least once per year. At present, the Spanish market for EUR benchmark covered bonds is worth EUR 73.7bn (which puts Spain among the top five jurisdictions). A total of EUR 7.8bn has already been issued in 2023, and we are still expecting another EUR 4.3bn in new deals by the end of the year. At the end of 2022, we took a closer look at the jurisdiction of Spain as part of our weekly publication.

Poland: (Long-term) covered bonds soon to be regulated?

The Polish Press Agency (PAP) recently reported on plans drawn up by the Polish financial supervisory body, according to which domestic banks could soon issue covered bonds on a more regular basis. This is due to the fact that the regulatory authority (KNF) has identified increased risks in connection with managing interest rate and liquidity risks. As a solution to the alteration of asset-liability structures at Polish banks, the KNF is planning to introduce a new indicator for long-term financing (WFD for short). Currently, three options are on the table: 1) mild: 20%, 2) moderate: 40%, and 3) restrictive: 60%. Under the mild option, the banks would have to issue PLN 14.5bn (equivalent to roughly EUR 3.2bn) in covered bonds, while this value would rise to around PLN 66.3bn (approximately EUR 14.7bn) for the moderate option and PLN 137.0bn (or around EUR 30.4bn) under the third (restrictive) option. Currently, Polish banks mostly use short-term deposits for refinancing purposes. Under the terms of the WFD, the seven largest banks in Poland would have an issuance requirement of 21%. At EUR 1.5bn, the Polish covered bond market ranks among the smaller EUR benchmark jurisdictions. After one bond fell due earlier this year in January (PKO Bank: deal worth EUR 0.5bn), we are still expecting a total of EUR 1.0bn in new issues from Poland by the end of 2023.

Market overview
SSA/Public Issuers

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SFIL financial year 2022: dynamic growth in new business and new collaborations

New commitments by the Société de Financement Local (ticker: SFILFR) to promote French regional and local authorities came to EUR 4.1bn in the previous financial year, of which 37% was attributable to sustainable financing for green and social programmes. Since it was established in 2013, it has therefore provided credit funding of EUR 44.0bn in total. At the beginning of 2015, the French government also asked SFIL to develop a public sector model for the provision of export credits based on the model used by the Nordic countries. New export credit business in 2022 totalled EUR 1.4bn, meaning that the credit portfolio in this segment expanded to EUR 6.6bn in total (share of the total SFIL credit portfolio: 11%). Having stood at EUR 64.4bn in the previous year, the balance sheet total had fallen slightly to EUR 63.7bn as at year-end 2022. It also concluded a new partnership with the Banque des Territoires, which came into effect in November 2022. Its aim is to provide French local authorities and hospitals, in particular, with more long-term financing at fixed interest rates over terms of between 25 and 40 years. A collaboration was also concluded with Banque Postale aimed at supporting the public sector with the financing of investments in the areas of health, education, sport, culture, development and regional cohesion via social loans in the future. Overall, this is expected to ease the pressure on the public sector in dealing with social challenges. This approach also reflects the growing sustainability-related share of new business in 2022 (EUR 774.0m) in the areas of energy efficiency, renewable energies as well as water and wastewater management, among others. On the refinancing side, SFIL raised ESG-related funds amounting to EUR 1.25bn through green and social bonds on the basis of the Green, Social and Sustainability Bond Framework, which was updated in the past year. These formats accounted for around 9% of total funding in 2022.

Schleswig-Holstein state government adopts key figures for the 2024 budget

At the end of April, the Schleswig-Holstein state government (ticker: SCHHOL) determined the key figures for the 2024 budget including the multi-year financial planning up to 2032. In the process, both income and expenditure were updated compared with the last financial planning. Given the continuing upward trend in interest rates, anticipated interest expenses for 2024 (EUR 650.7m; 2023: EUR 480.7m) were increased by EUR 170.0m in total. These expenses are also expected to increase by around 10% on average per year up to 2032. According to the Minister of Finance, Monika Heinold, Schleswig-Holstein also has to contend with additional expenses due to inflation and increases in the salaries paid under collective bargaining arrangements, higher social spending and the need to invest substantial amounts in education, digitalisation, climate protection and the energy transition. According to the budget data presented, an increase of EUR 199.8m in the adjusted revenues is expected next year. The budget balance will come in at EUR -130.3m in 2024, according to the current estimate. The expected need for action therefore comes to EUR 370.0m and will peak at EUR 586.6m in 2025 in the context of the multi-year financial planning.

IBB financial year 2022: notable increases in net interest and commission income
Looking back at 2022, which was a year shaped by multiple crises, Investitionsbank Berlin (ticker: IBB) nevertheless generated a volume of financing commitments of EUR 2.1bn. New business in its most important segment, property and urban development, was by its own account well up on the planned financing commitments, at EUR 1.4bn (incl. subsidies). However, it was only slightly up on the previous year's result (EUR 1.3bn). The level of interest rates, in particular, as well as higher construction costs resulting from the Russian war of aggression against Ukraine depressed construction activity in the capital. The effects of economic uncertainty, which has escalated still further compared with the previous year, were apparent in the business development segment, in particular. It was unable to build on its extraordinary performance in the previous year, which was shaped by one-off effects from the renationalisation of Berlin's electricity network (at a cost of EUR 900m) and reported a slight downturn in business. IBB also supported the public sector in completing infrastructure projects through municipal loans to the tune of EUR 358.0m. These new commitments exceeded the previous year's result (2021: EUR 60.6m) and by its own account significantly exceeded expectations. The newly established development area, namely labour market development, started operations in 2022 and had already made its first funding commitments of EUR 8.5m at the year-end. These are spread across two funding programmes: I. "Orientation and Qualifications for Women" and II. "Basic Education for Adults struggling with Literacy". With regard to earnings, net interest income of EUR 203.7m (2021: EUR 197.2m; +21.6% Y/Y) and net commission income of EUR 17.4m (2021: EUR 11.7m; +48.7%) have significantly increased year on year overall. According to IBB, the increase in net commission income resulted from the state reimbursing costs for the provision of services, which included emergency aid in response to the pandemic as well as funds to bolster the labour market. IBB also issued a social bond for the first time in 2022 in the amount of EUR 500m with a five-year maturity based on the social bond framework updated in 2022.

FMO and Dutch government update contractual relations
The Dutch government and the national promotional development bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO; ticker: NEDFIN) updated their contractual relations on 1 April in the "Agreement State – FMO 2023" (Overeenkomst Staat). This last took place in 2009. The new version aims primarily to ensure that the Agreement with the FMO, which in essence regulates the two liability mechanisms I. Financial Security Obligation (Art. 4) and II. Maintenance Obligation (Art. 5) will continue to be consistent with the government's support policy. There were no changes to the liability mechanisms themselves. The ratings also remained unchanged, as the rating agencies Fitch and S&P (AAA with stable outlook in both cases) each stated separately. They also see a more prominent role for FMO in providing development support on behalf of the Dutch government. However, a ceiling for liabilities, which currently stands at USD 16bn, was introduced for the first time, with the aim being to ensure that the government can calculate the potential extent of the corresponding obligations over the long term. According to the issuer, however, the ceiling is roughly three times the amount currently outstanding on the capital market. Another innovation is the fact that a fixed annual premium must be paid to the government from now on to compensate it for the liability risk. Nevertheless, according to FMO, it will only be less than 1% of the historical average net profit. The new version will come into effect for an unlimited period on 1 July 2023.

AFD: share of sustainable issues in the funding mix stands at 47% for 2022 (EUR 4.5bn)
As the French government's principal instrument for promoting developing countries and overseas territories, Agence Française de Développement (AFD; ticker: AGFRNC) financed more than 1,100 projects last year and, in doing so, generated new business of around EUR 12.3bn. In geographical terms, around 45% of the volume, at EUR 5.5bn, is attributable to the African continent. In addition, emergency aid was also provided to the Ukrainian government, for example. In total, subsidiaries of AFD contributed EUR 2.7m to new promotional business, of which the majority (EUR 2.3bn) was attributable to Proparco, which is responsible for promoting the private sector – approximately half of this amount was also attributable to Africa, mainly to microenterprises. AFD's promotional mandate also extends to numerous areas, such as infrastructure, water and sanitary facilities, the climate and environment, and agriculture. In January last year, Expertise France, as France's public sector agency for international cooperation, was incorporated in AFD. In the past financial year, it signed off on projects worth EUR 400m, which means that Expertise France has already tripled in size compared with 2015 (balance sheet total at the end of 2022: EUR 814m). In geographical terms, the largest share of new commitments was again attributable to Africa (65%). The fact that 62% focus on the topic of gender equality and at the same time 65% contribute to combatting climate change is worth highlighting in this context. Around 30% of the French government's development aid and 80% of the contributions to the climate agenda United Nations Framework Convention on Climate Change (UNFCCC) are also attributable to AFD. The balance sheet total increased by EUR 7.8bn year on year to EUR 64.7bn. In terms of funding, EUR 44.4bn was outstanding on the capital market as at 31 December 2022, meaning that a slight fall of around EUR 480m was reported compared with the previous year. A total of EUR 9.6bn was raised on the primary market through 27 issues in 2022, of which 17 were denominated in the single currency (EUR 5.1bn in total) and six transactions in USD (USD 3.7bn). Funding was also diversified in GBP, CNH and DOP (Dominican peso). In line with the focus on sustainability, EUR 4.5bn (47%) of the development support bank's funding was attributable to ESG-related issues.

Fitch raises rating of the autonomous Community of Madrid to BBB+ (stable outlook)
The rating of the Spanish Autonomous Community of Madrid (ticker: MADRID) was raised from BBB (positive outlook) to BBB+ (stable outlook) by the rating agency Fitch at the end of April. The ongoing improvement in the household debt situation, in particular, was cited as decisive here. The socio-economic profile of the region combined with extensive fiscal autonomy are also important factors. Like Spain's other autonomous communities, Madrid can freely use revenue from income tax (approximately 60% of operating income in 2022) and the taxes it levies itself (14%) within the Spanish institutional framework. The National Budget Stability Act also allows the Spanish central government to exert influence on large parts of regional administrations' expenditure and has been tightened in recent years. The rules governing indebtedness contribute to the stability of regional budgets and have led to a gradual reduction in Madrid's budget deficit. Fitch therefore emphasises the region's conservative debt structure, where the proportion of short-term liabilities is less than 1%. The average term of all liabilities is comparatively long, at 8.2 years. The rating agency also refers to Madrid's reliable access to international capital markets.

Primary market

In most cases, the end of the primary market week was heralded either on the public holiday on Thursday or at the latest on Friday, which was used as a "bridging day" in many places. An exception to this was Export-Importbank of Korea, which mandated for an unsecured EUR bond (probable maturity between three and seven years) last Wednesday. We therefore have no deals to comment on for either of these days. However, on Monday, CDCEPS, AGFRNC, NRWBK and BRABUR all issued mandates. We also reported on NRW commissioning banks for an upcoming sustainability bond in the most recent edition of our weekly publication and the investor calls associated with this deal. However, since this moment, we have no further news to report on this issuer in connection with the trading week under consideration here. On the basis of the funding plan published every six months, the EU carried out two bond auctions at the beginning of the week: a further EUR 2.0bn was added to EU 0.0% 04/10/2028, meaning that the new outstanding volume of the bond will amount to EUR 17.8bn from now on. The second tap of EUR 2.4bn related to EU 3.3% 04/07/2034, meaning that EUR 8.4bn is now outstanding. On Tuesday, the deals commissioned on the previous day entered the marketing phase: CDC approached its investors with a new ESG-related opportunity, namely a sustainable bond worth EUR 500m WNG (5y term). Following initial guidance of OAT +30bp area, the final pricing tightened by three basis points. As a consequence of the well-filled order book of more than EUR 2.9bn at its peak, the deal reached an oversubscription ratio of more than 5.8x. Another French issuer, namely the government's promotional development bank AFD, boosted supply with an EUR benchmark of EUR 2.0bn, which was finally priced two basis points below the guidance of OAT +43bp. With demand amounting to more than EUR 7.9bn, the bond was around 4.0x oversubscribed. From the segment of German promotional banks, NRWBK raised EUR 2.0bn (green bond) with a seven-year maturity. Compared with an initial guidance of MS flat area, the bond was priced two basis points narrower in the marketing phase (order book: EUR 1.7bn). In terms of the German Laender, we spotted BRABUR on the primary market, which had issued a mandate on Monday. A total of EUR 500m in floater format with a maturity of four years changed hands at 6mE -20bp. No tightening occurred while the order books (peak value: EUR 530m) were open. Yesterday (Tuesday), AFL also commissioned banks for a bond of EUR 500m WNG at the long end (term of 15 years). Dexia Crédit Local (ticker: DEXGRP), another French issuer, also commissioned banks for a bond in EUR benchmark format and a maturity of five years.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
BRABUR	DE	22.05.	DE000A30V6W9	4.0y	0.50bn	6mE -20bp	- / Aaa / -	-
NRWBK	DE	22.05.	DE000NWB0AU2	7.0y	1.00bn	ms -2bp	AAA / - / AA	X
AGFRNC	FR	22.05.	FR001400I822	10.0y	2.00bn	ms +35bp	AA- / - / AA	-
CDCEPS	FR	22.05.	FR001400I3M4	5.0y	0.50bn	ms -12bp	- / Aa2 / AA	X

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

Covered Bonds
Repayment structures on the covered bond market: an update

Author: Dr Frederik Kunze

Repayment structures for covered bonds

The implementation of the Covered Bond Directive in the national legislation of jurisdictions in the European Economic Area has also left its mark on the covered bond market with regard to the repayment structures coming into effect. The Directive has ultimately given national legislators the option of including the deferment of maturity in the official framework for covered bonds. If the option of deferring maturity were included in the context of the standardisation process, this would also be associated with the requirement to define objective triggers for the deferment of maturity in the legal framework. Since no standard approach was chosen by the respective national legislators when implementing the relevant article in the Directive in national legislation, the European covered bond market remains distinctly heterogeneous here. In our opinion, implementation of the Directive provides investors, who focus on the latest possible repayment date for their investment in a fundamental consideration, with the clear benefit that the statutory incorporation of triggers for deferring maturity delivers a greater degree of objectivity, although national implementation varies. In most cases, the option for deferring the maturity date in conjunction with specific triggers was previously included in the programme documentation of the bonds in question or issuance programmes. Implementation of the requirements laid down in the Directive will, we believe, favour continuation of the trend whereby the hard bullet structures usually relied on in the past are less popular, with soft bullet structures now becoming even more established as the form most frequently chosen for EUR benchmarks. Bonds with a conditional pass-through structure (CPT) also continue to feature on the market occasionally. As part of this edition of our weekly publication, we shall start with a brief presentation of the structures used and provide an overview of the current weighting of these repayment structures in the EUR benchmark segment.

Basic considerations on deferring maturity

The aim of deferring maturity is to create opportunities to counteract risks resulting from maturity mismatches and potential shortages of liquidity. To create this option for mitigation in principle, the Covered Bond Directive also stipulates that the responsible national entities are free to permit extendable maturity structures, as mentioned at the beginning. If these are permitted, the event that triggers the extension or deferral of maturity is crucial for these structures. This trigger event was already of relevance before the Directive was implemented, albeit not enshrined in law (see following paragraph on soft bullet structures). As a rule, bond investors are provided with detailed information regarding the trigger, the effects on the maturity structure if the debtor is unable to pay and the role of the supervisory authority and the trustee in the wake of maturity being deferred. Starting from the "old market standard" of hard bullet bonds, we present the different approaches below.

Hard bullet structures: no option for deferring maturity

Until a few years ago, hard bullet structures were regarded as market practice as far as repayment arrangements for covered bonds were concerned. If the issuer is not able to comply with their outstanding payment obligations, the dual recourse mechanism means that investors have access to the covered bond programme's cover pool via the trustee or administrator – regardless of the repayment structure chosen. If repayment of an issue is imminent and the available cash is not sufficient to service this obligation and liquidity cannot be generated by other means, the collateral in the pool will be sold under a hard bullet structure. As a result, investors can firstly expect prompt repayments, while secondly this structure is associated with the risk that discounts on the market values of the cover assets have to be accepted and in the worst case the complete amount to be repaid will not be covered by the proceeds of the sale.

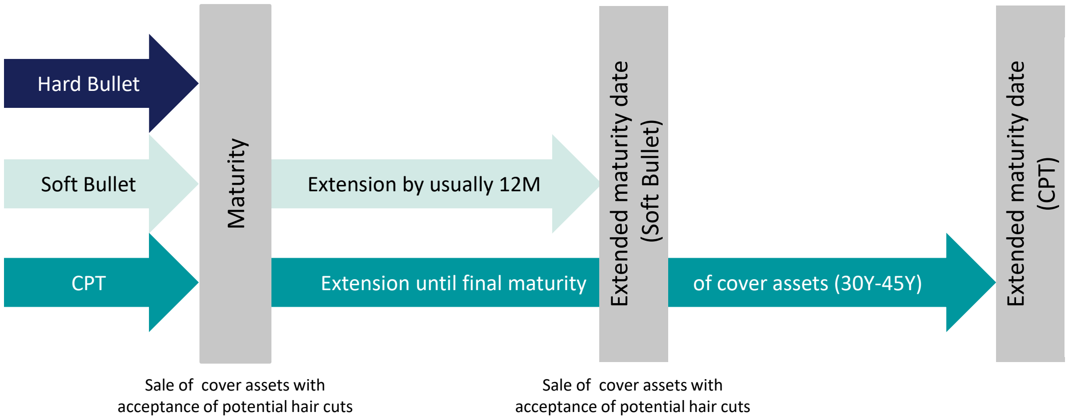
Soft bullet structures: maturity deferred through trigger events

Soft bullet bonds, and in rare cases CPT structures, exist to counter this risk. If investors' claims can be met at the original maturity date, there are no differences between the three repayment structures for investors. Since there were no fundamental requirements regarding the events needed to trigger any deferral of maturity without the Directive, specific information was regularly to be found in the programme documentation and final terms of issuers from those jurisdictions that had not ruled out any deferral of maturity. Various approaches for these triggers took shape on the market. Examples of different models within the soft bullet variant are (i) the issuer becoming insolvent, and redemption being deferred to a later repayment date by an independent trustee or (ii) deferral of the original repayment date by the issuer. With regard to the possible deferral period, a deferral of maturity of twelve months has become established in most cases among the soft bullet structures. Interest payments during the deferral period are largely based on 1M- or 3M-Euribor plus a premium or discount which is, however, also partly defined as a fixed coupon. Trigger events in European Member States will only now be enshrined in law with the implementation of the Covered Bond Directive in national legislation. However, significant differences can be identified in this instance as well. We list the trigger events in the table below.

Conditional pass-through structures: actual final maturity is uncertain

A significantly longer deferral of the original repayment date may occur with bonds that have a CPT structure. At the same time, the refinancing risk is reduced to a minimum as a result. In contrast to the soft bullet structure, the repayments of outstanding covered bond issues will be made firstly depending on the inflows generated from the associated cover assets, but secondly also from the sale of cover assets if this can be effected at adequate market prices following the triggering of the pass-through structure (for which, similarly to soft bullets, there are no standard trigger events). However, unlike the soft bullet structure, the date on which investors can expect the outstanding claims to be met cannot be determined ex ante – in the worst case not until the cover assets with the longest maturity fall due. Rating agencies see a positive influence in the wake of the credit assessment in soft bullet and even more so CPT structures due to the lower refinancing risk.

Comparison of the different maturity structures



Source: NORD/LB Markets Strategy & Floor Research

Poland – an exception: soft bullet with the option to convert to CPT

With regard to the maturity structure, Poland can be considered an exception. Covered bonds which cannot be serviced when they mature are initially extended for twelve months. During this extension period, a test is carried out at six-month intervals to determine whether there are sufficient assets to service investors' claims and also sufficient liquidity to service these claims on time. If the tests are not passed, the bond will be transferred to a CPT structure. The repayment date will therefore be postponed to the latest date on which the cover assets mature plus three years. However, such an extension can be prevented with a 2/3 majority of the investors. Polish covered bonds are therefore initially soft bullet bonds, for which the final maturity cannot be unequivocally determined in advance because of the possible conversion to a CPT structure, meaning that their repayment structure cannot be clearly assigned to one of the three repayment forms.

Slovakia – an exception: soft bullet with potential second maturity deferral

Slovakia also differs somewhat from the market standards that came into force as a result of a change in the law on 1 January 2018. Accordingly, the new legal framework initially envisages deferring the maturity by twelve months in the event of insolvency. Should any servicing of investors' claims not be foreseeable at the end of the extension period, the programme can be transferred to one or more other Slovakian banks. If such a transfer is not possible within the first extension period, a further deferral of maturity by another twelve months may be approved by the regulator. Both those bonds that were extended because of the first deferral and those where the maturity dates occur in the second 12-month period will be affected by the renewed extension. The Slovakian EUR benchmark covered bonds in the iBoxx EUR Covered are therefore soft bullet issues where the structure differs, however, because of the option to defer maturity twice. In our opinion, Slovakian issues can be clearly assigned to the soft bullet segment (in contrast to issues from Poland), albeit with a maximum extension of 24 months.

Overview of possible triggers for deferring maturity: global covered bond market

Country	Trigger Event
Australia	Insolvency, inability to pay by the issuer
Belgium	Bankruptcy, resolution, inability to pay by the issuer
Denmark	RO: Refinancing of CB not guaranteed, interest rate increases by 5% or more; SDO: Refinancing of CB not guaranteed SDRO: Refinancing of CB not guaranteed, interest rate increases by 5% or more
Germany	Bankruptcy, resolution issuer
Finland	payment default, lack of liquidity
France	OF: bankruptcy, resolution, payment default, lack of liquidity OH: bankruptcy, resolution, payment default, lack of liquidity CRH bankruptcy, resolution, payment default, lack of liquidity
Ireland	Payment default, instruction from the supervisory authority or administrator
Iceland	Resolution, prevention of forced sales
Italy	Inability to pay, resolution issuer, BoI measures
Canada	Insolvency, payment default issuer, additional events
Luxembourg	-
New Zealand	-
Netherlands	Bankruptcy, resolution, inability to pay by the issuer
Norway	Bankruptcy, resolution of the issuer
Austria	Bankruptcy, resolution of the issuer
Poland	Insolvency, failed cover pool test
Portugal	Inability to pay, withdrawal of banking licence
Sweden	FSA permission to avoid bankruptcy
Singapore	Contractually regulated
Slovakia	Insolvency, inability to pay by the issuer, cancellation of the covered bond programme
Spain	Bankruptcy, resolution, lack of liquidity, breach of liquidity provisions
South Korea	South Korean covered bonds: inability to pay by the issuer KHF covered bonds: -
Czech Republic	Bankruptcy, resolution, inability to pay by the issuer, breach of liquidity provisions
Hungary	Dependent on programme design
United Kingdom	Bankruptcy, resolution, inability to pay by the issuer

Source: Respective national legislation, market data, NORD/LB Markets Strategy & Floor Research

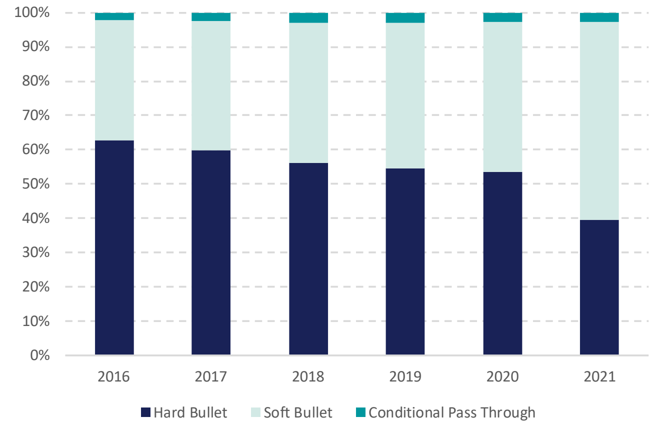
Soft bullet and CPT bonds under the CBPP3 and in the case of repo transactions

Covered bonds with a CPT structure are subject to special requirements because of their maturity, which can be very long under certain circumstances. Accordingly, the ECB is currently not buying any bonds with such a structure under the CBPP3 (currently being wound down). However, from our point of view, it also justifies this decision by citing the comparatively modest size of the CPT market. CPT bonds also have a unique feature in the context of repo transactions with the ECB. Adjustments to the valuation discounts are of relevance for own-use soft bullet or CPT covered bonds. Accordingly, it is not the originally envisaged maturity but the extended one that is used to determine the haircut. Following this approach, the maturity would have to be extended by one year as a rule for a soft bullet structure, while all CPT structures would fall within the maturity range of ">10 years" because of the theoretically very long extension period when calculating the haircut. In December 2022, the ECB reviewed its risk control framework and, in doing so, also adjusted requirements for discounting collateral as part of repo transactions. From 29 June 2023, the previous maturity range "> 10 years" was split into the ranges "10 to 15 years", "15 to 30 years" and "> 30 years" for the residual maturity. In our opinion, CPT structures would therefore have to be classified in the category "> 30 years".

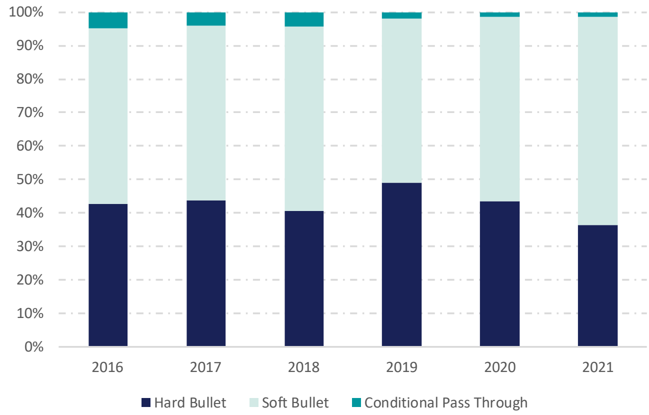
ECBC – repayment structures: soft bullets account for the largest share of issues in 2021

On the basis of the ECBC's annual statistics as of 31 December 2021, the market for all outstanding and newly issued covered bonds can be subdivided with regard to their maturity structure. For the first time since this data was recorded for 2016, soft bullet structures account for the largest proportion of the volume of outstanding bonds, at 58% (2020: 44%). Essentially, this reflects the fact that the amendment of the German Pfandbrief Act transferred all hard bullet structures (2020: EUR 371,947m) to soft bullet structures (2020: - ; 2021: EUR 391,366m). With respect to newly issued covered bonds in 2021, 62% are attributable to soft bullet issues and 36% (2020: 44%) to hard bullets. At 3% (outstanding volume) and 1% (new issues in 2021) respectively, the category of CPT bonds accounts for only comparatively minor shares.

Covered bond volume (global) – breakdown



Covered bond issues (global) – breakdown



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

iBoxx EUR Covered: influence of EU harmonisation on repayment structures

It is already clear from the comments above that the refinancing risk can be significantly reduced by means of a soft bullet or CPT structure compared with a hard bullet structure. In this respect it is not surprising that soft bullet structures are also especially common in third countries, as the Covered Bond Directive refers to them. Here, in particular, investment in such a covered bond requires detailed analysis of the relevant bond conditions in advance, as the Covered Bond Directive does not apply to "all countries" and was not implemented uniformly either. Therefore, investors must continue checking what happens to interest payments in the extension period when a trigger event occurs. With regard to the refinancing risk following insolvency on the part of the issuer, it must, however, be mentioned that issuers were already in some cases obliged by law to reduce this risk by maintaining a liquidity buffer for hard bullet structures. In the wake of harmonisation, article 16 of the Covered Bond Directive also provides for the fact that the introduction of a liquidity buffer to cover the net liquid outflows for 180 calendar days was mandatory for all jurisdictions subject to the regulation.

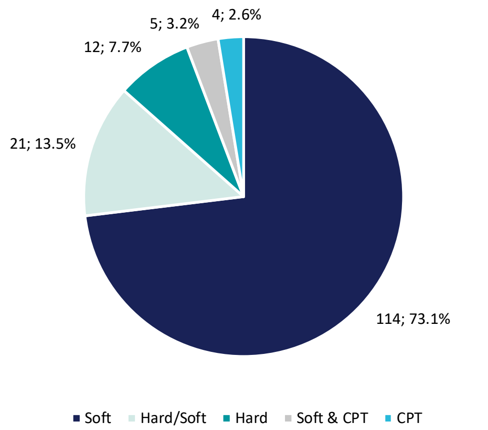
Composition of the iBoxx EUR Covered: maturity structures

While the shifts with regard to the weightings of maturity structures in the iBoxx EUR Covered initially took place generically if anything – the pivot by some issuers in the Netherlands from CPT to soft bullet must be cited as an example – the harmonisation of the European covered bond market added a significant driver. This is clearly recognisable from the example of the German Pfandbrief market. However, the adjustments to the legislation mean that more soft bullet issues are to be expected in other jurisdictions as well. Furthermore, no national legislator has preferred a "big bang" solution along the lines of the adjustments to the Pfandbrief Act and pivoted hard to extendable structures. This is currently the case, in particular, for those countries that have active issuers with both hard bullets and extendable structures. We refer to the composition of the iBoxx in May 2023 below.

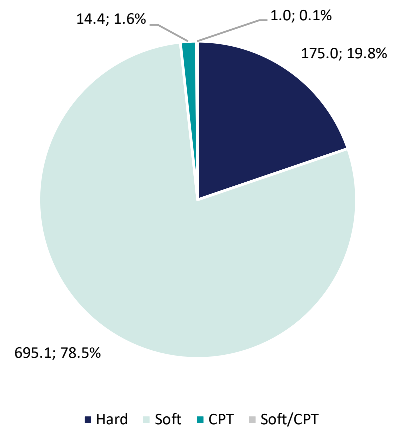
Pure soft bullet issuers dominate the iBoxx EUR Covered

With 114 of 156 issuers (73%), the majority of the issuers listed in the iBoxx EUR Covered (excl. Spanish multi-cedulas) are those that currently only have outstanding benchmarks with a soft bullet structure. At present, only 8% (twelve issuers) is attributable to institutions that have exclusively hard bullets and 3% (four issuers) to purely CPT institutions. As a result, a clear model can be assigned to 83% of the institutions with outstanding EUR benchmarks. In contrast, the remaining 17% is attributable to issuers that have outstanding benchmarks with two different maturity structures. Here, the combination of hard and soft bullets is the most frequent case, at 13% (21 issuers). NIBC Bank, Achmea Bank, Aegon Bank, Van Lanschot Kempen (all NL) and Deutsche Bank (DE) have EUR benchmarks with soft bullet and CPT structures. In addition to the Pfandbriefe placed on the basis of the Pfandbrief Act, Deutsche Bank therefore has a CPT benchmark based on a contractual basis. The EUR benchmarks of Poland's PKO Bank Hipoteczny are disregarded at this point due to their hybrid maturity structure, to avoid confusion with those issuers that have both outstanding soft bullet and CPT bonds.

Breakdown of repayment structures at issuer level



EUR benchmark volume by structure

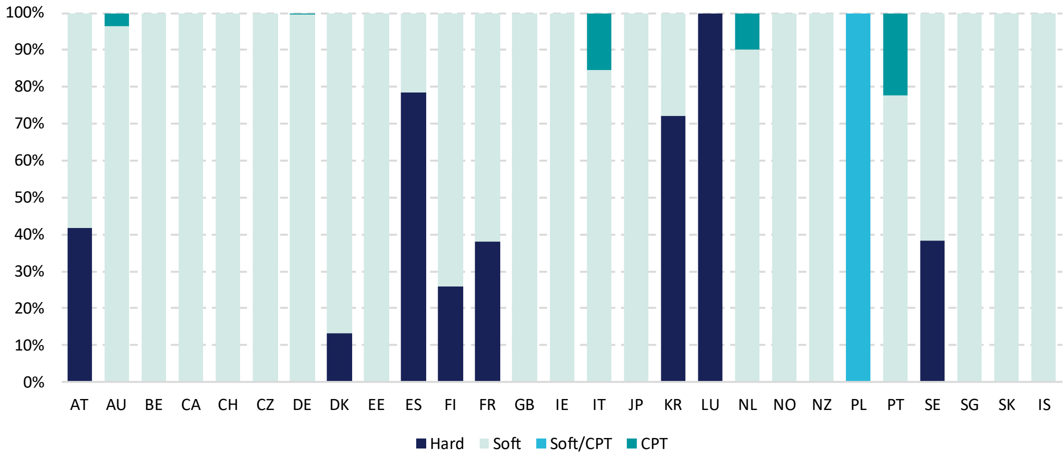


Source: Market data, NORD/LB Markets Strategy & Floor Research

Largest outstanding volume attributable to soft bullet EUR benchmarks

At EUR 695.1bn (79%), the largest share of the volume contained in the iBoxx (i.e. excluding Spanish multi-cedulas) by far is now attributable to soft bullet covered bonds. EUR benchmarks with a CPT structure still constitute a niche within the benchmark segment, since only 2% of the iBoxx volume is attributable to bonds with this structure. Traditional hard bullets account for EUR 175.0bn or 20%, respectively. France accounts for hard bullet issues amounting to EUR 84.3bn, while the next largest amounts are attributable to Spain (EUR 43.9bn), Austria (EUR 21.0bn) and Sweden (EUR 10.3bn). In our opinion, it is worth mentioning in this context that France (EUR 139.9bn; June 2022: EUR 114.1bn) but also Austria (EUR 29.4bn; June 2022: EUR 19.0bn) and Sweden (EUR 16.6bn; June 2022: EUR 14.6bn) have rapidly rising volumes of soft bullets.

Repayment structures by jurisdiction



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

Numerous jurisdictions with different repayment structures

With regard to the dissemination of the three repayment structures at jurisdiction level, it is also apparent that only Luxembourg has EUR benchmarks with solely hard bullet structures represented in the iBoxx. On the other hand, there are 13 jurisdictions, namely Belgium, Canada, Czech Republic, Estonia, the UK, Ireland, Japan, Norway, New Zealand, Singapore, Slovakia as well as Iceland and Switzerland, from which only EUR denominated soft bullet benchmarks are included. Polish EUR benchmarks also feature a uniform (hybrid) maturity structure. CPT bonds were also issued from Australia, Germany, Italy, the Netherlands and Portugal. There is more than one repayment model in 12 of the 27 jurisdictions represented. For these, we provide a tabular overview of the individual issuers and the maturity models they use below. Here, the fact that, under certain circumstances, repayment structures are also used in the respective jurisdictions – and even by the listed issuers – that may differ from those of EUR benchmarks or are no longer listed in the iBoxx because of their residual term, must be taken into account. However, for reasons of clarity, we focus solely on EUR benchmarks in the iBoxx EUR Covered (excl. Spanish multi-cedulas) in our article.

Repayment structures Austria

	Hard	Soft
BAWAG PSK	X	X
Erste Group Bank	X	X
HYPO NOE		X
Hypo Tirol Bank		X
Hypo Vorarlberg Bank	X	**X**
Raiffeisen Bank International		X
Raiffeisenlandesbank Niederoesterreich-Wien	X	X
Raiffeisenlandesbank Oberoesterreich	X	X
Raiffeisen-Landesbank Steiermark	X	**X**
Raiffeisenlandesbank Vorarlberg	X	
Raiffeisen-Landesbank Tirol		**X**
UniCredit Bank Austria	X	X
Volksbank Wien	X	

Repayment structures Italy

	Soft	CPT
Banca Monte dei Paschi di Siena		X
Banco BPM	X	
Banco di Desio e della Brianza	X	
BPER	X	
Credit Agricole Italia	X	
Credito Emiliano	X	
Intesa Sanpaolo	X	
Mediobanca Banca di Credito Finanziario	X	
Iccrea Banca	X	
UniCredit		X

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in Austria

In Austria, EUR benchmarks with a soft bullet structure (EUR 29.4bn) are now dominant. In total, eleven of the 13 Austrian issuers now have outstanding EUR benchmarks with an option to extend the maturity. The volume of hard bullet stands at EUR 21.0bn.

Repayment structures in Italy

Italy is one of the jurisdictions in which covered bonds with CPT structures are outstanding (EUR 5.3bn), even though bonds with such a structure play a rather subordinate role on the Italian market for publicly placed EUR benchmarks compared with soft bullet bonds (EUR 28.9bn). Italy is an exception in that issuers had to cope with a significant delay in the final implementation of the Covered Bond Directive.

Repayment structures in Denmark

With regard to the Danish market, we would like to highlight the issues by Danish Ship Finance (Danmarks Skibskredit), since they differ not only because of their cover assets (shipping mortgages) but also the repayment structure (hard bullet). The bonds are issued as hard bullets, whereas Danske Bank and Jyske Realkredit have each placed their EUR benchmarks on the market with soft bullet structures (extension of up to twelve months). There are now legal triggers in Denmark for deferring maturities under soft bullet structures.

Repayment structures Denmark

	Hard	Soft
Danmarks Skibskredit	X	
Danske Bank		X
Jyske Realkredit		X

Repayment structures Finland

	Hard	Soft
Aktia Bank		X
Danske Mortgage Bank		X
Nordea Kiinnitysluottopankki	X	X
OP Mortgage Bank		X
Oma Saastopankki Oyj		**X**
SP-Kiinnitysluottopankki		X

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in Finland

Of the currently outstanding EUR benchmarks placed on the market by Finnish issuers, only the seven issues by Nordea Mortgage Bank are bonds with a hard bullet structure. In contrast, the five other issuers have 25 EUR benchmarks outstanding in total with a soft bullet structure giving the option to extend maturity by twelve months in each case. Nordea Mortgage Bank also issued its first soft bullet bond in 2022, meaning that now all six Finnish issuers have issued bonds with this structure. Accordingly, the newcomer Oma Saastopankki also has a soft bullet outstanding.

Repayment structures in France

There are sixteen issuers in total in France, of which there are eleven issuers that have designed their bonds with a uniform maturity structure, i.e., they have issued solely hard or soft bullet bonds. The majority, namely ten institutions, are issuers that have the option of extending the maturity of their bonds. When this article was last published (in October 2022), CRH, CAFFIL and CFF still only had hard bullet bonds outstanding, but this is now only the case for CFF. There have also been changes in the iBoxx in relation to issuers that placed EUR benchmarks with both hard and soft bullet structures in the past. Only five institutions are now represented in the index with both hard bullets and soft bullets.

Repayment structures France

	Hard	Soft
Arkea Home Loans SFH		X
Arkea Public Sector SCF		X
AXA Bank Europe SCF		X
AXA Home Loan SFH		X
BNP Paribas Home Loan SFH	X	X
BPCE SFH	X	X
Caisse de Refinancement de l'Habitat	X	**X**
Caisse Francaise de Financement Local	X	**X**
Cie de Financement Foncier	X	
Credit Agricole Home Loan SFH		X
Credit Agricole Public Sector SCF		X
Credit Mutuel Home Loan SFH	X	X
HSBC SFH France		X
La Banque Postale Home Loan SFH		X
MMB SCF		X
Societe Generale SFH		X

Repayment structures Germany

	Soft	CPT
Aareal Bank	X	
Bausparkasse Schwaebisch Hall	X	
Bayerische Landesbank	X	
Berlin Hyp	X	
Commerzbank	X	
Deutsche Apotheker-und Aerztebank	X	
Deutsche Bank	X	X
Deutsche Kreditbank	X	
Deutsche Pfandbriefbank	X	
DZ HYP	X	
Hamburg Commercial Bank	X	
Hamburger Sparkasse	X	
ING-DiBa	X	
Landesbank Baden-Wuerttemberg	X	
Landesbank Hessen-Thueringen Girozentrale	X	
Muenchener Hypothekenbank	X	
Norddeutsche Landesbank-Girozentrale	X	
Santander Consumer Bank	X	
Sparkasse KoelnBonn	X	
Sparkasse Pforzheim Calw	**X**	
UniCredit Bank	X	
Wuestenrot Bausparkasse	X	

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in Germany

The adjustment to the legal basis for issuing Pfandbriefe in Germany implemented maturity extensions for all outstanding and new Pfandbriefe to be issued, which we consider to be soft bullets. Deutsche Bank has also had a bond with a CPT structure since November 2019. For this purpose, Deutsche Bank relied on a contractual covered bond, which does not therefore constitute an issue within the meaning of the German Pfandbrief Act and is therefore not a Pfandbrief.

Repayment structures in Sweden

In Sweden, all five issuers now rely on covered bonds with the option to extend maturity. While SCBC and Stadshypotek are solely represented in the iBoxx EUR Covered with soft bullet bonds, SEB, Swedbank and LF Hypothek, which placed its first soft bullet issue in May 2022, are now represented with both repayment structures in the iBoxx. In terms of volume, it is apparent that hard bullet bonds (EUR 10.3bn) have fallen further behind Swedish soft bullet bonds, which have a volume of EUR 16.58bn in the iBoxx.

Repayment structures Sweden

	Hard	Soft
Lansforsakringar Hypotek	X	X
Skandinaviska Enskilda Banken	X	**X**
Stadshypotek		X
Sveriges Sakerstallda Obligationer		X
Swedbank Hypotek	X	**X**

Repayment structures Portugal

	Soft	CPT
Banco Santander Totta	X	
Caixa Economica Montepio		X

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in Portugal

In addition to Australia, Germany, Italy and the Netherlands, Portugal is the fifth national market in which EUR benchmarks have conditional pass-through structures. Only the bond issued by Montepio has the option of extending maturity in CPT form, which specifically envisages maturity being extended by up to 45 years. Banco Santander Totta relied on a soft bullet structure.

Repayment structures in the Netherlands

Following the introduction of the CPT repayment structure by NIBC Bank in 2013, it was followed by four further issuers with bonds in CPT format, namely Achmea Bank, Van Lanschot, Aegon Bank and NN Bank. Currently, there are still four banks with CPT structures, with the Netherlands boasting not only the most CPT EUR benchmark issuers but also by far the most outstanding CPT benchmarks (14 deals) in the world. In April 2022, NN Bank put the proposal to convert outstanding CPT bonds to soft bullet structures to a vote in a meeting of bondholders. Achmea Bank is also currently conducting such a proposal, with results expected in the third week of June. At EUR 63.6bn, the volume of soft bullet bonds is more than nine times as high as that of CPT bonds (EUR 7.0bn). However, the gap is not quite as pronounced as far as the number of issues is concerned: 56 soft bullet deals compare with 14 issues in CPT format. The fact that all four issuers that used CPT structures in the past now issue bonds in soft bullet format means that the preponderance of soft bullets compared with CPT deals will increase further.

Repayment structures Netherlands

	Soft	CPT
ABN AMRO Bank	X	
Achmea Bank	X	X
Aegon Bank	X	X
Cooperatieve Rabobank	X	
de Volksbank	X	
ING Bank	X	
Nationale-Nederlanden Bank	X	
NIBC Bank	**X**	X
Van Lanschot Kempen	**X**	X

Repayment structures Australia

	Soft	CPT
Australia & New Zealand Banking Group	X	
Bank of Queensland		X
Commonwealth Bank of Australia	X	
National Australia Bank	X	
Westpac Banking Corp	X	
Macquarie Bank	X	

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in Australia

Before the hard bullet covered bond issued by the ANZ Banking Group (maturity July 2022) dropped out of the iBoxx because of its residual term or later maturity some time ago, Australia was the only jurisdiction to have all three maturity structures in the index at times. At present, one issuer, namely the Bank of Queensland, has bonds in CPT format outstanding (outstanding volume EUR 1.1bn; two deals). Soft bullet issues account for by far the largest share of the volume, at EUR 29.2bn

Repayment structures in Spain

Since the first soft bullet (dual tranche) issued by Banco Santander in September 2022, the heavyweight market of Spain (EUR 55.9bn in EUR benchmark covered bonds) has also ranked among those jurisdictions in which covered bonds have various maturity structures. Nationwide, there are twelve covered bond issuers that have hard bullet bonds outstanding – in total 37 bonds – including Banco Santander. Soft bullet structures are clearly gaining ground as a result of the new legislation. Since our last examination of maturity structures, BBVA, Banco de Sabadell, Bankinter and Caja Rural de Navarra have significantly expanded the group of issuers represented with outstanding soft bullet covered bonds in the iBoxx. The 37 hard bullets in the iBoxx EUR Covered compare with ten soft bullet covered bonds (EUR 12bn).

Repayment structures Spain

	Hard	Soft
Abanca Corp Bancaria	X	
BBVA	X	**X**
Banco de Sabadell	X	**X**
Banco Santander	X	X
Bankinter	X	**X**
CaixaBank	X	
Caja Rural de Navarra	X	**X**
Deutsche Bank SA Espanola	X	
Eurocaja Rural	X	
Ibercaja Banco	X	
Kutxabank	X	
Liberbank	X	

Repayment structures South Korea

	Hard	Soft
Kookmin Bank		X
Korea Housing Finance Corp	X	
KEB Hana Bank		X

Source: Market data, NORD/LB Markets Strategy & Floor Research, **bold** = changes compared with October 2022

Repayment structures in South Korea

Since the first EUR benchmark issued by Kookmin Bank, South Korea has been one of those jurisdictions in which covered bonds have various maturity structures. While the eight EUR benchmarks issued by KHFC do not include the option to extend maturity and are therefore hard bullet bonds, Kookmin Bank issued its first EUR benchmark in soft bullet format and now has three bonds outstanding. Following the market entry of KEB Hana Bank, there is another South Korean issuer with soft bullet bonds, meaning that the soft bullets in the iBoxx now total four issues.

Conclusion

A look at the iBoxx EUR Covered reveals that bonds with soft bullet structures have now clearly replaced the previously predominant form of hard bullet issues. This is due, among other factors, to the fact that numerous issuers in France and Austria, in particular, have altered the maturity structure of their covered bonds, with soft bullets now also gaining ground even in Spain. The “big bang” of the Pfandbrief Act, which also allowed the Pfandbrief market to move into the soft bullet segment according to our classification, must not be disregarded either.

SSA/Public Issuers
Stability Council convenes for 27th meeting

Author: Dr Norman Rudschuck, CIIA

Introduction

On 2 May 2023, the 27th meeting of the Stability Council was held under the chairmanship of the Finance Minister of the State of North Rhine-Westphalia, Dr Marcus Optendrenk, and the Federal Minister of Finance, Christian Lindner. The meeting focused on the need to restore the long-term sustainability of public budgets.

Macroeconomic framework

The Stability Council notes in its press release that public budgets continue to face major challenges. On the one hand, the economic development is more robust than forecast last autumn, but on the other hand, the economic burden caused by high energy costs and inflation is still noticeable. With that in mind, the Stability Council advocates a future-oriented fiscal policy, in particular including a reduction of the increased debt ratio. The Stability Council defines the long-term goal for Germany as achieving a growth path with price stability and closing financing gaps.

Financing deficit upper limit expected to be breached until 2026

Germany is expected to post a budget deficit of 4.25% of gross domestic product (GDP) in 2023. The Stability Council argues that the general government deficit is largely due to the temporary crisis management measures. Depending on the development of energy prices, the outcome for public budgets could be significantly more favourable. According to European guidelines, the general government deficit is to be gradually reduced by 0.5% of GDP per year. In its projection, the Stability Council currently expects the annual average reduction in the structural deficit to be around 0.75% of GDP by 2026. According to the Stability Council's assessment, further breaches of the European upper limit for the structural general government deficit will be unavoidable in the years up to 2026. However, due to the permanent activation of the escape clause of the European Stability and Growth Pact (SGP), the breach in 2023 is permissible. The consistency of the budgetary guidelines pursued by the European Commission with those of the German Federation and the Laender also justifies the permissibility of breaches in the years 2023 to 2026. In view of the economic recovery and rising interest burdens, the Stability Council welcomes the approach in European budgetary surveillance to deactivate the Stability and Growth Pact's general escape clause in 2024.

Increase in overall budget deficit in 2022

The overall public budget includes the core budgets of the federal government, the Laender and the municipalities as well as their respective extra budgets. In 2022, the budget balance for the overall public budget was EUR -131.9bn, which is around EUR 5.3bn higher than the deficit recorded in 2021 (EUR -126.7bn).

NORD/LB

Expenditure of the overall public budget continues to rise

Induced by the financial effects of the relief and support measures, in particular the economic defensive shield, expenditure in 2022 exceeded the previous year's level significantly by 7.6% (approx. EUR +88.2bn). The increase in the deficit was dampened by a sharp rise in revenues (+8.0% to EUR 83bn) in parallel. In the process, the federal government raised 8.5% more in taxes compared with the previous year (2021), producing a tax revenue surplus of EUR 70.4bn.

Outlook: development of the overall public budget in 2023

In the projection presented, the Stability Council expects a financing deficit of EUR 268bn for the overall public budget, which would be EUR 136bn higher than in the previous year. The main driver of this dynamic is the assumed outflow of funds from the Economic Stabilisation Fund for Energy Assistance (ESF-E). It is important to mention here that the Stability Council's projection of cash outflows from the ESF-E is based on the previous year's adopted economic plan and that no other reliable estimates of cash outflows in 2023, especially for the gas price brake, are currently available. The current comparison with the previous year shows an increase on both the income and expenditure side. Revenues are expected to increase by about 1.5%, while public budgets are expected to spend about 12.5% more than last year. According to the Stability Council, the plans envisage a steady reduction of the financing deficit in cash terms over the coming years. As such, a financial deficit of EUR 42.5bn is expected in the overall public budget at the end of the planning period (in 2026).

Estimate of general government structural financing balance pursuant to Sec. 7 Stability Council Act (as % of GDP)

	2022	2023	2024	2025	2026	2027
General government structural financing balance	-1.8	-3.3	-1.5	-0.75	-0.75	-
General government financing balance	-2.6	-4.25	-1.75	-0.75	-0.75	-
Of which:						
Federal government	-3.3	-4.25	-1.75	-1	-0.75	-
Laender	0.3	0	0	0.25	0.25	-
Municipalities	0.2	0.25	0.25	0.25	0.25	-
Social security	0.2	0	0	-0.25	-0.5	-

For information on the function of the Stability Council, its key indicators and definitions, see the latest Issuer Guide German Laender 2022.
Source: Stability Council, NORD/LB Markets Strategy & Floor Research

Federal level: parallels with the developments in the overall public budget

The federal government's financing deficit, including extra budgets, amounted to around EUR 145.1bn in 2022, which is EUR 13.4bn up on 2021 (EUR -131.7bn). Increases are shown on the revenue and expenditure side. Compared with 2021, there was an increase in expenditure of 7.2%, while revenues increased by 6.4%. For the current year, the federal government's financing deficit, excluding supplementary budgets, is expected to improve by around EUR 30.5bn. According to Stability Council projections, the reduction of the deficit in the core budget will continue in 2024 and 2025. The reason given for this is the expiry of the economic defence shield. At the end of the projection period, the federal government's financing balance in cash terms will again deteriorate slightly due to declining loan repayments under the ESF-E.

Significant reduction in federal government spending under the core budget

The reduction in expenditure in the federal government's core budget in 2022 led to an improvement in the budget balance by around EUR 99.6bn to EUR -116.0bn (2021: -215.6bn) The starting point for this change is significantly reduced allocations from the federal budget to the Climate and Transformation Fund, which received around EUR 56.6bn less in subsidies than in 2021. In addition, the allocations to the special fund "Aufbauhilfe 2021", which amounted to EUR 16bn in 2021, were discontinued. In addition, there are the outflows of funds within the framework of the economic defence shield. Accordingly, these developments lead to lower revenues for the extra budgets. As a result, the budget balance of the extra budgets deteriorated by EUR 113bn to EUR -29.1bn in 2022.

Budget balance at Laender level remains in positive territory

The positive development of the budget balance of the Laender budgets, including their extra budgets, continued in 2022. According to the Stability Council, the balance improved significantly from EUR 0.5bn in 2021 to EUR 10.5bn in 2022. The Laender core budgets reported a financing surplus of EUR 12.0bn, which corresponds to an increase of EUR 17.9bn compared with the previous year. At the same time, the budget balance of the extra budgets as a whole deteriorated by EUR 7.8bn to EUR -1.5bn. The Stability Council cites a marked increase in tax revenues as the main driver for the significant increase in the financing surplus of the Laender budgets. For the current year, a financing deficit of EUR 2bn is expected for the Laender, with a noticeable deterioration compared to 2022 (around EUR -12.5bn). The Stability Council forecasts a reduction in the surplus of the core budgets by EUR 11bn. The decline in revenues will be triggered in particular by the reduction in COVID-related aid from the federal government and the social security funds. While the expenditure side will decrease accordingly due to the lower volume of pandemic-related aid, support for municipalities and personnel expenses will provide for an increasing expenditure side compared with 2022. For the coming year, the Laender are then expected to report a balanced budget. For the years 2025 and 2026, the Stability Council assumes surpluses from both the core budget and the extra budgets.

Statement by the Advisory Board: criticism of outdated projections

The independent Advisory Board of the Stability Council is critical in its statement on compliance with the upper limit for the general government structural deficit. Above all, the experts criticise the fact that the Stability Council uses a partly outdated projection for budgetary surveillance. Monitoring must be based on up-to-date and more meaningful information. Furthermore, the Advisory Board warns against the tendency to outsource measures to extra budgets (special funds) and to justify their loan financing with combatting emergencies. This practice endangers compliance with European requirements on the general government structural deficit, even if the debt brake of Article 109 of the Basic Law might be formally met. It would also complicate the Stability Council's efforts to monitor the compliance of public finances. We concur with this constructive criticism.

Evaluation of the general government planning of the budget balance until 2026

The deficit planning described above, including the breach of the upper limit, is also dealt with in the statement by the independent Advisory Board. Based on current developments for 2023, the Advisory Board expects a significantly lower general government deficit than projected by the Stability Council (4.25% of GDP). On the other hand, the experts believe that the risks of a higher deficit ratio than the expected 0.75% outweigh the risks for the final year of the projection presented (2026), as the deficits in the extra budgets of the federal government and the Laender projected by the Stability Council are too low. In light of this, the Advisory Board is calling for more transparent information on the projections for the extra budgets in the future. This is to be ensured by separate reporting of particularly weighty extra budgets such as the Federal Armed Forces Fund and the Federal Climate and Transformation Fund, as well as the subsidiary budgets of the Laender. In this context, the experts affirm that the debt brake can no longer ensure compliance with the upper limit for the general government deficit. Thus, budgetary surveillance and fiscal policy coordination in the Stability Council are even more important than before the coronavirus crisis. In order to carry these tasks out properly, the Advisory Board once again emphasises the need to use complete and up-to-date projections as well as meaningful background material. In the statement, the Advisory Board also presents its position on the conclusion of the Stability Council regarding compliance with the European requirements for reducing the fiscal deficit. It explains that it does not readily share the assessment of the Stability Council, as in its view the planned structural deficit does not sufficiently approach the medium-term budgetary objective of 0.5% of GDP. With regard to the deficit reduction in the years 2024 to 2026, the Advisory Board notes that, based on a realistic projection, the reduction path is far from sufficient. Given the aforementioned criticisms, the Advisory Board expects that its statement will be responded to accordingly in line with existing European requirements.

Economic outlook: developments in 2023 and 2024

In its annual macroeconomic projection, the federal government expects an increase in price-adjusted gross domestic product (GDP) of 0.2% in 2023. In the following year, the federal government expects growth of 1.8% in price-adjusted GDP. Private consumption is expected to decline in the current year. Consumer prices, measured by the private consumption deflator, are projected to rise by 5.5%. Although gross wages and salaries are also expected to increase noticeably by 5.2%, the bottom line is that employees will have to accept a slight loss of purchasing power in 2023. For the coming year, on the other hand, the federal government expects an increase in purchasing power due to a declining inflation rate (2.2%) and a further increase in gross wages of 4.7%. The impact of the economic downturn on the labour market is estimated to be low. The Advisory Board still considers the federal government's projection to be justifiable. However, the experts also note that there is still a high degree of uncertainty about the economic indicators used. In particular, the abatement of supply-side obstacles in the form of delivery difficulties and the turbulence on the international banking market prevailing at the time of the meeting represent significant factors of uncertainty for the Advisory Board.

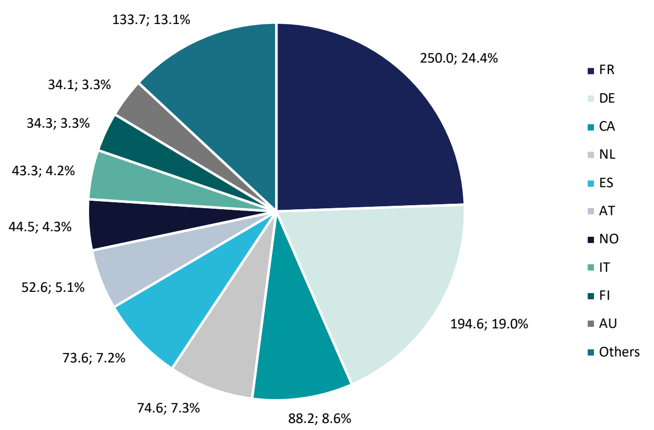
New working basis for the Evaluation Committee
In the course of its meeting, the Stability Council adopted an updated key issues paper in the context of implementing budgetary surveillance to avoid an imminent budgetary emergency. A new version had become necessary due to the full implementation of the debt brake in the Laender since 2020 and the updating of the Stability Council Act in this context, according to the Stability Council. The key issues paper serves as a working basis for the Evaluation Committee and defines the requirements of the Stability Council Act and the Rules of Procedure. The paper is divided into three sections. Section 1 sets out the tasks with which the Evaluation Committee has been entrusted by the Stability Council. Section 2 explains the procedure that applies to the assessment of an imminent budgetary emergency. Section 3 then specifies the course of the restructuring procedure initiated after an imminent budget emergency has been identified.

No comment on imminent budgetary emergency in Bremen
In our February 2023 issue, we last reported on the current developments regarding the budget situation in Bremen. In this context, the Stability Council again identified an imminent budget emergency for the Hanseatic City in December 2022 . After the 27th meeting it remains to be seen when exactly Bremen will submit the proposal for a restructuring programme – after the election that has now taken place, including an episode of political "musical chairs". In December 2022, the Evaluation Committee expected a submission in time for the 2023 year-end meeting of the Stability Council. As the further procedure in this regard was not commented on in the meeting held in May, we too continue to consider this assessment justifiable.

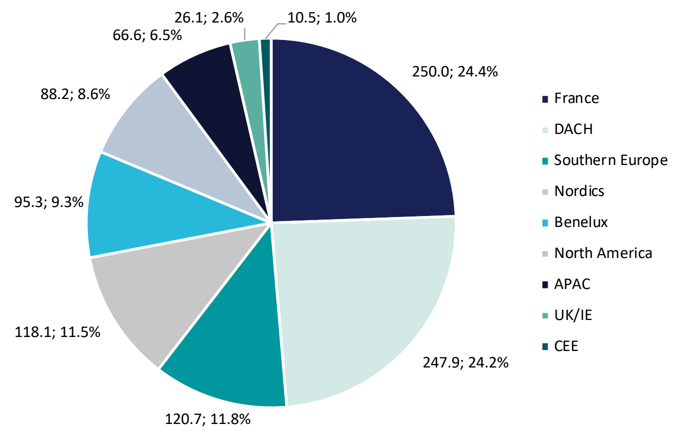
Conclusion
The 27th meeting of the Stability Council dealt with current budget planning against the backdrop of current economic developments. By considering the projected budgetary situations of the coming years, both at public, federal government and Laender level, it was necessary to take a position in the context of current circumstances. The first thing to note is a recovery in the economic situation. The adjustments of private households and companies to the high energy prices and the associated gas savings as well as the government stabilisation measures contributed to this in particular. Nevertheless, the burden of high energy costs and inflation in the second year of the Russian war of aggression against Ukraine on economic development remains. Consequently, the Stability Council notes that public budgets continue to face major challenges. With regard to compliance with European requirements for budgetary surveillance, the Stability Council considers the current path to be in line with the applicable regulations. Criticism of this conclusion comes in particular from the independent Advisory Board. In their statement, the experts criticise an outdated and not very meaningful data basis. In addition, they urge the federal government and Laender to exercise caution in the use of credit-financed extra budgets. These would lead to a de-facto undermining of the debt brake imposed by Article 109 of the Basic Law, as they would contribute to the creation of deficits and undermine the task of the Stability Council to monitor the conformity of public finances with the rules. Consequently, the Advisory Board is calling for greater transparency in the projections of the extra budgets, for example through a separate disclosure of particularly weighty extra budgets such as the Federal Armed Forces Fund at federal level and the subsidiary budgets of the Laender.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



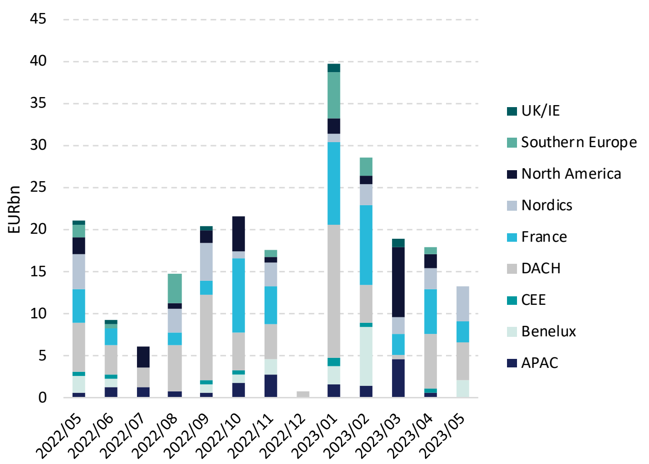
EUR benchmark volume by region (in EURbn)



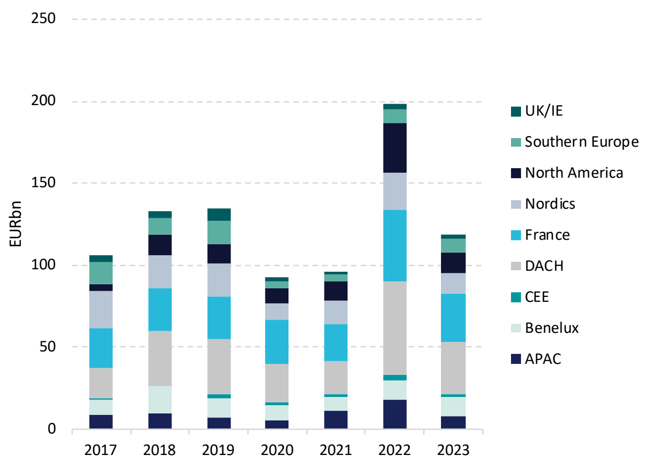
Top-10 jurisdictions

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	250.0	240	16	0.97	9.6	5.2	1.17
2	DE	194.6	277	32	0.65	8.0	4.3	0.97
3	CA	88.2	66	0	1.31	5.5	2.9	0.91
4	NL	74.6	74	2	0.94	11.0	6.7	0.98
5	ES	73.6	59	6	1.14	11.1	3.6	1.93
6	AT	52.6	89	4	0.58	8.4	5.2	1.25
7	NO	44.5	53	12	0.84	7.3	3.9	0.57
8	IT	43.3	54	2	0.78	9.2	3.6	1.19
9	FI	34.3	38	3	0.88	7.2	3.8	1.08
10	AU	34.1	33	0	1.03	7.3	3.6	1.35

EUR benchmark issue volume by month

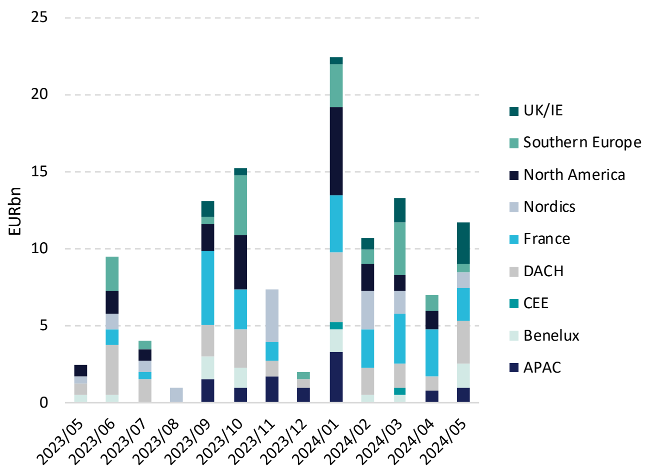


EUR benchmark issue volume by year

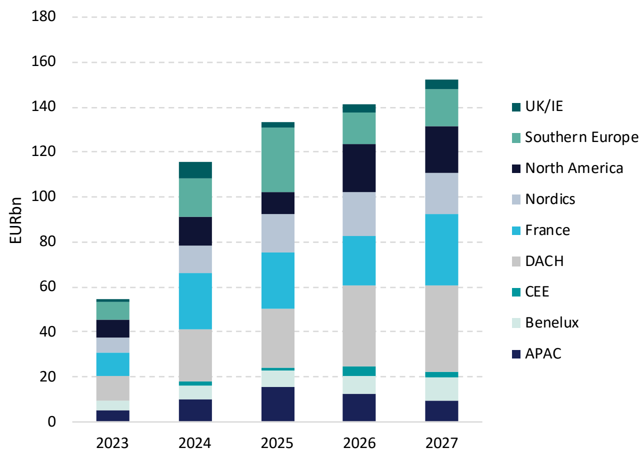


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

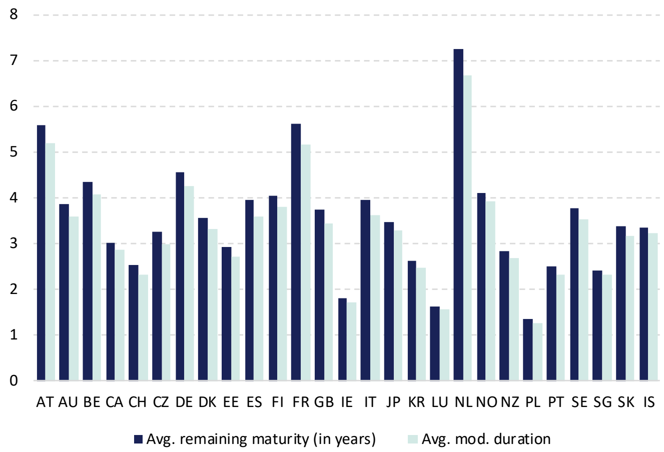
EUR benchmark maturities by month



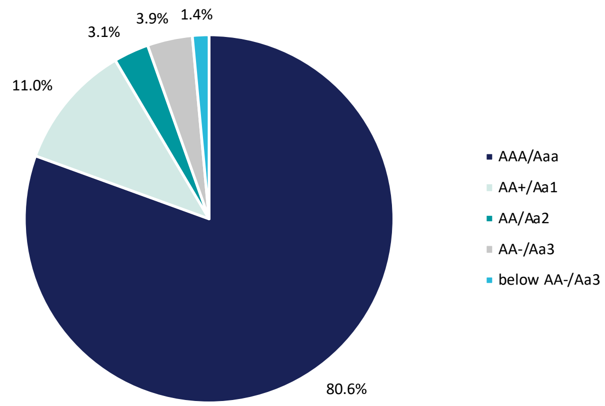
EUR benchmark maturities by year



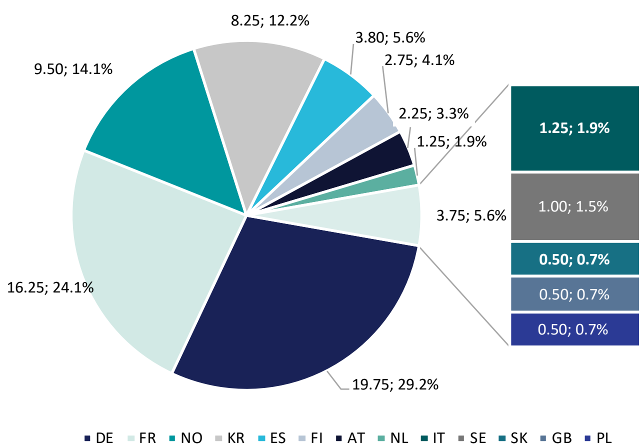
Modified duration and time to maturity by country



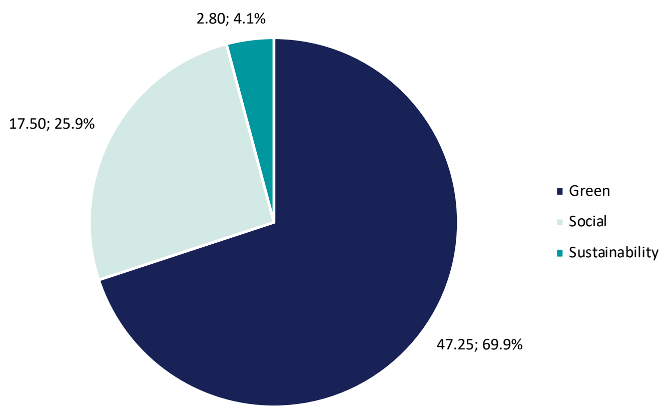
Rating distribution (volume weighted)



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

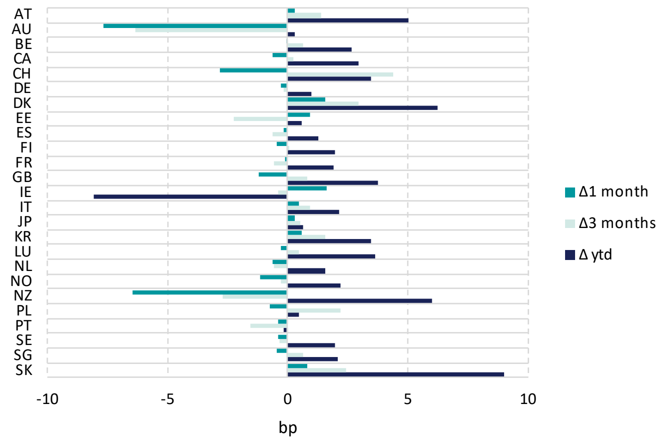


EUR benchmark volume (ESG) by type (in EURbn)

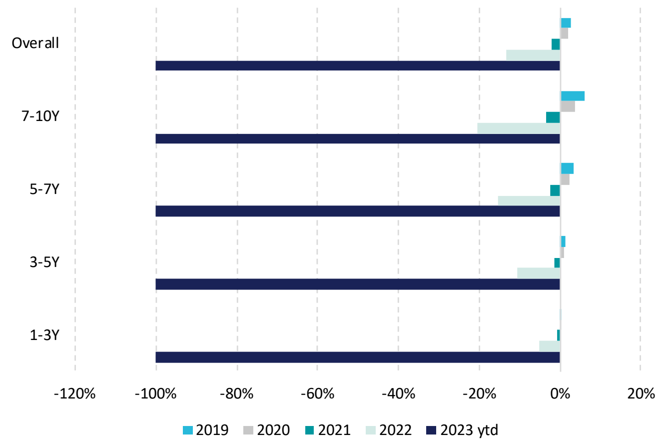


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

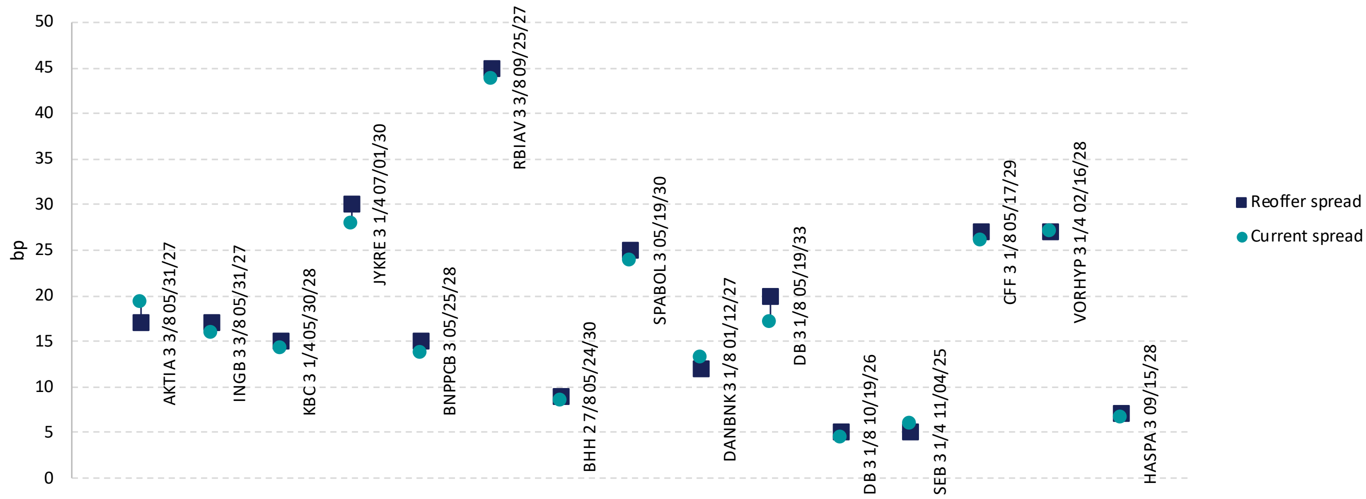
Spread development by country



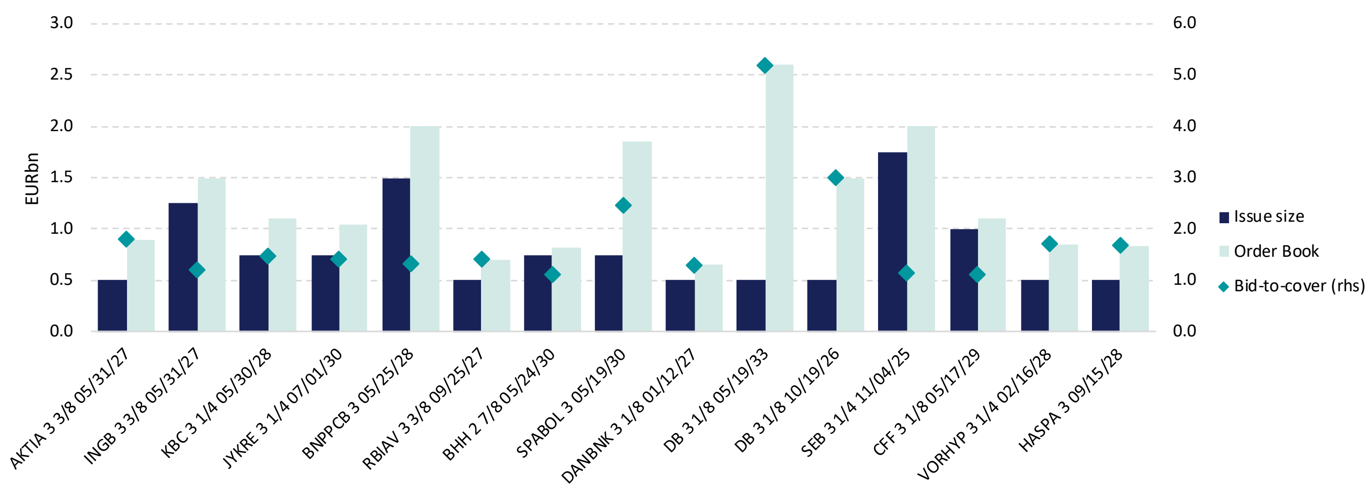
Covered bond performance (Total return)



Spread development (last 15 issues)



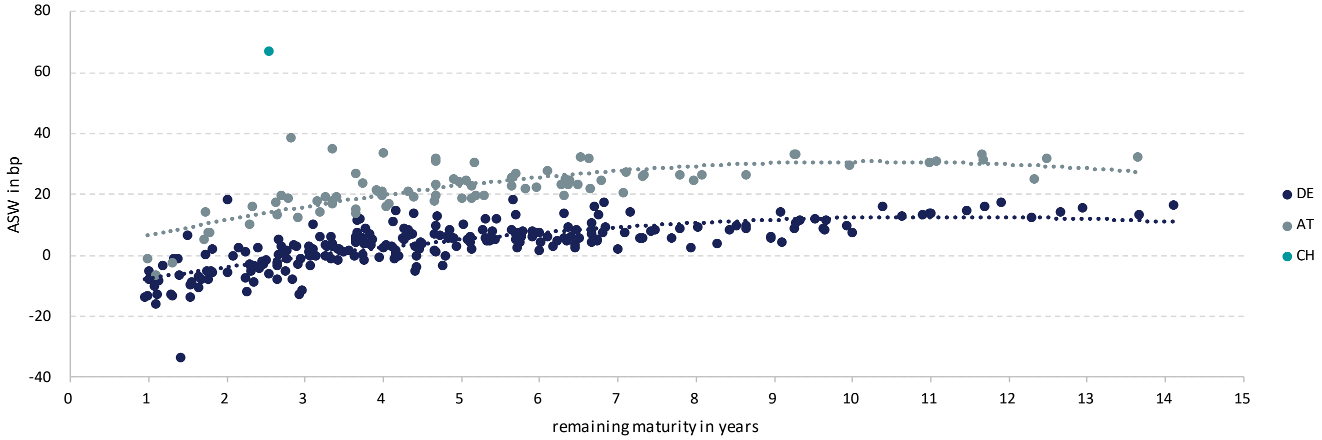
Order books (last 15 issues)



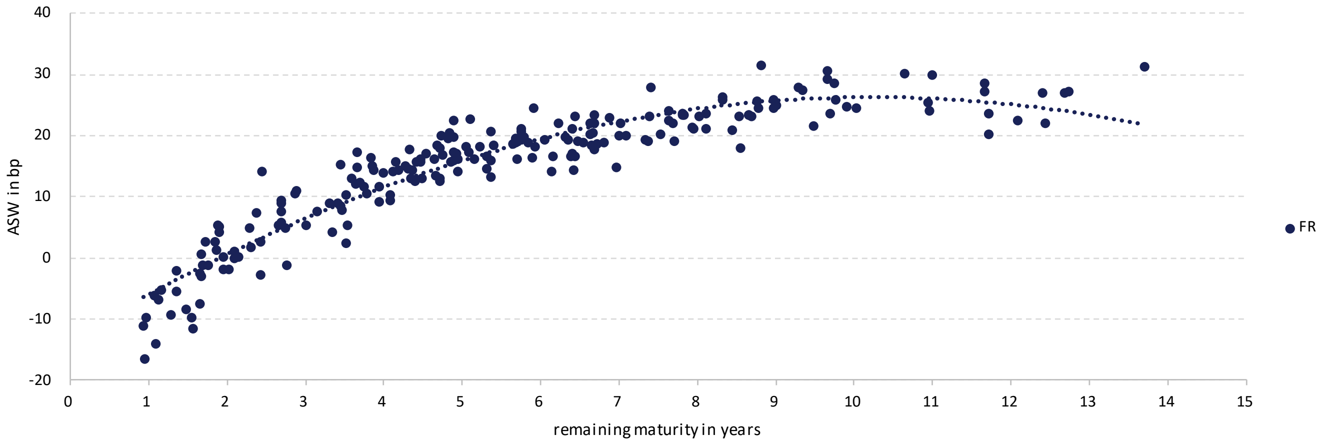
Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview[1]

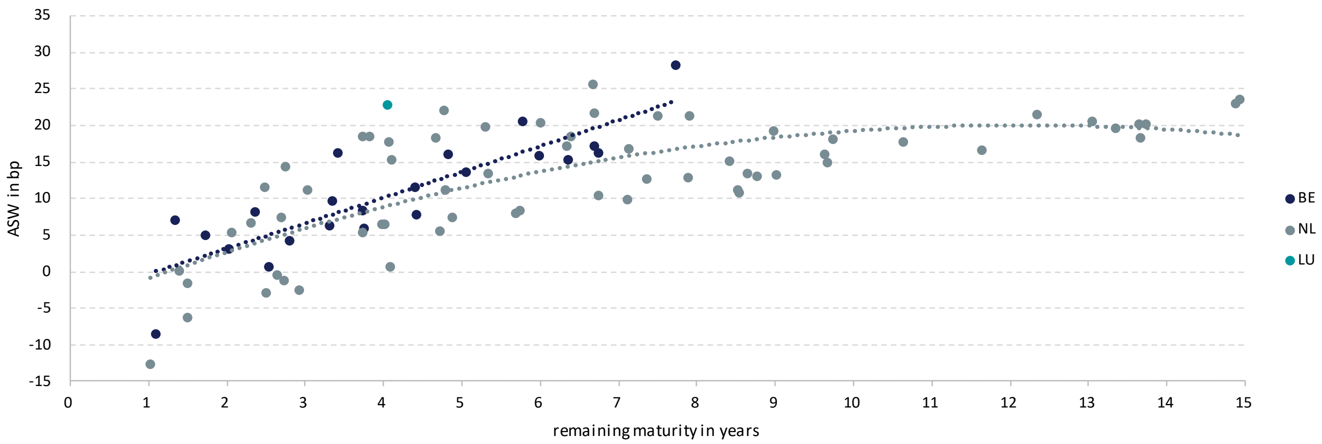
DACH



France

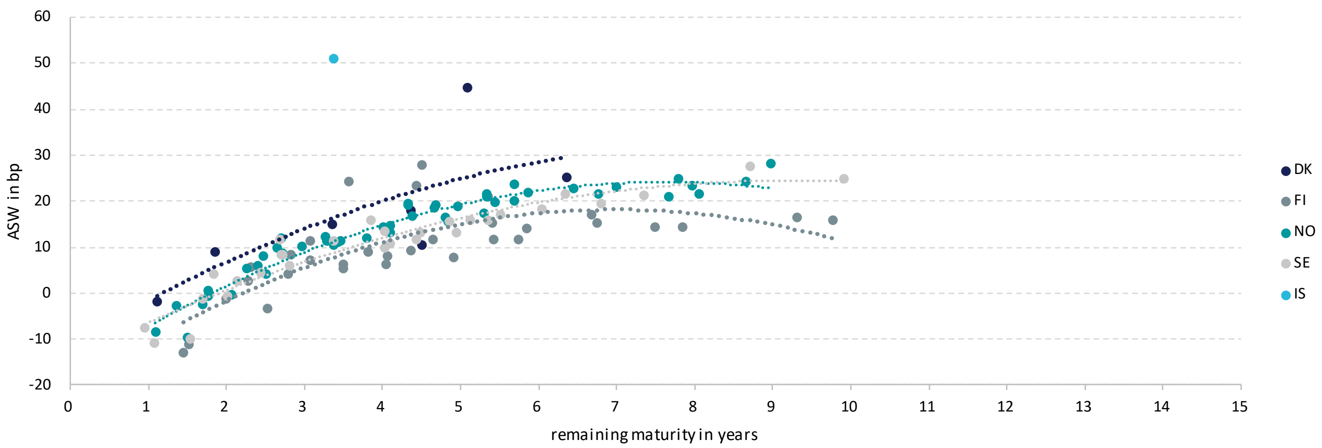


Benelux

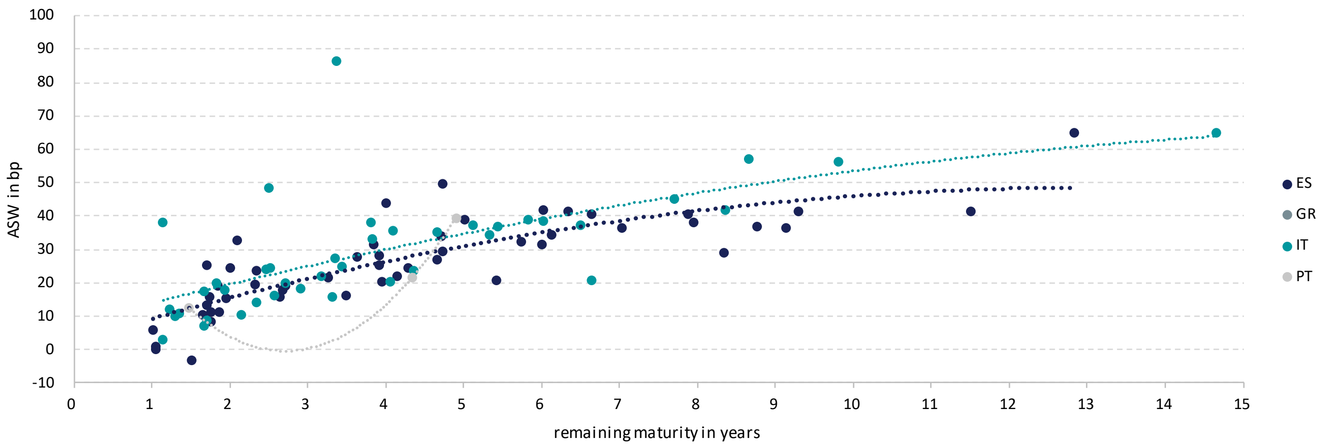


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research [1]Time to maturity 1 ≤ y ≤ 15

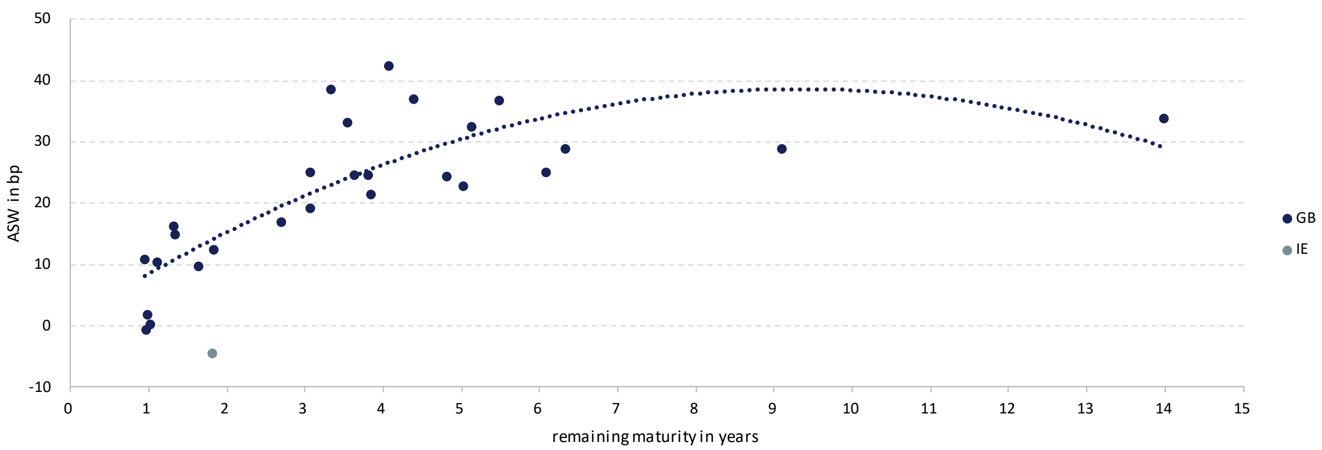
Nordics



Southern Europe

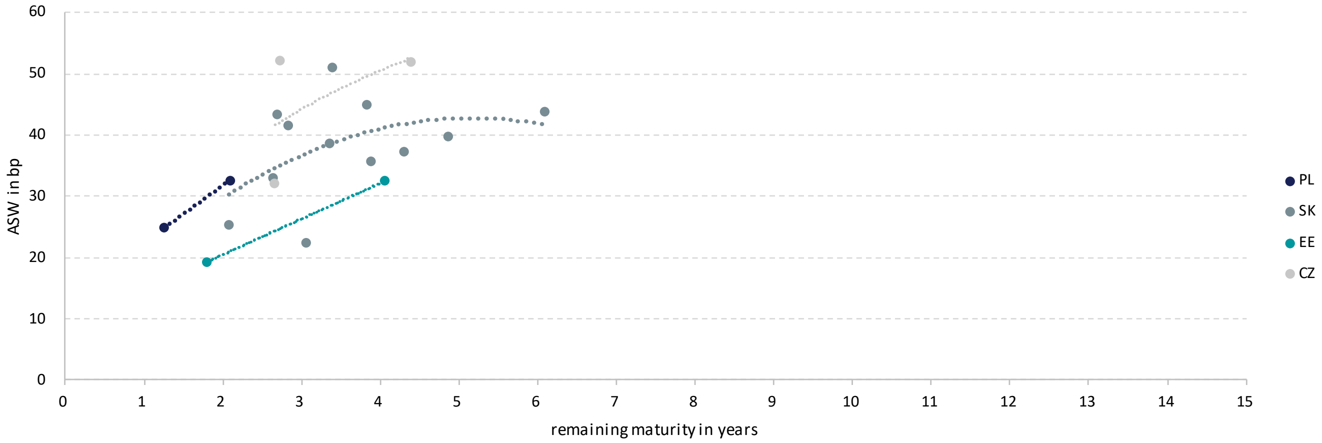


UK/IE

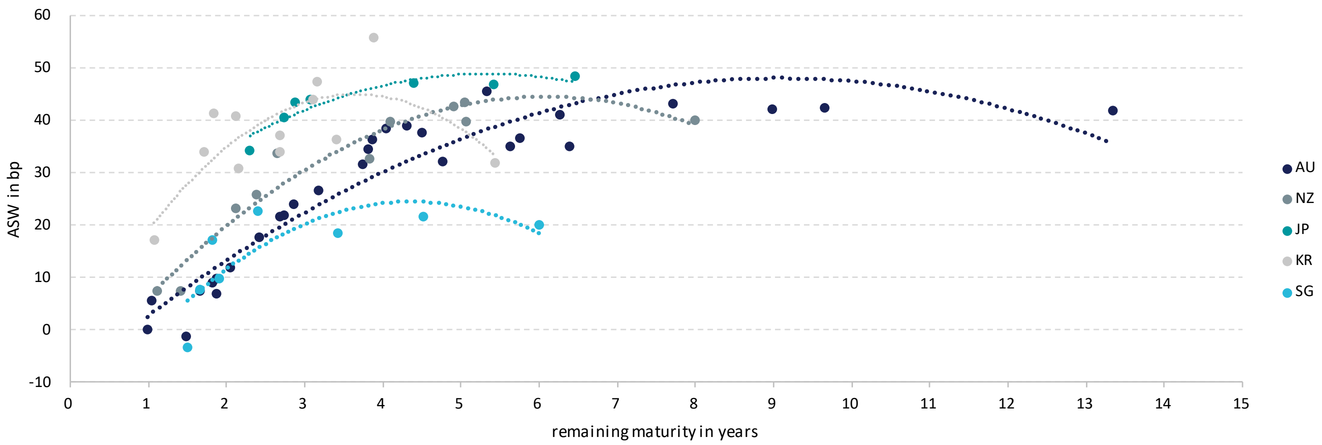


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

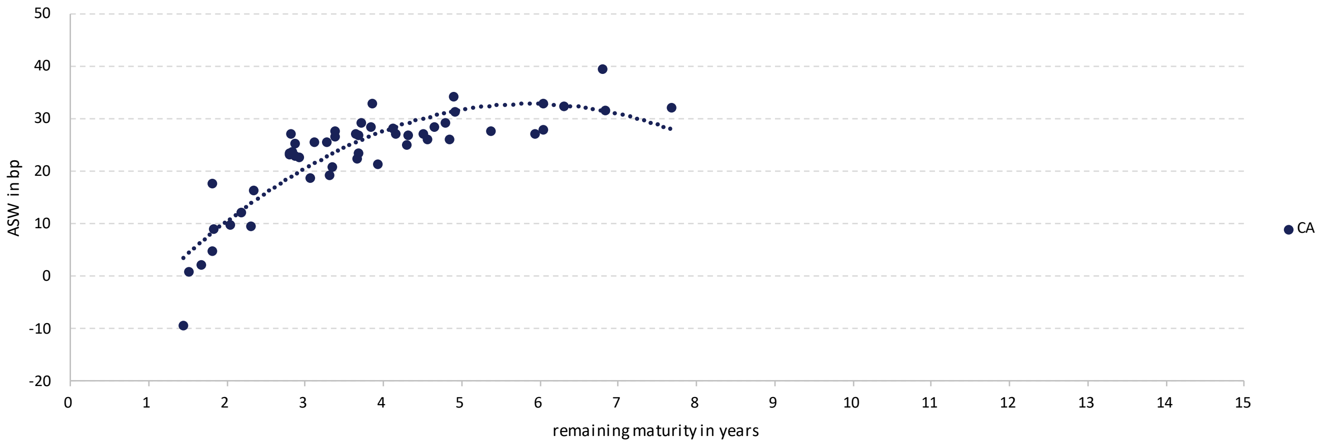
CEE



APAC



North America

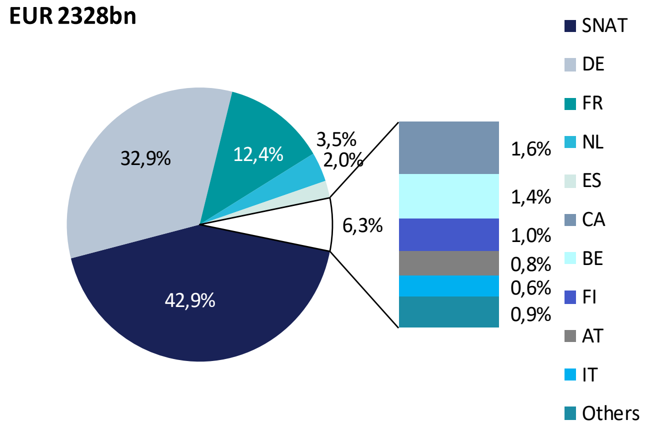


Source: market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

Charts & Figures
SSA/Public Issuers

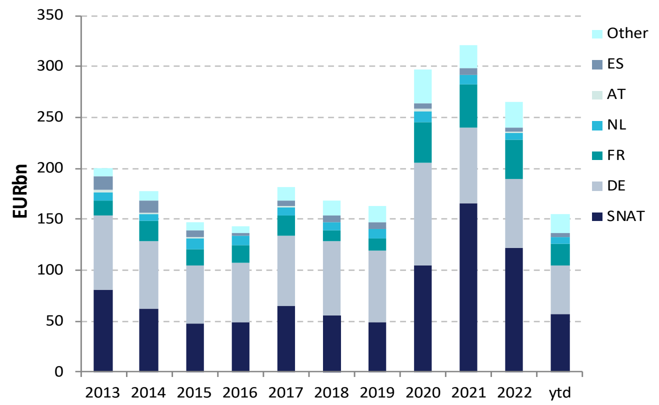
Outstanding volume (bmk)



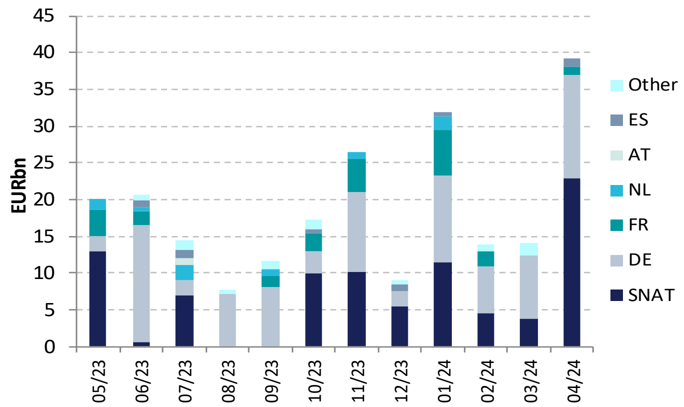
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	998,7	228	4,4	8,1
DE	766,4	566	1,4	6,2
FR	288,5	191	1,5	6,1
NL	81,1	71	1,1	6,5
ES	47,4	64	0,7	4,7
CA	37,5	25	1,5	4,4
BE	31,5	35	0,9	11,1
FI	22,6	25	0,9	5,1
AT	17,8	21	0,8	4,6
IT	15,0	19	0,8	4,8

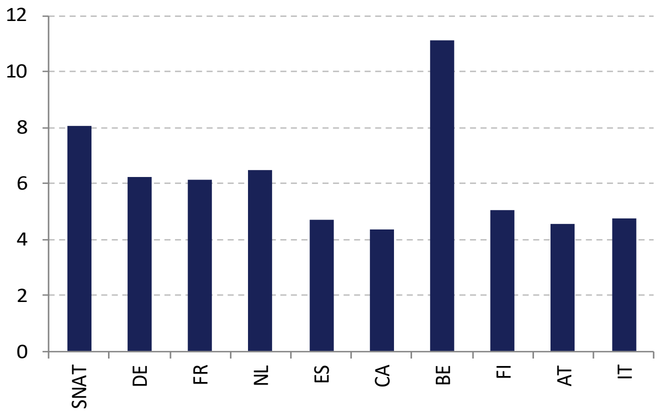
Issue volume by year (bmk)



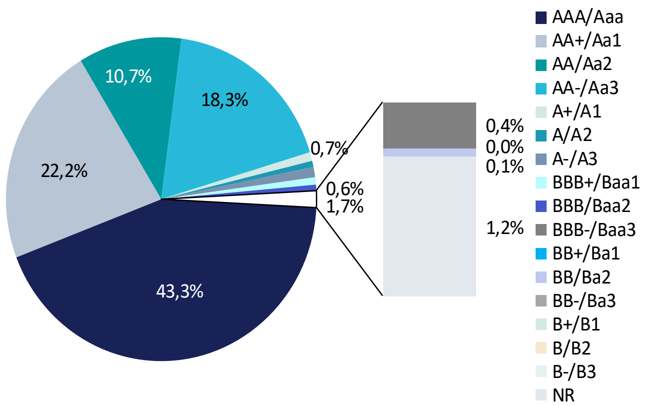
Maturities next 12 months (bmk)



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

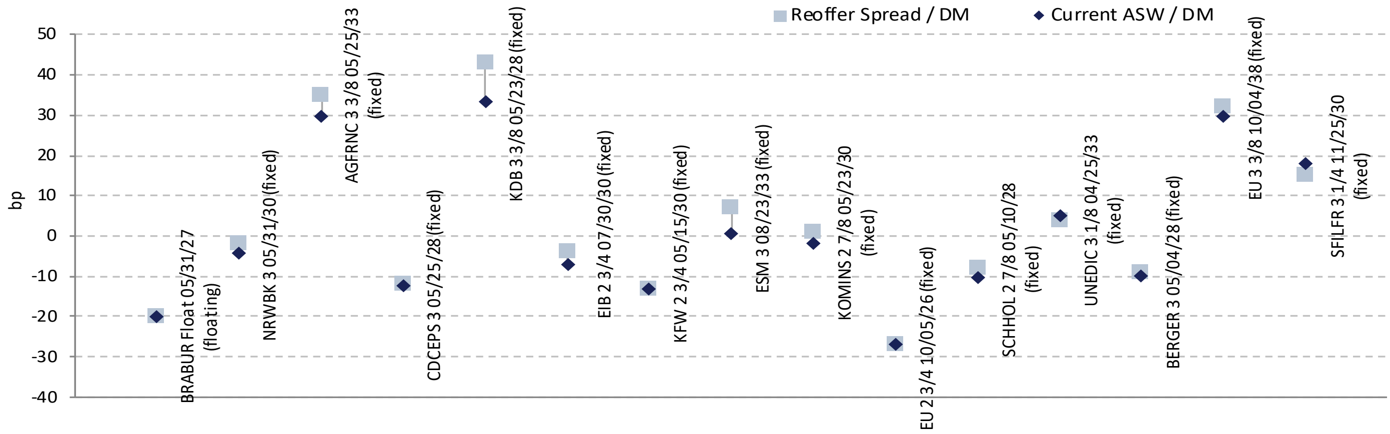


Rating distribution (vol. weighted)

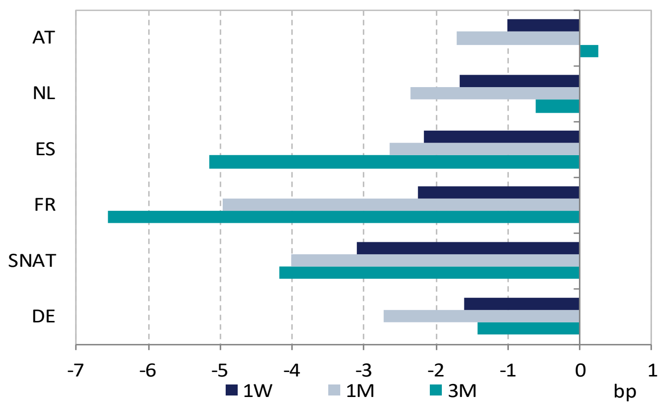


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

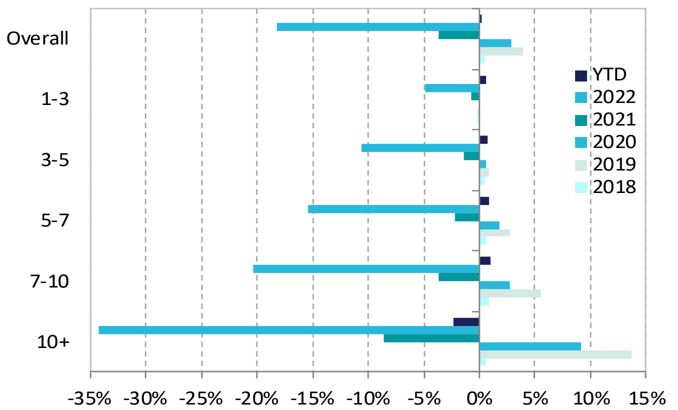
Spread development (last 15 issues)



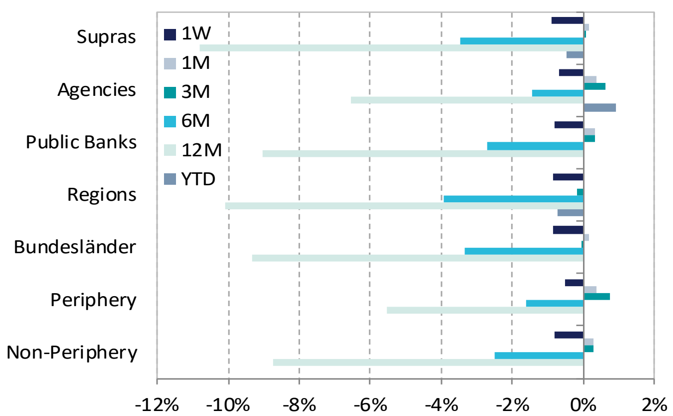
Spread development by country



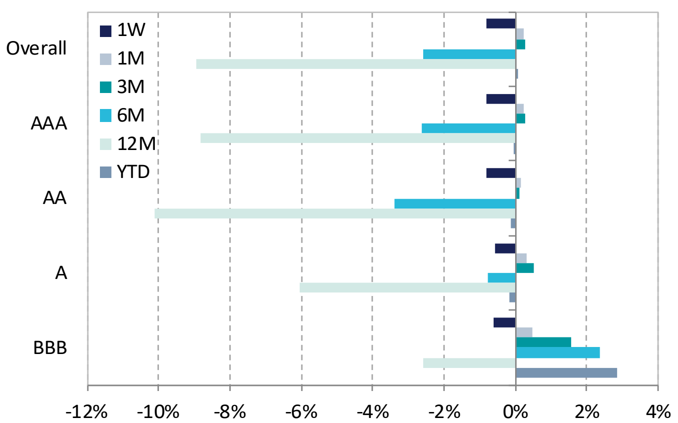
Performance (total return)



Performance (total return) by segments

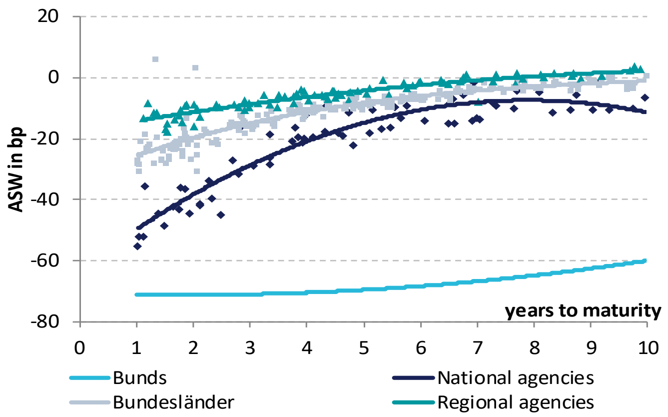


Performance (total return) by rating

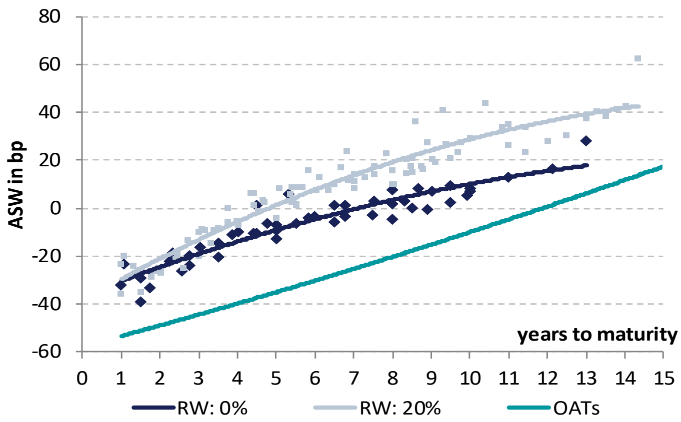


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

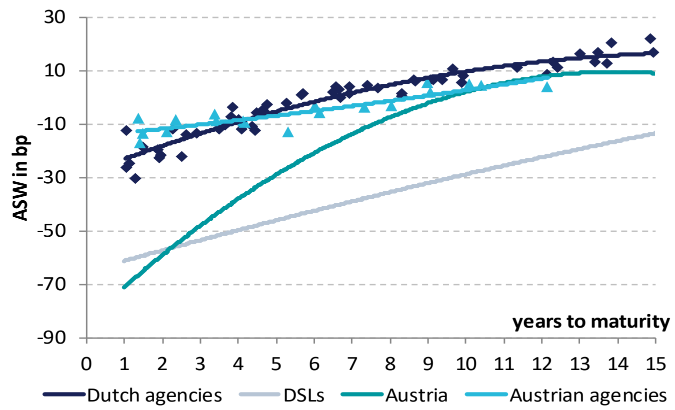
Germany (by segments)



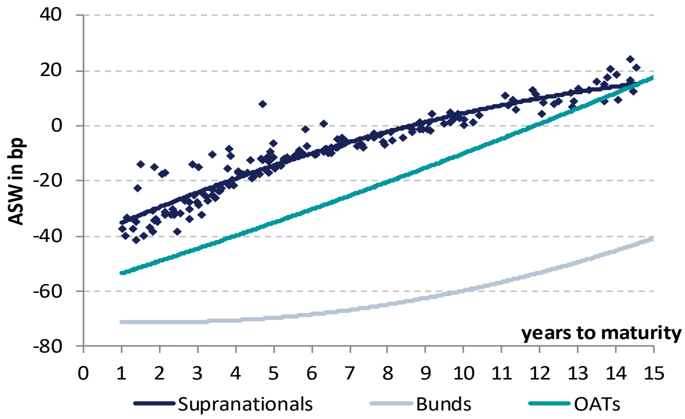
France (by risk weight)



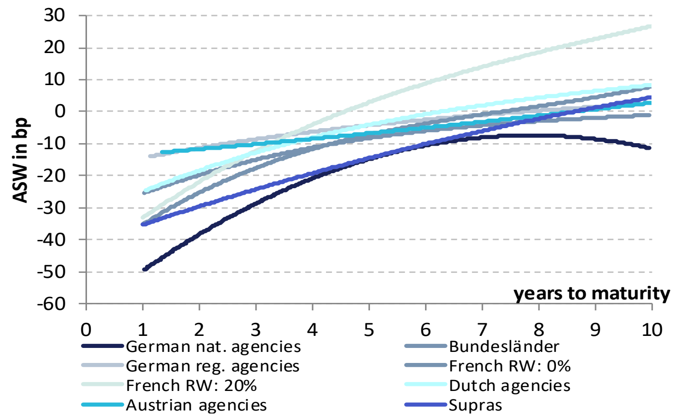
Netherlands & Austria



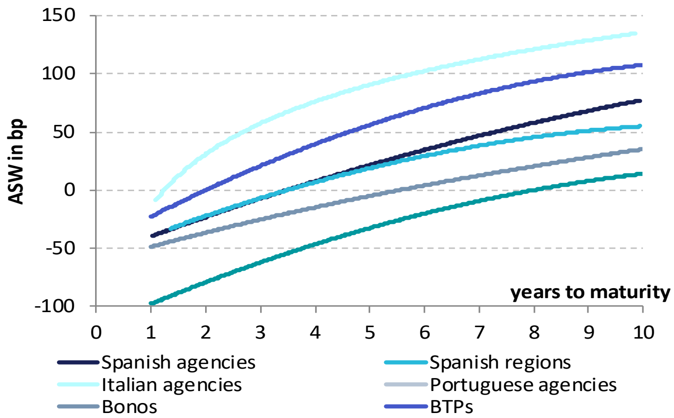
Supranationals



Core



Periphery



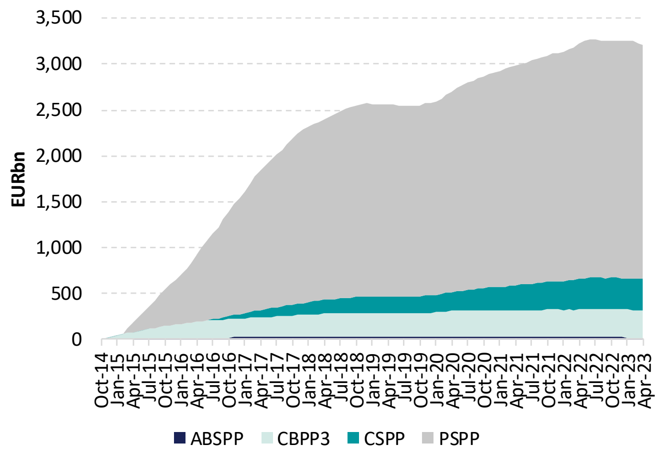
Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

ECB tracker

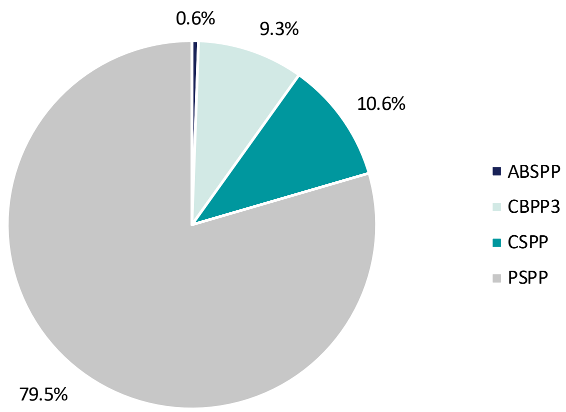
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Mar-23	19,464	299,707	341,974	2,569,835	3,230,980
Apr-23	18,491	298,627	341,574	2,557,798	3,216,490
Δ	-973	-1,080	-400	-12,037	-14,490

Portfolio development

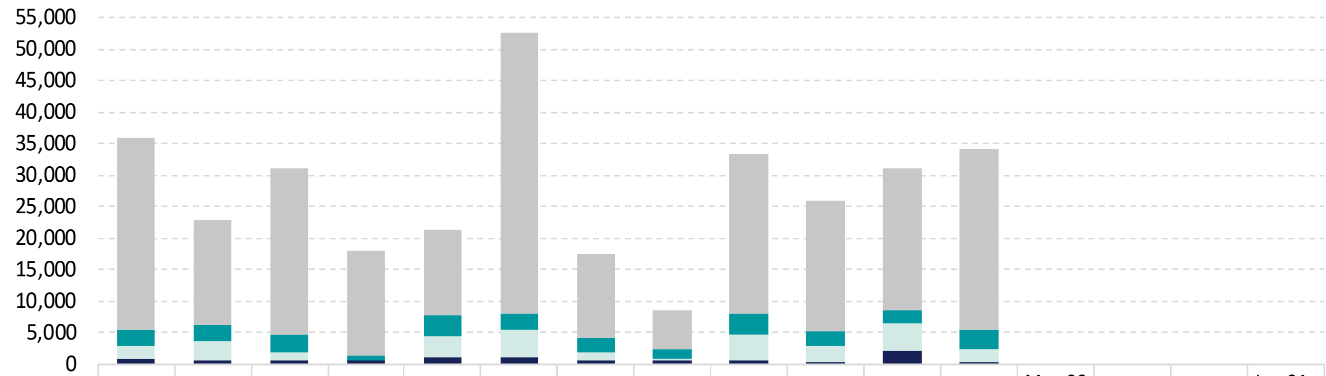


Portfolio structure



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

Expected monthly redemptions (in EURm)

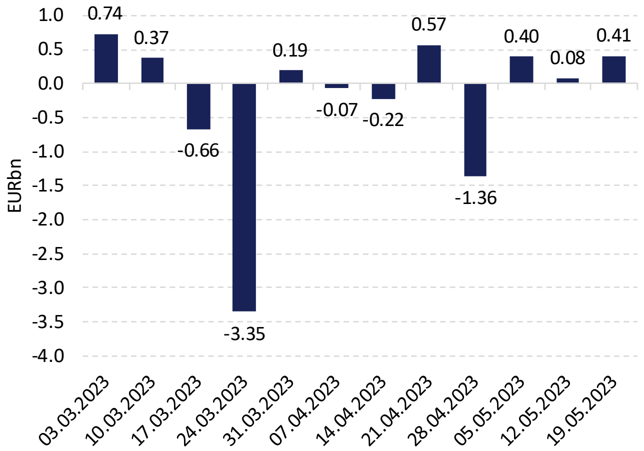


	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-23 - Apr-24	2022	2023	Jan-24 - Apr-24
APP	35,838	22,893	30,972	17,880	21,245	52,491	17,537	8,579	33,502	25,995	31,021	34,264	332,217	299,142	331,128	124,782
PSPP	30,451	16,619	26,192	16,445	13,374	44,431	13,261	6,336	25,524	20,840	22,413	28,712	264,598	228,585	255,132	97,489
CSPP	2,579	2,557	3,038	986	3,377	2,589	2,393	1,336	3,363	2,325	2,177	3,315	30,035	17,670	30,429	11,180
CBPP3	1,874	3,112	1,170	0	3,346	4,467	1,351	408	4,109	2,449	4,434	1,814	28,534	41,244	35,147	12,806
ABSPP	934	605	572	449	1,148	1,004	532	499	506	381	1,997	423	9,050	11,643	10,420	3,307

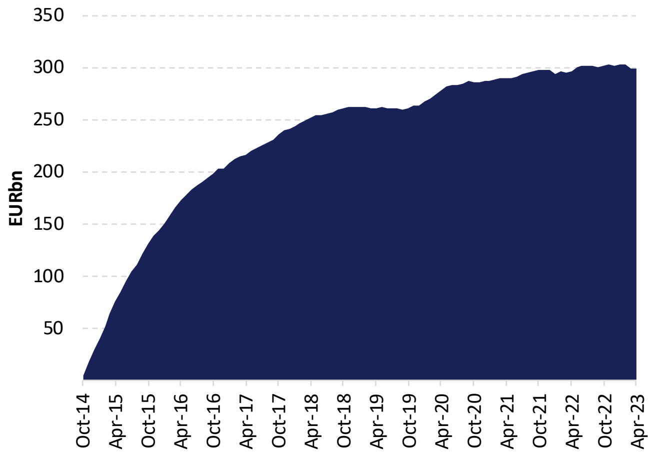
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

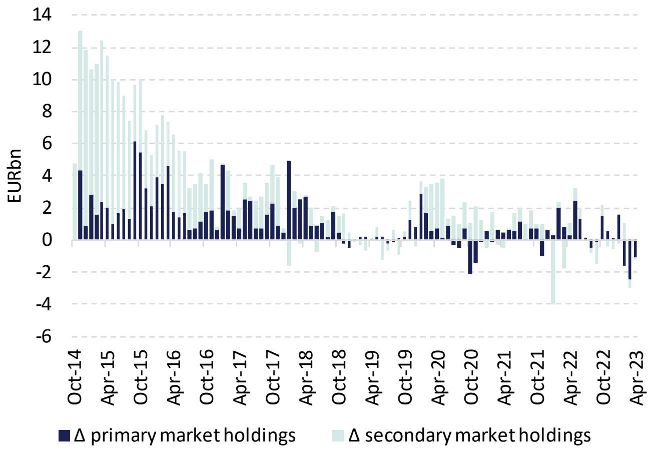
Weekly purchases



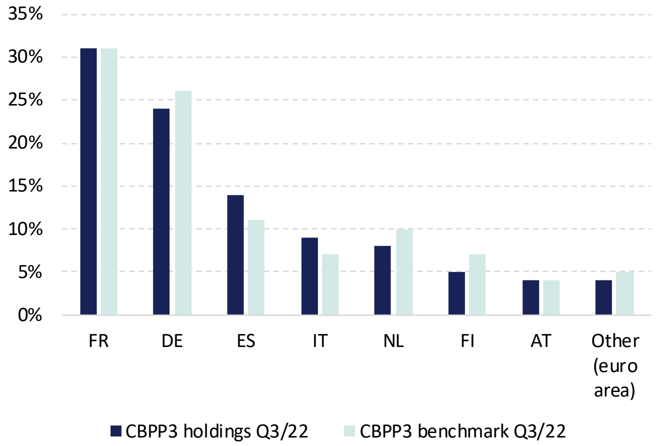
Development of CBPP3 volume



Change of primary and secondary market holdings

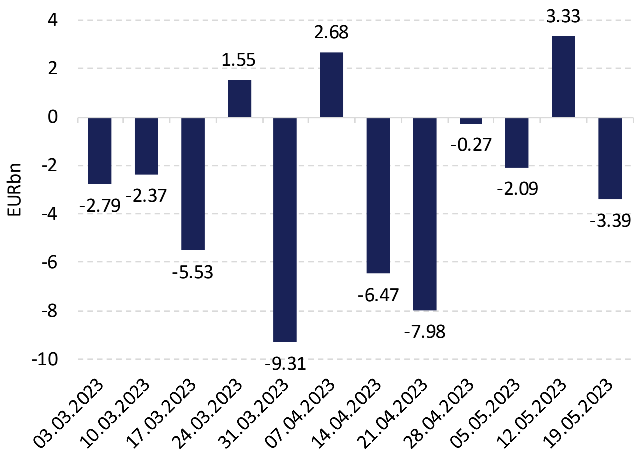


Distribution of CBPP3 by country of risk

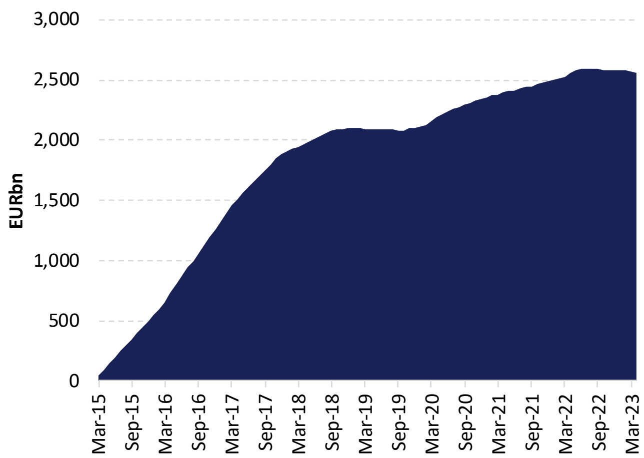


Public Sector Purchase Programme (PSPP)

Weekly purchases



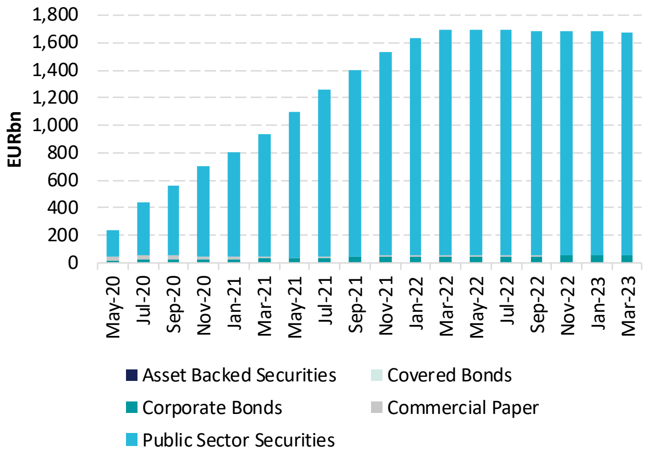
Development of PSPP volume



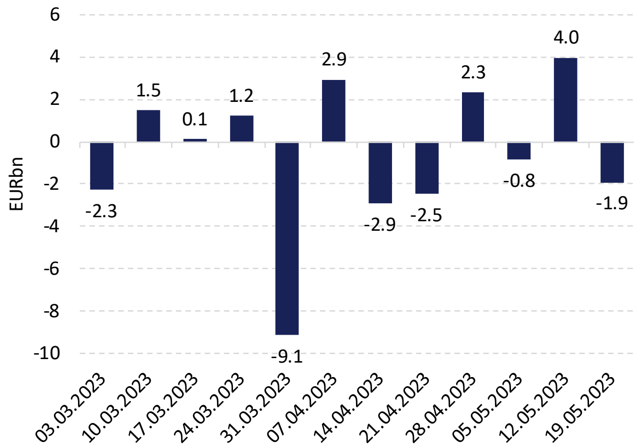
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

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	45,107	588	2.6%	2.7%	0.1%	7.3	7.5
BE	56,425	-380	3.3%	3.4%	0.1%	6.3	9.2
CY	2,493	6	0.2%	0.2%	0.0%	8.1	8.0
DE	398,924	593	23.7%	24.0%	0.3%	6.8	7.1
EE	256	0	0.3%	0.0%	-0.2%	7.2	7.2
ES	195,878	-1,382	10.7%	11.8%	1.1%	7.3	7.4
FI	26,890	745	1.7%	1.6%	0.0%	7.5	7.9
FR	296,890	2,093	18.4%	17.9%	-0.5%	7.7	7.8
GR	37,726	-1,847	2.2%	2.3%	0.0%	8.6	9.3
IE	25,104	173	1.5%	1.5%	0.0%	9.2	10.0
IT	289,726	631	15.3%	17.4%	2.2%	7.2	6.9
LT	3,305	34	0.5%	0.2%	-0.3%	9.2	8.8
LU	1,941	23	0.3%	0.1%	-0.2%	5.8	7.9
LV	1,954	20	0.4%	0.1%	-0.2%	7.7	7.9
MT	607	1	0.1%	0.0%	-0.1%	10.3	8.6
NL	81,616	-1,171	5.3%	4.9%	-0.4%	7.8	8.7
PT	33,964	-516	2.1%	2.0%	-0.1%	7.0	7.5
SI	6,344	41	0.4%	0.4%	-0.1%	8.9	9.3
SK	7,839	65	1.0%	0.5%	-0.6%	8.3	8.5
SNAT	148,088	1,173	10.0%	8.9%	-1.1%	10.2	8.9
Total / Avg.	**1,661,078**	**892**	**100.0%**	**100.0%**	**0.0%**	**7.6**	**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

Appendix
Overview of latest Covered Bond & SSA View editions

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 Q1/2023 (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

Issuer Guide – European Supranationals 2023

Issuer Guide – French Agencies 2023

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Spotlight on Spanish regions (Update planned in 2023)

Fixed Income Specials:

ESG-Update 2023

ECB interest rate decision: All new in May... Or: The force of past rate hikes!

ECB interest rate decision: Backbone in times of turmoil?!

ECB interest rate decision: Roadmap to QT

NORD/LB

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