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Issuer Guide 2024 – German Agencies

NORD/LB Floor Research

August 2024

Marketing communication (see disclaimer on the last pages)

NORD/LB

ISSUER GUIDE 2024

German Agencies

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The German agency market – an overview

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

Promotional banks shape the German agency market alongside winding-up vehicles

The German agency market is the largest of its kind in Europe. As at the reporting date, the total volume of outstanding bonds issued by the agencies included in this Issuer Guide amounts to the equivalent of around EUR 674bn split across 1,502 ISINs. The issuers within this market can essentially be divided into three categories: national promotional banks (e.g. KfW) and regional institutions (e.g. NRW.BANK), as well as winding-up agencies (e.g. EAA). While the promotional banks have traditionally played a highly significant role in the direction of economic policy at the level of both federal government (Bund) and the individual Laender, the winding-up agencies only came into existence a matter of years ago. Founded in the wake of the global financial crisis, the role of these institutes has been to systematically reduce assets that were hived off as part of state-backed support measures (e.g. Hypo Real Estate). Regional promotional banks round off this market, although in some cases they differ considerably with regard to their primary market activities. As the largest of the 17 regional promotional banks, NRW.BANK is one of the most important bond issuers on the German agency market. However, the institutes covered in this Issuer Guide also use instruments such as sub-benchmarks and SSD (Schuldscheindarlehen) deals for refinancing purposes.

German agencies – an overview

Institution	Type	Owner(s)	Guarantee	Risk weighting
Kreditanstalt für Wiederaufbau (KfW)	Promotional bank	80% Germany, 20% Laender	Explicit guarantee & institutional liability	0%
Landwirtschaftliche Rentenbank	Promotional bank	-	Explicit guarantee & institutional liability	0%
FMS Wertmanagement (FMS-WM)	Winding-up vehicle	100% Sonderfonds Finanzmarktstabilisierung (SoFFin)	Explicit guarantee & loss absorption mechanism	0%
Erste Abwicklungsanstalt (EAA)	Winding-up vehicle	~48.2% Federal State of NRW, ~25% RSGV, ~25% SVWL, ~0.9% LVR, ~0.9% LWL	Loss absorption mechanism	0%
NRW.BANK	Promotional bank	100% Federal State of North Rhine-Westphalia	Explicit guarantee, institutional liability & guarantor liability	0%
Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)	Promotional bank	100% Federal State of Baden-Wuerttemberg	Explicit guarantee, institutional liability & guarantor liability	0%
Wirtschafts- und Infrastrukturbank Hessen (WIBank)	Promotional bank	100% Helaba	Explicit guarantee & guarantor liability	0%
LfA Förderbank Bayern (LfA)	Promotional bank	100% Free State of Bavaria	Explicit guarantee, institutional liability & guarantor liability	0%
Investitionsbank Schleswig-Holstein (IB.SH)	Promotional bank	100% Federal State of Schleswig-Holstein	Explicit guarantee, institutional liability & guarantor liability	0%
Bayerische Landesbodenkreditanstalt (BayernLabo)	Promotional bank	100% BayernLB Holding AG	Explicit guarantee & guarantor liability	0%
Investitionsbank Berlin (IBB)	Promotional bank	100% Federal State of Berlin	Explicit guarantee & institutional liability	0%
Investitionsbank des Landes Brandenburg (ILB)	Promotional bank	50% Federal State of Brandenburg, 50% NRW.BANK	Explicit guarantee, institutional liability & guarantor liability	0%
Sächsische Aufbaubank (SAB)	Promotional bank	100% Free State of Saxony	Explicit guarantee, institutional liability & guarantor liability	0%
Investitions- und Strukturbank Rheinland-Pfalz (ISB)	Promotional bank	100% Federal State of Rhineland-Palatinate	Explicit guarantee, institutional liability & guarantor liability	0%
Hamburgische Investitions- und Förderbank (IFBHH)	Promotional bank	100% Free and Hanseatic City of Hamburg	Explicit guarantee, institutional liability & guarantor liability	0%

Source: Issuers, NORD/LB Floor Research

Institutional liability (Anstaltslast)
Institutional liability is a special feature of the German agency market. It comprises the legal obligation on the part of the guarantor to secure the financial basis for the institution. Furthermore, functionality must be maintained. In this respect, any financial shortfalls must be settled through subsidies or by some other means. Specifically, institutional liability represents an obligation on the guarantor to provide the institution with the resources it needs to function properly. This means that, de facto, it is equivalent to a liquidity guarantee, although the institution does not have to bear any costs in this regard. The legal commitment between institution and guarantor is governed by the institutional liability as far as their internal relationship is concerned. As a result, if there are any liquidity shortfalls, only the institution can assert a claim against the guarantor. Investors do not have the right to claim against the guarantor. The institutional liability is not limited either in amount or time and is regarded as a general principle of law. However, it is only relevant for investors under certain circumstances: all German agencies with institutional liability also have an explicit guarantee (see below).

Guarantor liability (Gewährträgerhaftung)
Like institutional liability, guarantor liability is a special feature of the German agency market and implies an obligation on the part of the guarantor to step in should the institution become insolvent. It comprises the guarantor's unlimited legal liability for the institution's liabilities in the event of insolvency or liquidation. An institution's creditors therefore have a direct claim against the guarantor if the institution's assets are insufficient to service the creditors' claims. Liquidation and the occurrence of liability are not necessarily closely linked in terms of time. Guarantor liability is not limited in either amount or time, and as in the case of institutional liability, it is not associated with any costs. Unlike institutional liability, however, it is not regarded as a general principle of law. Instead, it requires a legal basis, such as a legislation or a regulation. Again, guarantor liability is only relevant for investors under certain circumstances: all German agencies with guarantor liability also feature an explicit guarantee in parallel to this.

Explicit guarantee
An explicit guarantee is expressly laid down in the relevant laws establishing the particular agencies and, as a consequence, it can only be revoked by an amendment to the law. If an agency runs into payment difficulties, this form of guarantee offers investors a direct and unconditional claim against the guarantor. As such, it is the strongest form of state support. Consequently, the explicit guarantee represents the ultimate criterion for a risk weighting of 0% under CRR and Basel III.

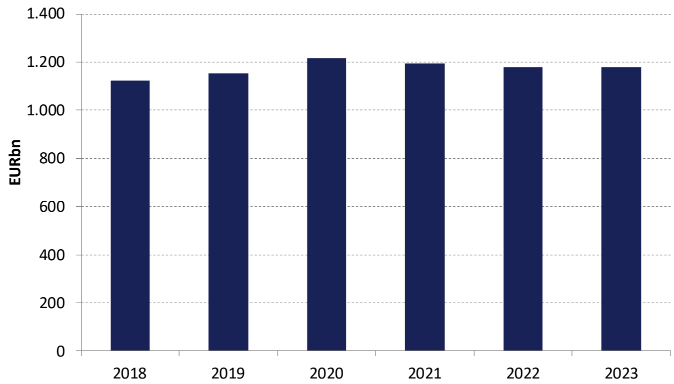
Loss absorption mechanism
With the creation of winding-up agencies around 2009/10, a new form of liability was added to the existing guarantee frameworks of German agencies. This form of liability is regulated under §7 of the statutes of FMS Wertmanagement and Erste Abwicklungsanstalt and contains an obligation on the part of the liable parties to offset all losses. The liable parties are also required to provide the institution with the funding needed to settle its liabilities (liquidity guarantee) at any time. Ultimately, the loss absorption mechanism therefore equates to an implicit guarantee.

Strong liability mechanisms result in a 0% risk weighting
Strong support from the respective guarantors, which is inherent in all forms of liability, means that a risk weighting of 0% is applicable under CRR/Basel III to all bonds issued by agencies of this kind.

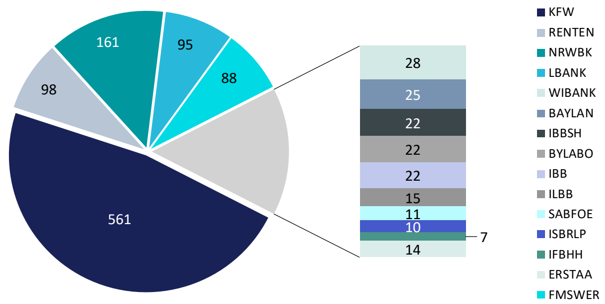
Close links to the federal government and respective federal state

Last but not least, the guarantee mechanisms result in very close ties between the agencies and Bund (federal German government) and/or respective federal state in Germany. The promotional banks, in particular, are a key tool in implementing economic policy. An in-depth analysis of the German Laender, whose creditworthiness is crucial to a large number of the agencies examined here, is available in the most recent version of our Issuer Guide – German Laender 2024.

Aggregated balance sheet totals of German agencies



Comparison of balance sheet totals (EURbn)

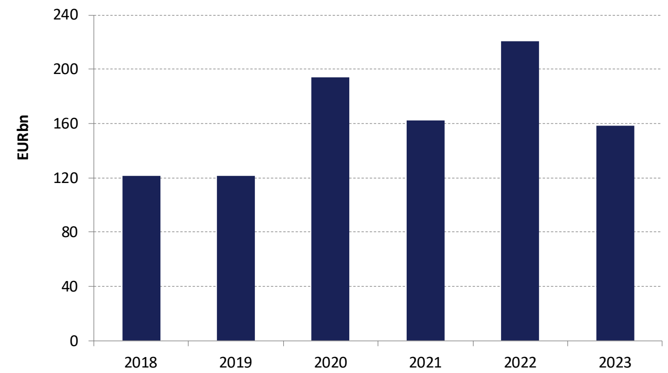


Source: Issuers, NORD/LB Floor Research

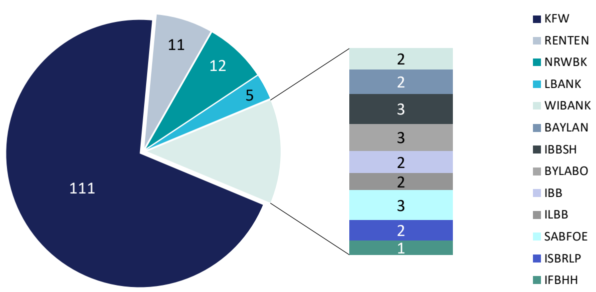
Slight rise in total assets and significant decline in volume of new commitments

With the aggregated balance sheet totals of German agencies included in this Issuer Guide having been in decline since 2020, in 2023 slight growth was recorded again in comparison with the previous year. In the end, aggregated total assets increased by EUR +0.3bn to EUR 1,180.7bn (2022: EUR 1,180.4bn). Despite the winding-up vehicles (FMS-WM and EAA) consistently reducing their portfolio holdings, the majority of the promotional banks recorded an increase in their respective total assets. While FMS-WM reported the sharpest decline in absolute terms of EUR -10.6bn (-11.1% Y/Y) to EUR 88.4bn, KfW posted the strongest absolute growth of EUR +6.1bn (+1.1% Y/Y) to EUR 560.7bn. In addition, Investitionsbank Berlin recorded a balance sheet expansion of +6.8% (EUR +1.4bn to EUR 22.1bn). Three promotional banks were not able to increase their total assets in 2023 and instead registered a decline: IB.SH (-1.3% Y/Y), ILB (-1.8% Y/Y) as well as SAB (-2.9% Y/Y). The volume of new commitments in 2023 fell to EUR 158.5bn (EUR -61.9bn) on an aggregated basis. The primary driver of this decline was KfW, where new commitments were down by EUR -55.6bn (-33.3% Y/Y) in 2023. Only three German agencies increased their volume of new commitments in 2023 (BayernLabo: EUR +0.8bn; IBB: EUR +0.1bn; SAB: EUR +0.5bn).

New commitments of German agencies*



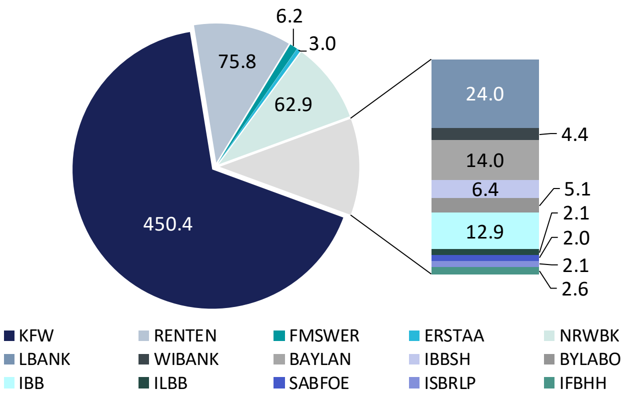
Comparison of new commitments* (EURbn)



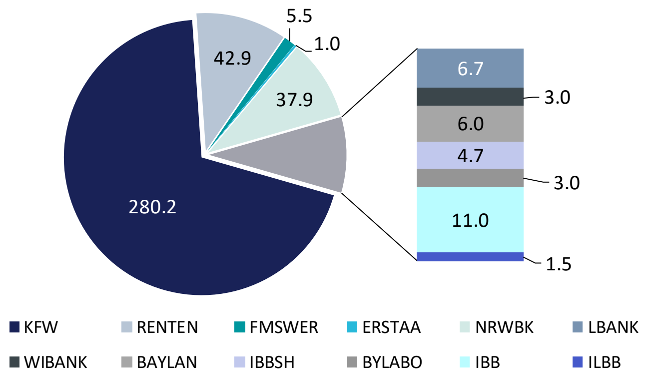
* Excluding FMS-WM und EAA.

Source: Issuers, NORD/LB Floor Research

A comparison of outstanding bond volumes (EURbn)



A comparison of outstanding EUR benchmarks (EURbn)



NB: Benchmarks are defined as bonds with a minimum volume of EUR 0.5bn.
Source: Bloomberg, NORD/LB Floor Research

German agencies – an overview (EURbn/EUR equivalent)

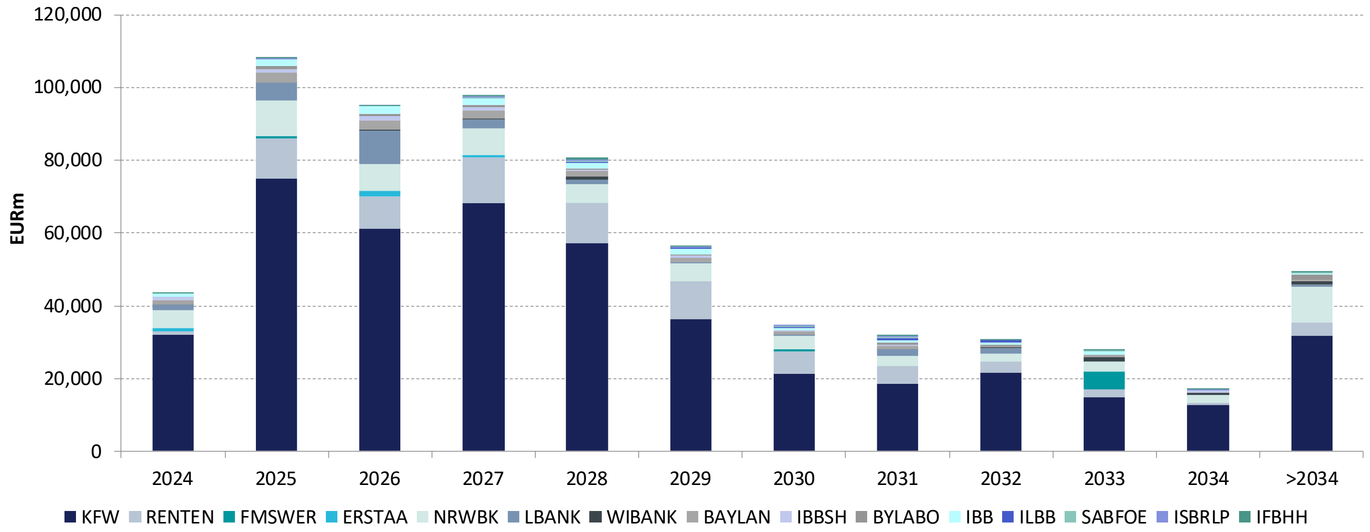
Name	Ticker	Rating (Fitch/Moody's/S&P)	Outstanding Volume	Of which in EUR volume	Funding target 2024	Maturities 2024	Net Supply 2024	Number of ESG bonds	ESG volume
KfW	KFW	AAAu/Aaa/AAA	450.4	295.1	80.0	80.0	0.0	44	61.7
Rentenbank	RENTEN	AAA/Aaa/AAA	75.8	43.8	10.0	8.8	1.2	12	6.2
FMS-WM	FMSWER	-/Aaa/AAA	6.2	5.5	8.0	6.6	1.4	0	0.0
EAA	ERSTAA	AAA/Aa1/AA	3.0	1.2	2.0	1.7	0.3	0	0.0
NRW.BANK	NRWBK	AAA/Aa1/AA	62.9	48.9	12.0	9.0	3.0	22	14.2
L-Bank	LBANK	AAAu/Aaa/AA+	24.0	10.6	7.0	5.8	1.2	0	0.0
WIBank	WIBANK	-/-/AA+	4.4	4.4	1.8	0.7	1.1	0	0.0
LfA	BAYLAN	-/Aaa/-	14.0	14.0	2.8	2.5	0.3	0	0.0
IB.SH	IBBSH	AAA/-/-	6.4	6.4	1.6	0.9	0.7	0	0.0
BayernLabo	BYLABO	-/Aaa/-	5.1	5.1	1.3	0.5	0.8	4	1.5
IBB	IBB	AAA/Aa1/-	12.9	12.9	2.8	2.6	0.2	2	1.0
ILB	ILBB	AAA/-/-	2.1	2.1	1.5	0.0	1.5	1	0.1
SAB	SABFOE	-/-/AAA	2.0	2.0	0.8	0.3	0.5	0	0.0
ISB	ISBRLP	AAA/-/-	2.1	2.1	0.7	0.1	0.6	0	0.0
IFBHH	IFBHH	AAA/-/-	2.6	2.6	0.6	0.1	0.5	1	0.3
Total			**673.9**	**456.7**	**132.9**	**119.6**	**13.3**	**86**	**85.0**

NB: Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuers, NORD/LB Floor Research

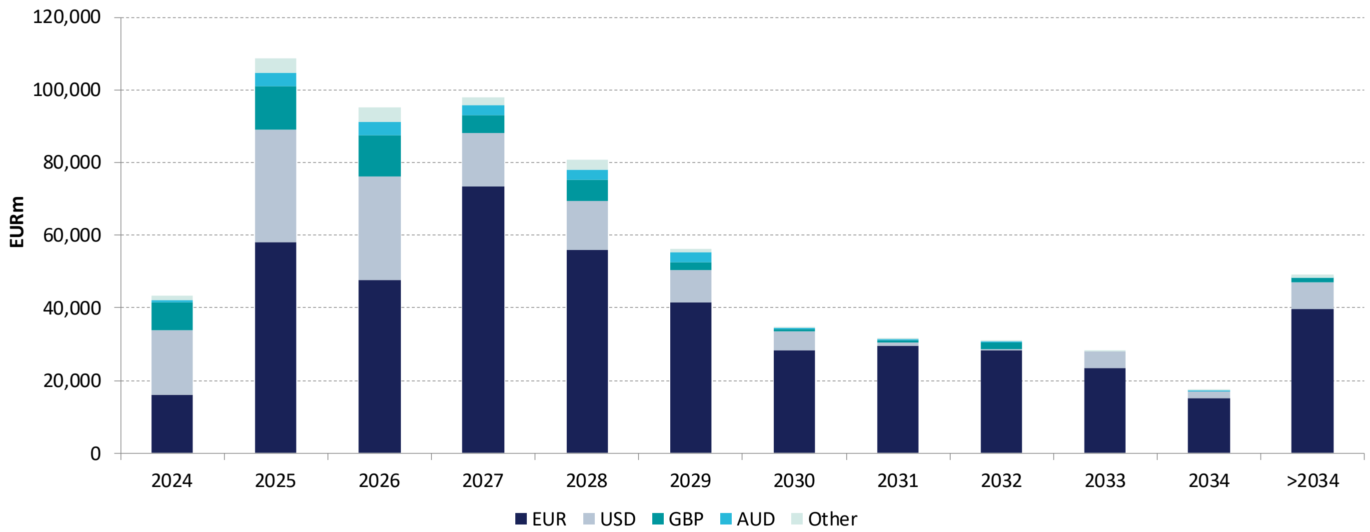
Comment

With its very high supply of EUR and foreign-currency bonds, the German agency market is the largest of its kind in Europe. The supply of new bonds, which includes a large number of EUR benchmark bonds in particular, is also at a high level. This means that the bonds of German agencies are spread along the entire maturity range. On account of the major importance of the individual banks and taking into consideration their respective guarantee and liability mechanisms, all issuers benefit from a risk weight of 0% from our perspective. In terms of refinancing plans for the current year, KfW has by far the highest funding requirement at EUR 80bn. Originally, it had even announced an expected requirement of about EUR 92.5bn (range: EUR 90-95bn), before revising the figure downwards towards the middle of the year. As such, Germany's largest promotional bank will have a net supply of zero for 2024. After KfW, NRW.BANK intends to raise EUR 12bn, which is the second highest capital market funding requirement of the German agencies. Thereafter comes Landwirtschaftliche Rentenbank with EUR 10bn. In total, the issuers covered in this Issuer Guide are planning to raise EUR 132.9bn in fresh funding across 2024.

German agencies: outstanding bonds by issuer



German agencies: outstanding bonds by currency



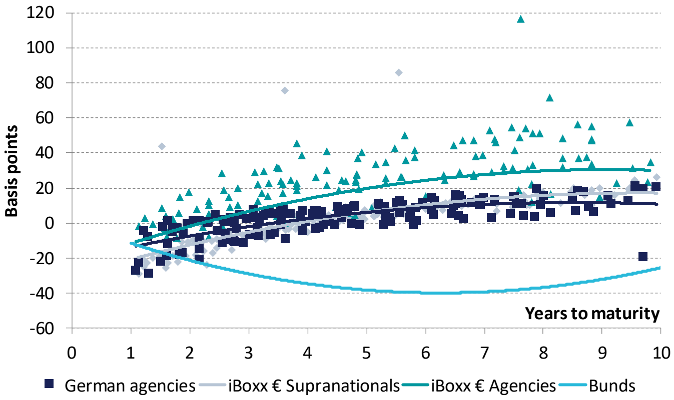
NB: Foreign currencies are converted into EUR at rates as at 16 August 2024.
Source: Bloomberg, NORD/LB Floor Research

Broad range in various currencies

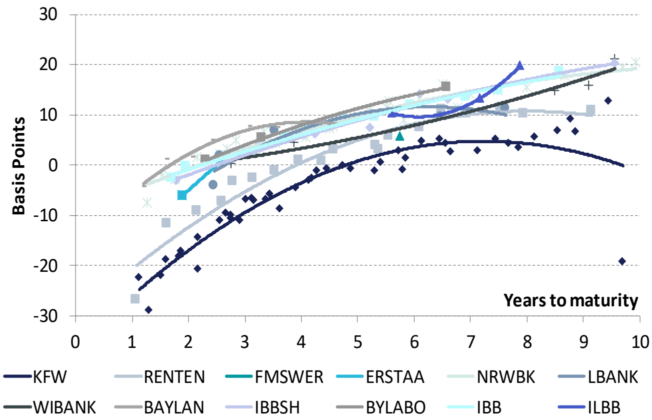
The German agency market offers a very wide range of bonds, especially in the maturity segment up to 2029. There is a substantial volume of outstanding bonds (EUR 456.8bn spread across 1,084 separate bond deals), of which a large number are benchmarks, particularly in EUR. Overall, a total of EUR 217.0bn of the outstanding volume is also denominated in 16 foreign currencies (418 bonds), with the USD clearly at the forefront of the FX offering, followed by GBP and AUD. KFW, RENTEN and NRWBK in particular boast high volumes and conduct their refinancing activities across a broad spectrum of foreign currencies. Overall, the FX share of the total outstanding volume of bond issues amounts to 32.2%. With the exception of these three issuers, the German agency market is geared towards comparatively short-term refinancing, with longer maturities therefore regarded as more of a rarity.

Germany A comparison of spreads

German agencies vs. iBoxx € indices & Bunds



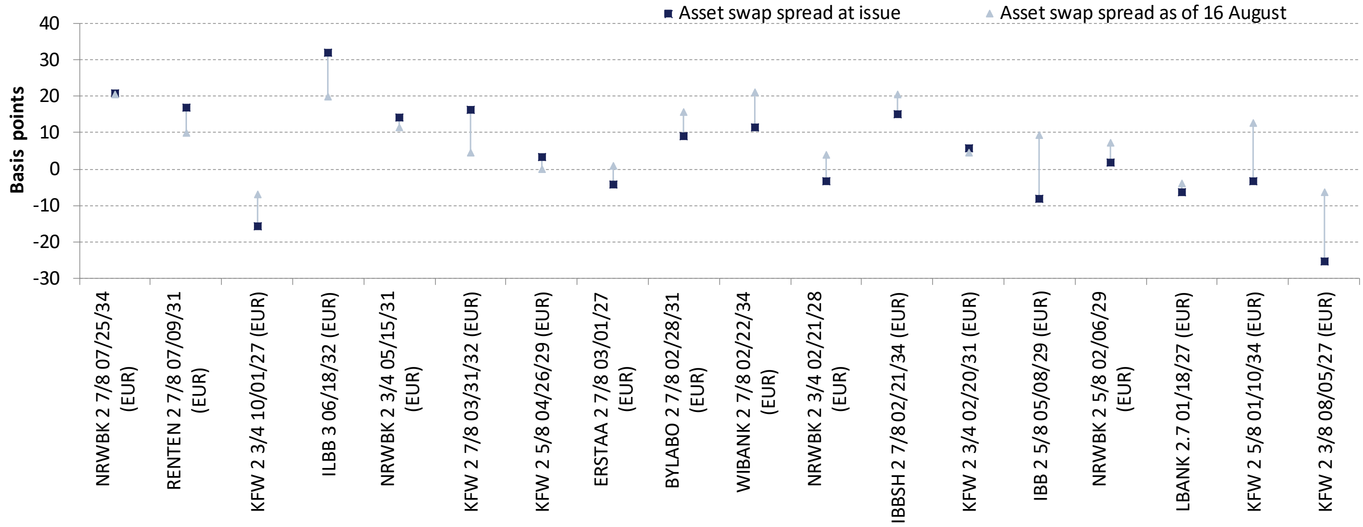
German agencies – a comparison



* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Germany Primary market activities – an overview

Development of benchmark issues 2024 (fixed coupon)



NB: Benchmarks are defined as bonds with a minimum volume of EUR 0.5bn or USD 1.0bn.
Source: Bloomberg, NORD/LB Floor Research

Increased issuance volumes during the years of crisis

After the capital market activities of FMS-WM and EAA had in particular led to a significant influx of fresh supply a few years ago, these institutes have in recent years now started to scale back their primary market activities quite considerably. In contrast, the financing of COVID-19 measures since 2020 and hardship aid in connection with the energy crisis have in particular led to increased refinancing requirements on the part of promotional banks. For 2024, we expect issuance volumes to be largely on a par with the previous year. In this context, ESG bonds represent an element that is increasingly growing in importance. While the ESG label does not automatically lead to improved conditions for issuers, it does at least boost the appeal of the bonds for a broader investor basis. Generally speaking, we anticipate further growth in the area of sustainability-related bonds (ESG bonds). In particular, KfW has made successful forays into this market segment with EUR benchmarks and is responsible, together with the EU and EIB, for driving the dynamic development of the green bond market. However, other German agencies have now started to become successfully established on the market as ESG issuers too.

General information

[Homepage]

[Investor Relations]

Owner(s)
80% Germany, 20% Laender

Guarantor(s)
Germany

Liability mechanism
Explicit guarantee & institutional liability

Legal form
Public law institution

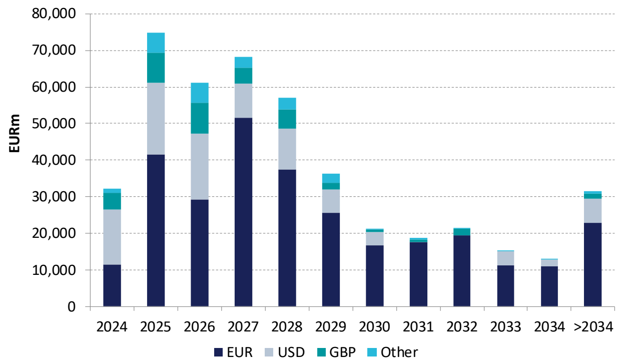
Bloomberg ticker
KFW

Ratings	Long-term	Outlook
Fitch	AAAu	stab
Moody's	Aaa	stab
S&P	AAA	stab

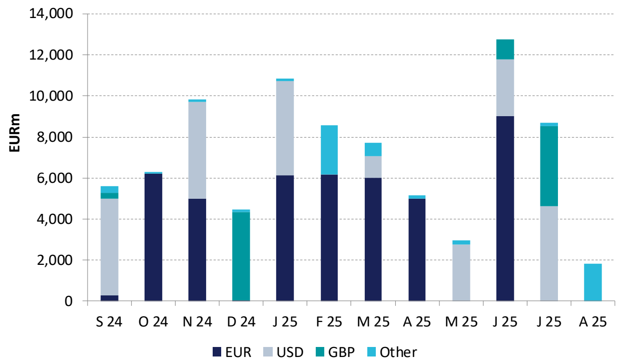
Kreditanstalt für Wiederaufbau (KfW)

Kreditanstalt für Wiederaufbau (KfW) was established in 1948 as a public law institution (Anstalt öffentlichen Rechts) with the initial mission of supporting the reconstruction of the German economy in the wake of the Second World War. Since this time, the promotional bank has offered low-interest loans for investment purposes, although the target groups of potential borrowers as well as the variety of funding programmes on offer have both been expanded over time. KfW divides its business activities into six segments overall: SME Bank and Private Clients (e.g. promotional funding for SMEs and provision of student loans), Customised Finance and Public Clients (corporate/bank financing and municipal infrastructure financing), KfW Capital (private equity and venture capital), Financial Markets, Export and Project Financing (KfW IPEX-Bank), KfW Development Bank and DEG. In 2022, KfW recorded the strongest year of promotional activity in its history at around EUR 167bn, although it was unable to replicate this result in 2023 (EUR 111.3bn). The domestic promotion business also declined to EUR 77.1bn (2022: EUR 136.1bn). Loans are generally granted through the respective house bank, which passes on the KfW funding to the customer once an application has been approved (house bank principle). KfW does not operate any branches and has no customer deposit business. In 2023, KfW withdrew from the business of acute crisis aid. This is reflected in the lower volume of new commitments, which declined by EUR -55.6bn or -33.3% overall. Strategic investments for the transformation both of Germany and in a wider, global sense are at the forefront of KfW's activities now. Today, the promotional bank focuses on supporting the necessary transition towards a climate-friendly economy and society. KfW is 80% owned by the German federal government (Bund), while the German Laender maintain a stake of 20%. §1a of the Act governing the KfW (KredAnstWiAG) stipulates an explicit guarantee on the part of the Bund for the promotional bank's existing and future liabilities. The explicit and direct guarantee is supplemented by the provision of institutional liability on the part of Germany. For 2024, KfW has defined an adjusted funding target of EUR 80.0bn. Of this figure, around EUR 11.5bn is to be raised via the issuance of [green bonds].

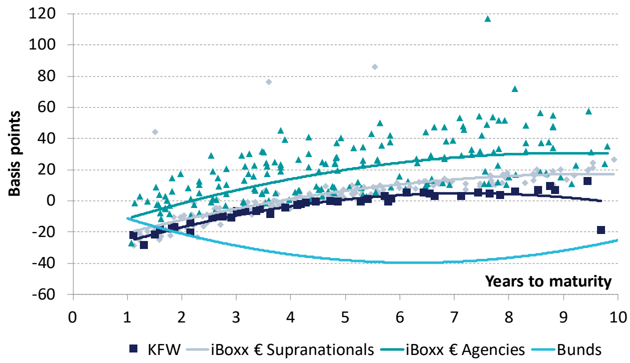
Maturity profile by currency



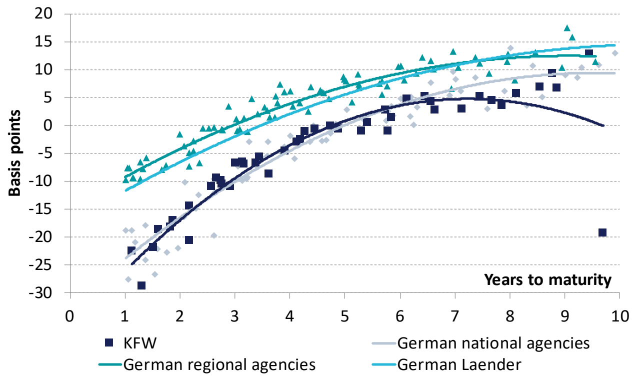
Bond amounts maturing in the next 12 months



KFW vs. iBoxx € indices & Bunds



KFW vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	II	Does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
1	34	47	-29	-2	13	11.3%	41.5%

Funding & ESG (EURbn/EUR equivalent)

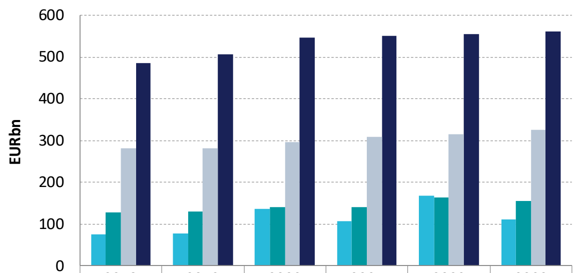
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
80.0	80.0	0.0	Benchmarks, ESG bonds, other public bonds, PP, CP	ECB	44	61.7

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
450.4	295.1	62	95.9	29	59.3

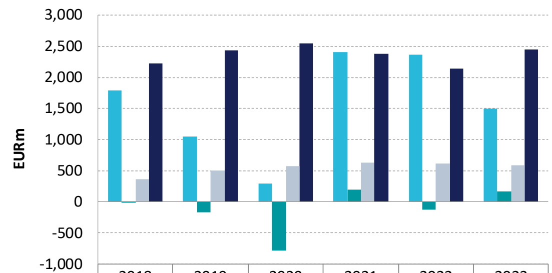
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



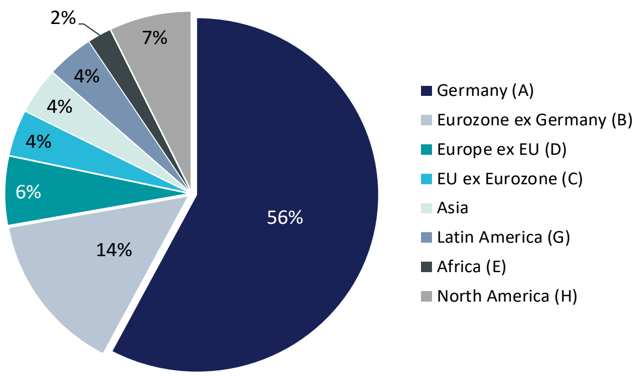
	2018	2019	2020	2021	2022	2023
Total assets	486	506	546	551	555	561
Loans to banks	280	282	296	309	314	325
Loans to customers	127	129	141	140	164	154
New commitments	76	77	135	107	167	111

Earnings development

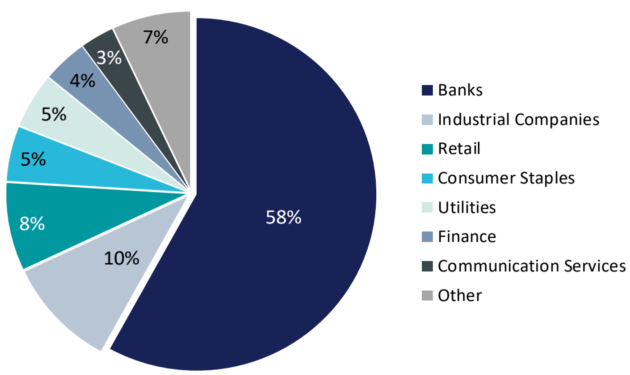


	2018	2019	2020	2021	2022	2023
Net interest income	2,228	2,437	2,547	2,386	2,148	2,456
Net commission income	362	499	573	623	617	593
Loan loss provisions	-3	-174	-781	196	-124	169
Consolidated net income	1,791	1,047	292	2,410	2,372	1,494

Credit risk by region



Credit risk by sector



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Extremely high importance for the Bund
+ Explicit guarantee
+ Low liquidity risk

Weaknesses/Risks

– Concentration risks at financial institutes (mitigated by house bank principle)
– Possible amortisation from project financing and developing/emerging economies

General information

[Homepage]

[Investor Relations]

Owner(s)
-

Guarantor(s)
Germany

Liability mechanism
Explicit guarantee & institutional liability

Legal form
Public law institution

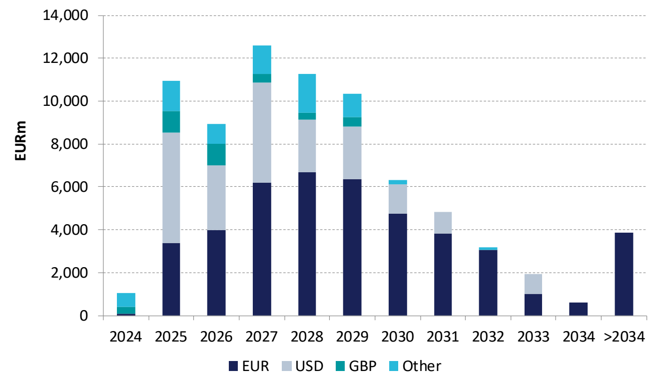
Bloomberg ticker
RENTEN

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aaa	stab
S&P	AAA	stab

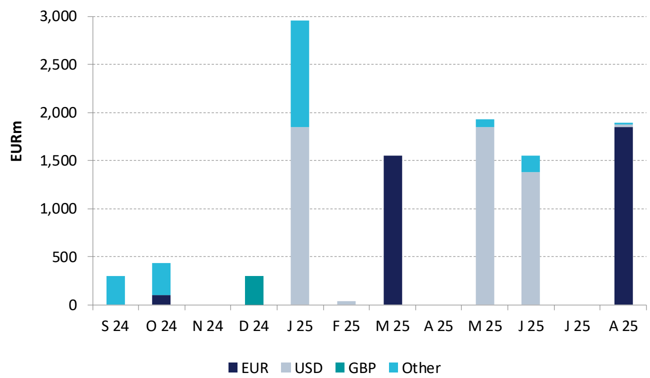
Landwirtschaftliche Rentenbank

Since Landwirtschaftliche Rentenbank (often simply referred to as Rentenbank) was established in 1949 as a public law institution (Anstalt öffentlichen Rechts), its mission has been to support agriculture and rural development in Germany. In November 2022, Rentenbank expanded its range of promotional products from six to seven segments, within which various programme loans are issued. The existing loan programmes, which are split into the categories of Agriculture (I), Agribusiness and Food Industry (II), Rural Development (III), Renewable Energies (IV), Aquaculture and Fisheries (V) and Forestry (VI), were expanded to include the Future Fields of Interest (VII) segment. Through this comprehensive range of promotional activities, growth financing may be offered, for example, depending on the company or sector in question, while Rentenbank also provides support measures to safeguard liquidity. Rentenbank seldom grants loans directly to end customers. Instead, it refinances the house banks, which in turn pass on the programme loans to customers and bear the default risk. The bank's share capital of EUR 135m was raised by the (West) German agricultural and forestry sector between 1949 and 1958. As a result, the promotional bank does not have any owner(s), which is an unusual feature – and not only among European agencies. The Bund has explicitly guaranteed the liabilities of Rentenbank since 01 January 2014. The explicit guarantee supplements the existing institutional liability, which for its part includes an implicit guarantee by the Federal Republic of Germany. The guarantee is of unlimited duration, without restriction and unlimited with regard to amount/term. Moreover, in 2015, the Rentenbank Act expressly ruled out the possibility of bankruptcy for Rentenbank. It is no longer subject to direct supervision by the ECB (amendment to the capital requirements directive) but has been monitored by the Federal Financial Supervisory Authority (BaFin) again since 2020. In the autumn of 2020, Rentenbank issued an inaugural public green bond, having previously made sole use of private placements in this segment.

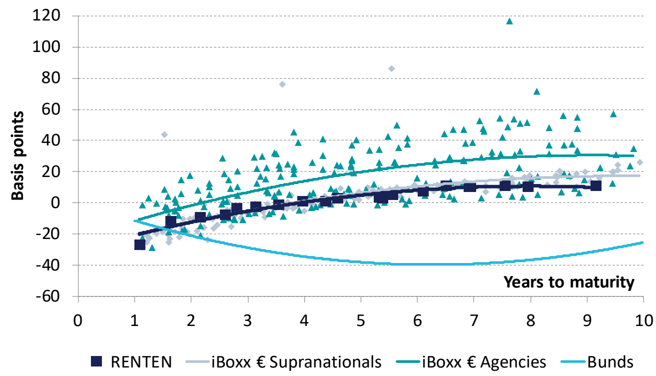
Maturity profile by currency



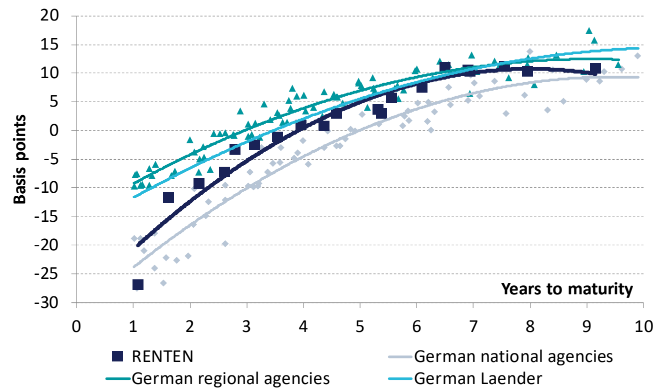
Bond amounts maturing in the next 12 months



RENTEN vs. iBoxx € indices & Bunds



RENTEN vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	II	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
4	39	52	-27	3	11	1.7%	6.4%

Funding & ESG (EURbn/EUR equivalent)

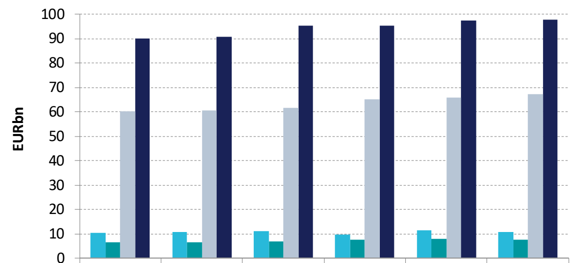
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
10.0	8.8	1.2	Benchmarks, ESG bonds, other public bonds, PP, CP	ECB	12	6.2

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
75.8	43.8	25	21.1	15	10.9

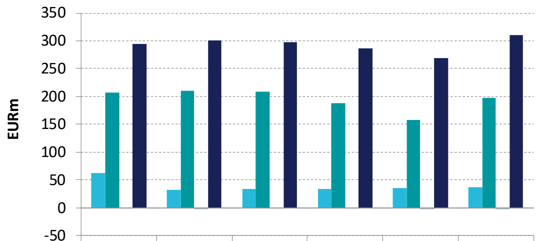
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development (HGB)



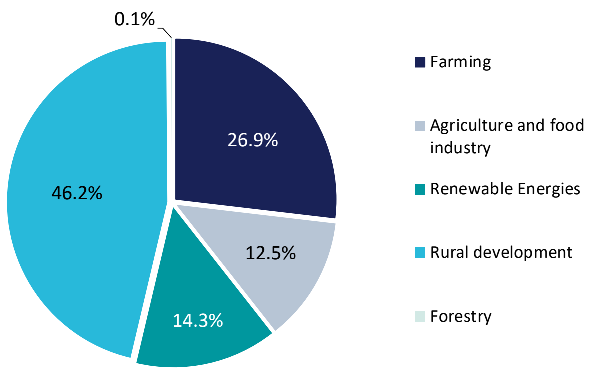
	2018	2019	2020	2021	2022	2023
Total assets	90	91	95	96	97	98
Loans to banks	60	60	62	65	66	67
Loans to customers	6	6	7	8	8	8
New commitments	10	11	11	10	12	11

Earnings development (HGB)

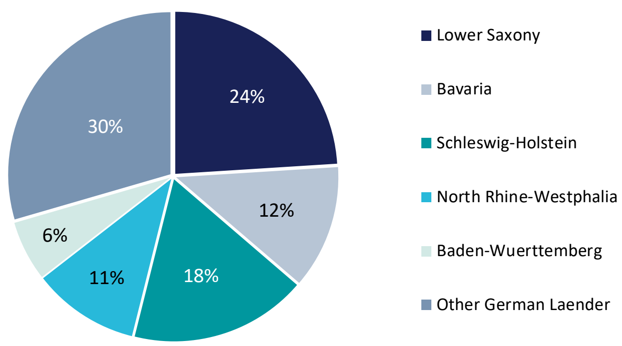


	2018	2019	2020	2021	2022	2023
Net interest income	295	301	297	286	269	310
Net commission income	-2	-2	-2	-1	-2	-3
Operating result before risk provisions/valuation	207	210	209	188	158	197
Net income	63	33	34	35	36	37

New business programme loans



Programme loans by German Laender



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ High level of liquid assets

Weaknesses/Risks

– Concentration risks at financial institutes (mitigated by house bank principle)

FMS Wertmanagement (FMS-WM)

FMS Wertmanagement (FMS-WM) was formed on 8 July 2010 in order to take over risk positions and non-strategic operations from Hypo Real Estate Group (HRE Group) and wind them up. To this end, assets with a nominal value of EUR 175.7bn were transferred to FMS-WM with effect from 01 October 2010, which had been reduced to EUR 44.4bn by the end of December 2023. The long average maturity of the portfolio components and the principle of winding up the assets in ways that maximise their value resulted in FMS-WM setting out a time frame of originally ten years for the winding-up process. In fact, the portfolio is now being wound up under the requirement that "value maximisation takes precedence over a fixed winding-up period", in order that the process can be completed without the pressure of a deadline. On 19 December 2014, FMS-WM also took over Depfa for approximately EUR 320m, which was subsequently recognised as an equity holding in the balance sheet. FMS-WM took the view that winding down Depfa of its own accord was an expedient option, and underscored the decision made at this time through the sale of Depfa to the Austrian entity BAWAG P.S.K. AG in 2021. At present, the FMS-WM portfolio is divided into the segments of Infrastructure, Public Sector and Structured Products. FMS-WM is owned by the German Financial Market Stabilisation Fund (SoFFin), which is managed by the Federal Republic of Germany – Finance Agency. Under §8a of the German Financial Market Stabilisation Fund Act (FMStFG), SoFFin has also explicitly guaranteed the liabilities of FMS-WM since 01 January 2014. Since the German government is accountable for the liabilities of SoFFin by virtue of §5 of the FMStFG, FMS-WM ultimately benefits from an implicit government guarantee. Under §7 of the Charter of FMS-WM, SoFFin is furthermore obligated to compensate all losses incurred by FMS-WM until the winding-up of the institution is discontinued. It is also stipulated that SoFFin must pay the amounts required to service the liabilities of FMS-WM within three days. This additionally provides a de facto liquidity guarantee for the winding-up agency.

General information

Homepage

Investor Relations

Owner(s)
100% SoFFin

Guarantor(s)
SoFFin

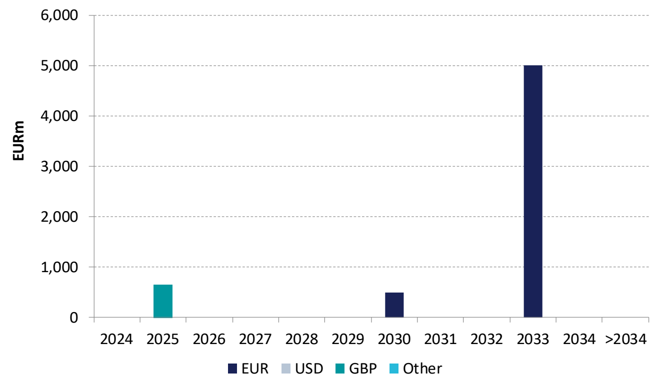
Liability mechanism
Explicit guarantee & loss absorption mechanism

Legal form
Public law institution

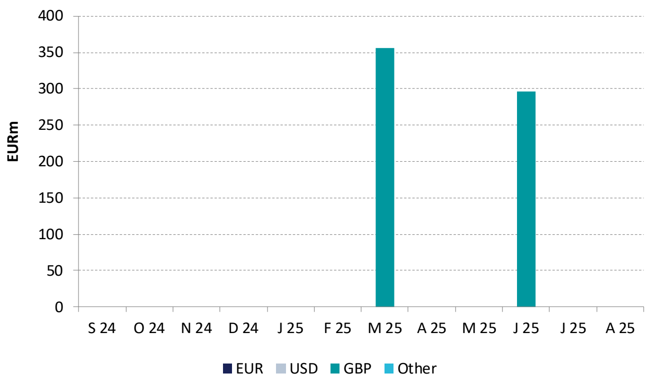
Bloomberg ticker
FMSWER

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	AAA	stab

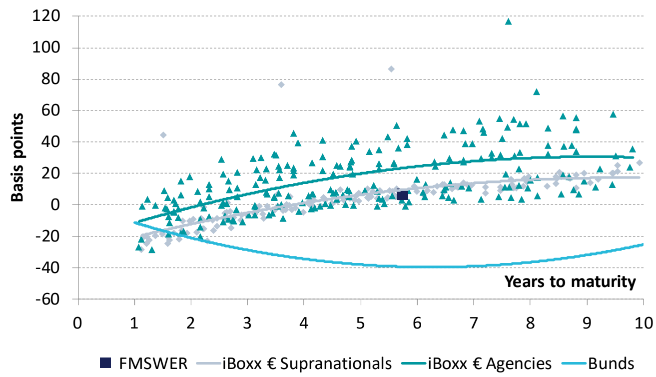
Maturity profile by currency



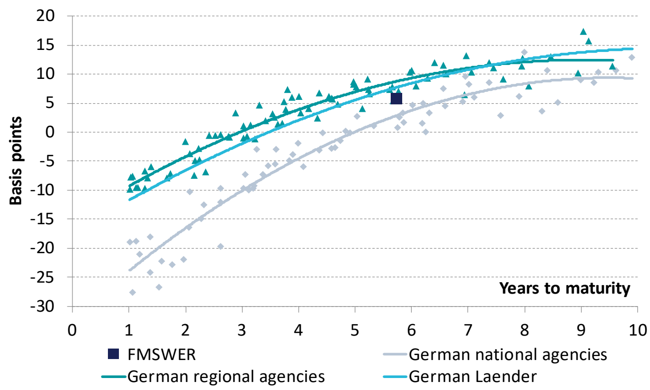
Bond amounts maturing in the next 12 months



FMSWER vs. iBoxx € indices & Bunds



FMSWER vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	III	Does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
47	47	47	6	6	6	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

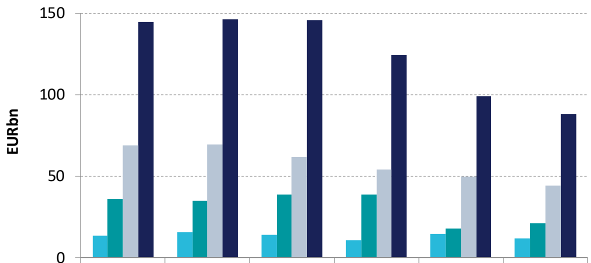
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
8.0	6.6	1.4	Benchmarks, other public bonds, PP, CP	-	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
6.2	5.5	6	0.0	0	0.7

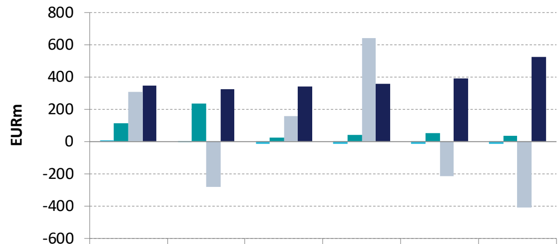
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



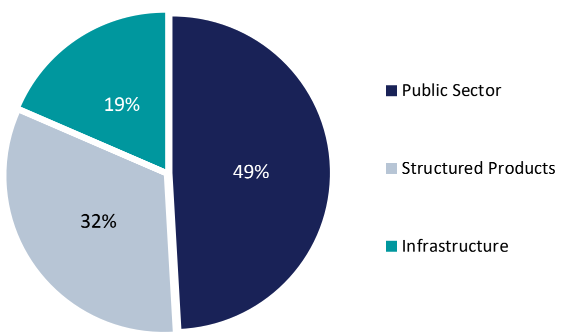
	2018	2019	2020	2021	2022	2023
Total assets	145	146	146	124	99	88
Wind-up portfolio	69	69	62	54	50	44
Loans to banks	36	35	39	39	18	21
Loans to customers	13	16	14	11	15	12

Earnings development

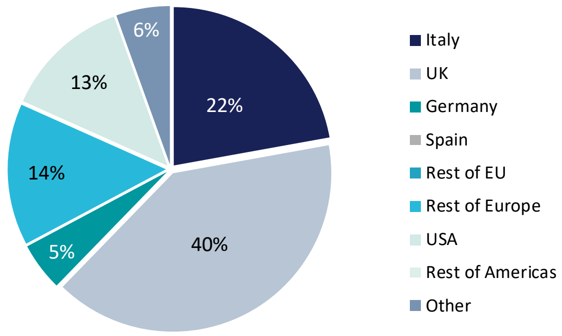


	2018	2019	2020	2021	2022	2023
Net interest income	348	325	340	358	391	528
Loan loss provision	310	-283	156	643	-214	-409
Consolidated net income after loss compensation	115	236	22	44	50	35
Net commission income	4	-5	-13	-12	-14	-12

Winding-up portfolio by business segment



Winding-up portfolio by country/region



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Implicit liquidity guarantee
+ Progress made in winding-up activities

Weaknesses/Risks

– Dependency on the state to offset losses
– Abundance of long-dated and illiquid assets
– Substantial exposure to the periphery

ERSTE ABWICKLUNGS ANSTALT

General information

Homepage

Investor Relations

Owner(s)

~48.2% Federal State of NRW, ~25% RSGV, ~25% SVWL, ~0.9% LVR, ~0.9% LWL

Guarantor(s)

Owners and SoFFin

Liability mechanism

Loss absorption mechanism

Legal form

Public law institution

Bloomberg ticker

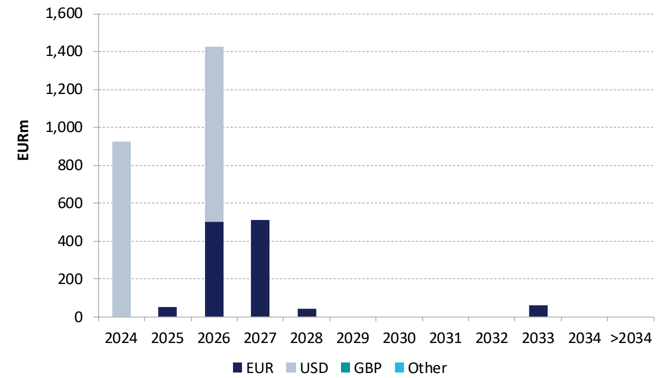
ERSTAA

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	AA	stab

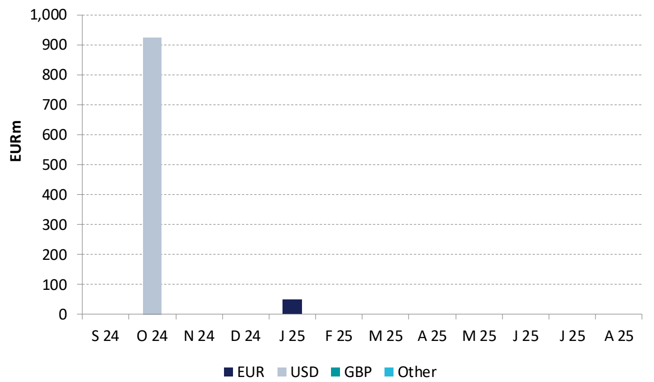
Erste Abwicklungsanstalt (EAA)

Erste Abwicklungsanstalt (EAA) was established on 11 December 2009 under the aegis of the Federal Agency for Financial Market Stabilisation (FMSA). Its mission is to liquidate the assets taken over from WestLB AG while preserving as much value as possible. Initially, EAA took over a portfolio with a nominal volume of EUR 77.5bn, before a second portfolio valued at EUR 124.4bn was transferred to EAA in 2012. The assets of the banking book portfolio were initially liquidated within 13 clusters of different sizes (number of clusters reduced to six in 2018). In 2015, the disposal of WestImmo led to major changes in the banking book portfolio, which was reduced by EUR -7.7bn through this measure alone. The largest shareholder of EAA is the federal state of North Rhine-Westphalia (NRW; around 48.2%), followed by the Rhineland Savings Banks and Giro Association (Rheinischer Sparkassen- und Giroverband [RSGV]; approx. 25%) and the Savings Banks Association Westphalia-Lippe (Sparkassenverband Westfalen-Lippe [SVWL]; around 25%), while the regional authorities (Landschaftsverbände) of Rhineland (LVR) and Westphalia-Lippe (LWL) each hold smaller shares of roughly 0.9%. Under Article 7 of the EAA Charter, the shareholders have a duty to offset losses. This obligation is divided into four levels, with the participation of the German Financial Market Stabilisation Fund (SoFFin) in addition to the shareholder involvement. In the case of the RSGV and SVWL, this requirement to offset losses is limited to an overall maximum amount of EUR 4.5bn, which is guaranteed by NRW. This amount is reduced by all payments made by the RSGV and SVWL. Moreover, NRW also ensures that LVR and LWL comply with their obligations. Ultimately, therefore, there is primarily a duty on the part of NRW to offset losses. In addition, the liable parties are required, at any time and in line with their respective participation ratios, to provide EAA with the funding it requires to service its liabilities within seven days. As such, EEA benefits from a de facto implicit liquidity guarantee.

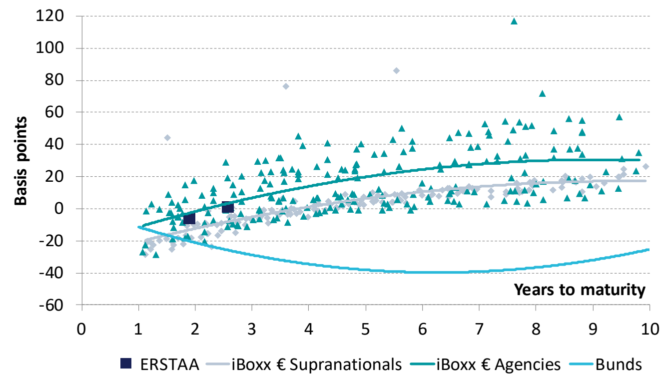
Maturity profile by currency



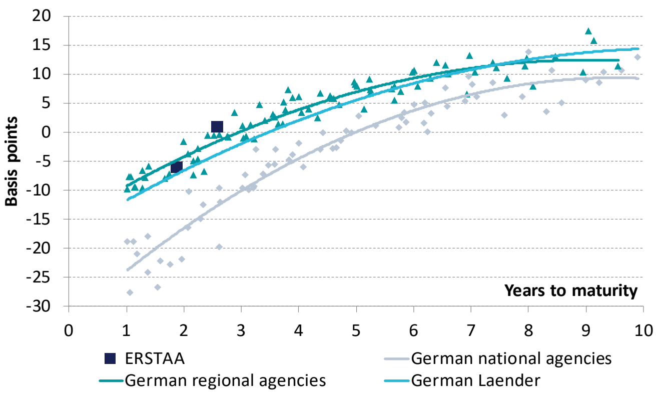
Bond amounts maturing in the next 12 months



ERSTAA vs. iBoxx € indices & Bunds



ERSTAA vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	III	Does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
24	30	35	-6	-3	1	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

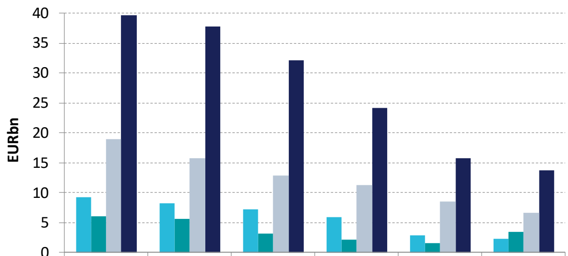
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
2.0	1.7	0.3	Benchmarks, other public bonds, PP, CP	-	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
3.0	1.2	2	1.8	1	0.0

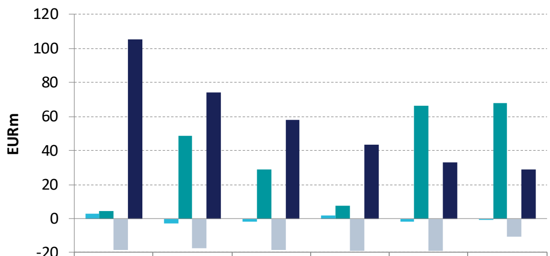
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



	2018	2019	2020	2021	2022	2023
Total assets	40	38	32	24	16	14
Wind-up portfolio	19	16	13	11	9	7
Loans to banks	6	6	3	2	2	3
Loans to customers	9	8	7	6	3	2

Earnings development



	2018	2019	2020	2021	2022	2023
Net interest income	105	74	58	44	33	29
Net commission income	-18	-18	-18	-19	-19	-11
Loan loss provisions	5	49	29	8	67	68
Net income	3	-3	-2	2	-2	0

EAA loss absorption mechanism

1st level: commitment up to EUR 850m

SVWL	RSGV	NRW	LVR	LVL
25.05%	25.05%	48.20%	0.85%	0.85%

2nd level: commitment up to a further EUR 2.67bn

SVWL	RSGV	NRW	LVR	LVL	SoFFin
~18.73%	~18.73%	~36.15%	~0.65%	~0.65%	~25.09%

3rd level: commitment up to a further EUR 6.0bn

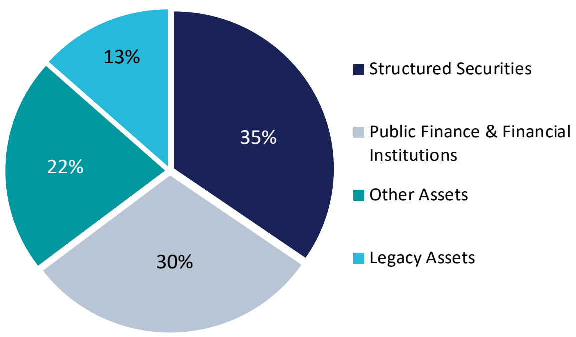
SVWL	RSGV	NRW
~24.99%	~24.99%	~50.02%

Commitment to cover further losses

NRW	NRW / SoFFin as sole debtor
50%	50%

Source: Issuer, NORD/LB Floor Research

Banking book portfolio by cluster



Strengths/Chances

+ Strong support from NRW
+ Implicit liquidity guarantee
+ Progress in winding-up asset portfolio

Weaknesses/Risks

– No explicit guarantee
– Complex structure of loss absorption mechanism
– High exposure to structured products

NRW.BANK

NRW.BANK
Wir fördern Ideen

General information

[Homepage]

[Investor Relations]

Owner(s)

100% Federal State of North Rhine-Westphalia

Guarantor(s)

Federal State of North Rhine-Westphalia

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

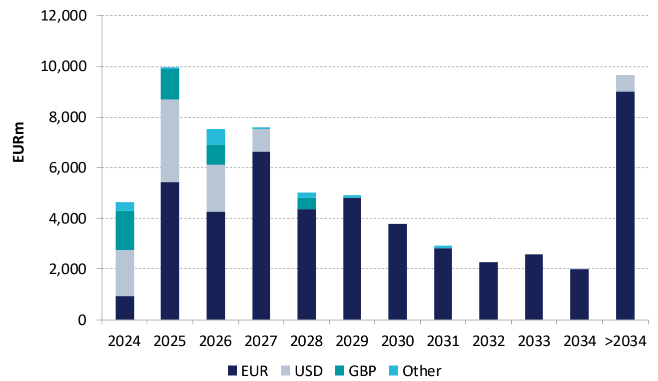
Bloomberg ticker

NRWBK

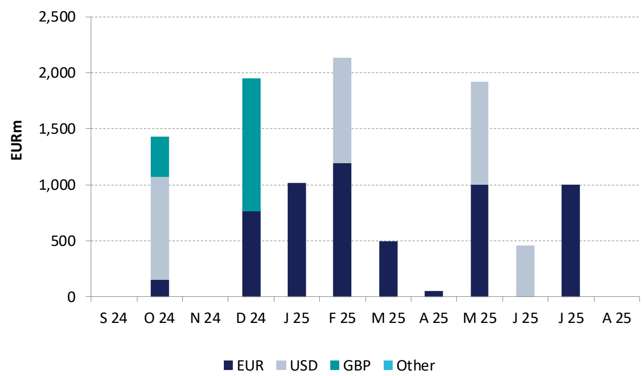
Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	AA	stab

NRW.BANK, which was created in the wake of the transformation and subsequent break-up of the former Westdeutsche Landesbank (WestLB) in 2002, is the regional promotional bank of North Rhine-Westphalia (NRW), Germany's most heavily populated federal state. Since then, NRW.BANK has been supporting NRW and its municipal authorities in fulfilling their public duties, particularly in relation to structural, economic, social, climate and housing policies. The promotional banking products are pooled within three segments: Economy (e.g. start-ups and SMEs), Housing (new buildings and modernisation projects) and Infrastructure/Municipalities. In each of these three segments, the energy transition and environmental protection are designated as key priorities. Through its focus on sustainability, NRW.BANK has now become an established issuer of green bonds and social bonds. In addition, roughly 25% of the loans granted to NRW are in the form of "green loans". With providing funding to secure and improve the economic structure of SMEs, NRW.BANK also offers venture capital. As a result, the bank has at its disposal a wide-ranging set of tools for business promotion purposes. In order to mitigate the impacts arising from Russia's war of aggression in Ukraine, new promotional offerings were developed that, for example, aimed to support smaller businesses in their efforts to move away from natural gas and instead rely on renewable energy sources. As measured by total assets, NRW.BANK is the second largest promotional bank in Germany after KfW. The federal state of NRW has been the sole owner of the bank since the summer of 2011. NRW.BANK trades in the legal form of a public law institution (Anstalt öffentlichen Rechts), whereby NRW guarantees NRW.BANK's liabilities through an explicit guarantee defined in §4 (3) of the Act on NRW.BANK (NRW.BANK-G). Furthermore, NRW also bears liability through guarantor liability and institutional liability structures. §17 (2) expressly protects NRW.BANK from the possibility of bankruptcy. Following an amendment to the Capital Requirements Directive, NRW.BANK is no longer subject to direct supervision by the ECB.

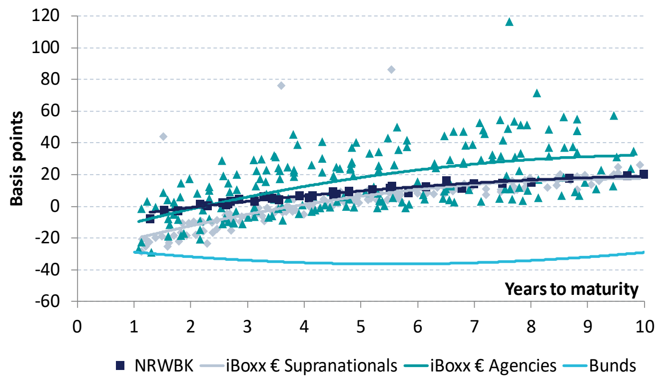
Maturity profile by currency



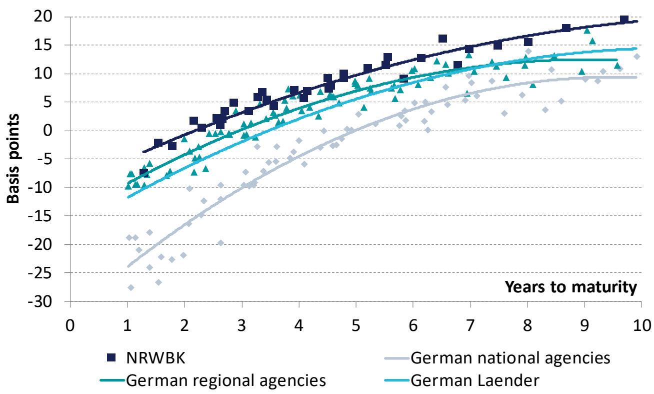
Bond amounts maturing in the next 12 months



NRWBK vs. iBoxx € indices & Bunds



NRWBK vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	II	Relevant; does not apply

Relative Value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
22	45	58	-8	7	20	0.8%	3.1%

Funding & ESG (EURbn/EUR equivalent)

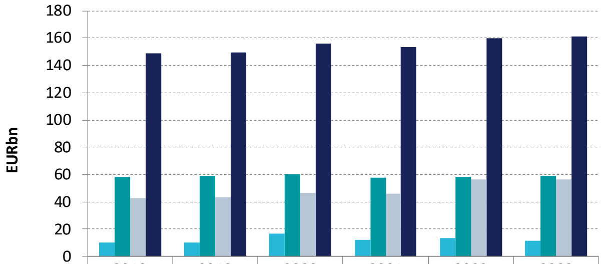
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
12.0	9.0	3.0	Benchmarks, ESG bonds, other public bonds, PP, CP	ECB	22	14.2

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
62.9	48.9	50	8.6	8	5.4

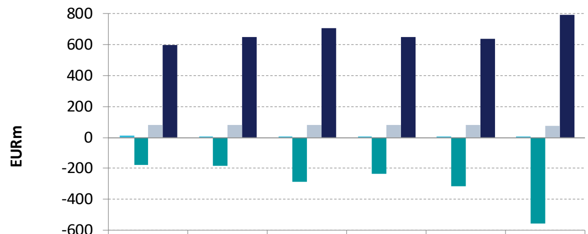
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



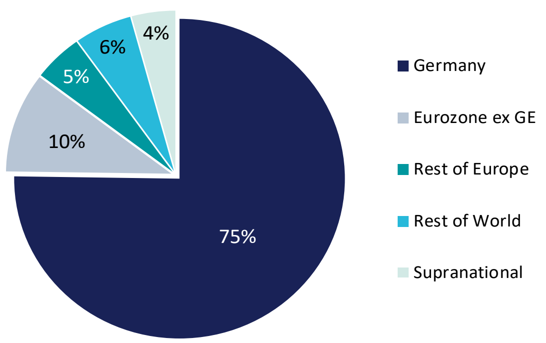
	2018	2019	2020	2021	2022	2023
Total assets	149	149	156	153	160	161
Loans to banks	43	43	46	46	56	56
Loans to customers	58	59	60	58	59	59
New commitments	10	10	17	12	14	12

Earnings development

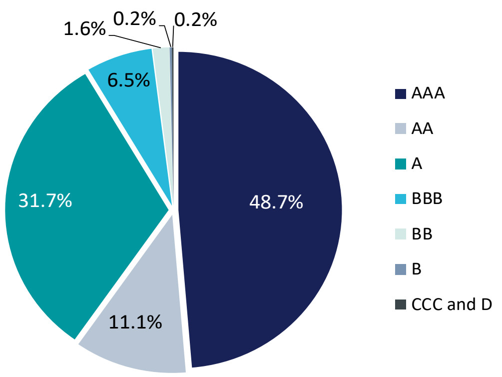


	2018	2019	2020	2021	2022	2023
Net interest income	599	650	707	652	640	797
Net commission income	79	79	83	81	82	75
Risk provision / valuation result	-180	-181	-290	-237	-317	-559
Net income	9	8	7	6	5	5

Exposure by region (including derivatives)



Total exposure by rating category



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Very good capital ratios

Weaknesses/Risks

– Credit risk from off-balance-sheet CDS (Credit Default Swaps)
– Dependency on financing from large customers

L-BANK
Staatsbank für Baden-Württemberg

General information

[Homepage]

[Investor Relations]

Owner(s)

100% Federal State of Baden-Wuerttemberg

Guarantor(s)

Federal State of Baden-Wuerttemberg

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

Bloomberg ticker

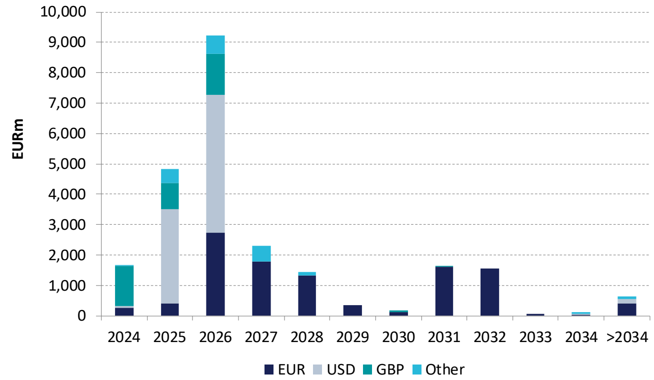
LBANK

Ratings	Long-term	Outlook
Fitch	AAAu	stab
Moody's	Aaa	stab
S&P	AA+	pos

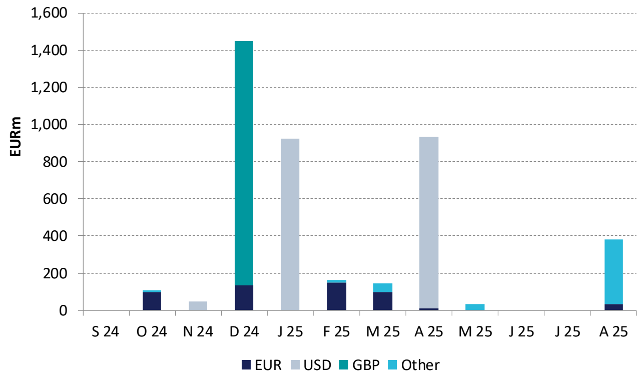
Landeskreditbank Baden-Württemberg – Förderbank (L-Bank)

The roots of Baden-Wuerttemberg's promotional bank, L-Bank, extend all the way back to 1922 (resolution passed). Following the First World War, two credit institutions were formed in view of a general lack of housing: Württembergische Wohnungskreditanstalt (1924) and Badische Landeskreditanstalt für Wohnungsbau (1934). In 1972, these two banks merged into Landeskreditbank Baden-Württemberg. L-Bank's range of activities has expanded greatly since its creation out of its predecessor institutions. In addition to housing development, which was the initial focus of its activities, the business promotion division has since become the bank's most important promotional segment. L-Bank is also involved in financing infrastructure projects. The focus of the promotional programmes is increasingly directed towards aspects such as social justice, sustainability, structural transformation as a result of climate change and digitalisation. Thus, L-Bank's business areas extend from supporting start-ups and conventional financing for SMEs through financing of residential property and municipal investments, to approval of parental and child-raising allowances in Baden-Wuerttemberg. The energy transition is another challenge that L-Bank is seeking to support, for example by establishing funding programmes aimed at improving energy efficiency. The key area of promotion is the economy of Baden-Wuerttemberg, with a particular emphasis on SMEs. These are offered various promotional loan and equity programmes. L-Bank trades in the legal form of a public law institution (Anstalt öffentlichen Rechts) and is wholly owned by Baden-Wuerttemberg, which has guaranteed the liabilities of L-Bank under the provisions of §5 of the Act governing L-Bank (Gesetz über die L-Bank) since 01 December 1998. Furthermore, Baden-Wuerttemberg bears liability for L-Bank's exposures through institutional liability and guarantor liability mechanisms. It is subject to supervision by BaFin, the German Federal Financial Supervisory Authority, in cooperation with the German central bank (Deutsche Bundesbank) on the basis of the German Banking Act (KWG; promotional bank exception), which also applies to Rentenbank and NRW.BANK, among others.

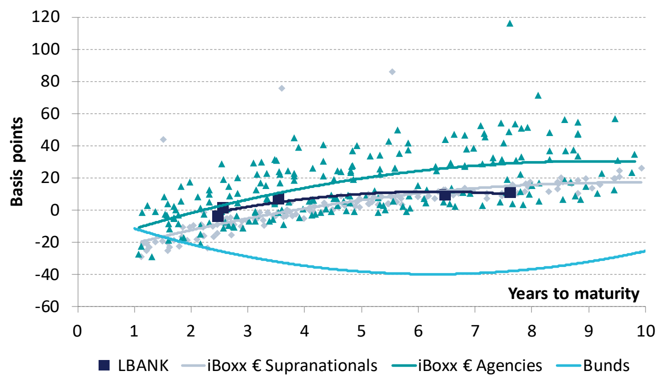
Maturity profile by currency



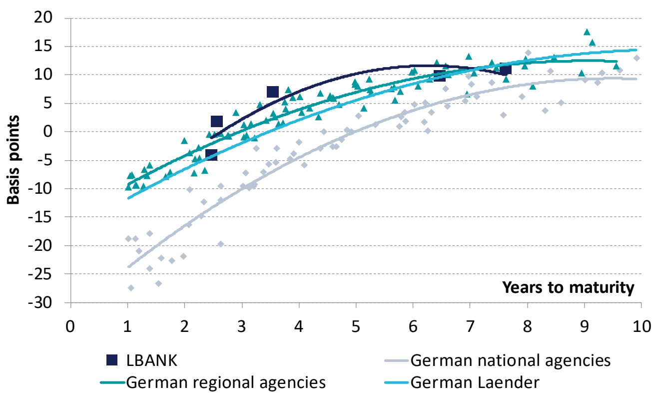
Bond amounts maturing in the next 12 months



LBANK vs. iBoxx € indices & Bunds



LBANK vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	II	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
24	40	51	-5	4	11	0.2%	0.9%

Funding & ESG (EURbn/EUR equivalent)

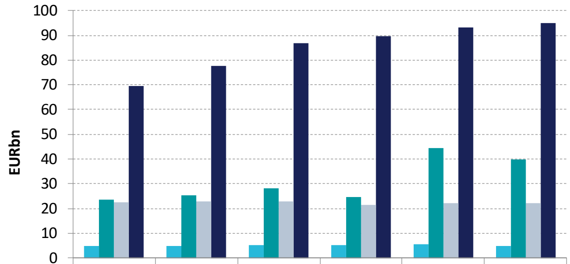
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
7.0	5.8	1.2	Benchmarks, other public bonds, PP, CP	ECB	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
24.0	10.6	6	7.9	5	5.5

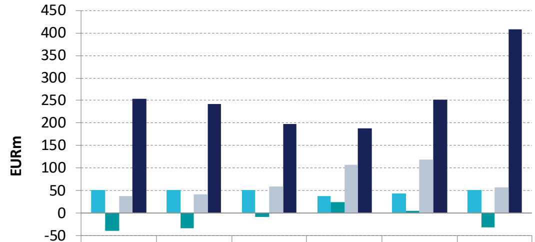
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



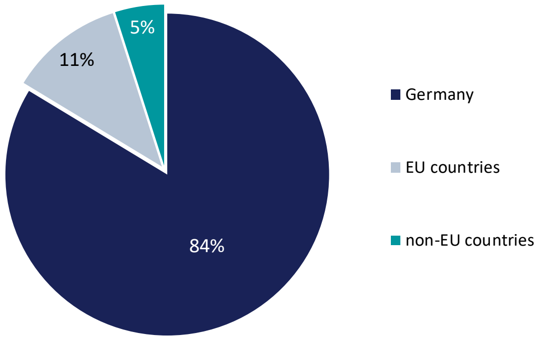
	2018	2019	2020	2021	2022	2023
Total assets	70	78	87	90	93	95
Loans to customers	23	23	23	22	22	22
Loans to banks	23	25	28	25	44	40
New commitments	5	5	5	5	6	5

Earnings development

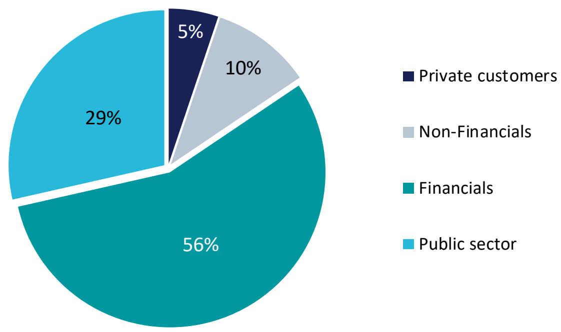


	2018	2019	2020	2021	2022	2023
Net interest income	254	242	197	188	252	409
Net commission income	38	41	58	107	119	56
Risk provision / valuation result	-40	-35	-9	24	4	-32
Net income	50	50	50	37	43	50

Loan portfolio by region



Loan portfolio by sector



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ High interest and commission surplus

Weaknesses/Risks

– Comparatively weak capital ratios
– High exposure to finance sector

Wirtschafts- und Infrastrukturbank Hessen (WIBank)

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

100% Helaba
(owners: 30.075% Federal State of Hesse, 3.501% Free State of Thuringia, 50.00% SGVHT, 16.424% others)

Guarantor(s)

Federal State of Hesse

Liability mechanism

Explicit guarantee & guarantor liability

Legal form

Public law institution

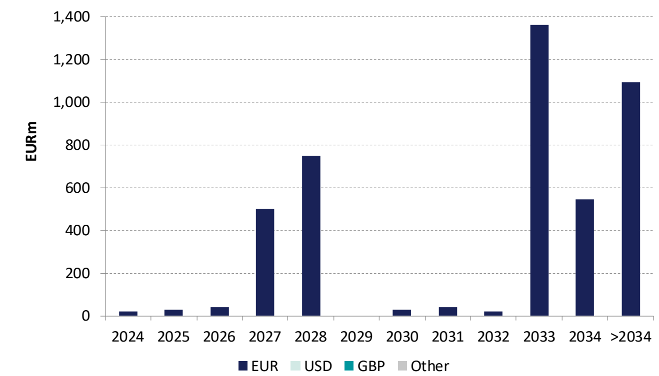
Bloomberg ticker

WIBANK

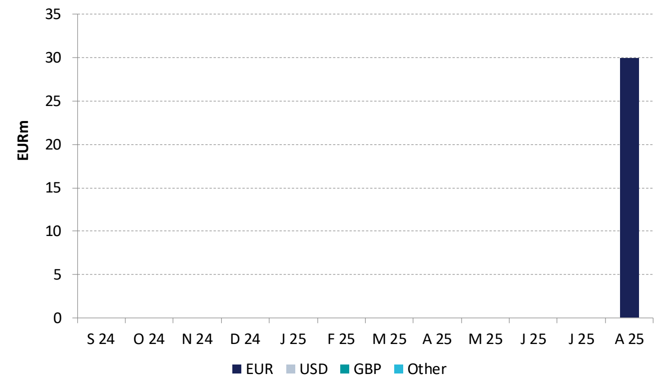
Ratings	Long-term	Outlook
Fitch	-	-
Moody's	-	-
S&P	AA+	stab

Wirtschafts- und Infrastrukturbank Hessen (WIBank) was created in 2009 through the merger of its predecessor institutions, Investitionsbank Hessen (IBH) and LTH-Bank für Infrastruktur (LTH-BfI). Prior to the merger, the focus of IBH's lending activities was on business promotion, while LTH-BfI concentrated on housing development and the infrastructure sector in particular. Following the merger, these three focal points were all bundled within WIBank. In the meantime, WIBank has become one of the largest regional promotional banks in Germany, with total assets of EUR 28.2bn. The business model is derived directly from the predecessor institutions: the explicit public mission is to promote the economy, infrastructure, social housing and urban development, agriculture as well as education and employment in the federal state of Hesse. Its promotional banking programme is pooled together in four segments: Building & Living (e.g. funding for residential property and urban development), Educating & Employing (e.g. promotion of employment opportunities and inclusion), Founding & Growing (e.g. business and agricultural promotional activities) and Public Services & Modernisation (e.g. social infrastructure and environmental protection). In addition, a voluntary debt reduction initiative centred around the Kassenkredite taken out by municipalities in Hesse is implemented via the established "HESSENKASSE" programme. WIBank's new promotional opportunities for the economy of Hesse include energy microloans and the Innovation Loan 2024, while start-ups are also being actively supported. WIBank is part of Landesbank Hessen-Thüringen (Helaba). As such, it is a legally dependent public law institution (Anstalt öffentlichen Rechts) with organisational and financial independence. As the promotional bank of Hesse, WIBank has an explicit guarantee from Hesse in accordance with §6 of the Act governing Wirtschafts- und Infrastrukturbank Hessen (WI-Bank-Gesetz). Furthermore, Hesse bears liability through a guarantor liability mechanism.

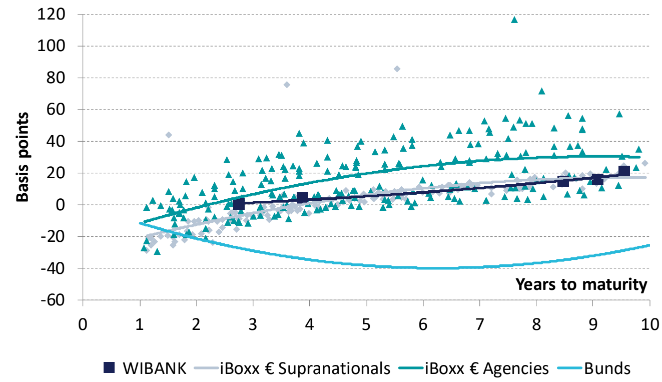
Maturity profile by currency



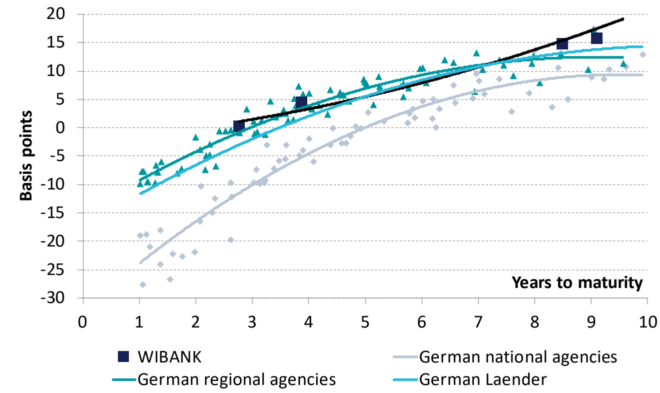
Bond amounts maturing in the next 12 months



WIBANK vs. iBoxx € indices & Bunds



WIBANK vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Applies only at Group level; in our opinion, explicit guarantee prevents use of a bail-in

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
36	50	53	0	15	21	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

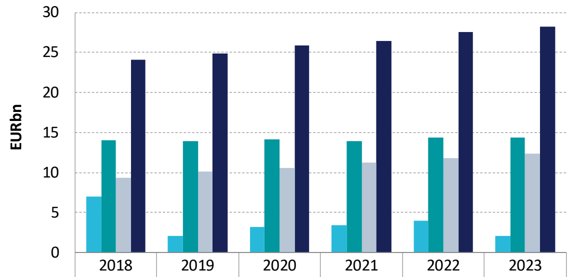
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
1.8	0.7	1.1	Benchmarks, other public bonds, PP	-	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
4.4	4.4	5	0.0	0	0.0

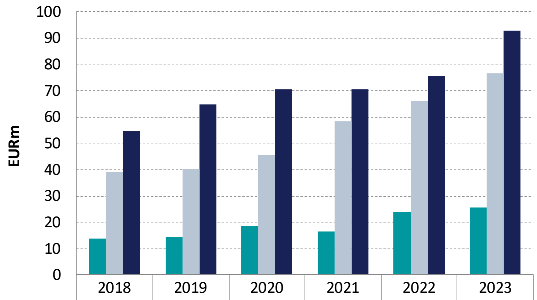
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



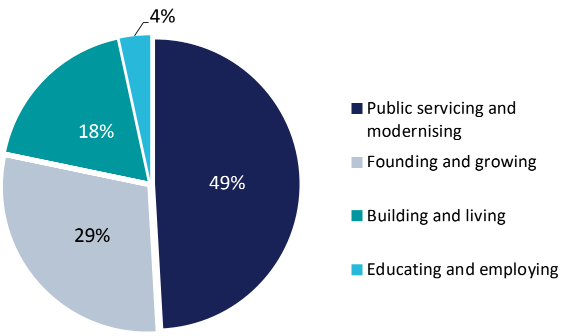
	2018	2019	2020	2021	2022	2023
Total assets	24	25	26	26	28	28
Loans to banks	9	10	11	11	12	12
Loans to customers	14	14	14	14	14	14
New commitments	7	2	3	3	4	2

Earnings development

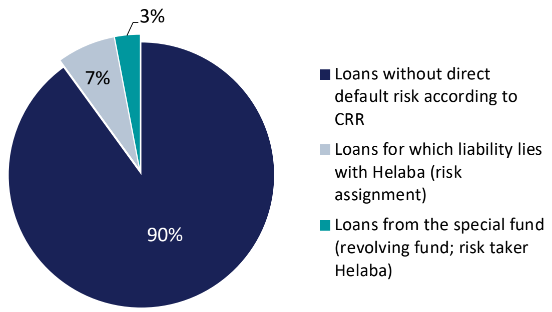


	2018	2019	2020	2021	2022	2023
Net interest income	55	65	70	70	76	93
Net commission income	39	40	46	58	66	77
Net income	14	14	19	17	24	25

New commitments by business segment



Loan portfolio by default risks



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Extremely low-risk loan portfolio

Weaknesses/Risks

– Integration in the Helaba Group
– Low leverage ratio

General information

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Owner(s)

100% Free State of Bavaria

Guarantor(s)

Free State of Bavaria

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

Bloomberg ticker

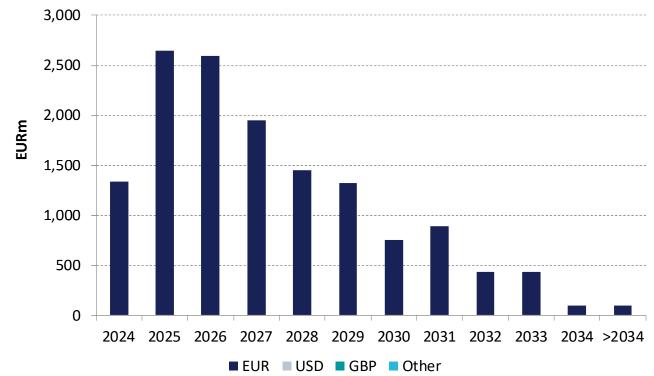
BAYLAN

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	-	-

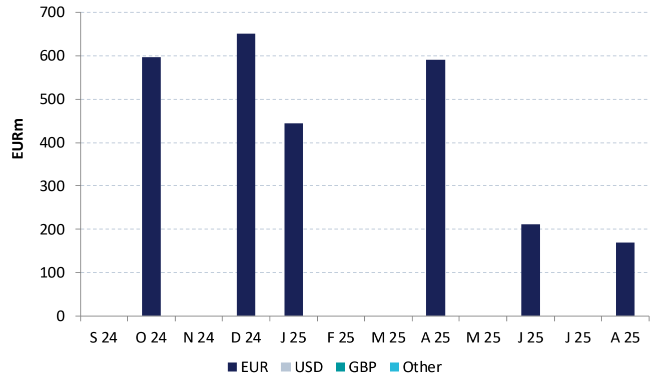
LfA Förderbank Bayern (LfA)

Since being founded in 1951, LfA Förderbank Bayern has played a key role within the Bavarian economy as a regional promotional bank. Having initially focused on supporting small businesses in order to cope with the integration of refugees in the wake of the Second World War, the institution increasingly expanded its promotional programmes to cover small and medium-sized enterprises (SMEs). Today, financing is mainly provided in the following areas: start-up, growth, innovation, energy and environment, stabilisation, and infrastructure. With SME lending programmes available since the 1970s and venture capital since the 1990s, LfA has steadily expanded its range of promotional programmes. The tools available to LfA now cover four separate pillars: external financing (e.g. programme and global loans), risk mitigation (e.g. guarantees and liability exemptions), investment capital (e.g. provision of private equity) and consulting (e.g. in connection with promotional activities). LfA focuses on long-term loans, some of which are granted at subsidised interest rates. Moreover, lending activities are also occasionally carried out in close cooperation with KfW. The SME sector is of great significance to the Bavarian economy and represents the most important target group for LfA. During the energy price crisis triggered by the war in Ukraine, LfA supported businesses by granting loans and risk assumptions, among other aspects. In general, the financing is arranged and paid out through the respective house bank (house bank principle). In this respect, LfA maintains competitive neutrality with regard to commercial banks. Article 1 of the act governing LfA (Gesetz über die Bayerische Landesanstalt für Aufbaufinanzierung; LfAG) regulates the explicit guarantee provided by the Free State of Bavaria for the liabilities of LfA. The Free State of Bavaria is also liable for the public law institution through guarantor liability and institutional liability structures. The preferential regulatory treatment is based on these guarantee forms.

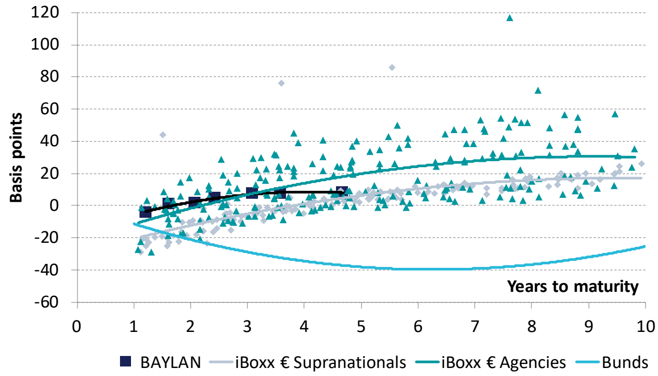
Maturity profile by currency



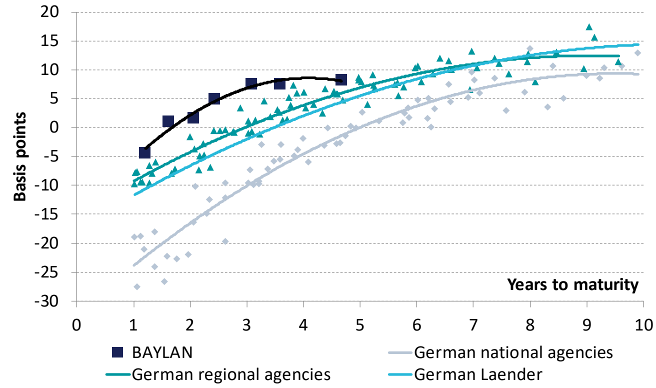
Bond amounts maturing in the next 12 months



BAYLAN vs. iBoxx € indices & Bunds



BAYLAN vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
26	39	46	-4	5	8	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

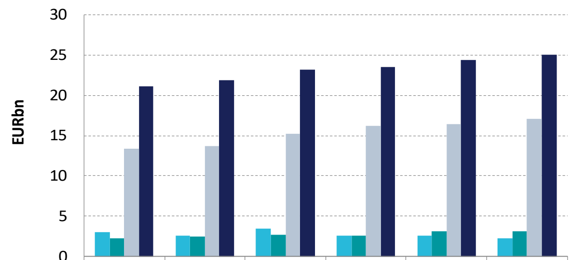
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
2.8	2.5	0.3	Benchmarks, other public bonds, PP, CP	ECB	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
14.0	14.0	10	0.0	0	0.0

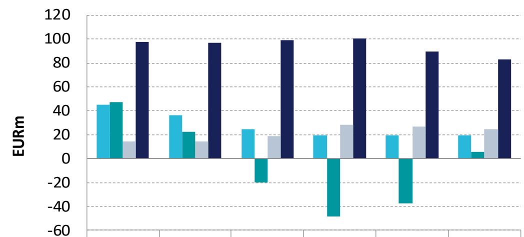
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



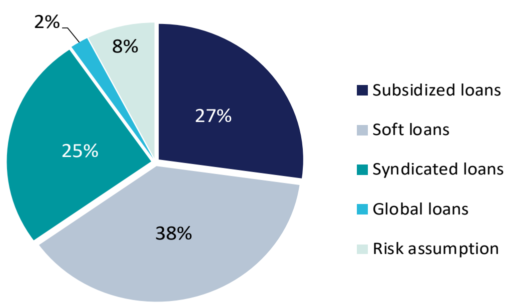
	2018	2019	2020	2021	2022	2023
Total assets	21	22	23	24	24	25
Loans to banks	13	14	15	16	16	17
Loans to customers	2	2	3	3	3	3
New commitments	3	3	3	3	3	2

Earnings development

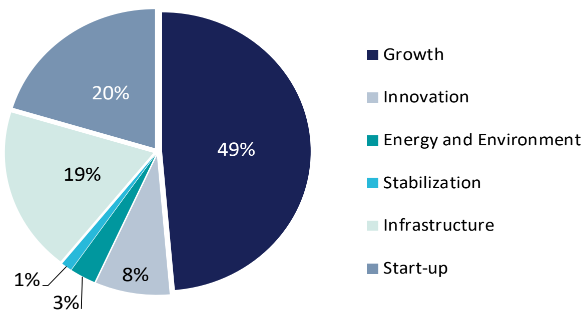


	2018	2019	2020	2021	2022	2023
Net interest income	98	97	99	100	90	83
Net commission income	14	15	19	28	27	24
Risk provision / valuation result	47	22	-20	-48	-38	5
Net income	45	36	25	20	20	20

Structure of promotional activities



New commitments by business segment



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ High level of liquid assets

Weaknesses/Risks

– Concentration risk at banks (mitigated by house bank principle)

IB.SH Ihre Förderbank

General information

[Homepage](#)
[Investor Relations](#)

Owner(s)

100% Federal State of Schleswig-Holstein

Guarantor(s)

Federal State of Schleswig-Holstein

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

Bloomberg ticker

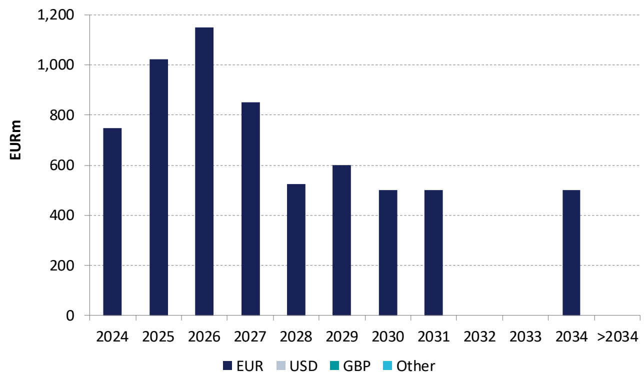
IBBSH

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

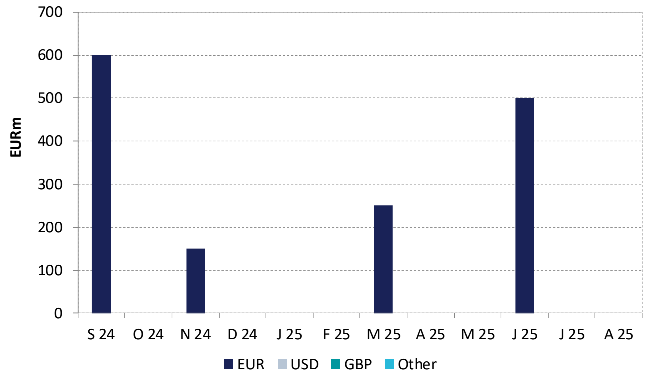
Investitionsbank Schleswig-Holstein (IB.SH)

Investitionsbank Schleswig-Holstein (IB.SH) has been operating independently as the promotional bank of the federal state of Schleswig-Holstein since 01 June 2003. Previously, it operated as part of the former Landesbank Schleswig-Holstein (LB Kiel). IB.SH was created from the merger of Wohnungsbaukreditanstalt and Wirtschaftsaufbaukasse and today operates as a public law institution (Anstalt öffentlichen Rechts). IB.SH serves as a platform for the implementation of economic policy in Schleswig-Holstein. IB.SH divides its business activities into four segments: Economy, Technology and Stabilisation (e.g. start-up and succession financing, investment support for individual companies), Real Estate and Housing Promotion (e.g. general and social housing promotion, urban development projects), Employment, Education and European Affairs (e.g. consulting on obtaining EU financing, support for training and further education), as well as Municipalities and Infrastructure (e.g. granting municipal loans, expansion of the broadband network). In 2023, the promotional volume amounted to approximately EUR 2.9bn, with the labour market, structural and stabilisation support segment playing a particularly prominent role (EUR 617.7m). The focal points of IB.SH's promotional activities in 2024 and 2025 are as follows: supporting the transformation of the economy towards sustainability, consulting on sustainable energy supply, creating affordable housing, enhancing the attractiveness of inner-city areas, bolstering the expansion of municipal infrastructure and further training. Under §4 of the Investment Bank Act (Investitionsbankgesetz, IBG), Schleswig-Holstein explicitly guarantees the liabilities of IB.SH. §4 of the IBG also regulates guarantor liability and institutional liability on the part of the federal state. Furthermore, IB.SH is protected from insolvency by law. IB.SH has defined an annual refinancing requirement of EUR 1.6bn, with these funds to be raised exclusively in EUR.

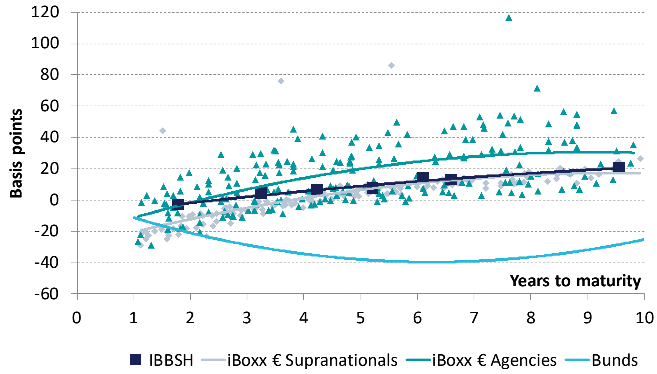
Maturity profile by currency



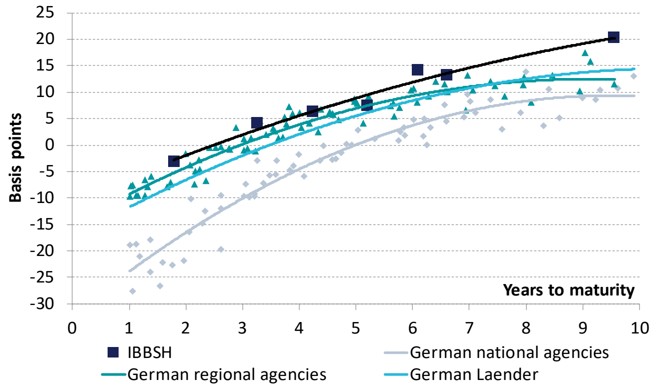
Bond amounts maturing in the next 12 months



IBBSH vs. iBoxx € indices & Bunds



IBBSH vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
26	44	56	-3	7	20	0.9%	0.0%

Funding & ESG (EURbn/EUR equivalent)

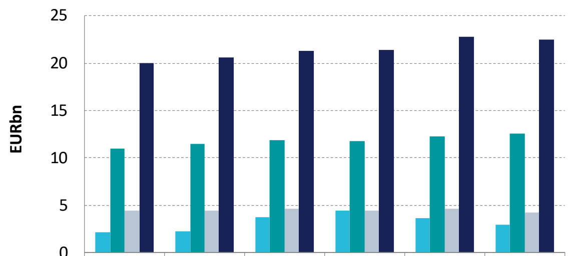
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
1.6	0.9	0.7	Benchmarks, other public bonds, PP	ECB	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
6.4	6.4	9	0.0	0	0.0

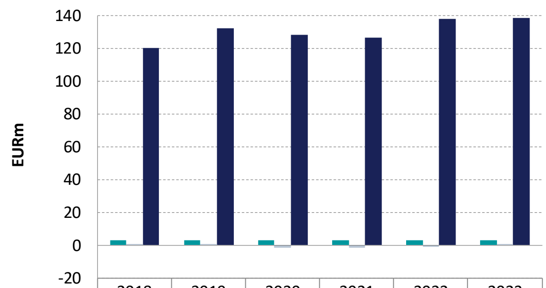
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



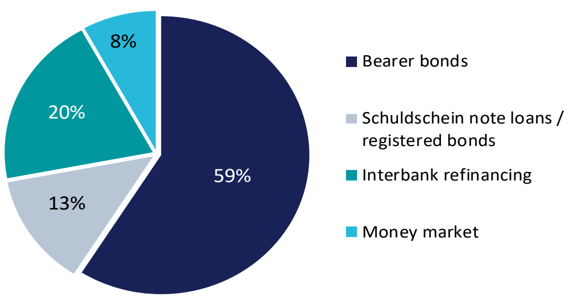
	2018	2019	2020	2021	2022	2023
Total assets	20	21	21	21	23	22
Loans to banks	4	4	5	4	5	4
Loans to customers	11	11	12	12	12	13
New commitments	2	2	4	4	4	3

Earnings development

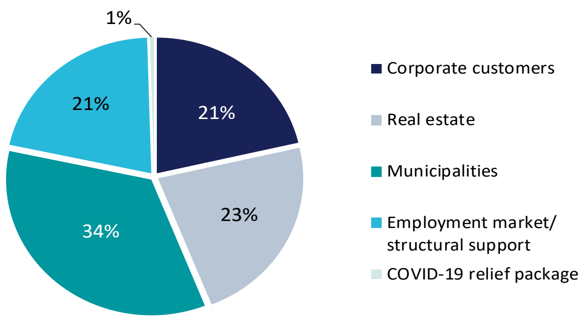


	2018	2019	2020	2021	2022	2023
Net interest income	121	132	128	127	138	139
Net commission income	0	0	-1	-1	-1	0
Net income	3	3	3	3	3	3

Funding structure



New commitments by business segment



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Low portfolio risk

Weaknesses/Risks

– Comparatively high cost-income ratio
– Very low commission income means dependency on net interest income

Bayerische Landesbodenkreditanstalt (BayernLabo)

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

100% BayernLB Holding AG (Owners: 75% Free State of Bavaria, 25% savings banks association of Bavaria)

Guarantor(s)

Free State of Bavaria

Liability mechanism

Explicit guarantee & guarantor liability

Legal form

Public law institution

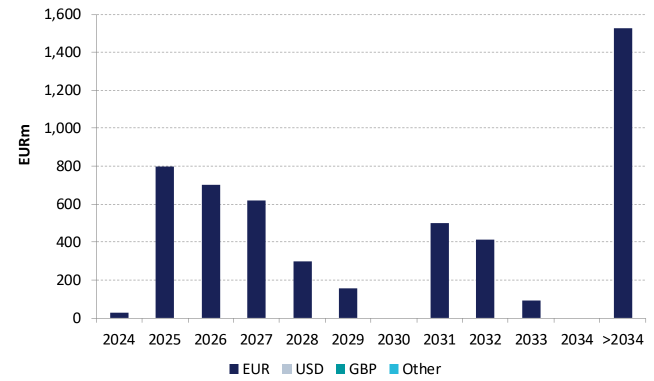
Bloomberg ticker

BYLABO

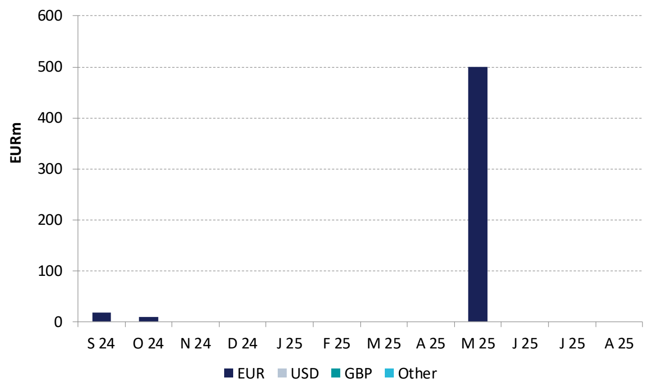
Ratings	Long-term	Outlook
Fitch	-	-
Moody's	Aaa	stab
S&P	-	-

The roots of Bayerische Landesbodenkreditanstalt (BayernLabo) go back to the year 1884. That was the year in which Bayerische Landeskulturrentenanstalt, the predecessor institution of BayernLabo, was established by King Ludwig II. Bayerische Landeskulturrentenanstalt, which traded under the name BayernLabo from 1949 onwards, merged with Bayerische Gemeindebank Girozentrale in 1972 to become Bayerische Landesbank Girozentrale (BayernLB). Since this merger, BayernLabo has been a legally dependent institution of BayernLB. In parallel with these developments, the bank's range of activities was also expanded steadily. Capital was initially raised to realise cultivation-related projects such as hydraulic engineering and reclamation of barren land, among other aspects. This was gradually supplemented by social housing construction and urban development projects. The support programmes cover a range of areas, extending from the housing sector to the structural development of cities and municipalities, all the way through to housing policy-related measures for developing structurally weak areas in Bavaria. Moreover, BayernLabo's remit also includes lending to the Free State of Bavaria. In connection with these tasks, the promotional bank is active on the market as an issuer of social bonds. The social bonds served exclusively to (re)finance interest subsidy, modernisation and housing promotion programmes. Following the reunification of Germany, BayernLabo temporarily took on the task of promoting housing and urban development in the neighbouring Free State of Thuringia. However, this area of responsibility has gradually been transferred to Thüringer Aufbaubank. BayernLabo operates in the form of a public law institution (Anstalt öffentlichen Rechts) within BayernLB. The ownership structure of BayernLabo is described in the "General information" section on this page. Article 22 of the Bayerisches Landesbank Act (BayLaBG) enshrines in law the explicit guarantee for BayernLabo liabilities that exceed liable equity. Furthermore, the Free State of Bavaria bears liability through a guarantor liability mechanism.

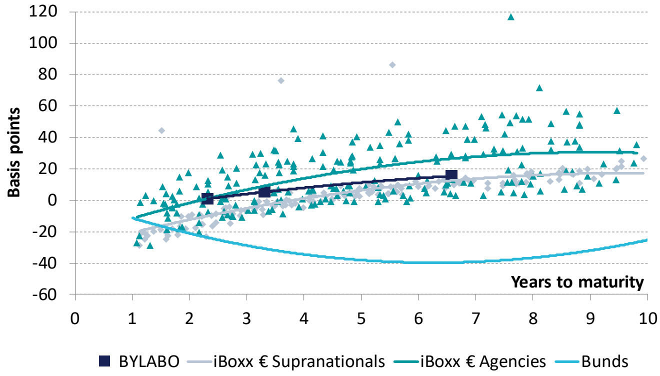
Maturity profile by currency



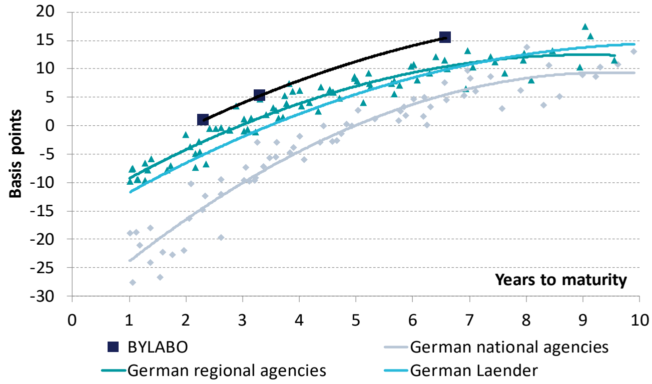
Bond amounts maturing in the next 12 months



BYLABO vs. iBoxx € indices & Bunds



BYLABO vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Applies only at Group level; in our opinion, explicit guarantee prevents use of a bail-in

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
35	46	57	1	5	15	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

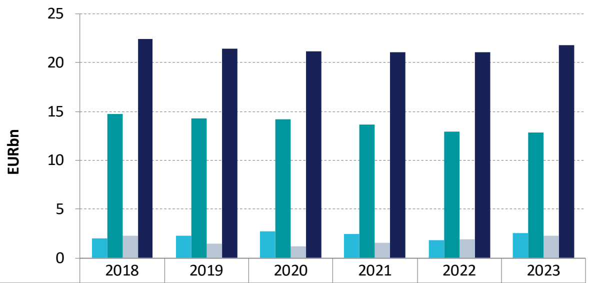
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
1.3	0.5	0.8	Benchmarks, ESG bonds, other public bonds, PP	-	4	1.5

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
5.1	5.1	6	0.0	0	0.0

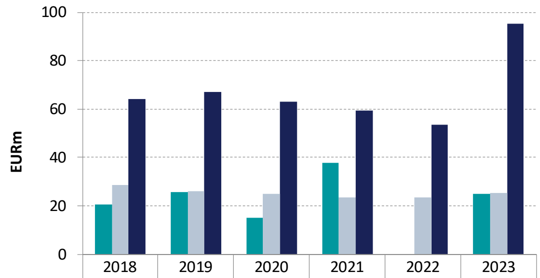
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



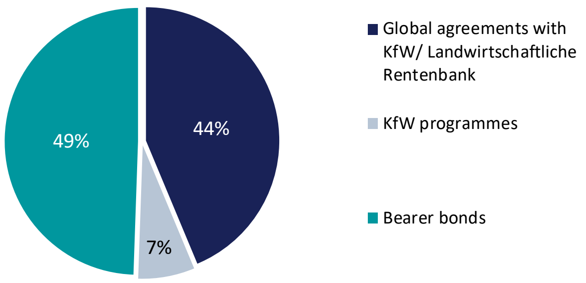
	2018	2019	2020	2021	2022	2023
Total assets	22	21	21	21	21	22
Loans to banks	2	1	1	2	2	2
Loans to customers	15	14	14	14	13	13
New commitments	2	2	3	2	2	3

Earnings development

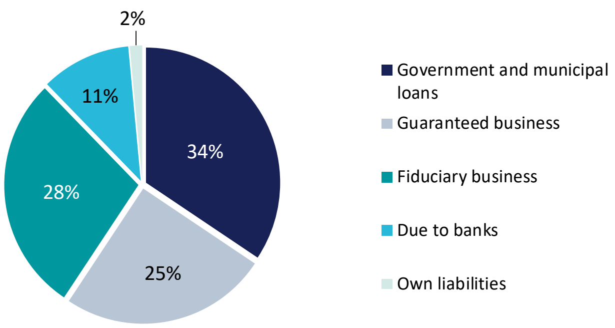


	2018	2019	2020	2021	2022	2023
Net interest income	64	67	63	59	54	95
Net commission income	29	26	25	24	24	25
Result of ordinary business activity	21	26	15	38	0	25

Funding breakdown



Loan portfolio by sector



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Low portfolio risk

Weaknesses/Risks

– Integration in the BayernLB Group
– No central bank access

Investitionsbank Berlin

Investitionsbank Berlin (IBB)

General information

[Homepage](#)
[Investor Relations](#)

Owner(s)

100% Federal State of Berlin

Guarantor(s)

Federal State of Berlin

Liability mechanism

Explicit guarantee & institutional liability

Legal form

Public law institution

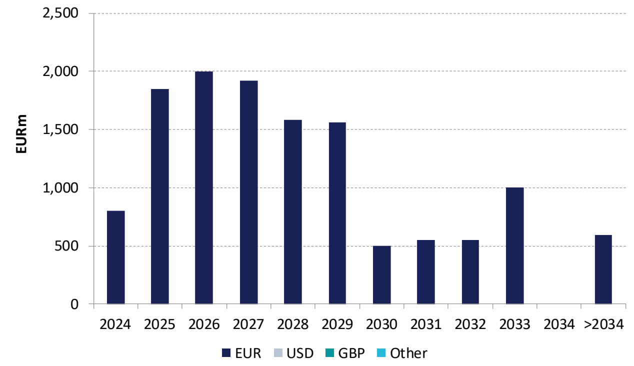
Bloomberg ticker

IBB

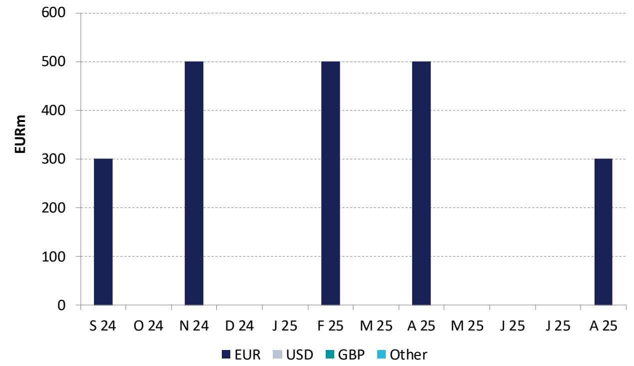
Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	Aa1	stab
S&P	-	-

Investitionsbank Berlin (IBB) functions as the promotional bank for the city state of Berlin: having been formed following the conversion of Wohnungsfürsorgegesellschaft Berlin, which was founded back in 1924, IBB's primary task is to promote the economy in addition to real estate and urban development projects in the federal capital of Germany. The company's history extends back to overcoming the housing shortages in the 1920s all the way through to measures designed to compensate for structural deficits following the reunification of Germany and business promotion activities in the 21st century. For an interim period, IBB was integrated in Landesbank Berlin (1993). Since 2004, when IBB was de-merged, however, the promotional bank has again been operating on an independent footing. In May 2021, the state parliament of Berlin (Berliner Abgeordnetenhaus) voted in favour of restructuring measures, whereby the newly founded IBB Unternehmensverwaltung AöR, which is directly owned by the city state of Berlin, will assume responsibility for IBB and all subsidiaries (IBB Group). This move aims to improve transparency at the bank and generate efficiency gains in terms of cost structures. Support for SMEs, a key pillar of the Berlin economy, now extends across a range of programmes targeting various phases, including start-ups (e.g. Berlin Start – loans for start-ups), corporate growth (e.g. the "Berlin Kapital" funding platform) and investments (e.g. BERLIN liquidity aid). IBB Ventures is part of the IBB Group. Its remit is to invest in start-ups operating across a range of sectors (e.g. industrial engineering) and therefore represents an important tool for the implementation of economic policies in Berlin. As implied by its long history, IBB continues to offer funding for housing construction, modernisation and maintenance projects. The individual programmes are, in some cases, applied for and corresponding financing is paid out through the house bank (house bank principle). In this respect, IBB maintains competitive neutrality with regard to commercial banks. In line with Article 2, §4 of the Investitionsbank Act (IBBG), the city state of Berlin explicitly guarantees the liabilities of IBB, with the federal capital also bearing institutional liability vis-à-vis IBB. In addition to maintaining its own ESG portfolio, IBB actively invests in both green and social bonds.

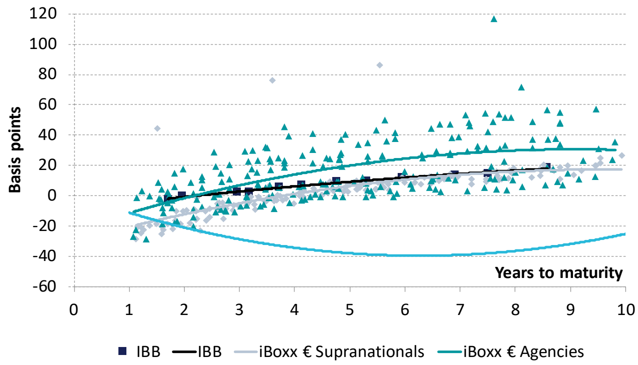
Maturity profile by currency



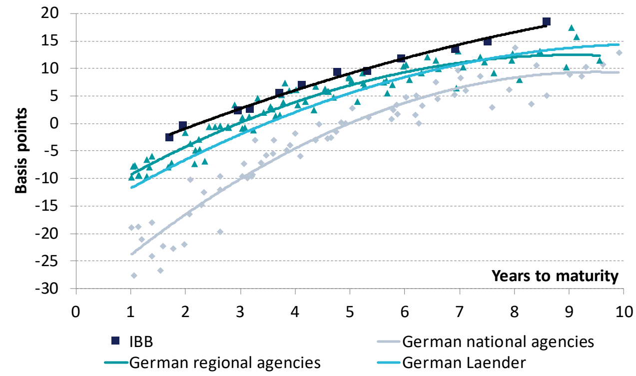
Bond amounts maturing in the next 12 months



IBB vs. iBoxx € indices & Bunds



IBB vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
27	44	55	-3	8	19	0.1%	0.4%

Funding & ESG (EURbn/EUR equivalent)

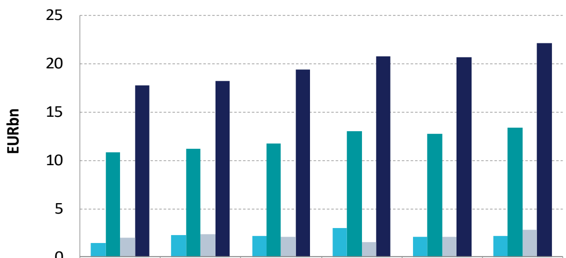
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
2.8	2.6	0.2	Benchmarks, ESG bonds, other public bonds, PP	ECB	2	1.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
12.9	12.9	20	0.0	0	0.0

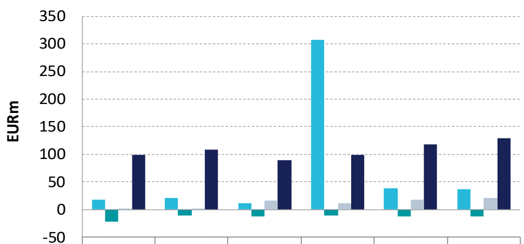
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



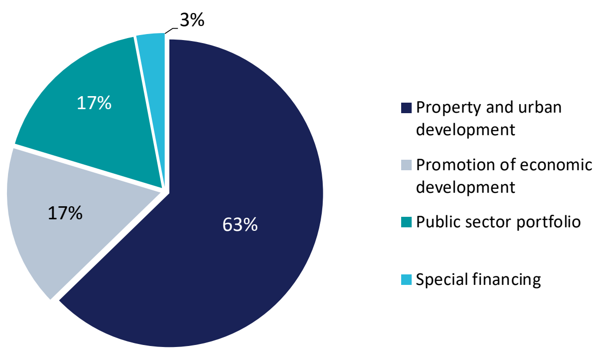
	2018	2019	2020	2021	2022	2023
Total assets	18	18	19	21	21	22
Loans to banks	2	2	2	2	2	3
Loans to customers	11	11	12	13	13	13
New commitments	1	2	2	3	2	2

Earnings development

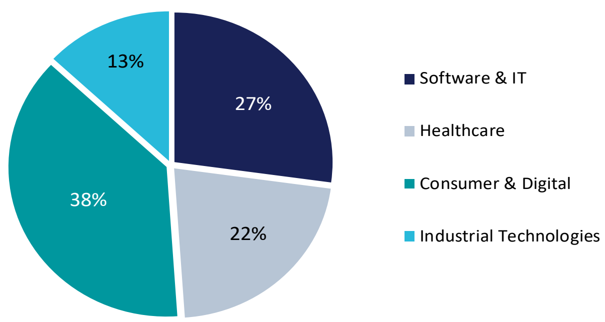


	2018	2019	2020	2021	2022	2023
Net interest income	99	108	89	99	118	130
Net commission income	2	2	17	12	17	21
Risk provision / valuation result	-22	-11	-12	-10	-13	-13
Net income	18	22	12	307	39	38

New commitments by promotional sector



IBB Ventures: Investment portfolio by sector



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Positive trend in net interest income since 2020

Weaknesses/Risks

– Comparatively high cost-income ratio
– High exposure to the real estate and urban development sector

Investitionsbank des Landes Brandenburg (ILB)

General information

[Homepage](#)

[Investor Relations](#)

Owner(s)

50% Federal State of Brandenburg
50% NRW.BANK

Guarantor(s)

Federal State of Brandenburg

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

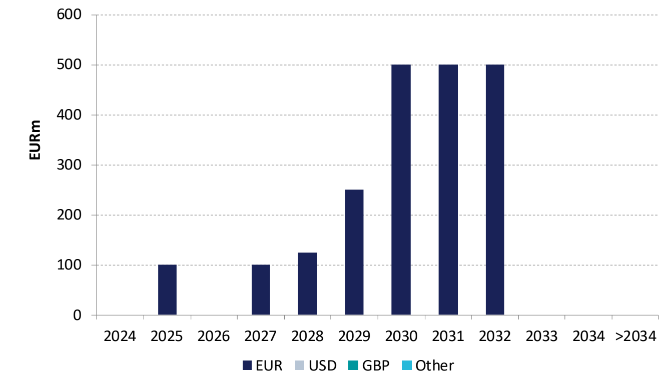
Bloomberg ticker

ILBB

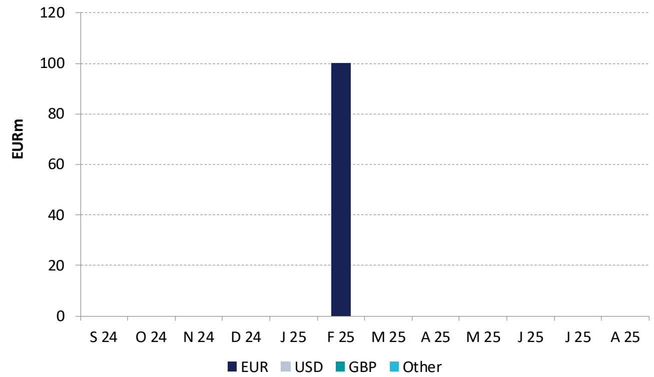
Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

Investitionsbank des Landes Brandenburg (ILB) was founded on 31 March 1992, before officially commencing its activities on 01 July 1992. ILB is the central promotional institute of the federal state of Brandenburg. It supports both Brandenburg and other public bodies in fulfilling their tasks. ILB manages the funds of the residential housing assets pertaining to the federal state of Brandenburg as well as funds for the commercial economy and in the media sector on a trustee basis. The ILB Act in Brandenburg provides the bank with a reliable basis for its business activities, with ILB able to make use of state liability guarantees in conformity with European Union requirements. The promotional fields of ILB comprise the following segments: Business (e.g. promotion of commercial enterprises and innovative SMEs), Labour (e.g. consultancy services and promotion of training), Infrastructure (e.g. promotional activities linked to digitalisation and structural development) and Housing (e.g. promotion of rental properties and home ownership). ILB's business activities therefore cover traditional low-interest promotional loans and the provision of venture and equity capital in addition to guarantees and indemnifications, all the way through to consulting services. In 2014, the ILB Act was revised to highlight the close ties between ILB and Brandenburg: §2 (6) sets out an explicit guarantee on the part of Brandenburg for ILB liabilities. Moreover, institutional liability is defined in §1 (2), with guarantor liability on the part of shareholders towards ILB laid down in §2 (3). Therefore, ILB bonds can also be classified as Level 1 assets from an LCR point of view. Together with Hamburgische Investitions- und Förderbank (IFBHH) and Investitions- und Strukturbank Rheinland-Pfalz (ISB), ILB issued a cross-Laender social bond on the capital market for the first time in 2022 (ticker: LFIESG). This was the second sustainability bond placed by ILB, which participated in the issuance with a volume of EUR 150m.

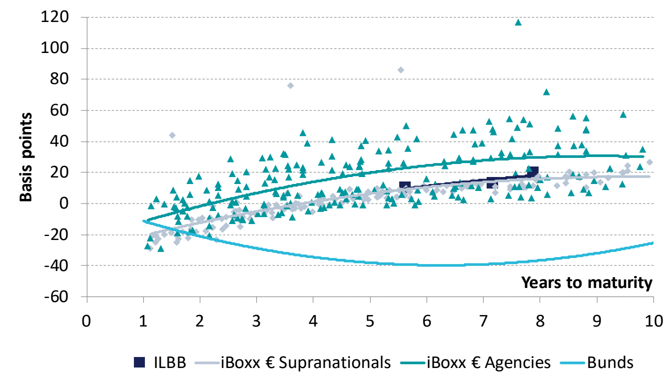
Maturity profile by currency



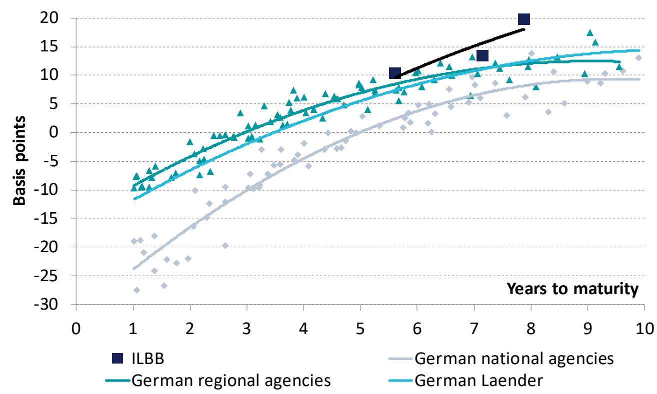
Bond amounts maturing in the next 12 months



ILBB vs. iBoxx € Indices & Bunds



ILBB vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
49	54	58	10	13	20	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

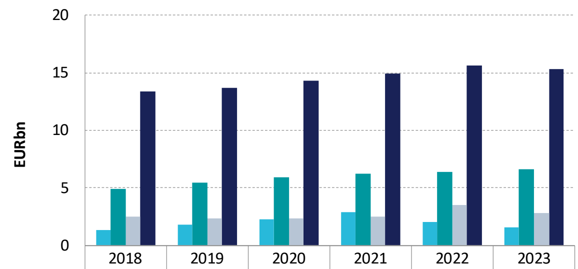
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
1.5	0.0	1.5	Benchmarks, ESG bonds, other public bonds, PP	ECB	1	0.1

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
2.1	2.1	3	0.0	0	0.0

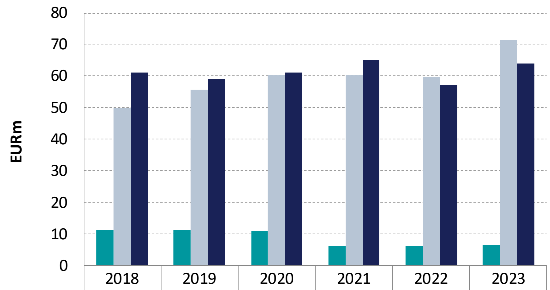
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



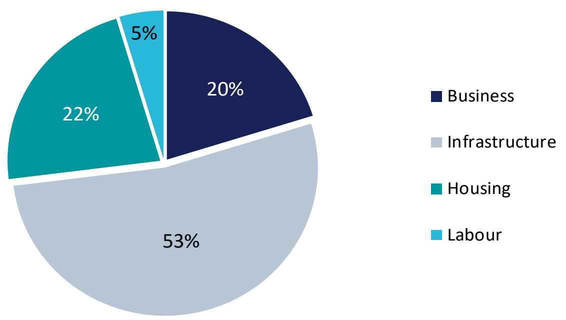
	2018	2019	2020	2021	2022	2023
Total assets	13	14	14	15	16	15
Loans to banks	3	2	2	2	4	3
Loans to customers	5	5	6	6	6	7
New commitments	1	2	2	3	2	2

Earnings development

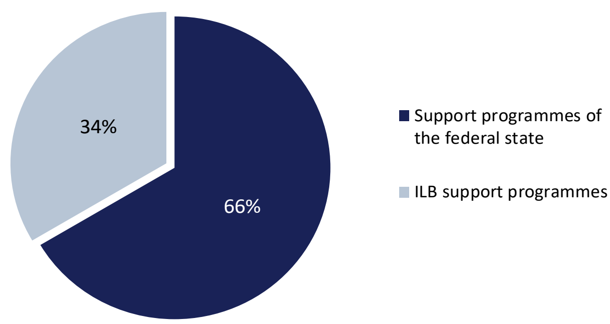


	2018	2019	2020	2021	2022	2023
Net interest income	61	59	61	65	57	64
Net commission income	50	56	60	60	60	71
Net income	11	11	11	6	6	6

Commitment volume by business area



Breakdown of the promotional programmes



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Rising net interest income and commission income

Weaknesses/Risks

– Rising cost-income ratio
– High level of exposure linked to the construction sector

General information

[Homepage]
[Investor Relations]

Owner(s)

100% Free State of Saxony

Guarantor(s)

Free State of Saxony

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

Bloomberg ticker

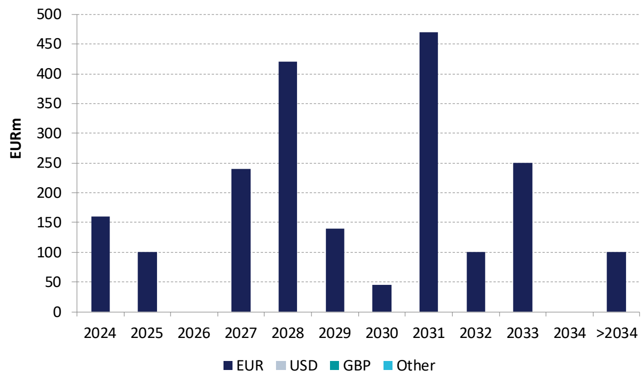
SABFOE (formerly SAUFBA)

Ratings	Long-term	Outlook
Fitch	-	-
Moody's	-	-
S&P	AAA	neg

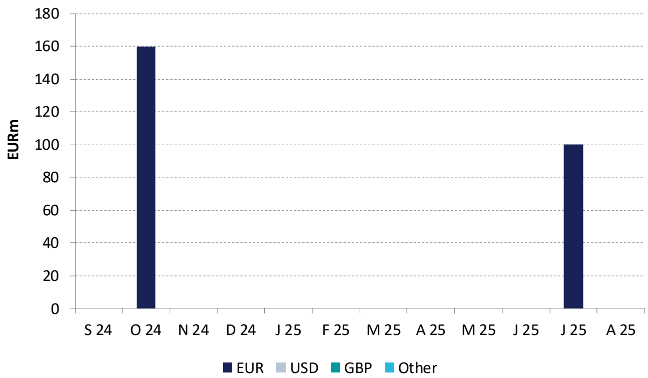
Sächsische Aufbaubank (SAB)

Sächsische Aufbaubank was established in 1991, initially as a business unit of L-Bank. In 1996, SAB started to operate under its own name as a GmbH (limited liability company). Since 2003, it has been a wholly owned subsidiary of the Free State of Saxony, operating in the form of a public law institution (Anstalt öffentlichen Rechts). As a conventional promotional bank, its mission is to provide low-cost financing to improve the economic, social and ecological standing of Saxony. To this end, SAB works together with numerous public partners at a municipal, regional, national and European level, in addition to holding stakes in other promotional banks, such as Bürgschaftsbank Sachsen (BBS), for example. Its support role focuses chiefly on the following four client groups: private individuals, corporates, public recipients, and associations. These groups are offered promotional loans, subsidies and guarantees, subdivided by SAB into five different promotional areas, which include Housing Construction (e.g. promotion of social housing projects), Infrastructure and Municipalities (e.g. urban development projects), Economy (e.g. SME promotion), Training and Social Affairs (e.g. support for the arts and cultural endeavours, science and research) in addition to Environment and Agriculture (e.g. protection of the environment, nature and the landscape). In future, SAB plans to significantly expand its promotional activities in the fields of Economy as well as Environment and Agriculture. Through an explicit guarantee provided by the sole shareholder, the Free State of Saxony, SAB enjoys the full financial support of the Free State in the event of a payment default, which also includes a direct claim by creditors against the guarantor. This allows a risk weight of 0% under CRR/Basel III and classification as Level 1 assets under the LCR. As of today, SAB has not issued any benchmark bonds.

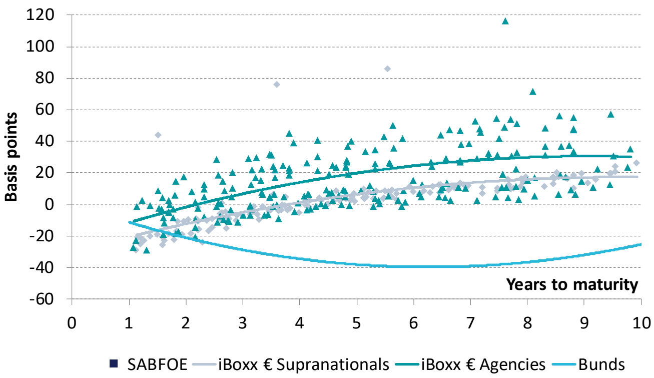
Maturity profile by currency



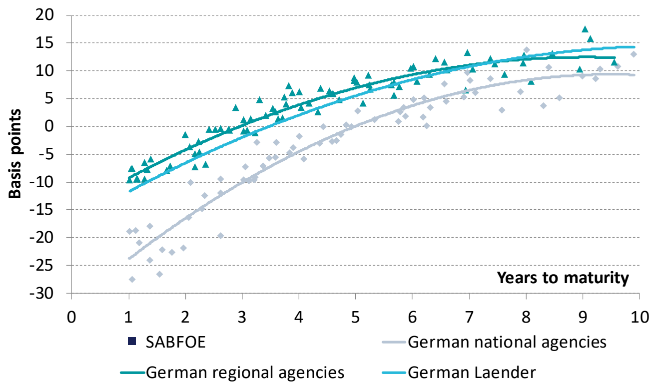
Bond amounts maturing in the next 12 months



SABFOE vs. iBoxx € Indices & Bunds



SABFOE vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 26 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
-	-	-	-	-	-	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

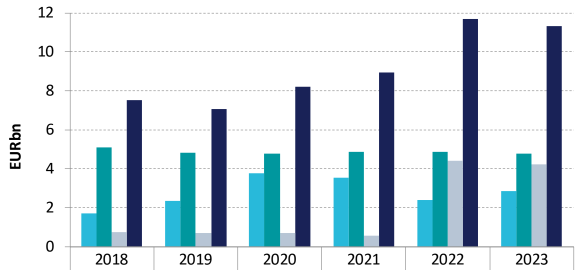
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
0.8	0.3	0.5	Other public bonds, PP	ECB	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
2.0	2.0	0	0.0	0	0.0

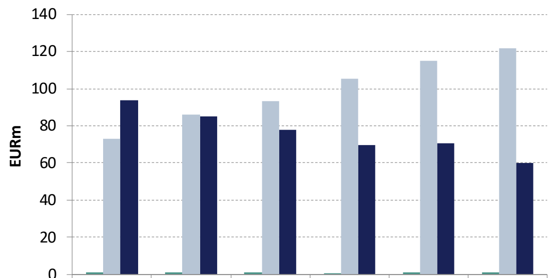
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



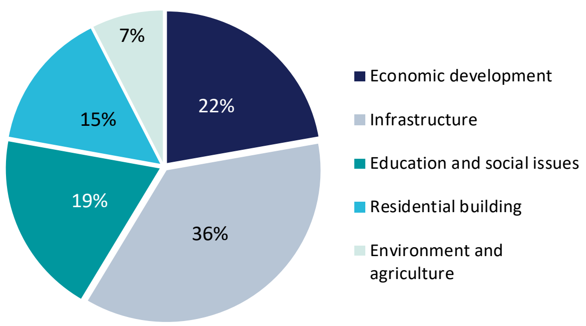
	2018	2019	2020	2021	2022	2023
Total assets	8	7	8	9	12	11
Loans to banks	1	1	1	1	4	4
Loans to customers	5	5	5	5	5	5
New commitments	2	2	4	4	2	3

Earnings development

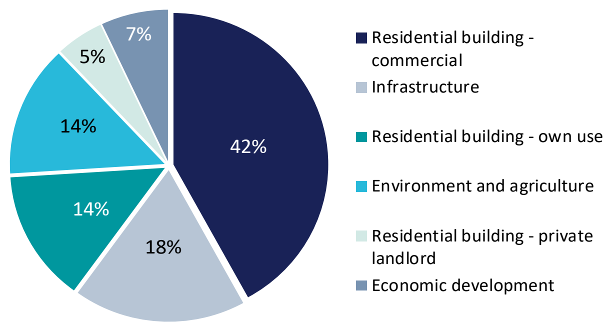


	2018	2019	2020	2021	2022	2023
Net interest income	94	85	78	70	71	60
Net commission income	73	86	93	105	115	122
Net income	1	1	1	1	1	1

New commitments by business segment



Loan portfolio by credit segment



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Strong capitalisation

Weaknesses/Risks

– High exposure to the real estate sector
– Dwindling gross interest margin

Investitions- und Strukturbank Rheinland-Pfalz

ZUKUNFT. FÖRDERN. WERTE SCHAFFEN.

General information

[Homepage](#)
[Investor Relations](#)

Owner(s)

100% Federal State of Rhineland-Palatinate

Guarantor(s)

Federal State of Rhineland-Palatinate

Liability mechanism

Explicit guarantee, institutional liability & guarantor liability

Legal form

Public law institution

Bloomberg ticker

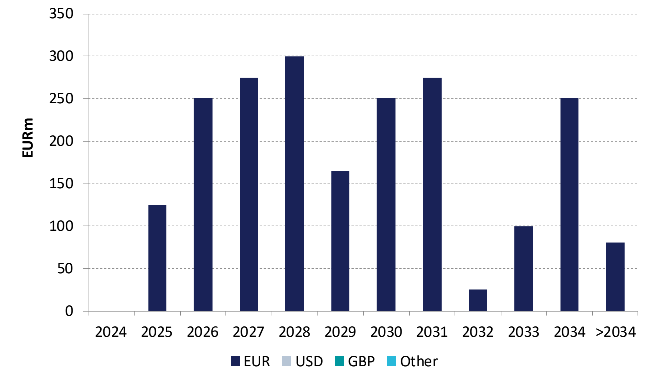
ISBRLP

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

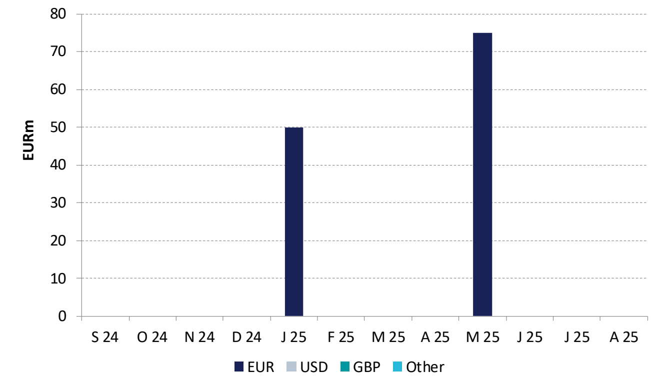
Investitions- und Strukturbank Rheinland-Pfalz (ISB)

Founded in 1993, Investitions- und Strukturbank Rheinland-Pfalz (ISB) is the central promotional bank of the federal state of Rhineland-Palatinate. In this role, ISB offers funding programmes to private individuals, regional businesses and municipalities, with the aim of supporting commercial and residential projects. Following the merger with Landestreuhandbank Rheinland-Pfalz (LTH), the legal form of ISB was changed from GmbH (limited liability company) to a public law institution (Anstalt öffentlichen Rechts) on 1 January 2012. In the context of its remit to perform tasks on behalf of Rhineland-Palatinate, ISB splits its business activities into the areas of Business Development, Housing Development, Municipalities and Infrastructure as well as Location RLP. In terms of Business Development, ISB supplements its strategic funding products (e.g. low-interest loans, grants) with consulting services. In the Housing Development division, ISB supports a range of programmes through low-interest loans and interest subsidies, e.g. for modernisation projects and to preserve or create housing. Sustainability is also an important aspect of the ISB's promotional activities. For example, RLP efficiency loans are solely designed to support investments and operating resources with a positive environmental impact. In the area of infrastructure, ISB supports the digital transformation, for example through the DigitalPakt Schule (Digital Schools Pact) scheme. With a promotional volume of EUR 94.4m in the area of social housing in financial year 2023, this was the most successful year since 2018. The ISB Act, adopted in 2011, forms the basis of ISB's operating activities. The liability mechanisms described in §10 stipulate, on the one hand, that Rhineland-Palatinate is the guarantor of ISB [§10 (1)] and, on the other, serve to ensure that the bank fulfils the tasks incumbent upon it [§10 (2)]. Moreover, §10 (3) details both guarantor liability and an explicit guarantee for ISB on the part of Rhineland-Palatinate. Together with Hamburgische Investitions- und Förderbank ([IFBHH](#)) and Investitionsbank des Landes Brandenburg ([ILB](#)), ISB issued the first [cross-Laender social bond](#) on the capital market in 2022. This featured a volume of EUR 500m and was issued with the aim of increasing investments in social housing projects (ticker: LFIESG).

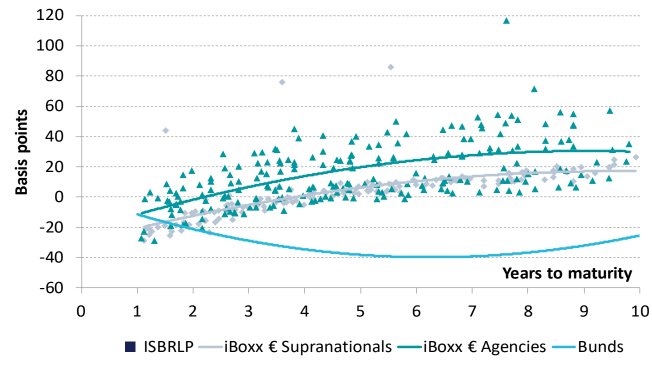
Maturity profile by currency



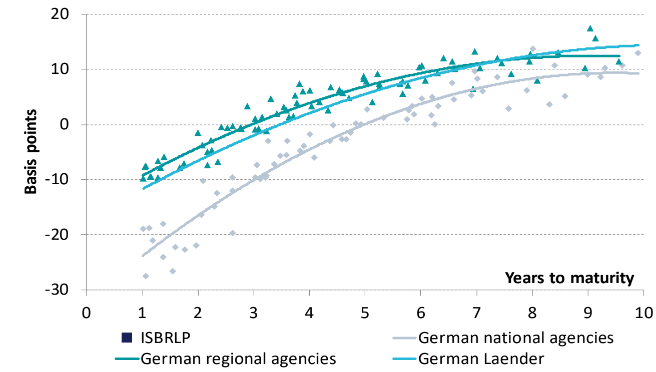
Bond amounts maturing in the next 12 months



ISBRLP vs. iBoxx € Indices & Bunds



ISBRLP vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
-	-	-	-	-	-	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

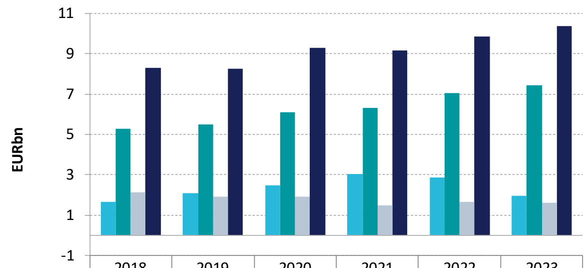
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
0.7	0.1	0.6	ESG bonds, other public bonds, PP	-	0	0.0

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
2.1	2.1	0	0.0	0	0.0

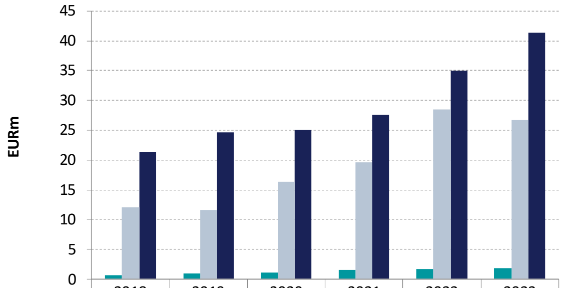
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



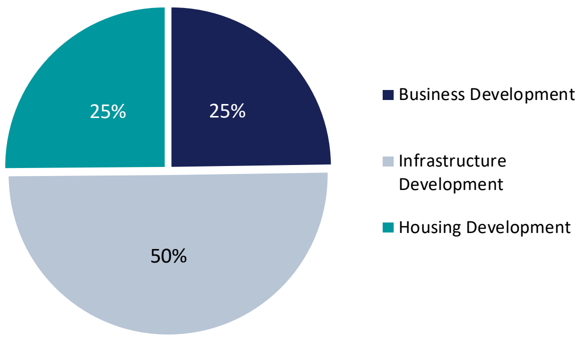
	2018	2019	2020	2021	2022	2023
Total assets	8	8	9	9	10	10
Loans to banks	2	2	2	1	2	2
Loans to customers	5	6	6	6	7	7
New commitments	2	2	2	3	3	2

Earnings development

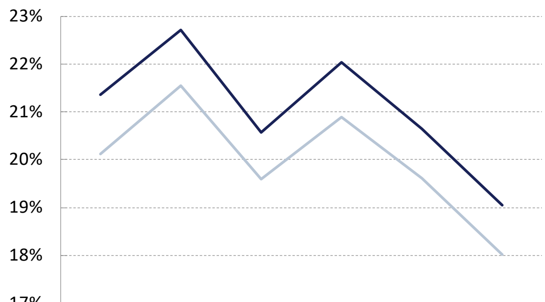


	2018	2019	2020	2021	2022	2023
Net interest income	21	25	25	28	35	41
Net commission income	12	12	16	20	28	27
Net income	1	1	1	1	2	2

Commitment volume by business area



Trend in capital situation



	2018	2019	2020	2021	2022	2023
Total capital ratio	21%	23%	21%	22%	21%	19%
Core capital ratio	20%	22%	20%	21%	20%	18%

Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Rising net interest income and commission income

Weaknesses/Risks

– Comparatively high cost-income ratio
– High level of exposure linked to the construction sector

Hamburgische Investitions- und Förderbank (IFBHH)

The predecessor of Hamburgische Investitions- und Förderbank (IFBHH) was Hamburgische Wohnungsbaukreditanstalt, founded in 1953, which initially focused on urban development and the housing promotion sector in Hamburg. After the bank's remit was expanded, its name was changed to Hamburgische Investitions- und Förderbank from 01 August 2013. IFBHH is the central promotional institution for the City of Hamburg, which it supports in implementing policies aimed at promoting housing and urban development projects, in addition to those with an emphasis on the economy, innovation and the environment. The promotional fields of IFBHH cover housing (e.g. new buildings, purchasing and refurbishment of existing residential and rental properties), the environment (environmental protection, sustainability and energy efficiency), innovation (innovative start-ups, R&D projects) and the economy (conventional promotion of SMEs). The business model of IFBHH therefore covers traditional promotional loans, as well as equity financing and free consulting services. To support businesses and self-employed people in Hamburg during the COVID-19 pandemic, IFBHH provided financial aid in the amount of EUR 3.8bn up to the end of 2023. IFBHH is wholly owned by the Free and Hanseatic City of Hamburg (FHH). The transformation of IFBHH and its legal framework are based on the "Act on the transition of the Hamburgische Wohnungsbaukreditanstalt to the Hamburgische Investitions- und Förderbank". This highlights the close ties between IFBHH and the City of Hamburg: under Article 1, §3 (2), the Free and Hanseatic City of Hamburg guarantees the liabilities of IFBHH by way of an explicit guarantee. In addition, §1 defines institutional liability (Anstaltslast), §3 (1) guarantor liability (Gewährträgerhaftung) and §16 a loss absorption mechanism (Verlustausgleichspflicht) on the part of the City of Hamburg vis-à-vis IFBHH. Together with Investitionsbank des Landes Brandenburg (ILB) and Investitions- und Strukturbank Rheinland-Pfalz (ISB), IFBHH issued a joint cross-Laender social bond with a volume of EUR 500m on the market for the first time in 2022 (ticker: LFIESG).

General information

Homepage

Investor Relations

Owner(s)

100% Free and Hanseatic City of Hamburg

Guarantor(s)

Free and Hanseatic City of Hamburg

Liability mechanism

Explicit guarantee,
institutional liability,
guarantor liability &
loss absorption mechanism

Legal form

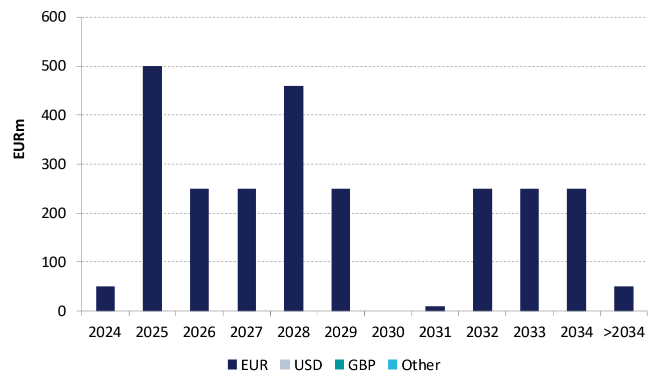
Public law institution

Bloomberg ticker

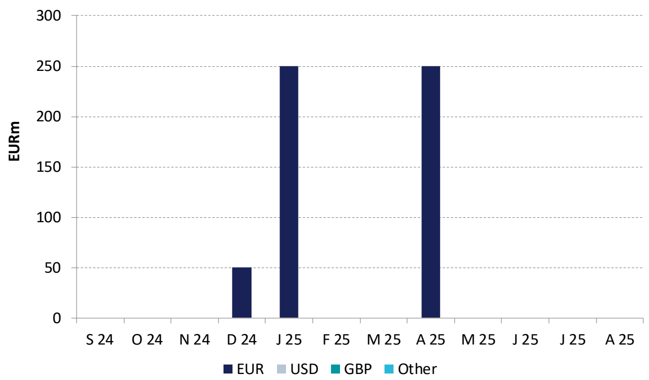
IFBHH

Ratings	Long-term	Outlook
Fitch	AAA	stab
Moody's	-	-
S&P	-	-

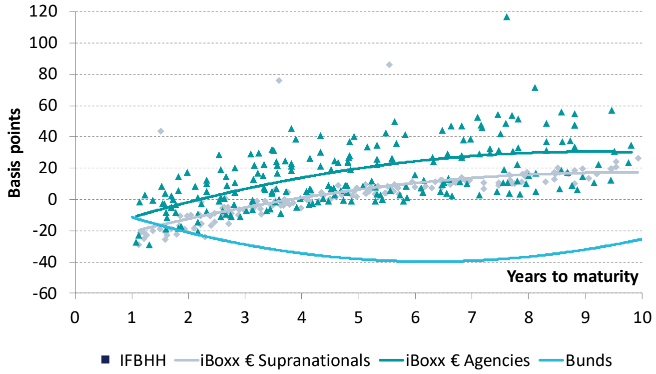
Maturity profile by currency



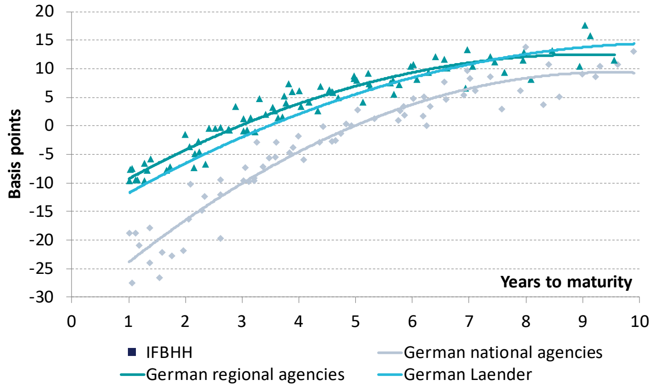
Bond amounts maturing in the next 12 months



IFBHH vs. iBoxx € indices & Bunds



IFBHH vs. German SSAs



NB: Foreign currencies converted into EUR at rates as at 16 August 2024; residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
Source: Bloomberg, Markit, NORD/LB Floor Research

Regulatory details

Risk weighting according to CRR/Basel III (standard approach)	Liquidity category according to Liquidity Coverage Ratio (LCR)	Haircut category according to ECB repo rules	Leverage ratio/BRRD
0%	Level 1	IV	Relevant; does not apply

Relative value

Attractiveness vs. Bunds (G-spread; in bp)*			Attractiveness vs. Mid-Swap (ASW-spread; in bp)*			Index weighting	
Minimum	Median	Maximum	Minimum	Median	Maximum	iBoxx € Sub-Sovereigns	iBoxx € Agencies
-	-	-	-	-	-	0.0%	0.0%

Funding & ESG (EURbn/EUR equivalent)

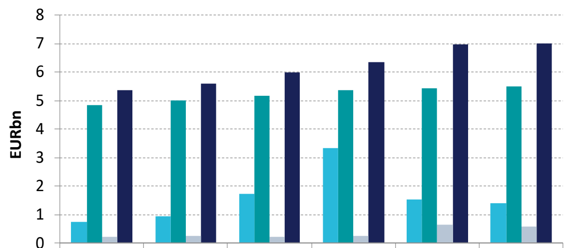
Target 2024	Maturities 2024	Net Supply 2024	Funding instruments	Central bank access	No. of ESG bonds	ESG volume
0.6	0.1	0.5	ESG bonds, other public bonds, PP	ECB	1	0.3

Outstanding volume (EURbn/EUR equivalent)

Total	of which in EUR	No. of EUR benchmarks**	of which in USD	No. of USD benchmarks**	of which in other currencies
2.6	2.6	0	0.0	0	0.0

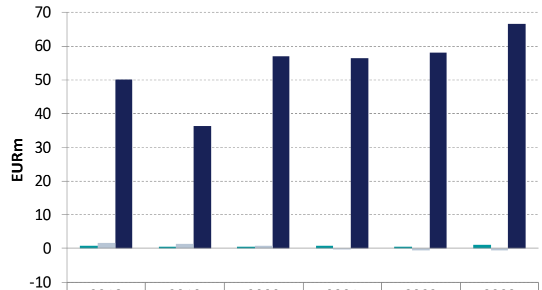
* Residual term to maturity >1 year and <10 years; outstanding volume at least EUR 0.5bn.
** Bonds with a minimum volume of EUR 0.5bn or USD 1.0bn. Foreign currencies are converted into EUR at rates as at 16 August 2024.
On account of the issuer's individual funding mix, the values for "funding target" and "net supply" in particular may deviate from reality.
Source: Bloomberg, issuer, NORD/LB Floor Research

Balance sheet development



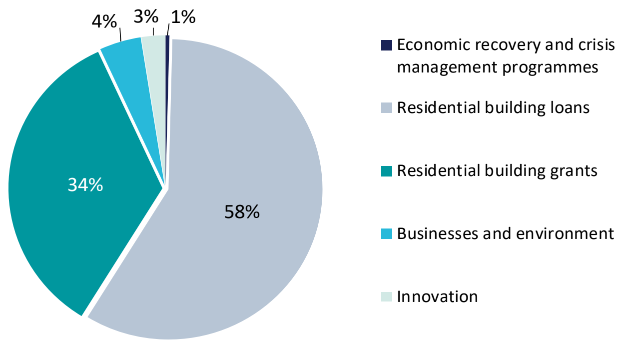
	2018	2019	2020	2021	2022	2023
Total assets	5	6	6	6	7	7
Loans to banks	0	0	0	0	1	1
Loans to customers	5	5	5	5	5	6
New commitments	1	1	2	3	2	1

Earnings development

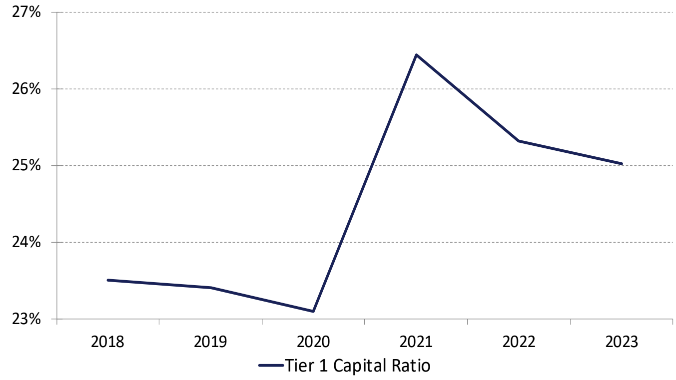


	2018	2019	2020	2021	2022	2023
Net interest income	50	36	57	56	58	67
Net commission income	2	1	1	0	0	-1
Net income	1	1	1	1	1	1

Total approvals by business area



Trend in core capital ratio



Source: Issuer, NORD/LB Floor Research

Strengths/Chances

+ Explicit guarantee
+ Loss absorption mechanism

Weaknesses/Risks

– High exposure to the real estate sector
– High cost-income ratio

Appendix
Publication overview

Covered Bonds:

- Issuer Guide – Covered Bonds 2023
- Covered Bond Laws
- Covered Bond Directive: Impact on risk weights and LCR levels
- Risk weights and LCR levels of covered bonds (updated semi-annually)
- Transparency requirements §28 PfandBG Q2/2024 (quarterly update)
- Transparency requirements §28 PfandBG Q2/2024 Sparkassen (quarterly update)

SSA/Public Issuers:

- Issuer Guide – German Laender 2024
- Issuer Guide – German Agencies 2023
- Issuer Guide – Canadian Provinces & Territories 2024
- Issuer Guide – European Supranationals 2023
- Issuer Guide – French Agencies 2023
- Issuer Guide – Nordic Agencies 2024
- Issuer Guide – Dutch Agencies 2024
- Issuer Guide – Non-European Supranationals (MDBs) 2024
- Beyond Bundeslaender: Belgium
- Beyond Bundeslaender: Greater Paris (IDF/VDP)
- Beyond Bundeslaender: Spanish regions

Fixed Income Specials:

- ESG-Update 2024
- ECB: Taylor Swift and the inflation, or...

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

Appendix
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Institutional Sales MM/FX	+49 511 9818-9460
Fixed Income Relationship Management Europe	+352 452211-515

Trading

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

Origination & Syndicate

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

Sales Wholesale Customers

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

Treasury

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

Relationship Management

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