NORD/LB
Creating true value.

Covered Bond & SSA View

NORD/LB Floor Research

2 July 2025 ♦ 24/2025

Marketing communication (see disclaimer on the last pages)

Agenda

Floor analysts:

Covered Bonds/Banks

Lukas Kühne
lukas.kuehne@nordlb.de

Alexander Grenner
alexander.grenner@nordlb.de

SSA/Public Issuers

Dr Norman Rudschuck, CIIA
norman.rudschuck@nordlb.de

Lukas-Finn Frese
lukas-finn.frese@nordlb.de

Tobias Cordes, CIIA
tobias.cordes@nordlb.de

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
RESP NRDR <GO>

Market overview
Covered Bonds

Authors: Alexander Grenner // Lukas Kühne

Diminishing issuances on the primary market – summer recess inching ever closer?

After an exceptionally high issuance dynamic throughout practically the whole of June, it seems that issuers have hit the brakes somewhat over the past five trading days. After reporting on a total of five deals in the previous edition of our weekly publication, on this occasion we have just two deals to highlight. Despite the slightly weaker end to the month, we have still recorded the highest issuance volume ever placed in the month of June, at EUR 20.4bn, since our records began. Last Wednesday, Westpac New Zealand (Westpac NZ) became the final issuer in June to approach the market with the prospect of a five-year covered bond. The bank was most recently active in the EUR benchmark segment back in March 2023. The deal met with a high level of investor interest, meaning that the spread tightened by seven basis points against the original guidance (ms +52bp area), producing a bid-to-cover ratio of 2.5x in the process. Westpac NZ eventually placed its new deal at a reoffer spread of ms +45bp with a volume of EUR 750m. Crelan Home Loan SCF (Crelan; previously known as AXA Home Loan SCF) got the ball rolling in the second half of the year with its first EUR benchmark deal since being taken over by the Belgian institute Crelan NV (cf. Issuer View). Crelan issues covered bonds under French law, although in geographical terms the cover pool assets are all located in Belgium. With the mandate issued the previous day, Crelan limited the volume of its new issue to EUR 500m (WNG). The marketing phase then got underway on Tuesday with guidance of ms +45bp area. Here, too, investor interest was pretty high again, which was reflected in a final order book of EUR 1.2bn and a bid-to-cover ratio of 2.5x. The new 5y deal from Crelan was finally priced at a reoffer spread of ms +39bp. Overall, we believe that the subdued issuance dynamics in the past few days could be interpreted as the onset of the slowly approaching summer break. However, as the two deals in the last five trading days have shown, the issuance window on the primary market remains open for the time being. In this vein, we do not expect issuance activities to come to an abrupt halt; rather, we are working on the assumption that the primary market will gently drift towards its summer recess.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Crelan Home Loan SCF	FR	01.07.	FR0014011243	5.0y	0.50bn	ms +39bp	- / Aaa / -	-
Westpac NZ	NZ	25.06.	XS3091027113	5.0y	0.75bn	ms +45bp	AAA / Aaa / -	-

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

Secondary market: transaction volume on the rise again at the start of H2

The strong sentiment again continued to fuel demand in the secondary market this week. With fresh supply slightly down, buyers were increasingly focusing on issues in the medium-term maturity segment in addition to longer maturities. The transaction volume has started to pick up noticeably again at the start of the second half of the year, with buyers tending to focus more on jurisdictions in core Europe – particularly Germany and France.

Internal matters

Voting is currently in progress for the 19th "*GlobalCapital Covered Bond Awards*". An industry-wide vote is held to recognise selected deals and the performance of banks and issuers in the covered bond segment. This year, NORD/LB made the shortlist in our favourite category: "Best Covered Bond Research". If you find our research publications, such as the Covered Bond & SSA View, as well as our range of Issuer Guides and Issuer Views, to be helpful in your day-to-day work, we would greatly appreciate your vote. Head over to the website to place your vote by 07 July: voting 2025

New issue forecast: we now expect just over EUR 150bn in 2025

We kicked off 2025 by issuing our forecast of a gross new issuance volume of EUR 170bn at the start of January. Now, however, at the midpoint of the year, we expect a total of EUR 153.8bn and have therefore been forced to significantly revise our forecast downwards. A particular reason for this reduction is the lower issuance volume in the first quarter compared with previous years. At jurisdiction level, the downward revision for France is striking. Having initially projected a volume of EUR 37.5bn, we now see a total of "only" EUR 32bn for 2025. France and Germany, in particular, are expected to be the driving forces of the primary market across the second half of the year. A sustained growth trend is also emerging for the EUR benchmark segment in 2025. Set against maturities of EUR 126.9bn, we are forecasting net new supply in the order of EUR +27bn across the full year. For further details regarding our forecast for the remainder of the year in addition to a review of relevant events during the first six months, please see our focus article in this current edition of our weekly publication.

NORD/LB forecast: supply and maturities 2025 (EUR BMK; EURbn)

Jurisdiction	Issues 2024	Net supply 2024	Current outstanding volume	Issues 2025e	Maturities 2025e	Net supply 2025e	Issues 2025ytd	Still to come 2025e
AT	6.50	4.25	60.60	**5.00**	2.80	2.20	3.00	**2.00**
AU	4.85	-0.65	33.25	**7.00**	7.50	-0.50	6.10	**0.90**
BE	3.00	2.00	22.45	**2.50**	3.75	-1.25	1.00	**1.50**
CA	11.25	-1.25	81.70	**10.00**	9.50	0.50	5.25	**4.75**
CH	3.00	3.00	5.00	**1.25**	0.75	0.50	1.25	**0.00**
CZ	0.50	0.50	2.50	**0.50**	0.00	0.50	0.00	**0.50**
DE	29.50	11.33	224.44	**31.75**	21.50	10.25	23.25	**8.50**
DK	1.50	1.00	6.50	**2.00**	1.00	1.00	1.00	**1.00**
EE	0.00	0.00	0.50	**0.50**	0.50	0.00	0.00	**0.50**
ES	2.85	-3.40	53.00	**2.00**	17.25	-15.25	1.00	**1.00**
FI	5.50	2.50	40.75	**4.00**	4.25	-0.25	2.25	**1.75**
FR	38.50	14.75	273.62	**32.00**	21.35	10.65	23.75	**8.25**
GB	5.00	-3.50	25.61	**7.25**	2.00	5.25	4.70	**2.55**
GR	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**
HU	0.00	0.00	0.50	**0.50**	0.00	0.50	0.50	**0.00**
IE	0.00	0.00	0.00	**0.00**	0.75	-0.75	0.00	**0.00**
IS	0.00	0.00	0.50	1.00	0.00	1.00	0.00	**1.00**
IT	9.50	1.50	50.08	**7.60**	9.50	-1.90	4.35	**3.25**
JP	0.00	0.00	6.10	**1.50**	1.00	0.50	0.50	**1.00**
KR	2.15	1.65	10.65	**3.00**	2.60	0.40	1.10	**1.90**
LU	0.00	-0.50	0.50	**0.00**	0.00	0.00	0.00	**0.00**
NL	9.65	4.65	84.22	**6.50**	3.25	3.25	3.00	**3.50**
NO	6.25	2.25	52.00	**11.50**	5.75	5.75	8.25	**3.25**
NZ	0.00	-2.50	9.95	**2.50**	1.25	1.25	2.00	**0.50**
PL	0.00	-1.00	0.50	**0.50**	0.50	0.00	0.50	**0.00**
PT	2.00	0.00	6.85	**2.00**	0.00	2.00	1.50	**0.50**
SE	1.25	-3.50	30.58	**5.50**	5.90	-0.40	4.50	**1.00**
SG	4.25	3.00	9.25	**3.00**	3.25	-0.25	1.75	**1.25**
SK	1.50	1.00	10.00	**3.00**	1.00	2.00	1.50	**1.50**
∑	**148.50**	**37.08**	**1101.58**	**153.85**	**126.90**	**26.95**	**102.00**	**51.85**

Source: Bloomberg, NORD/LB Floor Research

S&P publishes Global Covered Bond Insights Q3/2025

The rating experts from S&P recently published their Global Covered Bond Insights Q3/2025. In the report, the authors provide an overview of issuance activities in the current year, noting that new issues with longer maturities, in particular, increased in the second quarter of 2025 compared with the previous quarter (9.5% from a previous level of 6%). This development is attributed to interest rate cuts implemented by the central bank and the uncertainty associated with higher government spending, which is reflected in a steeper yield curve for covered bonds. Overall, although the volume of new deals has recovered since April, S&P points out that it was still around 13% below the previous year's values at the time of publication (23 June). At the same time, the rating experts highlight two factors that could have implications for the issuance volume in the covered bond market. According to S&P, the volume of covered bond deals from Europe could start to decline if improved bank performances lead to tighter spreads on unsecured funding, which has the potential to make this option more appealing to banks. In addition, further potential changes to sovereign ratings could impact the issuance volume of covered bonds from the jurisdictions impacted. For example, covered bonds from Italy, which currently have a maximum rating of AA+ under the rating approach of S&P, could benefit from such an upgrade. Moreover, in its report S&P also refers to the update of its covered bond rating methodology, which is expected to be finalised by the end of this year. The covered bond rating approaches of the individual rating agencies are regularly a subject that we cover in our Issuer Guide Covered Bonds.

Fitch: 2025 Global Housing and Mortgage Outlook Mid-Year Update

In a recent analysis of the global housing and mortgage markets, Fitch outlines how the current positive trend in the markets could be put to the test by growing macroeconomic uncertainty. For the time being, the rating experts are forecasting price increases for the second half of the year too, accompanied by low levels of payment arrears. This development is being driven primarily by arrears in the housing construction sector and stable to falling mortgage interest rates. However, risks are present, in particular with regard to potential economic downturns in the wake of the current uncertainties linked to international trade policy. This is impacting Canada and the Netherlands in particular. Higher unemployment and the increased caution on the part of potential buyers that this brings about are hampering demand, leading Fitch to revise its expectations for house price growth downwards from 7-10% to just 0-3%. The rating experts are far more positive in terms of their outlook for house prices in Denmark, Spain and France, where falling interest rates and lower inflation are expected to boost demand. The increased financing requirements linked to this could be refinanced by banks through the issuance of covered bonds. For other markets such as Australia (positive outlook on account of falling interest rates and a stable labour market) and Japan (low level growth in house prices due to rising interest rates and weak demand), the rating experts remain unchanged in their forecast.

Market overview
SSA/Public Issuers

Authors: Dr Norman Rudschuck, CIIA // Lukas-Finn Frese // Tobias Cordes, CIIA

EU Global Investor Call – EUR 70bn for H2/2025 and EUR 700bn by 2030

As part of its six-monthly Global Investor Call, the EU provided information last Wednesday on its short-term funding targets as well as giving an outlook regarding its capital market activities over the coming years. In line with our expectations in the run-up to this conference call, the European Union plans to issue long-term bonds worth a total of EUR 70bn in the period from July to December 2025. This would take the total funding target for the current year to EUR 160bn. New bond issues of a similar volume are also expected in 2026. In a recent announcement, the European Commission stated that its NGEU programme – under which the highest amount of funds by far is raised via the capital markets – will not be extended beyond the end of next year. Against this backdrop, the EU representatives confirmed that the European Union would nonetheless maintain a strong market presence after the end of the NGEU programme. Taking into account all other support programmes that remain active, the new SAFE instrument which is aimed at boosting defence capabilities and addressing security-related matters as well as the refinancing of any maturing bonds, the EU mentioned an aggregated funding requirement of EUR 700bn up to the end of the current decade. In addition, the EU is seeking to achieve future classification as a sovereign. According to the information provided, current secondary market liquidity of EU bonds is already at a similar level to that of European government bonds. The EU also confirmed that the foundations of its primary market activities are sound. In excess of 1,900 investors from more than 70 countries have participated in syndicated transactions since January 2020. Fund managers (excl. hedge funds) account for the highest share at approximately 31%, followed by bank treasuries (22%) and central banks (21%). Based on the EU's statement, the advantage of an inclusion of EU bonds in existing sovereign indices is a higher average rating while yields remain unchanged.

ESM and EFSF publish newsletter with a review of Q2/2025

The ESM and EFSF published their newsletter a few days before the official end of the quarter – as was also the case in the first quarter of this year. In this, a preliminary report was provided on the total funds raised to date and, against that backdrop, a review of the funding activities conducted in the second quarter of the current year. On the funding side, the EFSF and ESM each placed one bond issue in EUR benchmark format in the capital market during the second quarter of this year, despite challenging market conditions. The EFSF raised EUR 3bn (7y) at ms +34bp (order book: 9.5bn) in May 2025. This means that on an aggregated basis it has already concluded around 70% of its long-term funding this year (funding target: EUR 21.5bn). In June 2025, the ESM approached investors and issued EUR 2bn (3y). By the end of the marketing phase, the order book stood at EUR 20 bn. Consequently, the final deal went through at ms +12bp (guidance: ms +15bp area). The supranational has therefore already raised EUR 4bn in the current year. Previously, the ESM communicated that it has a funding requirement of EUR 7bn. Accordingly, together, EFSF and ESM have an aggregate funding requirement of EUR 9.5bn in the remaining months of this year. However, Jun Dumolard, who published the newsletter for the first time in his new role as Head of Funding and Investor Relations, emphasised that additional funds could be raised if necessary.

Slightly brighter economic sentiment in NRW on back of positive business expectations

Economic sentiment in North Rhine-Westphalia (ticker: NRW) has improved on the previous month and for the third consecutive occasion, according to the NRW.BANK.ifo business climate. However, the sentiment indicator climbed less sharply in May this year, compared with the previous months. Overall, the NRW.BANK.ifo business climate was up by +0.3 points to -11.0 points. The sub-indicators reveal that this increase resulted solely from less sceptical business expectations (+2.4 points to -13.1 points). Conversely, the companies surveyed assessed the current business situation as worse, with the survey findings in this category weakening by -6.9 points to -8.9 points. In terms of the various sectors, an almost uniform picture emerged for May regarding the economic trend. The business climate in the service sector, which accounts for the largest share of the overall indicator, was slightly down by 0.1 points. At the same time, the other sectors comprising construction, retail and the manufacturing industry recorded an upward trend in sentiment, which was marked in some cases. The most noticeable improvement in the business climate was seen in the construction industry, with growth of +5.5 points to -17.2 points recorded. With regard to business expectations for the coming months, companies in the construction industry were also somewhat more optimistic. A similar picture was evident for retail. Here, the survey result was up by +4.8 points to -23.7 points while business expectations also improved. In the manufacturing industry, the business climate indicator climbed +1.5 points to -18.2 points. Although industrial companies revised their assessment regarding business expectations significantly upwards, they assessed the current business situation as worse.

Brandenburg parliament resolves double budget for 2025/26

The government of Brandenburg (ticker: BRABUR) resolved the proposed budget for 2025 and 2026 in its meeting on 28 March 2025. The budget was then forwarded to the regional parliament (Landtag), where parliamentary procedure resulted in some amendments. However, true to the saying, “good things come to those who wait”, the Landtag eventually passed the 2025/26 Budget Act in its meeting on 20 June 2025, taking the amendments into account. The relevant individual budget plans as well as the 2025/26 Budget Accompanying Act were resolved at the same time.

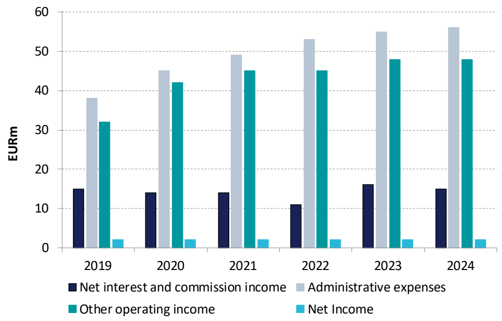
NRW.BANK presents 2024 Impact and Allocation Report

NRW.BANK (ticker: NRWBK) published its Impact and Allocation Report on the NRW.BANK Green Bond #1-2024 as well as the Social Bond Asset Pool 2024, providing insight into the use of funds and the associated social and environmental impact. In May 2024, the bank raised EUR 1bn by means of its Green Bond #1-2024 (7y). The issuing proceeds were primarily used for development projects relating to mitigation. At around EUR 643.1m, the focus was on refinancing loans in the area of renewable energy. A further EUR 204.4m was allocated to clean transport and EUR 61.3m to the areas of adaptation and water. According to calculations of the Wuppertal Institute for Climate, Environment and Energy, with the help of these projects, greenhouse gas emissions could be reduced by around 706,000 tons per year, or 4.9m CO_2 equivalents over the full term. The funds raised in 2024 by means of social bonds worth EUR 1bn (10y) and 500m (15y) respectively form part of the asset pool, the volume of which amounted to around EUR 7.9bn in 2024. Lending based on these funds in the period from 2021 to 2023, for example, facilitated the construction and/or acquisition of 2,700 housing units and creation of up to 26,000 jobs in SMEs as well as 13,400 places in childcare facilities.

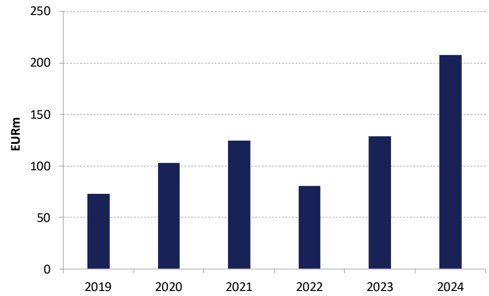
Thüringer Aufbaubank looks back on a successful 2024 financial year

Thüringer Aufbaubank (TAB) was established in 1992 as a public law institution (Anstalt des öffentlichen Rechts, AöR). As a centralised development bank, it supports the Free State of Thuringia in the fulfilment of its public development responsibilities for the benefit of companies, banks and public sector clients as well as the housing industry. The bank's business operations encompass consultancy and extending loans, grants and other forms of financial assistance. It also provides guarantees and takes on participations. TAB settles development loans non-competitively via commercial banks and savings banks under the house bank principle. With regard to new business, TAB granted new loans worth EUR 125.3m to companies and banks in 2024 (2023: EUR 157.3m). At the same time, the volume of new loans in the public sector clients and housing industry segments amounted to EUR 199.7m (2023: EUR 170.9m). The loan portfolio of TAB mainly comprises loans to public sector clients, i.e. municipalities that are not subject to bankruptcy, and borrowers with loan commitments that are collateralised with public sector assets. The volume approved in terms of grants in the segments of economic and innovation development (Wirtschafts- und Innovationsförderung, WIF) as well as agribusiness, infrastructure and environmental development (Agrarförderung, Infrastruktur und Umwelt, AIU) amounted to EUR 602.1m in 2024 (2023: EUR 493.6m) and the total amount disbursed to EUR 399.0m (2023: EUR 498.6m). In 2024, TAB achieved profit for the year which matched the previous year's level (EUR 2.1m). Total assets were down on the previous year by EUR -12.9m to EUR 3.6bn. The bank's equity amounted to EUR 148.9m as at the balance sheet date (2023: EUR 146.1m). Furthermore, in October 2024, the share capital was increased by EUR +50m to EUR 83.2m on the basis of the Fourth Act amending the Thuringia Development Bank Act (ThürAufbBG). The aggregated capital ratio was 22.3% (2023: 22.6%) and the LCR ratio 184.2%. For refinancing purposes, TAB also uses market-based funding sources. However, tapping the capital market (to date) has been limited to SSD deals and registered bonds. In addition, TAB utilises programme-based and general refinancing, for example of KfW and the EIB. Although TAB does not have a separate rating, we analysed its guarantor, Thuringia (AAA / - / -), as part of our Issuer Guide – German Laender 2024. The federal state of Thuringia has unlimited and direct liability for TAB's debts pursuant to Section 1 Art. 2 ThürAufbBG. Moreover, as a result of its institutional liability (Anstaltslast), the Free State of Thuringia must ensure that the bank is in a position to fulfil its duties. In regulatory terms, TAB bonds would benefit from the same preferential treatment as bonds of the federal state. Under the CRR, a risk weighting of 0% would apply, which would result in classification as a Level 1 asset in accordance with the LCR Regulation. In our view, the requirements for preferential treatment in the context of Solvency II would also be met. In addition, TAB bonds would be accepted as central bank eligible collateral for ECB repo transactions, whereas SSD deals would not – unlike those of the Free State of Thuringia.

Overview of profit and loss account



Trend in loan commitments



Source: Issuer, NORD/LB Floor Research

Primary market

At the end of the first half of 2025, market players in the SSA primary market remained more than happy to continue their activities. Baden-Wuerttemberg (ticker: BADWUR) got the ball rolling. We mentioned the federal state's mandate in the previous week. For the fifth EUR benchmark bond issue this year, the sub-sovereign was looking to raise EUR 1bn with a maturity of three years. Pricing was eventually in line with the guidance at ms +10bp (order book: EUR 1.5bn). In addition to the federal state itself, Landeskreditbank Baden-Württemberg – Förderbank (ticker: LBANK) ventured onto the market, raising EUR 1.5bn in a 5y maturity with a reoffer spread of ms +23bp. Over the course of the marketing phase, the order book filled to EUR 3.3bn, which resulted in tightening of two basis points versus the guidance. Landwirtschaftliche Rentenbank (ticker: RENTEN), another German financial institution, then approached investors with a green bond issue. In addition to announcing a maturity of seven years, the agency also stated in advance the total amount it intended to issue – EUR 1bn. The bond was ultimately printed at ms +24bp (order book: EUR 4.4bn, guidance: ms +27bp area). Additional supply in the ESG segment was offered by rail network operator ADIF Alta Velocidad (ticker: ADIFAL). The Spanish agency opted for a green bond worth EUR 500m with maturity in excess of seven years. Final pricing was at SPGB +37bp (which was approximately equivalent to ms +70bp; guidance: SPGB +43bp area, order book: EUR 3.4bn). Remaining on the Iberian Peninsula, the annual ECB Forum is currently taking place in Sintra, Portugal. Finishing today, the forum provides a platform for the European Central Bank representatives to debate macroeconomic matters and monetary policy. We will report in detail on the summit in the next issue of our publication. Back to primary market activities: yesterday, Tuesday, the Belgian region of Flanders (ticker: FLEMSH) made a high-profile appearance by raising EUR 2bn with a maturity of "short" 15 years. The final order book amounted to EUR 9bn, offering substantial room for manoeuvre. As a matter of fact, tightening of five basis points was possible versus the guidance. The reoffer spread then came to OLO +18bp (which was approximately equivalent to ms +92bp). On the other side of the Atlantic, a Canadian sub-sovereign tapped the EUR market. The province of Ontario (ticker: ONT) obtained a fresh supply of EUR 2bn with a maturity of ten years at ms +70bp (guidance: ms +72bp area, bid-to-cover ratio: 3.5x). Looking ahead to the coming week, the EU has sent an RfP to the relevant group of banks for its first syndicated transaction in H2/2025 (cf. funding plan). In view of the respective new mandates instructed, we expect the following transactions in the near future: Investitions- und Strukturbank Rheinland-Pfalz (ticker: ISBRLP) intends to issue a bond worth EUR 250m (WNG) with a maturity of eight years. In addition, the Asian Development Bank (ticker: ASIA) is planning the placement of a green EUR benchmark bond issue in the 3y maturity segment.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
RENTEN	DE	01.07.	XS3112555258	7.0y	1.00bn	ms +24bp	AAA / Aaa / AAA	X
FLEMSH	BE	01.07.	BE0390238070	14.9y	2.00bn	ms +92bp	AA- / Aa3 / -	-
ADIFAL	ES	26.06.	ES0200002154	7.3y	0.50bn	ms +70bp	A- / Baa2 / -	X
LBANK	DE	26.06.	DE000A4M7VR1	5.0y	1.50bn	ms +23bp	AAA / Aaa / AA+	-
ONT	CA	25.06.	XS3107219993	10.0y	2.00bn	ms +70bp	AA- / Aa3 / AA-	-
BADWUR	DE	25.06.	DE000A3H2531	3.0y	1.00bn	ms +10bp	- / Aaa / AA+	-

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

Covered Bonds
Half-year review and outlook for second half of 2025

Authors: Alexander Grenner // Lukas Kühne

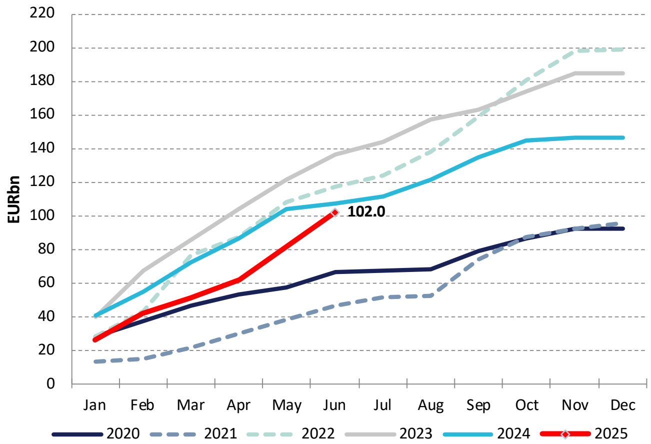
The first six months: year starts with more of a whimper than a bang

As usual, we are taking the mid-year point as an opportunity to review developments in the covered bond market in the first six months of the trading year in our weekly publication. Our focus here is on structural changes as well as market stimuli. Trading policy has particularly affected the mood and risk appetite of investors. The distortions relating to the new US tariff policy led to a sharp rise in risk premiums in the short term. The country-specific reciprocal tariffs announced on "Liberation Day" (02 April), coupled with the associated uncertainty, led to an abrupt pause in issuance activity in the primary market. It was only when the US administration declared a 90-day delay in the tariffs that the markets became steadier again after around a week of turbulence. On 10 April, Caisse Francaise de Financement Local (CAFFIL) became the first covered bond issuer to offer investors a fresh EUR benchmark, ending the drought in the primary market. Since then, sentiment in the primary market has increasingly stabilised. However, the uncertainty linked to the tariffs announced by the US has once again shown that despite being viewed by many as a safe haven, the asset class covered bonds is not immune to political upheaval.

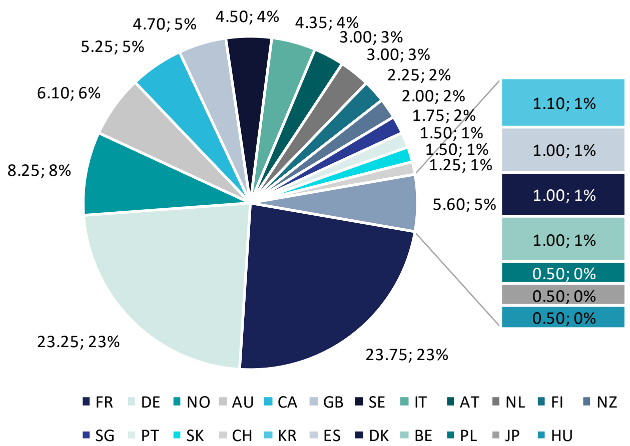
Second half of 2025: robust sentiment amidst ongoing uncertainty factors

As we will explain in further detail in this covered bond focus article, the outlook for the second half of the year is still characterised by a certain amount of tension. It is therefore unsurprising that some investors made use of the window ahead of the summer break to go to the market. It is still unclear how the tariff policy situation in the USA will continue to unfold. Looking at the monetary policy implications, we expect the ECB's interest rate cutting cycle to slowly come to an end. We therefore anticipate a pause in July with no further rate cuts by the ECB before September at the earliest (see NORD/LB Fixed Income Special – ECB Council meeting: Last round in the interest rate cut carousel?). For the two covered bond sub-markets reviewed here (EUR benchmark and EUR sub-benchmark segments), we expect a moderately dynamic trend in the coming months in line with the typical issuance pattern in the covered bond market. In our opinion, no abrupt change in sentiment is currently foreseeable, which means the issuance window should remain open in the second half of the year. From a relative value perspective, we see covered bonds as still attractive overall for investors. From an issuer perspective, covered bonds are likely to remain a popular instrument given the opportunity costs and lower execution risk.

EUR BMK: issuance trend



EUR BMK in H1/2025 (EURbn)

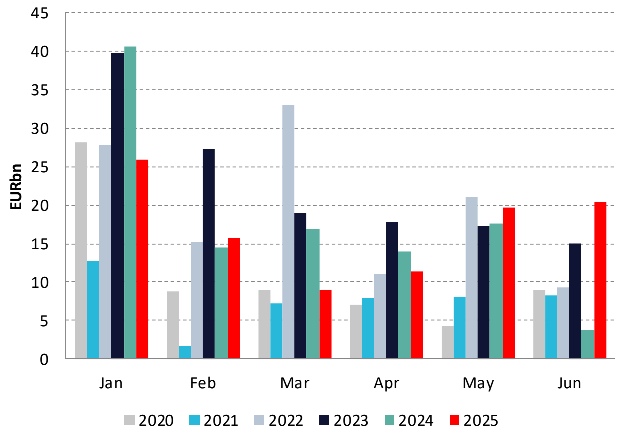


Source: Market data, Bloomberg, NORD/LB Floor Research

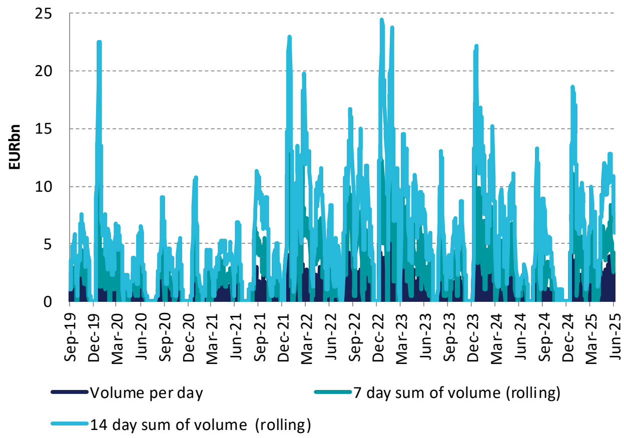
Primary market 2025: EUR 102bn placed by midpoint of the year

Covered bonds with a volume of EUR 102bn (spread across 126 bonds) had been placed by the end of the first half of 2025. As expected, the heavyweights of France (EUR 23.8bn; 25 deals) and Germany (EUR 23.3bn; 31 deals) were the biggest drivers in the market. The high issuance volumes from Norway (EUR 8.3bn; 9 deals) and Australia (EUR 6.1bn; 6 deals) were also notable. Comparing issuance months, the start of the year fell somewhat short of expectations. The subsequent months also failed to achieve the same market momentum as previous years. At the end of April 2025, the issuance volume of EUR 61.9bn was around 28% below the previous year's value of EUR 86.1bn. However, this trend changed in May and June when the primary market was flooded with a wave of deals, pushing the issuance volume in H1/2025 to EUR 102bn, down just EUR 5.5bn on the equivalent figure for 2024. The mid-term maturity segment (five years) was particularly well served, but several long-dated bonds (≥10 years) were also successfully placed in the market. Of these, the 20-year Pfandbrief issued by Deutsche Kreditbank (DKB) stands out.

EUR BMK: historical new issues (H1)

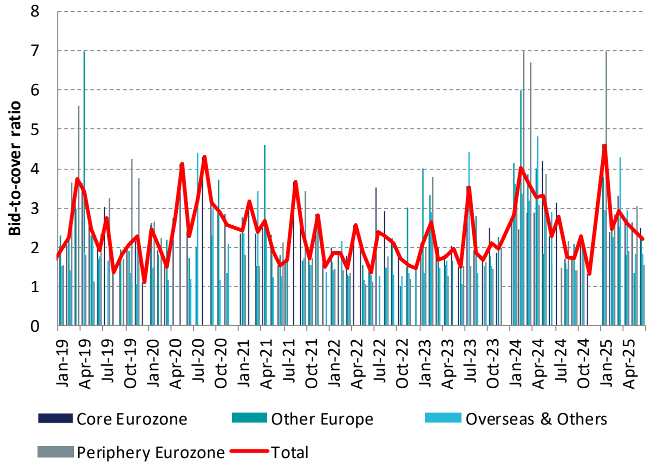


EUR BMK: seasonal pattern – primary market

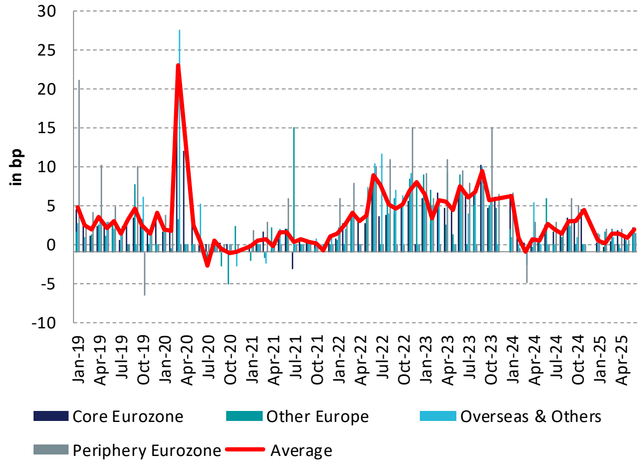


Source: Market data, Bloomberg, NORD/LB Floor Research

EUR BMK: bid-to-cover ratios



EUR BMK: trend in new issue premiums



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

Low new issue premiums and high bid-to-cover ratios at start of year

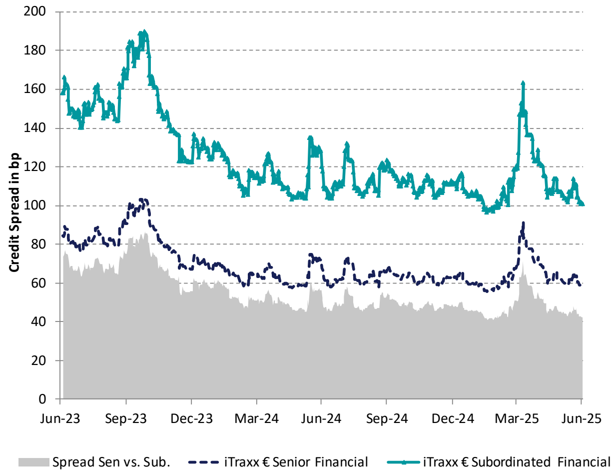
The at times modest volume of issues at the start of the year coupled with strong demand led to low new issue premiums (NIPs) and high bid-to-cover ratios. Average NIPs in the months January (0.4bp) and February (0.2bp) were therefore comparatively low, while the bid-to-cover ratio climbed to a new record (4.6x) in January. Demand largely continued to outstrip supply in the subsequent months, due especially to the comparatively small number of new deals. This picture only slowly began to change when the wave of new bonds referred to above arrived. In June, average new issue premiums reached a new high for the year of 1.96bp. Consequently, we are currently seeing a considerable drop in surplus demand. Investors appear to be increasingly looking more selectively at individual deals. However, with small concessions in terms of new issue premiums, all deals were successfully placed in the market by the end of the first six months, despite the downturn in surplus demand. There were no newcomers in the EUR benchmark segment in the first half of the year, but there were some who made a comeback: these notably included the deals from HSBC UK Bank and Hungary's OTP Mortgage Bank. Prior to this, HSBC had only been active in this market segment once back in 2006, waiting almost 20 years before issuing a new covered bond in EUR benchmark format. The deal from OTP Mortgage Bank was not just a comeback for the issuer, but also for the jurisdiction of Hungary as a whole, which had not been represented in the EUR benchmark segment since the maturity of the last transaction back in 2014. Here, the slightly lower rating (A1 from Moody's), compared with covered bond ratings from other jurisdictions, is striking. There was also a "final" deal from Berlin Hyp. As part of its takeover by LBBW, the bank will be completely absorbed by the Landesbank headquartered in Stuttgart. In a farewell to its investors, the bank was active in the market in January with a dual tranche.

ESG segment still very relevant for covered bonds

In our NORD/LB Fixed Income Special – ESG Update 2025 we looked in detail at the ESG bond segment as well as the related key regulatory decisions. It is clear that ESG format issues will continue to form an integral and growing part of the covered bond segment. However, the classifications in the EU taxonomy and the Green Bond Standard continue to pose challenges for players in the covered bond market. So far though, we have not seen any resultant structural break for the EUR benchmark segment. In the year to date, 17 deals with a total volume of EUR 12.6bn were placed in ESG format. At EUR 8bn, the largest share is attributable to green covered bonds, with bonds in social and sustainability formats accounting for EUR 3.6bn and EUR 2bn respectively. In terms of the breakdown by jurisdiction, French issuers were the most active in one of the three ESG formats with six deals and a volume of EUR 6bn.

Bund-swap-spread

Credits: iTraxx Senior vs. Subordinated Financials

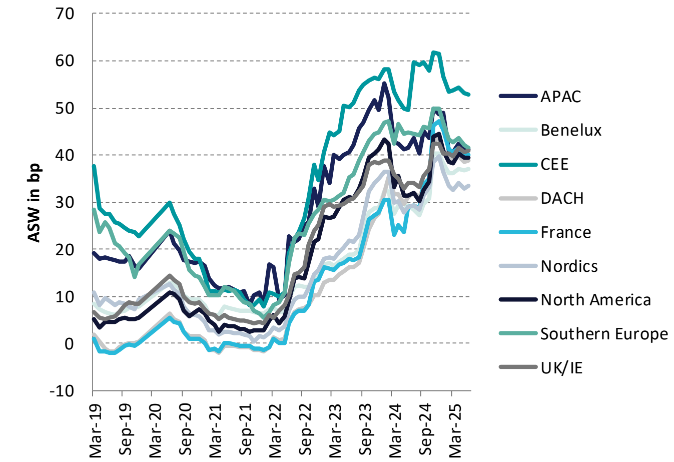


Source: Bloomberg, market data, NORD/LB Floor Research

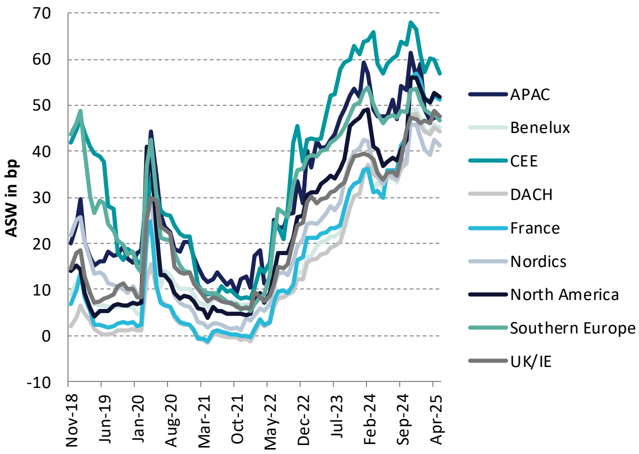
Spreads unimpressed by market distortions

Given the tectonic shift in Bund-swap-spreads at the end of 2024, uncertainty increased at the start of the year as to the “actual” fair value of a new issue in covered bonds. The first deals in the primary market in the new year started with a corresponding pick-up versus the previous year. The phase of uncertainty in Q4 2024 was followed by notable spread tightening for most jurisdictions. We see the supply shortage argument due to the low level of new issues in the first few months of 2025 as the main reason for this trend. Unlike other asset classes, such as senior bonds, spreads in the covered bond market scarcely moved after the tariff announcements by the US government in April. Spreads in the covered bond market are presently largely stable, and the downward trend seen in spring appears to have stopped. From a relative value perspective, covered bonds continue to be attractive for both investors and issuers. We attribute this, among other factors, to the current spread differences versus other asset classes, for example issuers in the SSA/Public issuers universe.

EUR BMK: spread trend (5y; generic)



EUR BMK: spread trend (7y; generic)



Source: Bloomberg, NORD/LB Floor Research

Spread forecast: stable to slightly upwards trend expected

Our expectations for spreads are based first and foremost on the forecast for primary market activity outlined in the Market Overview section. In our opinion, the market assessment not only forms the starting point for deriving our spread forecast but also carries the most weight in the medium to long term as well. The influence of market sentiment must not be underestimated in the short term. This is particularly true for the spread widening that can result from a changing political situation, such as further tightening of US tariff policy or flare-ups in geopolitical conflict hotspots. Even though the impact on spreads can be significant here, such events are often episodic in character and frequently overshadowed by fundamental viewpoints over time. In the covered bond segment, we see no reason for reassessing the situation in the second half of the year. In all likelihood, sentiment is set to continue to prove constructive after the summer as well. Looking at covered bonds from a relative value perspective, we see no significant spread drivers either. Our baseline case scenario therefore assumes stable to slightly rising spreads up until the end of the year. A possible dip in demand at the end of year could harbour modest widening potential for spreads in the covered bond market.

Conclusion and outlook

In terms of the issuance volume, the covered bond market was initially slow in the first half of 2025 but made up the gap versus the previous year almost completely in the months of May and June. Currently however, it is becoming quieter in the primary market as well, which can be seen as the first signs of the imminent summer break. Even after a potential summer break in the primary market we do not expect the positive environment for covered bonds to suddenly change. On the contrary, the current momentum (in slightly weaker form) is set to continue into autumn. In total, we calculate an issuance volume of a little over EUR 50bn for the second half of the year, which means the covered bond market will continue its growth course this year as well. Looking at spreads, we are not expecting to see tightening but rather a stable to slightly upward trend.

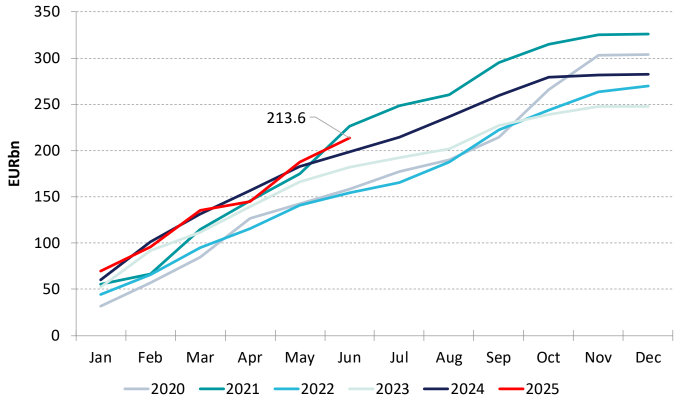
SSA/Public Issuers
SSA half-year review 2025 and outlook

Authors: Dr Norman Rudschuck, CIIA // Lukas-Finn Frese // Tobias Cordes, CIIA

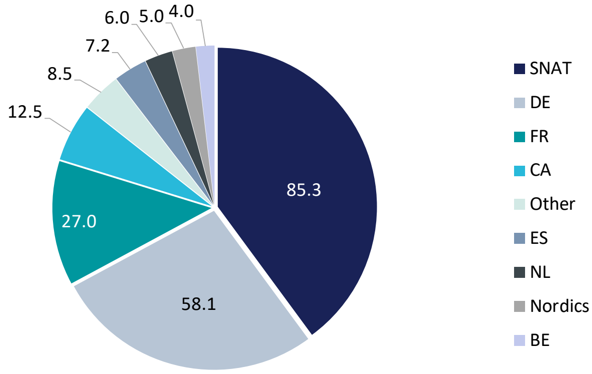
A comprehensive look at H1/2025 – second-highest issuance volume of all time
After taking a comprehensive look at January, which is always an extremely active month, at the beginning of the year in our weekly publication from 05 February and suitably assessing the first quarter of the year, we would like to extend the time horizon in this edition to the first half of the year. By the end of June, for the SSA segment as defined by us – supranationals, sub-sovereigns and agencies, i.e. excluding sovereigns – EUR benchmarks added up to an impressive EUR 213.6bn (2024: EUR 199.1bn; 2023: EUR 182.4bn; 2022: EUR 154.7bn). Although this figure fell slightly short of the record level of EUR 226.5bn achieved in the pandemic year 2021, we were able to record another increase in primary market activity compared with previous years. With an aggregated volume of EUR 1,154.4bn, the order books were around 14% up on the same period in the previous year (H1/2024: EUR 1,027bn). Overall, we can justifiably speak of a strong first half of 2025 in our SSA universe.

Market overview
Let's start our review by classifying the issuance situation: by the end of H1/2025, we had recorded EUR BMK issues with a volume of EUR 213.6bn in our SSA segment defined above. This figure is only exceeded by the issuance activities from the pandemic year 2021, when newly issued EUR benchmarks totalled EUR 226.5bn. It is interesting that at the end of May, everything initially pointed to the current year becoming the new frontrunner. Relatively speaking, the significantly lower primary market activity in June (06/2025: EUR 25.8bn; 06/2021: EUR 51.8bn), however, means that 2021 remains ahead. A total of 81 different issuers were active on the market in the first half of the year, successfully issuing 143 new bonds in the process. Supranationals accounted for the largest share: 29 bonds with a total volume of EUR 85.3bn were issued in this segment. The order books of the supras have always been full to bursting so far this year: adding up all the issues, we arrive at a figure of EUR 644.7bn – more than in the other sub-segments combined. Although we saw the largest number of bonds from Germany (54), the total volume of EUR 58.1bn laged behind the supranationals, which naturally operate in larger volumes than both German Laender as well as agencies. The aggregated order book volume of EUR 216.3bn was nevertheless more than sizeable. France ranked third in our list with an issuance volume in the amount of EUR 27.0bn. In total, 19 ISINs were issued in the first half of the year, with the deficit and debt repayment fund CADES always attracting the greatest interest in terms of order book entries in the French SSA segment. Emissions on the other side of the Atlantic are also always particularly noteworthy: to date, we have registered EUR BMK issues totalling EUR 8bn from the Canadian provinces (H1/2024: EUR 9bn), with the Alberta transaction (ticker: ALTA; cf. Public Issuer View) representing a particular highlight for us.

Issuance volume over the course of the year



Issuance volume by jurisdiction (EURbn)



Source: Bloomberg, NORD/LB Floor Research

Overview of issuers with the most transactions and the largest volume

Issuer	# Benchmark transactions	Issuer	EUR benchmarks (EURbn)
EIB	6	EIB	26.0
NIESA	6	EU	22.0
HESSEN	4	EFSF	15.0
BADWUR	4	KFW	13.0
BPIFRA	4	NIESA	6.0
BERGER	4	HESSEN	5.8
EFSF	4	BPIFRA	5.3
KFW	3	CADES	5.0
8 further issuers*	3	IDAWBG	5.0
		BERGER	4.5

* Including EU, HAMBRG and BNG
Source: Bloomberg, NORD/LB Floor Research

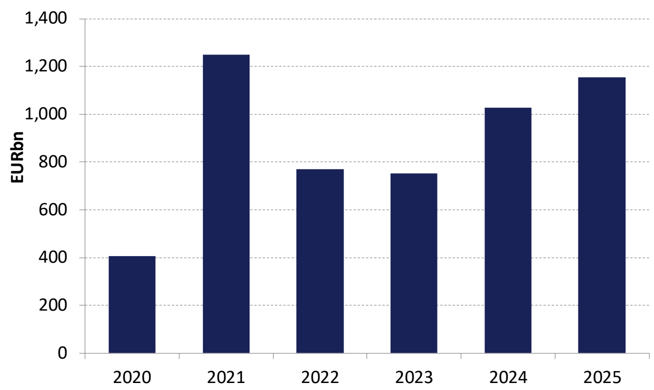
E-Supras and KfW set the pace

In terms of individual issuer activities, the SSA segment continued to present a familiar picture over the first six months of the current year. Unsurprisingly, the major E-supras (EU, EIB, EFSF) and the German KfW (ticker: KFW) lead the way in terms of newly issued EUR benchmarks. The EIB ranks in top spot, having raised EUR 26bn in fresh capital from six EUR benchmark bonds. The EU ranks second in this list with a new issuance volume of EUR 22bn. This amount was spread across only three ISINs, illustrating the scale of the EU's activity on the primary market. The "E-trio" is rounded off by the EFSF, which raised a total of EUR 15bn and is therefore in third place. KfW narrowly missed out on a podium place with an issuance volume of EUR 13bn. From the German Laender segment, Lower Saxony (ticker: NIESA) stands out in particular: our owner state issued six new EUR benchmark bonds in H1/2025, raising EUR 6bn (2024: three bonds; EUR 3bn). Hesse (ticker: HESSEN) and Berlin (ticker: BERGER) were both extremely active as well. These two sub-sovereigns each placed four bonds. In the case of Hesse, the volume of EUR 5.8bn was, however, above that of the German federal capital (EUR 4.5bn). In H1/2025, the German Laender issued a total of EUR 36.9bn spread across 41 new bonds (including the Joint Laender issuance vehicle [ticker: LANDER]).

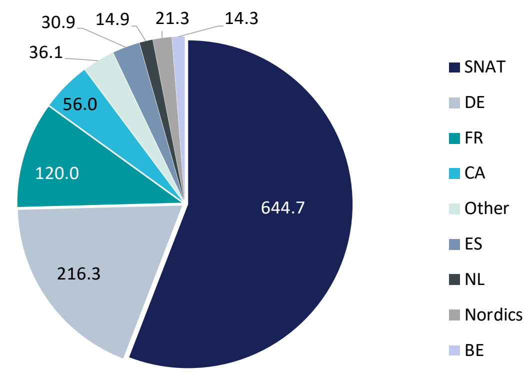
Aggregated order books rose once again

It is also worth taking a look at the demand side in the form of aggregated order books. Cumulatively across the 143 new issues, we have calculated a total of EUR 1,154.4bn. Compared with the years 2024 (EUR 1,027.0bn) and 2023 (EUR 753.3bn), this is a significant increase. However, it does still fall short of the 2021 pandemic year (around EUR 1,248bn). The main drivers behind this development were the consistently successful deals by the E-supras and KfW, which together achieved an order book volume of EUR 676.4bn, with the EIB again accounting for the lion's share of EUR 242.9bn. A quick look at tap deals: in all, the issuers in our coverage topped up 33 bonds, generating order books totalling EUR 536.9bn.

Aggregated order books in H1/2025



Order books by jurisdiction (EURbn)

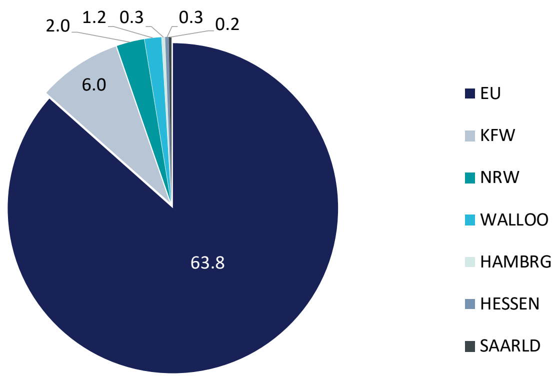


Source: Bloomberg, NORD/LB Floor Research

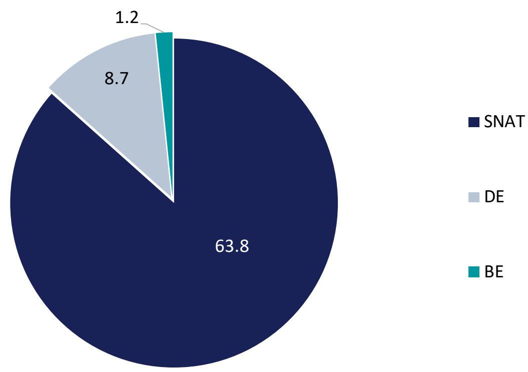
Tap volume traditionally dominated by the EU

Speaking of taps: even though such deals are not included in our "large" data set, we would like to address them separately because of their high volume. In H1/2025, the amount came to EUR 73.7bn spread over 33 transactions, of which EUR 63.8bn alone is attributable to a total of 24 EU tap deals, with eighteen different bonds being tapped. In addition, six other issuers decided to increase the volume of existing bonds. In relation to the volume of new issues totalling EUR 213.6bn, the total amount of taps was just under 35%, which is extraordinarily high.

Tap volume by issuer (EURbn)

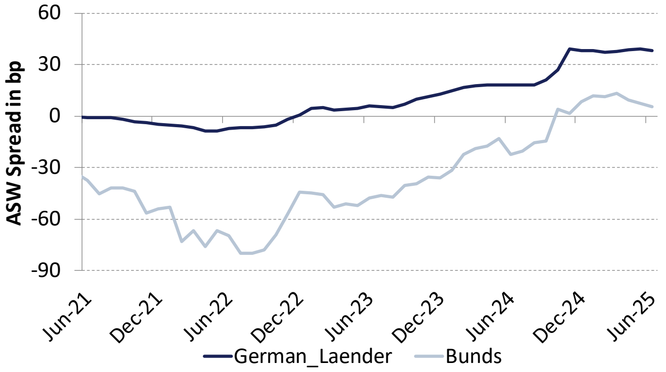


Tap volume by jurisdiction (EURbn)

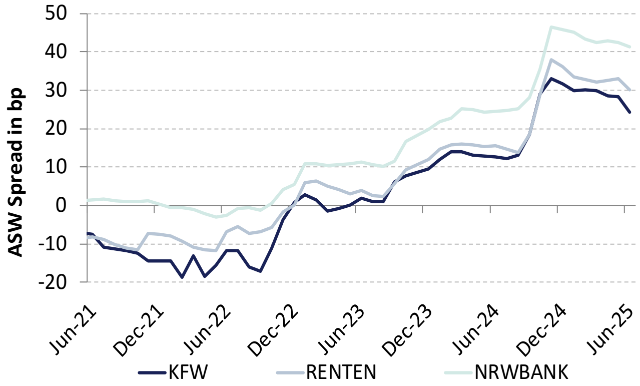


Source: Bloomberg, NORD/LB Floor Research

German Laender and Bunds ASW Spreads 10y



German Agencies ASW Spreads 10y

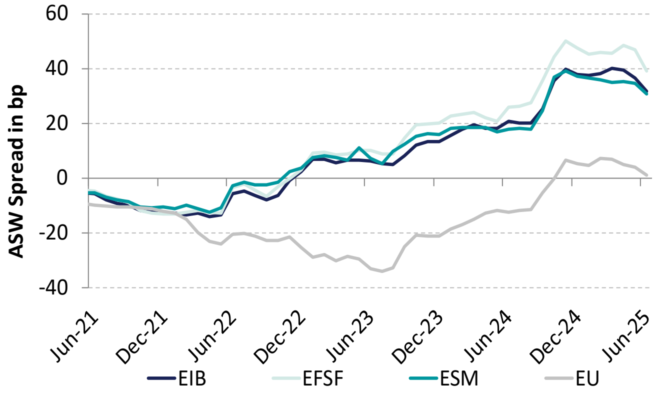


Source: Bloomberg, NORD/LB Floor Research

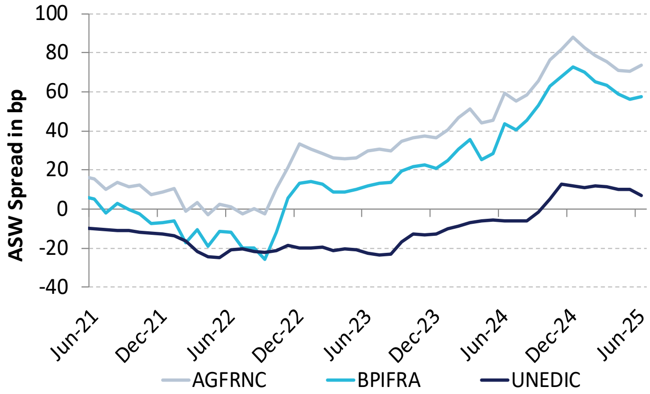
Risk premiums caught between fiscal challenges and monetary stimulus

After observing significant spread widening across all segments in H2/2024, risk premiums for our issuers have tended to go sideways for the most part over the last six months. Ongoing concerns about the development of government and sub-national deficits and debt are offset against a steady decline in inflation in the Eurozone and hopes of an easing of monetary policy by the ECB. In our view, this mixed situation is not likely to be resolved in the short term, as long as the US President continues his erratic behaviour in terms of tariffs and military action (both at home and abroad) and political deadlocks such as those in France make forward-looking decisions and reforms seem almost impossible. Even though the economic and fiscal conditions in Europe are currently crumbling, some names are likely to benefit against this backdrop. In our opinion, this includes the German Laender, which continue to benefit from strong institutional foundations and a high-quality credit profile. The solvency of the federal government and its sub-sovereigns are likely to remain the best among issuers in the Eurozone. The recently adopted changes to the debt brake should not substantially call this status into question. Against this backdrop, the sustained high demand for new issues indicates that investors continue to find the regulatory and economic advantages (liquidity, security) of German Laender bonds highly attractive. Supply momentum will also probably slow in H2/2025, as many Laender have already largely completed their funding activities for this year. A slight shift on the supply side could also come from supplementary budgets due to the relaxation of the debt brakes. The market is likely to gain additional support in the wake of a sustained shift from USD to EUR-denominated assets. We have also seen a decrease in risk premiums for French agencies in recent months. However, the calm that has temporarily returned to Paris is likely to be short-lived, as new danger looms on the horizon for Prime Minister Bayrou. A planned pension reform is currently dividing the legislature and placing the head of government under renewed pressure. Another no-confidence vote seems increasingly likely. The assessment of France’s creditworthiness is also increasingly deteriorating. Fitch (12 September) and S&P (28 November) could therefore downgrade France’s credit rating once again. Traditionally, this would also mean a downgrade for national agencies and put a strain on refinancing conditions.

European Supras ASW Spreads 10y



French Agencies ASW Spreads 10y



Source: Bloomberg, NORD/LB Floor Research

Teaser: ESG half-year review

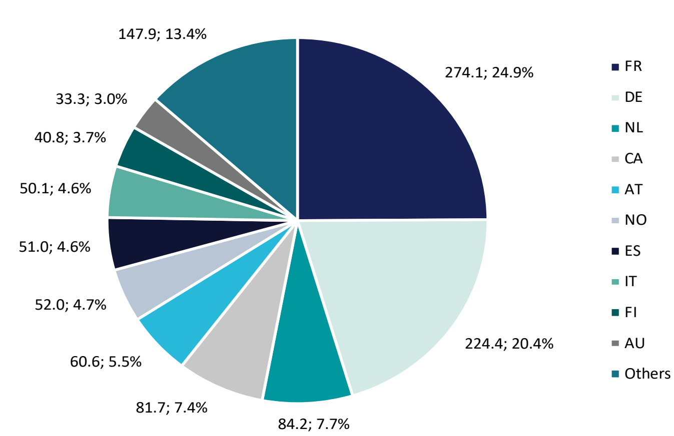
Our loyal readers have probably already surmised this, and this review of the SSA segment is no exception: as usual, we will cover the topic of ESG in more detail in a separate article in our weekly publication in order to give the segment the attention and stage it deserves. For interested readers unable to wait that long, why not check out the fifth issue of our NORD/LB Fixed Income Special – ESG Update, which we published at the beginning of June.

Conclusion and outlook

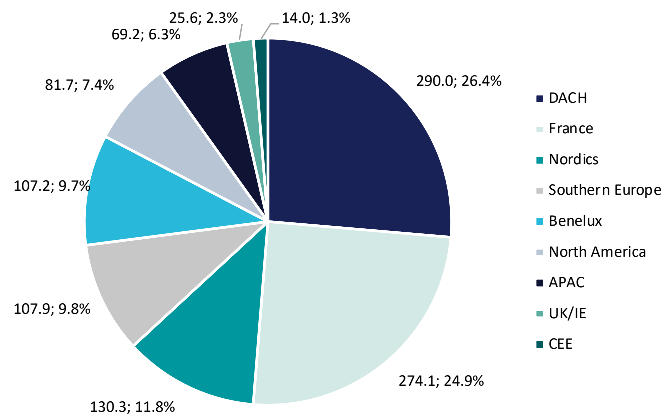
In the first half of 2025, we recorded EUR benchmarks totalling an impressive EUR 213.6bn in the SSA segment. At the end of May, the current year was well on track to knock the record-breaking first half of 2021 off the top spot. However, relatively speaking, the significantly lower primary market activity in June (06/2025: EUR 25.8bn; 06/2021: EUR 51.8bn), meant that 2021 remained ahead. A total of 81 different issuers were active on the market in the first half of the year, successfully issuing 143 new bonds in the process. Supranationals accounted for the largest share: in all, 29 bonds with a total volume of EUR 85.3bn were issued in this segment. The EIB ranks top in this regard, having raised EUR 26bn in fresh capital from six EUR benchmark deals. On the demand side, the first half of the year went as follows: with an aggregated volume of EUR 1,154.4bn, the order books were around 14% up on the same period in the previous year. A quick look at taps reveals that the issuers in our coverage topped up 33 bonds, generating order books totalling EUR 536.9bn. So, this begs the question: what can we expect in the second half of 2025? The European Central Bank will have to continue navigating its key interest rate ship through uncertain (inflation and economic) waters. The collateral damage from the ongoing trade conflict with the US, additional spending by national governments on defense and infrastructure and the consequences of the conflagration in the Middle East for the global economy are likely to lead to far-reaching disruption and further complicate debates on monetary policy. In our baseline scenario, we assume that the ECB will announce its next interest rate cut in September at the earliest – in our view, this is likely to be the sole interest rate step up to the end of the year. However, we are sticking to our forecast of EUR 275bn in new issues for 2025 and consequently expect approximately further EUR 70bn in new ISINs in EUR benchmark format across the remainder of the year.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



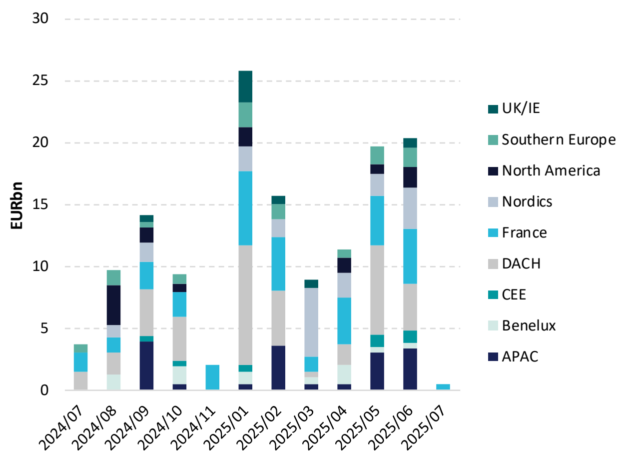
EUR benchmark volume by region (in EURbn)



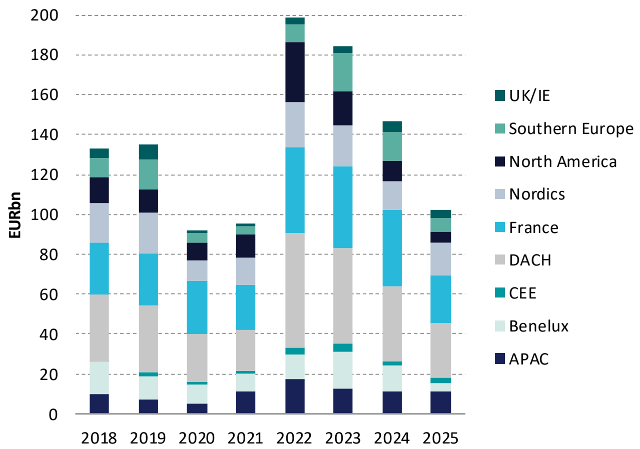
Top-10 jurisdictions

Rank	Country	Amount outst. (EURbn)	No. of BMKs	There of ESG BMKs	Avg. issue size (EURbn)	Avg. initial maturity (in years)	Avg. mod. Duration (in years)	Avg. coupon (in %)
1	FR	274.1	265	34	0.97	9.1	4.6	1.69
2	DE	224.4	314	49	0.66	7.7	3.7	1.70
3	NL	84.2	85	4	0.93	10.3	5.4	1.48
4	CA	81.7	60	1	1.34	5.5	2.4	1.61
5	AT	60.6	100	5	0.60	8.0	3.8	1.65
6	NO	52.0	63	11	0.83	7.0	3.4	1.37
7	ES	51.0	44	5	1.04	10.3	3.4	2.22
8	IT	50.1	65	6	0.75	8.2	3.8	2.12
9	FI	40.8	47	5	0.85	6.6	3.0	1.84
10	AU	33.3	33	0	1.01	7.2	3.5	1.92

EUR benchmark issue volume by month

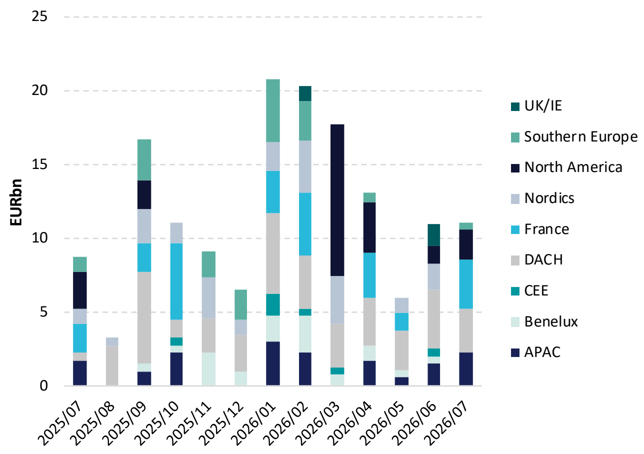


EUR benchmark issue volume by year

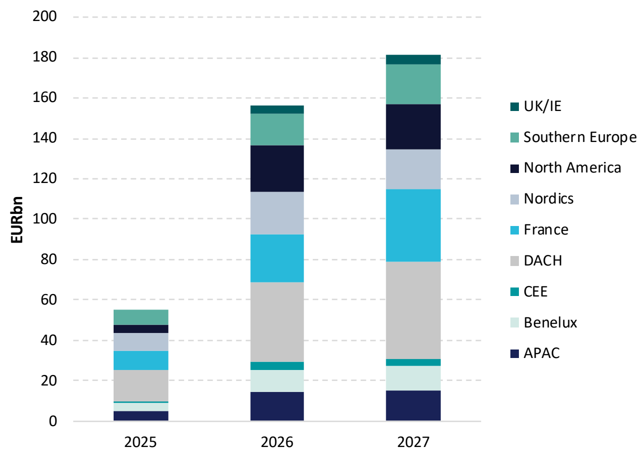


Source: Market data, Bloomberg, NORD/LB Floor Research

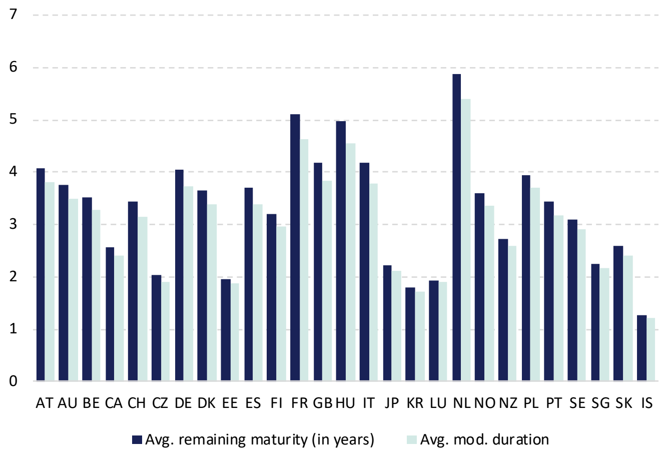
EUR benchmark maturities by month



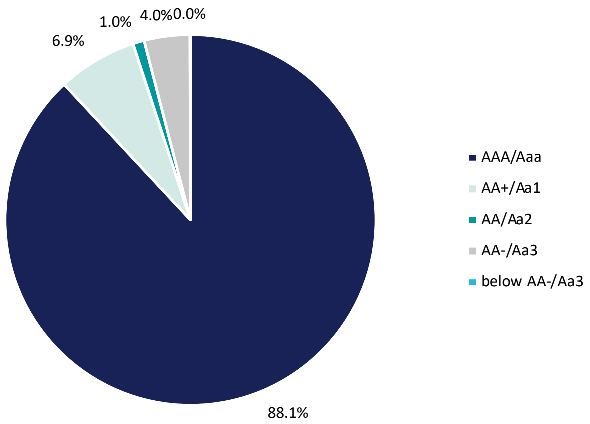
EUR benchmark maturities by year



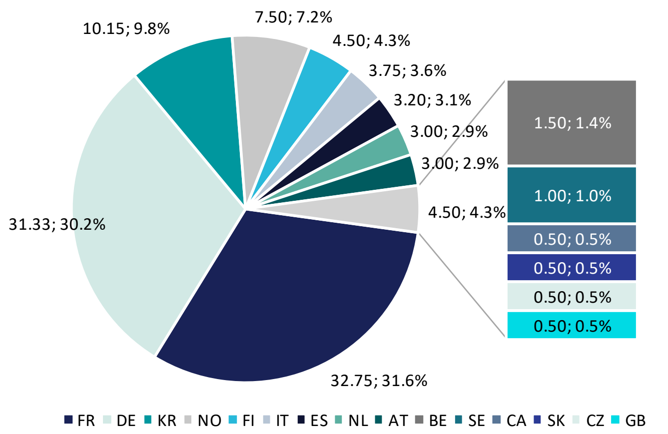
Modified duration and time to maturity by country



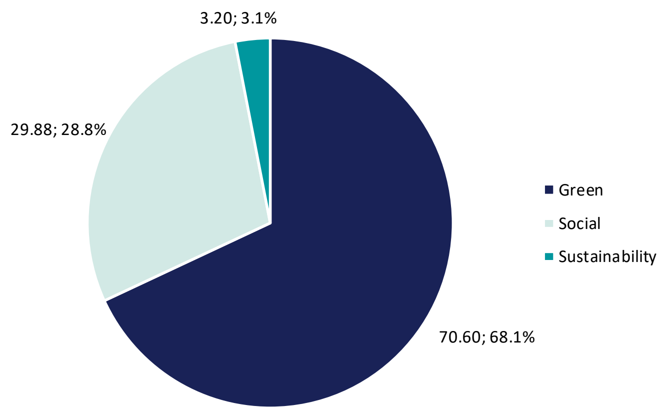
Rating distribution (volume weighted)



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



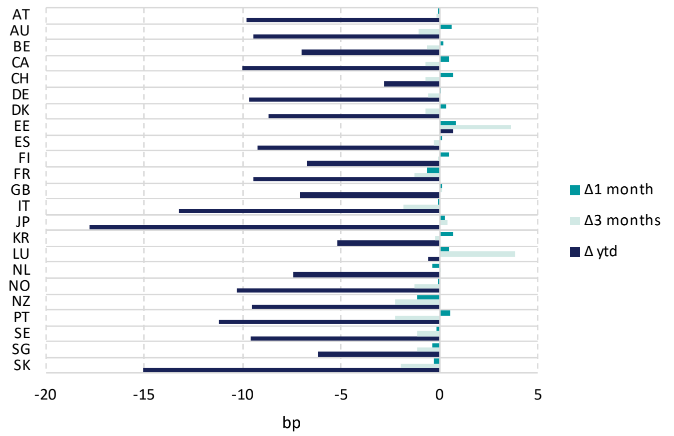
EUR benchmark volume (ESG) by type (in EURbn)



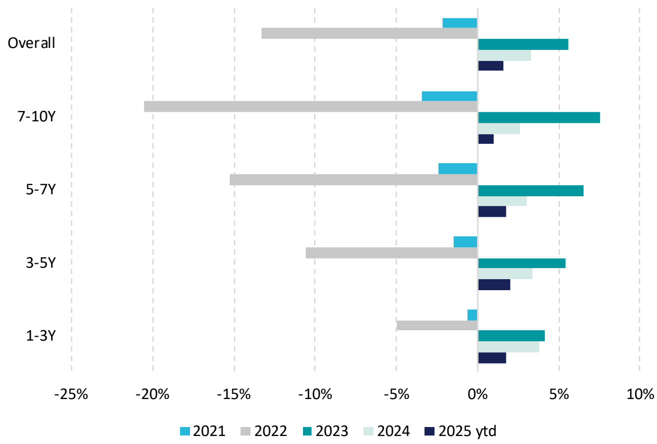
Source: Market data, Bloomberg, NORD/LB Floor Research

NORD/LB

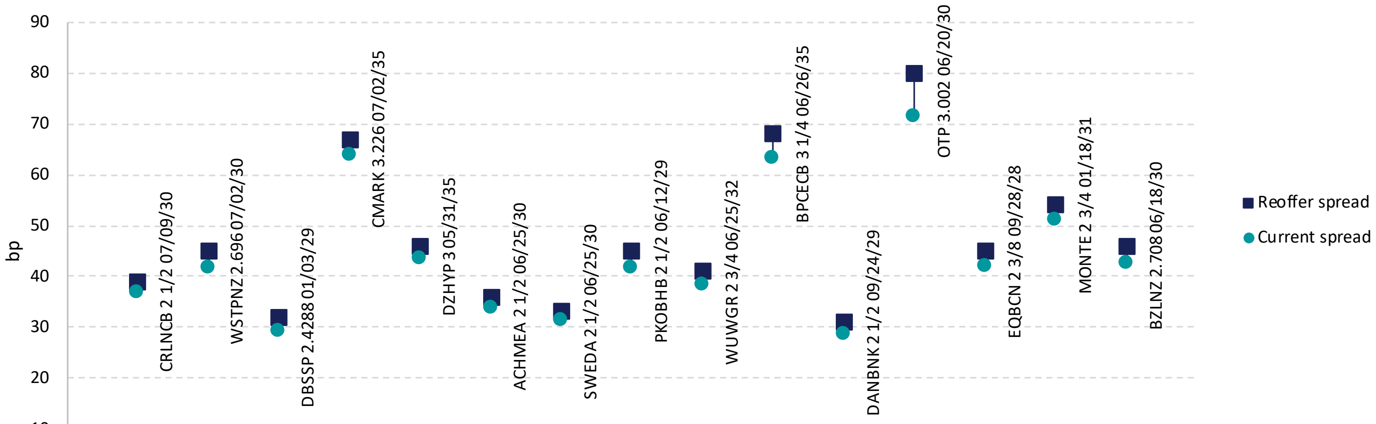
EUR benchmark emission pattern



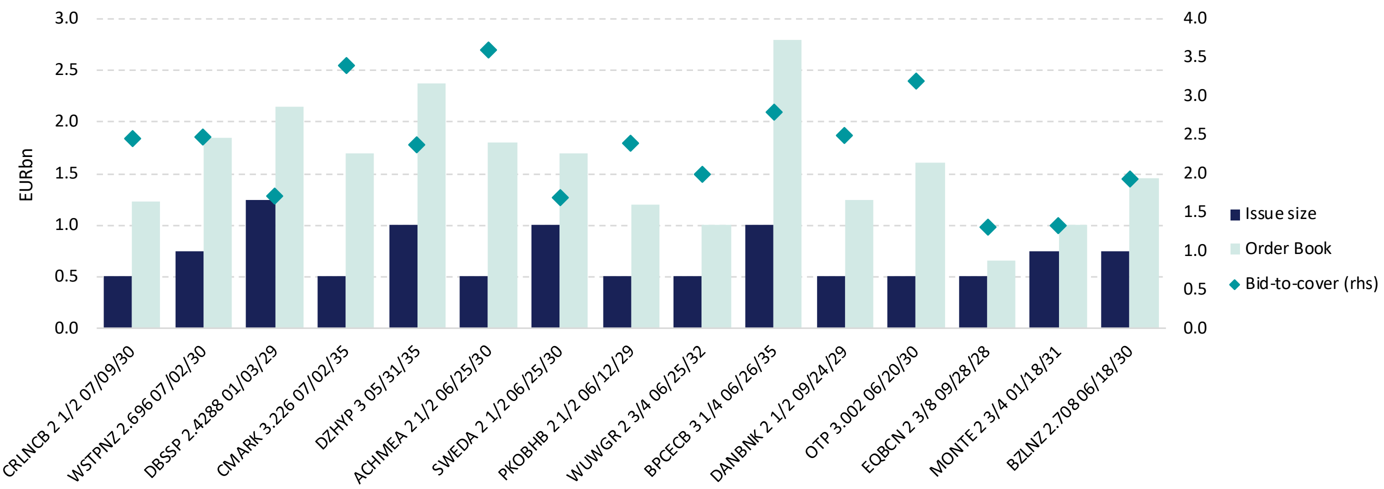
Covered bond performance (Total return)



Spread development (last 15 issues)



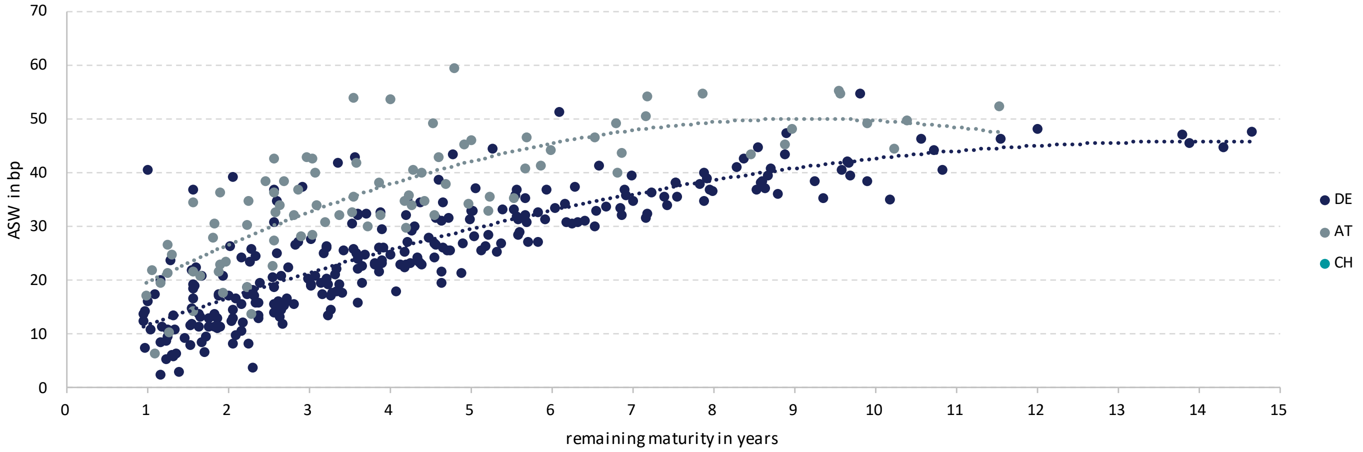
Order books (last 15 issues)



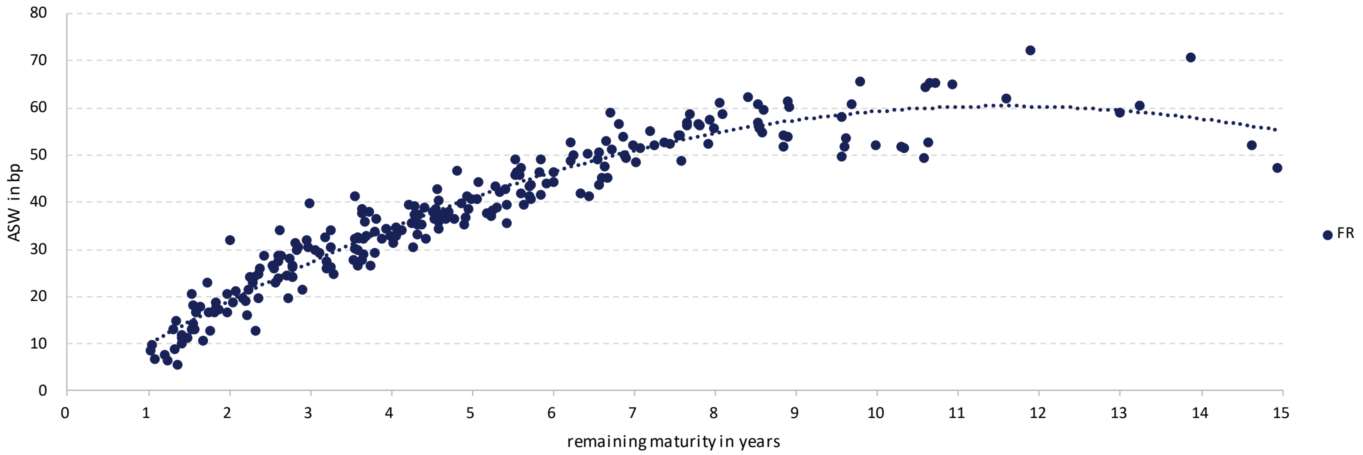
Source: Market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

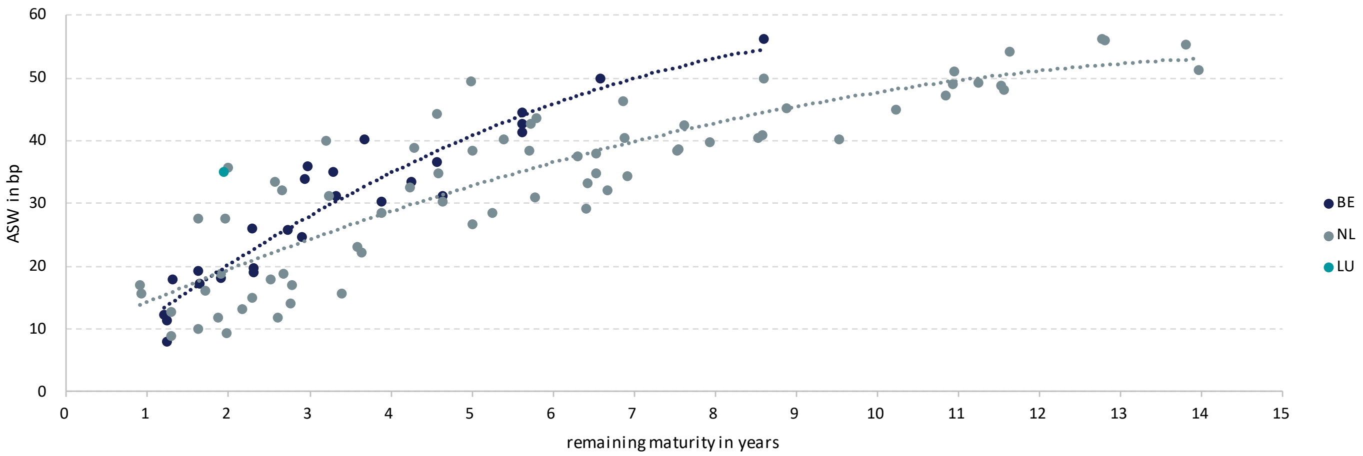
DACH



France



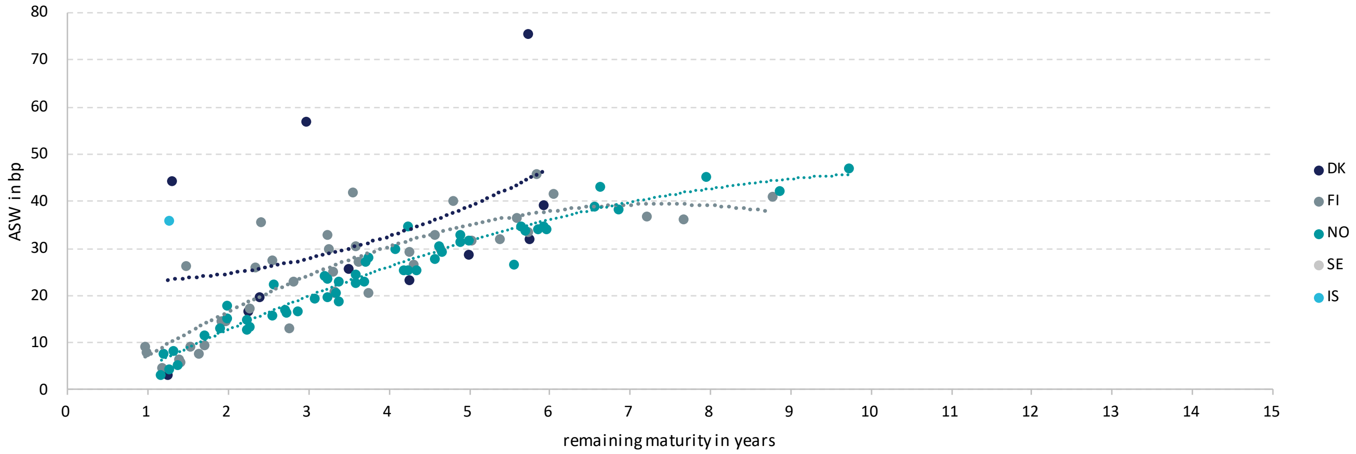
Benelux



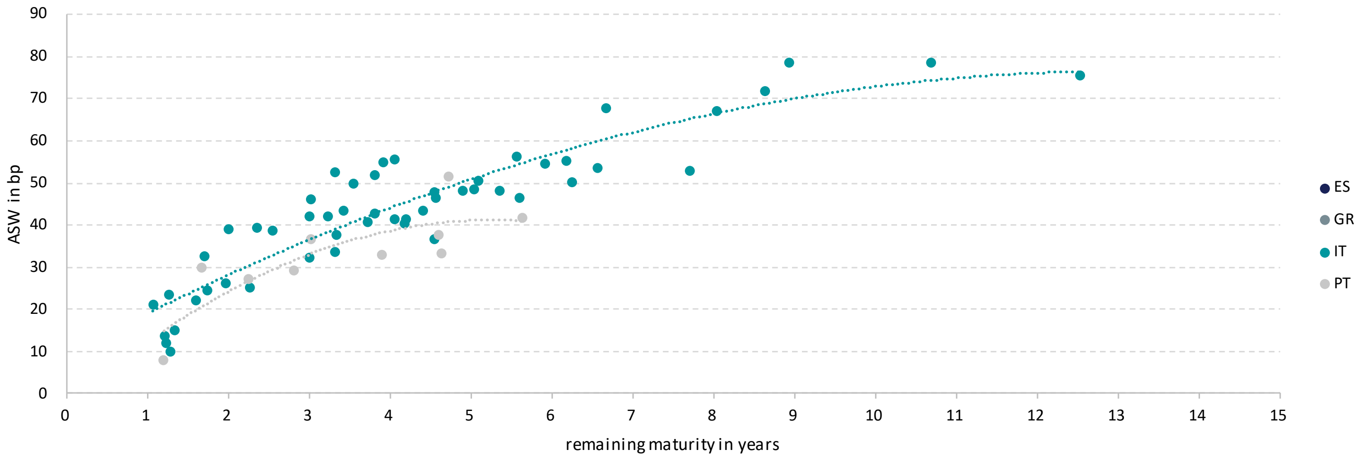
Source: Market data, Bloomberg, NORD/LB Floor Research [1]Time to maturity 1 ≤ y ≤ 15

NORD/LB

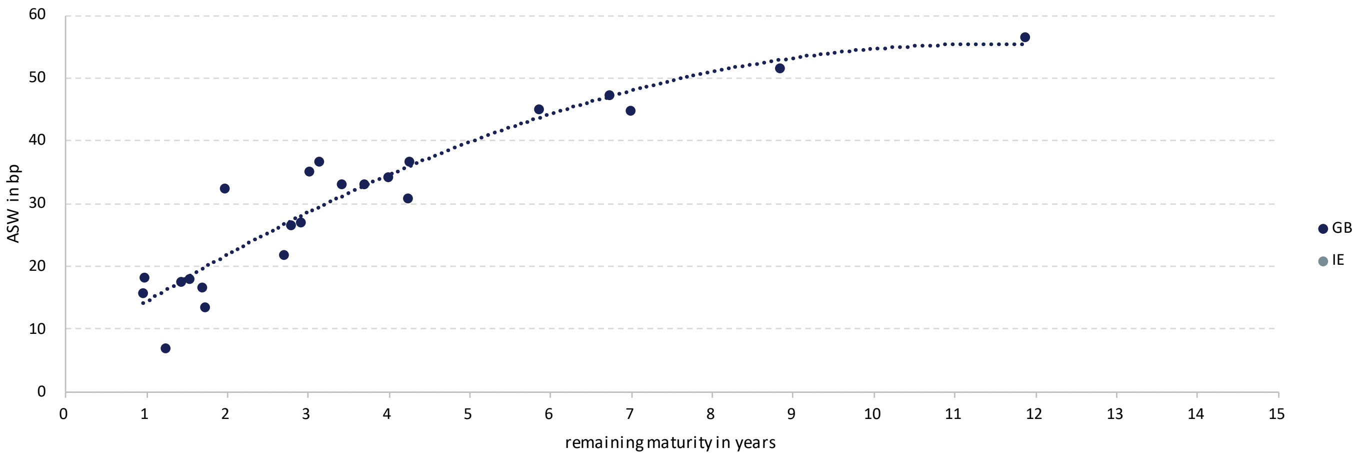
Nordics



Southern Europe

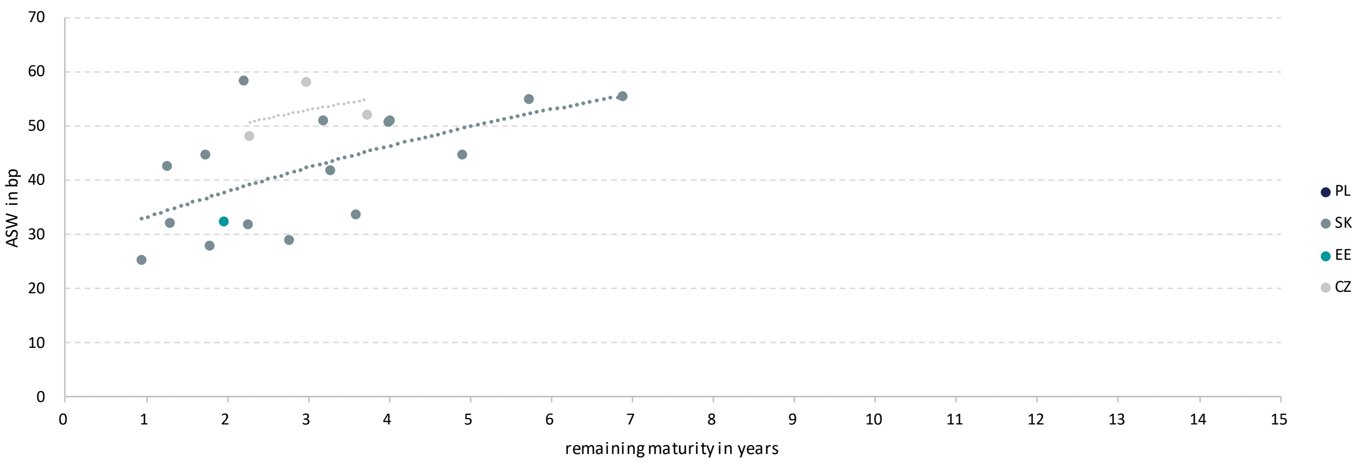


UK/IE

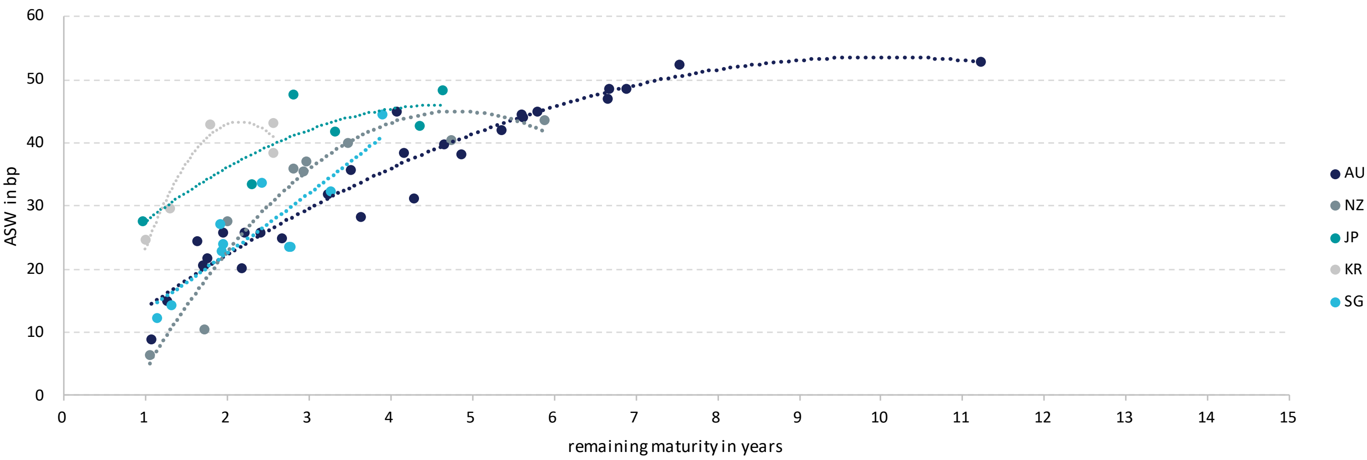


Source: Market data, Bloomberg, NORD/LB Floor Research

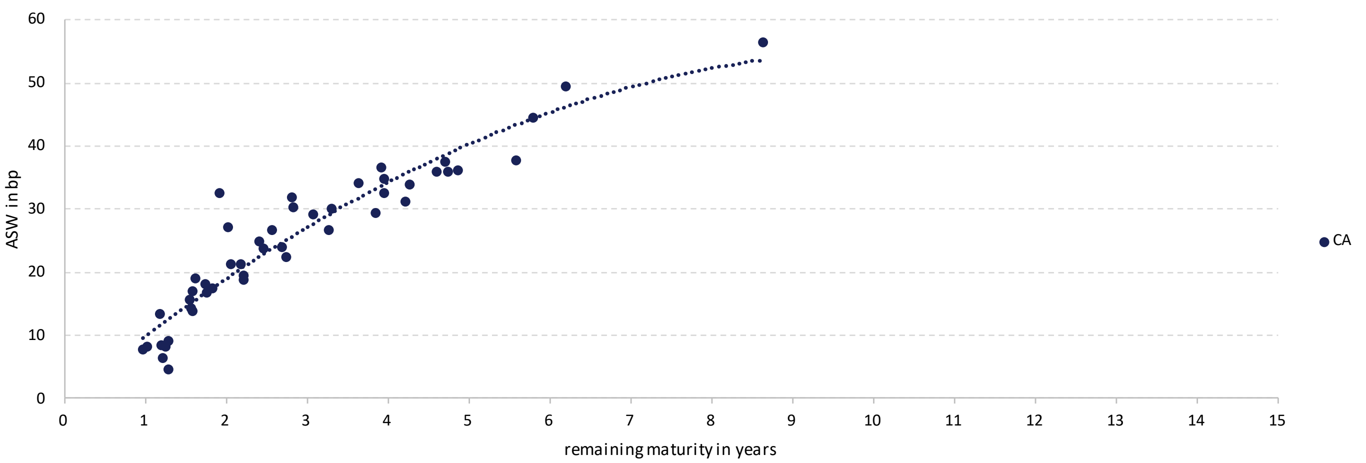
CEE



APAC



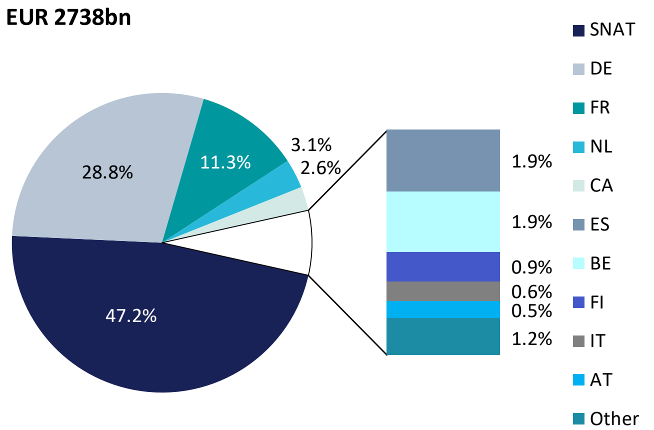
North America



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

Charts & Figures
SSA/Public Issuers

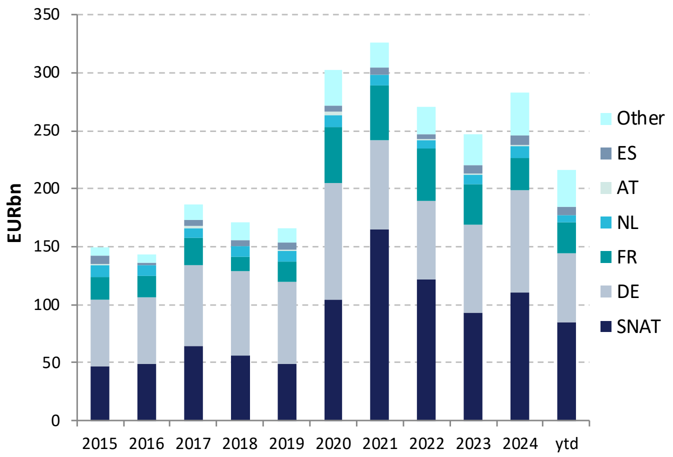
Outstanding volume (bmk)



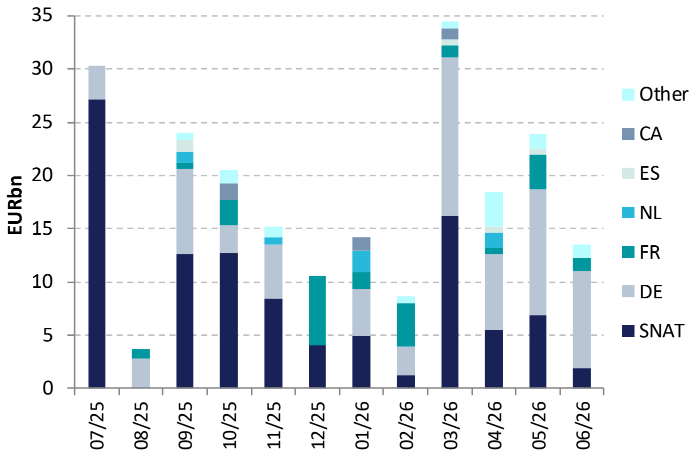
Top 10 countries (bmk)

Country	Vol. (EURbn)	No. of bonds	ØVol. (EURbn)	Vol. weight. ØMod. Dur.
SNAT	1,293.5	260	5.0	7.5
DE	787.6	598	1.3	6.0
FR	309.5	207	1.5	5.5
NL	85.8	68	1.3	6.2
CA	70.5	63	1.1	6.1
ES	52.1	75	0.7	5.0
BE	51.2	49	1.0	10.0
FI	25.0	26	1.0	4.3
IT	16.6	21	0.8	4.3
AT	14.5	20	0.7	4.8

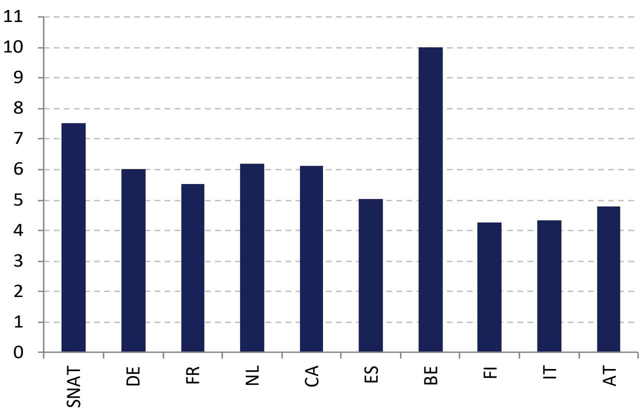
Issue volume by year (bmk)



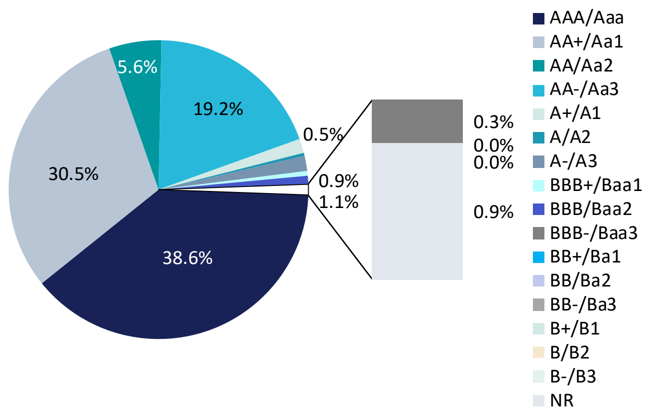
Maturities next 12 months (bmk)



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

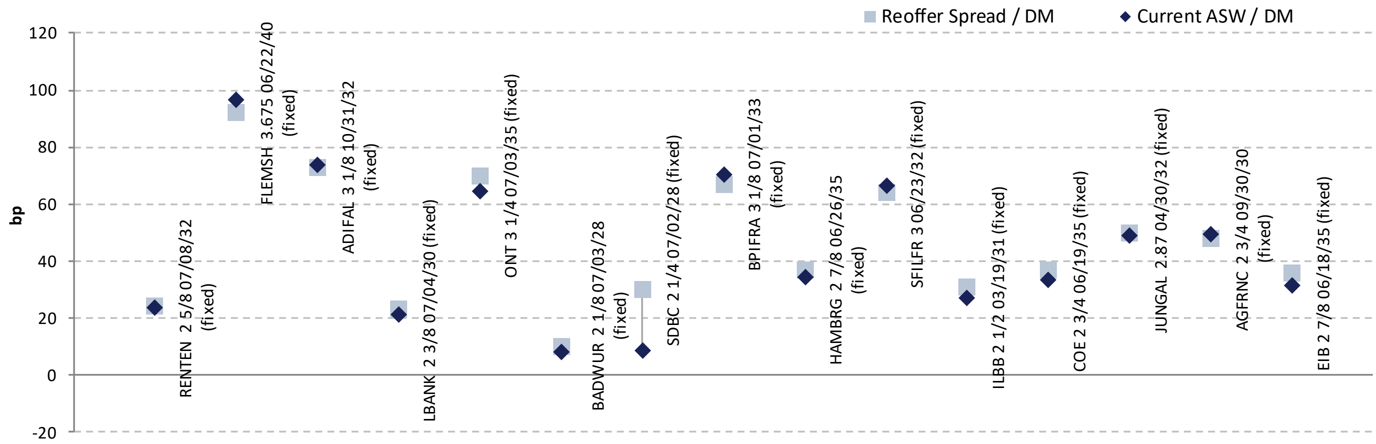


Rating distribution (vol. weighted)

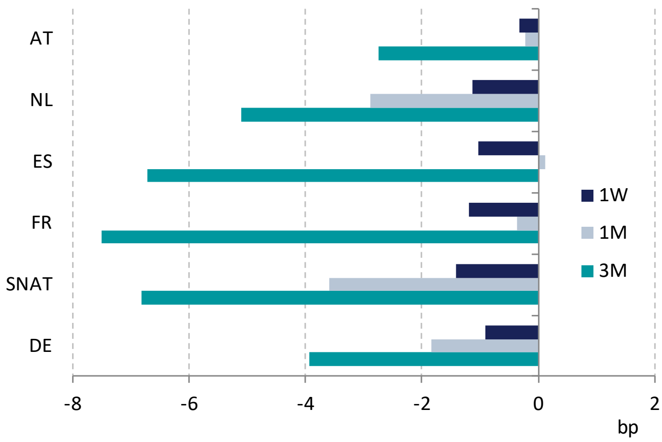


Source: Bloomberg, NORD/LB Floor Research

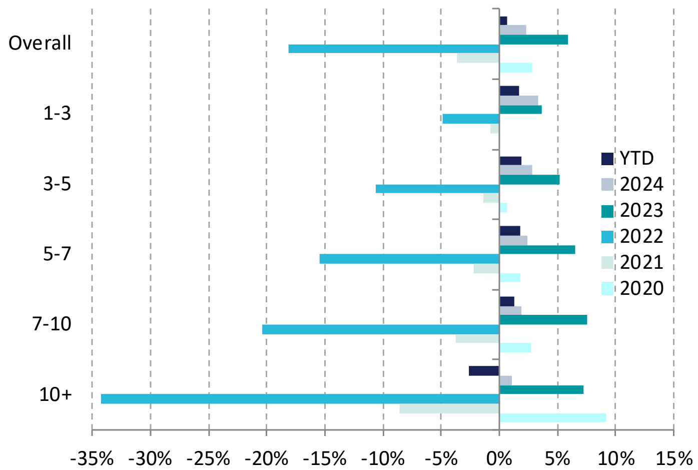
Spread development (last 15 issues)



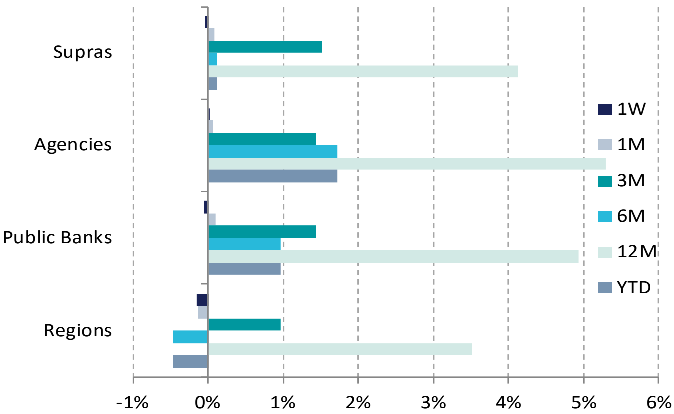
Spread development by country



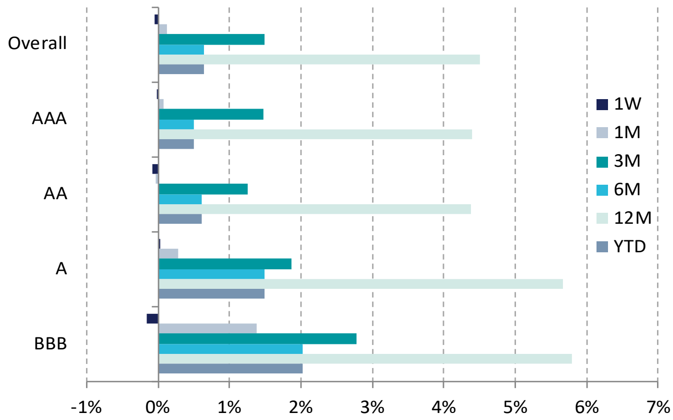
Performance (total return)



Performance (total return) by segments

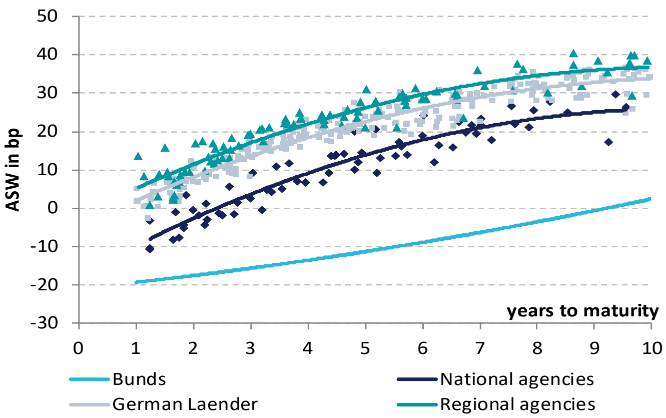


Performance (total return) by rating

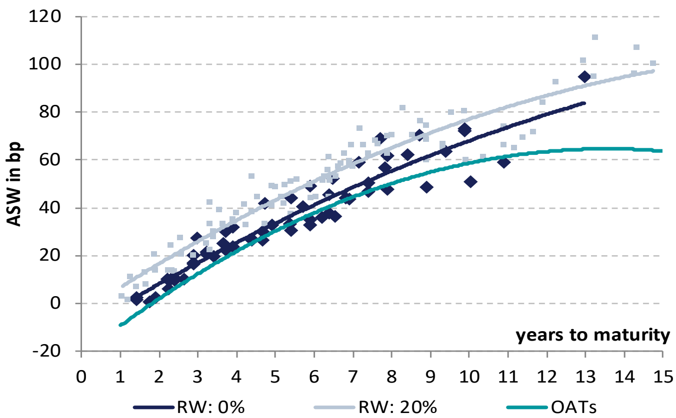


Source: Bloomberg, NORD/LB Floor Research

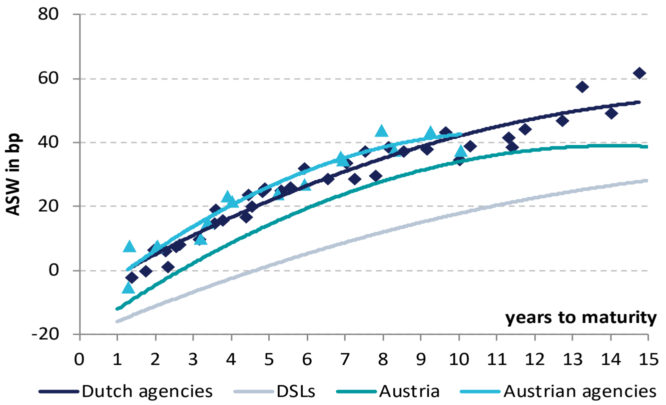
Germany (by segments)



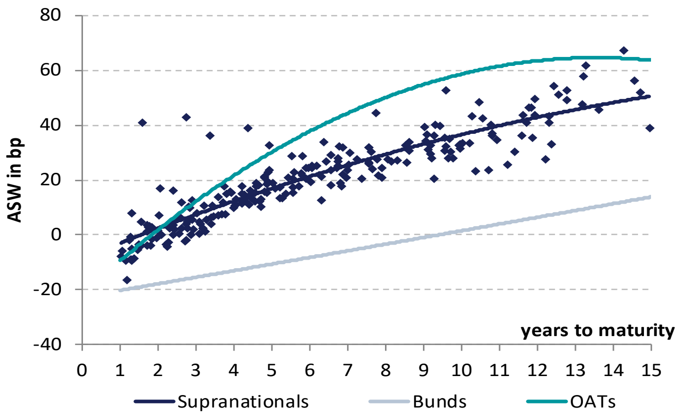
France (by risk weight)



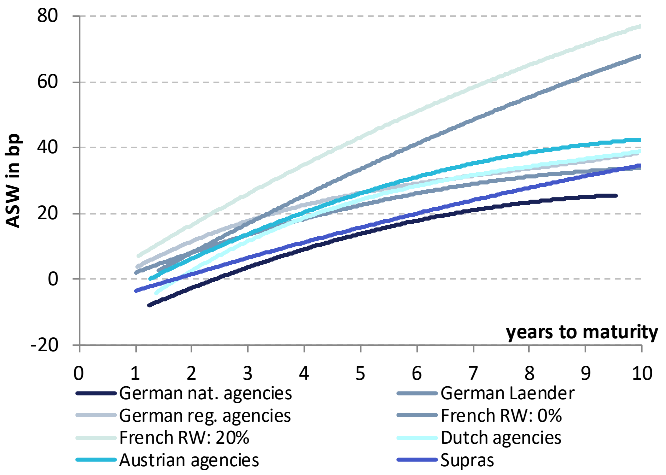
Netherlands & Austria



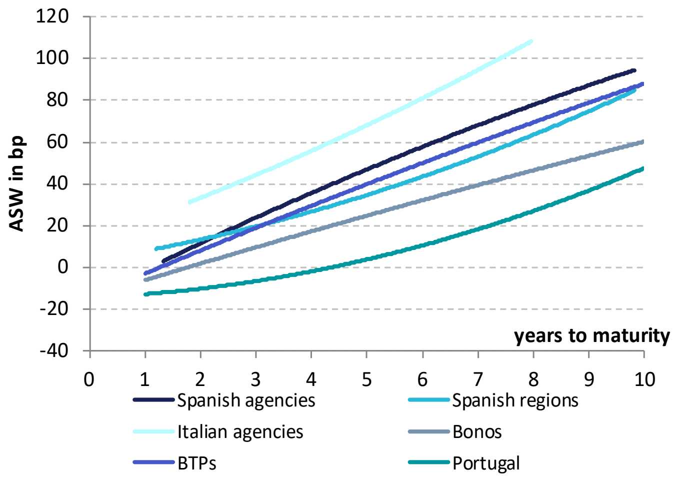
Supranationals



Core



Periphery

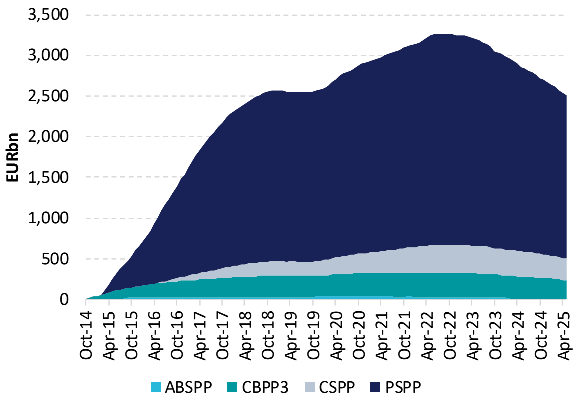


Source: Bloomberg, NORD/LB Floor Research

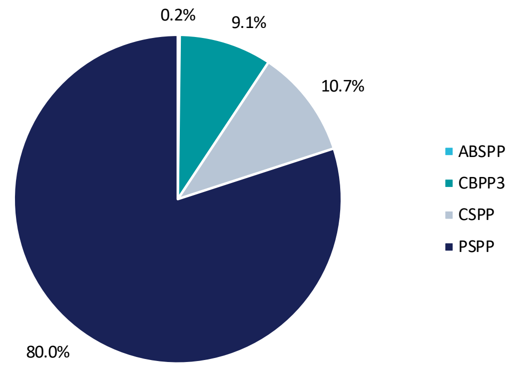
Charts & Figures
ECB tracker

Asset Purchase Programme (APP)

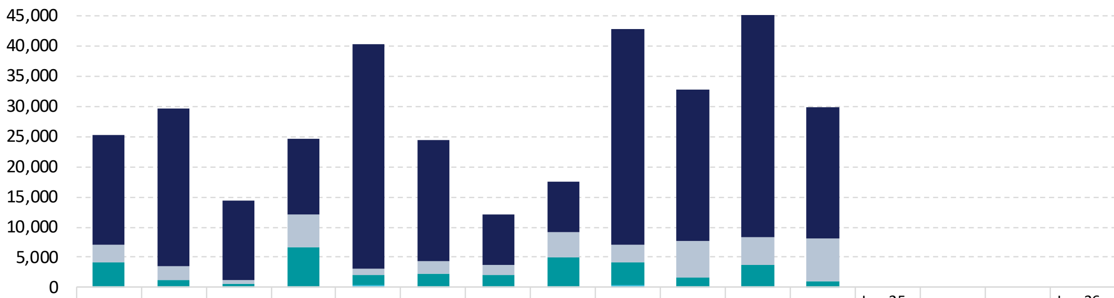
APP: Portfolio development



APP: Portfolio structure

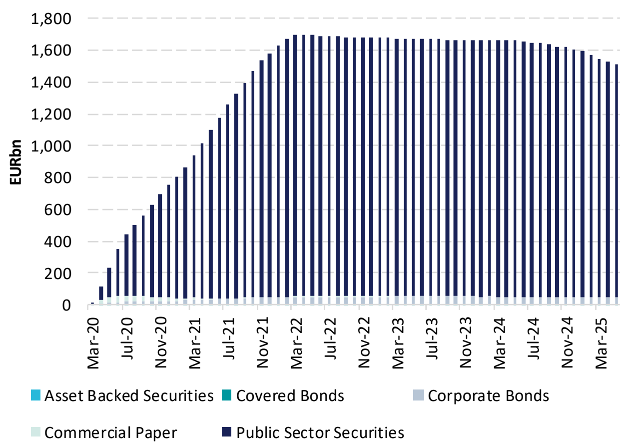


Expected monthly redemptions (in EURm)

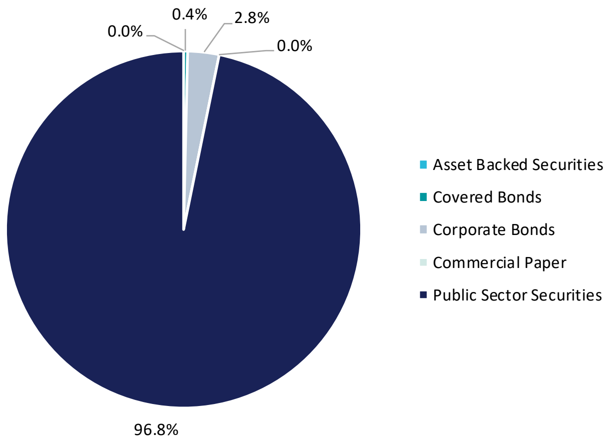


	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-25 - May-26	2024	2025	Jan-26 - May-26
APP	25,290	29,618	14,310	24,596	40,249	24,445	12,017	17,538	42,791	32,768	50,965	29,919	344,506	334,302	334,255	29,919
PSPP	18,261	26,161	13,114	12,568	37,073	20,060	8,274	8,318	35,650	25,077	42,520	21,748	268,824	264,480	253,586	21,748
CSPP	2,940	2,156	562	5,259	1,005	2,008	1,693	4,212	2,926	5,946	4,673	7,111	40,491	31,380	34,499	7,111
CBPP3	3,864	1,135	468	6,492	1,864	2,106	1,903	4,740	3,911	1,575	3,685	1,003	32,746	32,173	42,332	1,003
ABSPP	225	166	166	277	307	271	147	268	304	170	87	57	2,445	6,269	3,838	57

PEPP: Portfolio development



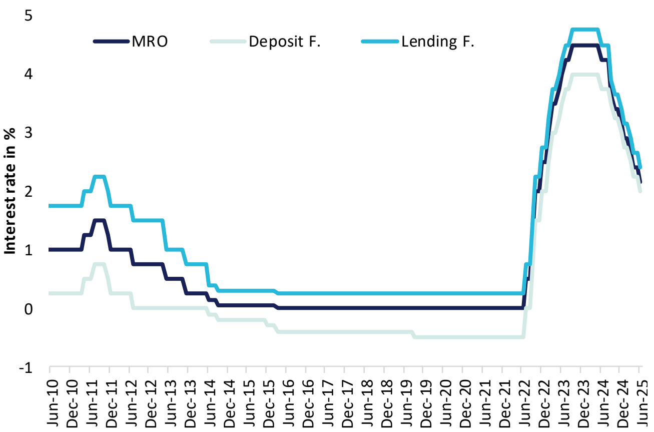
PEPP: Portfolio structure



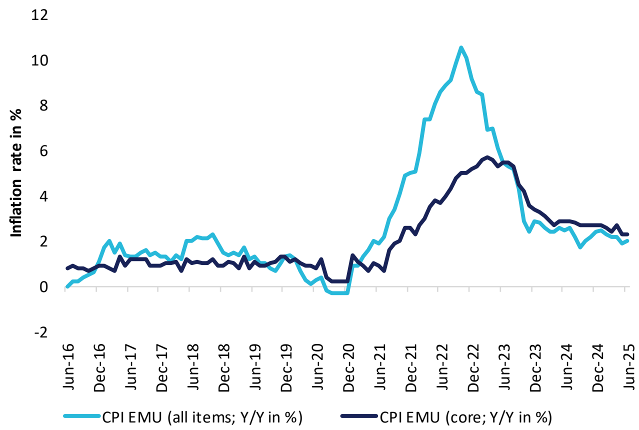
Source: ECB, NORD/LB Floor Research

Charts & Figures
Cross Asset

ECB key interest rates

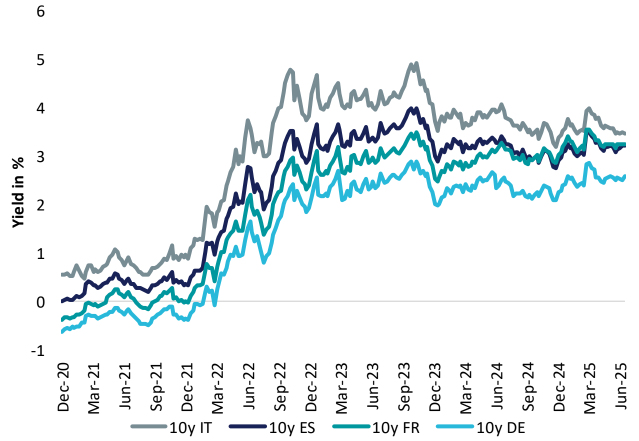


Inflation development in the euro area

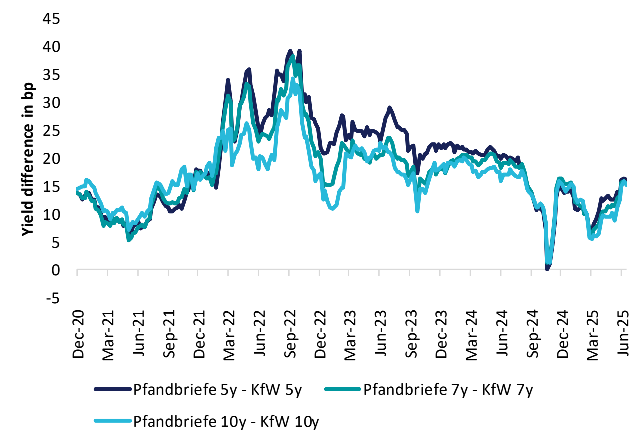


Bund-swap-spread

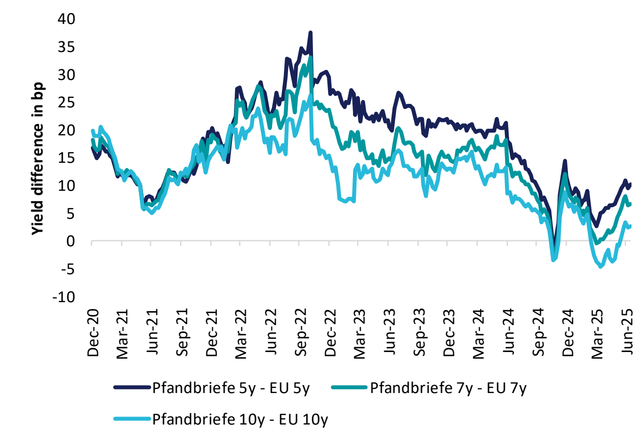
Selected yield developments (sovereigns)



Pfandbriefe vs. KfW



Pfandbriefe vs. EU



Source: ECB, Bloomberg, NORD/LB Floor Research

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
23/2025 ♦ 25 June	▪ The ratings approach of Scope ▪ Classification of Supranationals and Agencies under Solvency II
22/2025 ♦ 18 June	▪ The UK covered bond market ▪ Stability Council convenes for 31st meeting
21/2025 ♦ 11 June	▪ Moody's: rating approach Covered Bonds ▪ Teaser: Issuer Guide – Austrian Agencies 2025
20/2025 ♦ 28 May	▪ Cross Asset // Teaser: ESG update 2025 – Focus on greenium and socium+
19/2025 ♦ 21 May	▪ Development of the German property market (vdp index) ▪ Teaser: Issuer Guide – Nordic Agencies 2025
18/2025 ♦ 14 May	▪ Transparency requirements §28 PfandBG Q1/2025 ▪ Current LCR classification for our SSA coverage
17/2025 ♦ 07 May	▪ Fitch: rating approach covered bonds ▪ Credit authorisations of the German Laender for 2025
16/2025 ♦ 30 April	▪ Special report on LCR classification and risk weights: a (regulatory) look at the EUR benchmark segment ▪ Teaser: Issuer Guide – Dutch Agencies 2025
15/2025 ♦ 16 April	▪ Cross Asset: Relative value – What is the state of play?
14/2025 ♦ 09 April	▪ The covered bond universe of Moody's: an overview ▪ SSA review: EUR-ESG benchmarks in Q1/2025
13/2025 ♦ 02 April	▪ Review of the first quarter in the covered bond segment ▪ A review of Q1/2025 in the SSA segment
12/2025 ♦ 26 March	▪ A look at the Danish covered bond market ▪ Teaser: Issuer Guide – Non-European Supras (MDBs) 2025
11/2025 ♦ 19 March	▪ Eligibility of covered bonds for repo transactions ▪ Current risk weight of supranationals & agencies
10/2025 ♦ 12 March	▪ Covereds vs. sovereign bonds: A question of attractiveness ▪ NGEU: Green Bond Dashboard
09/2025 ♦ 05 March	▪ Transparency requirements §28 PfandBG ▪ Teaser: Issuer Guide – Non-European Agencies 2025
08/2025 ♦ 26 February	▪ Overseas Covered Bonds – A Brave New Spread World? ▪ Update: Joint Laender – Laender jumbos
07/2025 ♦ 19 February	▪ An overview of the EUR sub-benchmark segment ▪ Export Development Canada – spotlight on EDC
06/2025 ♦ 12 February	▪ Development of the German property market (vdp index) ▪ Occitania – spotlight on OCCTNE
05/2025 ♦ 05 February	▪ Crelan Home Loan plans return to the covered bond market ▪ SSA January recap: record start to 2025

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

NORD/LB

Appendix
Publication overview

Covered Bonds:

Issuer Guide – Covered Bonds 2024

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

Transparency requirements §28 PfandBG Q1/2025 (quarterly update)

Transparency requirements §28 PfandBG Q1/2025 Sparkassen (quarterly update)

Covered bonds as eligible collateral for central banks

SSA/Public Issuers:

Issuer Guide – German Laender 2024

Issuer Guide – Canadian Provinces & Territories 2024

Issuer Guide – Down Under 2024

Issuer Guide – European Supranationals 2024

Issuer Guide – Non-European Supranationals (MDBs) 2025

Issuer Guide – German Agencies 2024

Issuer Guide – French Agencies 2024

Issuer Guide – Nordic Agencies 2025

Issuer Guide – Dutch Agencies 2025

Issuer Guide – Austrian Agencies 2025

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Beyond Bundeslaender: Spanish regions

Fixed Income Specials:

ESG-Update 2025

ECB Council meeting: Last round in the interest rate cut carousel?

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
RESP NRDR <GO>

Appendix
Contacts at NORD/LB

Floor Research

Lukas Kühne
Covered Bonds/Banks

+49 176 152 90932
lukas.kuehne@nordlb.de

Alexander Grenner
Covered Bonds/Banks

+49 157 851 65070
alexander.grenner@nordlb.de

Dr Norman Rudschuck, CIIA
SSA/Public Issuers

+49 152 090 24094
norman.rudschuck@nordlb.de

Lukas-Finn Frese
SSA/Public Issuers

+49 176 152 89759
lukas-finn.frese@nordlb.de

Tobias Cordes, CIIA
SSA/Public Issuers

+49 162 760 6673
tobias.cordes@nordlb.de

Sales

Institutional Sales	+49 511 9818-9440
Sales Sparkassen & Regionalbanken	+49 511 9818-9400
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

Liquidity Management/Repos	+49 511 9818-9620 +49 511 9818-9650

Relationship Management

Institutionelle Kunden	rm-vs@nordlb.de
Öffentliche Kunden	rm-oek@nordlb.de

Disclaimer

The present report (hereinafter referred to as "information") was drawn up by NORDDEUTSCHE LANDESBANK GIROZENTRALE (NORD/LB). The supervisory authorities responsible for NORD/LB are the European Central Bank (ECB), Sonnemannstraße 20, D-60314 Frankfurt am Main, and the Federal Financial Supervisory Authority in Germany (Bundesanstalt für Finanzdienstleitungsaufsicht; BaFin), Graurheindorfer Str. 108, D-53117 Bonn and Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main. The present report and the products and services described herein have not been reviewed or approved by the relevant supervisory authority.

The present information is addressed exclusively to Recipients in Austria, Belgium, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Indonesia, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Singapore, Portugal, Spain, Sweden, Switzerland, the Republic of China (Taiwan), Thailand, the United Kingdom and Vietnam (hereinafter referred to as "Relevant Persons" or "Recipients"). The contents of the information are disclosed to the Recipients on a strictly confidential basis and, by accepting such information, the Recipients shall agree that they will not forward it to third parties, copy and/or reproduce this information without the prior written consent of NORD/LB. The present information is addressed solely to the Relevant Persons and any parties other than the Relevant Persons shall not rely on the information contained herein. In particular, neither this information nor any copy thereof shall be forwarded or transmitted to the United States of America or its territories or possessions, or distributed to any employees or affiliates of Recipients resident in these jurisdictions.

The present information does not constitute financial analysis within the meaning of Art. 36 (1) of the Delegate Regulation (EU) 2017/565, but rather represents a marketing communication for your general information **within the meaning of Art. 36 (2) of this Regulation. Against this background, NORD/LB expressly points out that this information has not been prepared in accordance with legal provisions promoting the independence of investment research and is not subject to any prohibition of trading following the dissemination of investment research.** Likewise, this information does not constitute an investment recommendation or investment strategy recommendation within the meaning of the Market Abuse Regulation (EU) No. 596/2014**.**

This report and the information contained herein have been compiled and are provided exclusively for information purposes. The present information is not intended as an investment incentive. It is provided for the Recipient's personal information, subject to the express understanding, which shall be acknowledged by the Recipient, that it does not constitute any direct or indirect offer, recommendation, solicitation to purchase, hold or sell or to subscribe for or acquire any securities or other financial instruments nor any measure by which financial instruments might be offered or sold.

All actual details, information and statements contained herein were derived from sources considered reliable by NORD/LB. For the preparation of this information, NORD/LB uses issuer-specific financial data providers, own estimates, company information and public media. However, since these sources are not verified independently, NORD/LB cannot give any assurance as to or assume responsibility for the accuracy and completeness of the information contained herein. The opinions and prognoses given herein on the basis of these sources constitute a non-binding evaluation of the employees of the Floor Research division of NORD/LB. Any changes in the underlying premises may have a material impact on the developments described herein. Neither NORD/LB nor its governing bodies or employees can give any assurances as to or assume any responsibility or liability for the accuracy, appropriateness and completeness of this information or for any loss of return, any indirect, consequential or other damage which may be suffered by persons relying on the information or any statements or opinions set forth in the present Report (irrespective of whether such losses are incurred due to any negligence on the part of these persons or otherwise).

Past performance is not a reliable indicator of future performance. Exchange rates, price fluctuations of the financial instruments and similar factors may have a negative impact on the value and price of and return on the financial instruments referred to herein or any instruments linked thereto. Fees and commissions apply in relation to securities (purchase, sell, custody), which reduce the return on investment. An evaluation made on the basis of the historical performance of any security does not necessarily provide an indication of its future performance.
The present information neither constitutes any investment, legal, accounting or tax advice nor any assurance that an investment or strategy is suitable or appropriate in the light of the Recipient's individual circumstances, and nothing in this information constitutes a personal recommendation to the Recipient thereof. The securities or other financial instruments referred to herein may not be suitable for the Recipient's personal investment strategies and objectives, financial situation or individual needs.

Moreover, the present report in whole or in part is not a sales or other prospectus. Accordingly, the information contained herein merely constitutes an overview and does not form the basis for any potential decision to buy or sell on the part of an investor. A full description of the details relating to the financial instruments or transactions which may relate to the subject matter of this report is given in the relevant (financing) documentation. To the extent that the financial instruments described herein are NORD/LB's own issues and subject to the requirement to publish a prospectus, the conditions of issue applicable to any individual financial instrument and the relevant prospectus published with respect thereto as well NORD/LB's relevant registration form, all of which are available for download at www.nordlb.de and may be obtained free of charge from NORD/LB, Georgsplatz 1, 30159 Hanover, shall be solely binding. Furthermore, any potential investment decision should be made exclusively on the basis of such (financing) documentation. The present information cannot replace personal advice. Before making an investment decision, each Recipient should consult an independent investment adviser for individual investment advice with respect to the appropriateness of an investment in financial instruments or investment strategies subject to this information as well as for other and more recent information on certain investment opportunities.

Each of the financial instruments referred to herein may involve substantial risks, including capital, interest, index, currency and credit risks in addition to political, fair value, commodity and market risks. The financial instruments could experience a sudden and substantial deterioration in value, including a total loss of the capital invested. Each transaction should only be entered into on the basis of the relevant investor's assessment of his or her individual financial situation as well as of the suitability and risks of the investment.

NORD/LB and its affiliated companies may participate in transactions involving the financial instruments described in the present information or their underlying basis values for their own account or for the account of third parties, may issue other financial instruments with the same or similar features as those of the financial instruments presented in this information and may conduct hedging transactions to hedge positions. These measures may affect the price of the financial instruments described in the present information.

If the financial instruments presented in this information are derivatives, they may, depending on their structure, have an initial negative market value from the customer's perspective at the time the transaction is concluded. NORD/LB further reserves the right to transfer its economic risk from a derivative concluded with it to a third party on the market by means of a mirror-image counter transaction.

More detailed information on any commission payments which may be included in the selling price can be found in the "Customer Information on Securities Business" brochure, which is available to download at www.nordlb.de.

The information contained in the present report replaces all previous versions of corresponding information and refers exclusively to the time of preparation of the information. Future versions of this information will replace this version. NORD/LB is under no obligation to update and/or regularly review the data contained in such information. No guarantee can therefore be given that the information is up-to-date and continues to be correct.
By making use of this information, the Recipient shall accept the terms and conditions outlined above.

NORD/LB is a member of the protection scheme of Deutsche Sparkassen-Finanzgruppe. Further information for the Recipient is indicated in clause 28 of the General Terms and Conditions of NORD/LB or at www.dsgv.de/sicherungssystem.

Additional information for Recipients in Australia:
NORD/LB IS NOT A BANK OR DEPOSIT TAKING INSTITUTION AUTHORISED UNDER THE 1959 BANKING ACT OF AUSTRALIA. IT IS NOT SUPERVISED BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY. NORD/LB does not provide personal advice with this information and does not take into account the objectives, financial situation or needs of the Recipient (other than for the purpose of combating money laundering).

Additional information for Recipients in Austria:
None of the information contained herein constitutes a solicitation or offer by NORD/LB or its affiliates to buy or sell any securities, futures, options or other financial instruments or to participate in any other strategy. Only the published prospectus pursuant to the Austrian Capital Market Act should be the basis for any investment decision of the Recipient. For regulatory reasons, products mentioned herein may not be on offer in Austria and therefore not available to investors in Austria. Therefore, NORD/LB may not be able to sell or issue these products, nor shall it accept any request to sell or issue these products to investors located in Austria or to intermediaries acting on behalf of any such investors.

Additional information for Recipients in Belgium:
Evaluations of individual financial instruments on the basis of past performance are not necessarily indicative of future results. It should be noted that the reported figures relate to past years.

Additional information for Recipients in Canada:
This report has been prepared solely for information purposes in connection with the products it describes and should not, under any circumstances, be construed as a public offer or any other offer (direct or indirect) to buy or sell securities in any province or territory of Canada. No financial market authority or similar regulatory body in Canada has made any assessment of these securities or reviewed this information and any statement to the contrary constitutes an offence. Potential selling restrictions may be included in the prospectus or other documentation relating to the relevant product.

Additional information for Recipients in Cyprus:
This information constitutes an analysis within the meaning of the section on definitions of the Cyprus Directive D1444-2007-01 (No. 426/07). Furthermore, this information is provided for information and promotional purposes only and does not constitute an individual invitation or offer to sell, buy or subscribe to any investment product.

Additional information for Recipients in the Czech Republic:
There is no guarantee that the invested amount will be recouped. Past returns are no guarantee of future results. The value of the investments may rise or fall. The information contained herein is provided on a non-binding basis only and the author does not guarantee the accuracy of the content.

Additional information for Recipients in Denmark:
This Information does not constitute a prospectus under Danish securities law and consequently is not required to be, nor has been filed with or approved by the Danish Financial Supervisory Authority, as this Information either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

Additional information for Recipients in Estonia:
It is advisable to closely examine all the terms and conditions of the services provided by NORD/LB. If necessary, Recipients of this information should consult an expert.

Additional information for Recipients in Finland:
The financial products described herein may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, in the case of shares, such shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act (746/2012, as amended). The value of investments may go up or down. There is no guarantee of recouping the amount invested. Past performance is no guarantee of future results.

Additional information for Recipients in France:
NORD/LB is partially regulated by the "Autorité des Marchés Financiers" for the conduct of French business. Details concerning the extent of our regulation by the respective authorities are available from us on request. The present information does not constitute an analysis within the meaning of Article 24 (1) Directive 2006/73/EC, Article L.544-1 and R.621-30-1 of the French Monetary and Financial Code, but does represent a marketing communication and does qualify as a recommendation pursuant to Directive 2003/6/EC and Directive 2003/125/EC.

Additional information for Recipients in Greece:
The information contained herein gives the view of the author at the time of publication and may not be used by its Recipient without first having confirmed that it remains accurate and up to date at the time of its use. Past performance, simulations or forecasts are therefore not a reliable indicator of future results. Investment funds have no guaranteed performance and past returns do not guarantee future performance.

Additional information for Recipients in Indonesia:
This report contains generic information and has not been tailored to the circumstances of any individual or specific Recipient. This information is part of NORD/LB's marketing material.

Additional information for Recipients in the Republic of Ireland:
This information has not been prepared in accordance with Directive (EU) 2017/1129 (as amended) on prospectuses (the "Prospectus Directive") or any measures made under the Prospectus Directive or the laws of any Member State or EEA treaty adherent state that implement the Prospectus Directive or such measures and therefore may not contain all the information required for a document prepared in accordance with the Prospectus Directive or the laws.

Additional information for Recipients in Japan:
This information is provided to you for information purposes only and does not constitute an offer or solicitation of an offer to enter into securities transactions or commodity futures transactions. Although the actual data and information contained herein has been obtained from sources which we believe to be reliable and trustworthy, we are unable to vouch for the accuracy and completeness of this actual data and information.

Additional information for Recipients in South Korea:
This information has been provided to you free of charge for information purposes only. The information contained herein is factual and does not reflect any opinion or judgement of NORD/LB. The information contained herein should not be construed as an offer, marketing, solicitation to submit an offer or investment advice with respect to the financial investment products described herein.

Additional information for Recipients in Luxembourg:
Under no circumstances shall the present information constitute an offer to purchase or issue or the solicitation to submit an offer to buy or subscribe for financial instruments and financial services in Luxembourg.

Additional information for Recipients in New Zealand:
NORD/LB is not a bank registered in New Zealand. This information is for general information only. It does not take into account the Recipient's financial situation or objectives and is not a personalised financial advisory service under the 2008 Financial Advisers Act.

Additional information for Recipients in the Netherlands:
The value of your investment may fluctuate. Past performance is no guarantee for the future.

Additional information for Recipients in Poland:
This information does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers thereof dated 19 October 2005.

Additional information for Recipients in Portugal:
This information is intended only for institutional clients and may not be (i) used by, (ii) copied by any means or (iii) distributed to any other kind of investor, in particular not to retail clients. The present information does not constitute or form part of an offer to buy or sell any of the securities covered by the report, nor should it be understood as a request to buy or sell securities where that practice may be deemed unlawful. The information contained herein is based on information obtained from sources which we believe to be reliable, but is not guaranteed as to accuracy or completeness. Unless otherwise stated, all views contained herein relate solely to our research and analysis and are subject to change without notice.

Additional information for Recipients in Sweden:
This information does not constitute (or form part of) a prospectus, offering memorandum, any other offer or solicitation to acquire, sell, subscribe for or otherwise trade in shares, subscription rights or other securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The present information has not been approved by any regulatory authority. Any offer of securities will only be made pursuant to an applicable prospectus exemption under the EC Prospectus Directive (Directive (EU) 2017/1129), and no offer of securities is being directed to any person or investor in any jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, other offer documentation, registrations or other actions.

Additional information for Recipients in Switzerland:
This information has not been approved by the Federal Banking Commission (merged into the Swiss Financial Market Supervisory Authority (FINMA) on 1 January 2009). NORD/LB will comply with the Directives of the Swiss Bankers Association on the Independence of Financial Research (as amended). The present information does not constitute an issuing prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. The information is published solely for the purpose of information on the products mentioned herein. The products do not qualify as units of a collective investment scheme pursuant to the Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to supervision by FINMA.

Additional information for Recipients in the Republic of China (Taiwan):
This information is provided for general information only and does not take into account the individual interests or requirements, financial status and investment objectives of any specific investor. Nothing herein should be construed as a recommendation or advice for you to subscribe to a particular investment product. You should not rely solely on the information provided herein when making your investment decisions. When considering any investment, you should endeavour to make your own independent assessment and determination on whether the investment is suitable for your needs and seek your own professional financial and legal advice. NORD/LB has taken all reasonable care in producing this report and trusts that the information is reliable and suitable for your situation at the date of publication or delivery. However, no guarantee of accuracy or completeness is given. To the extent that NORD/LB has exercised the due care of a good administrator, we accept no responsibility for any errors, omissions, or misstatements in the information given. NORD/LB does not guarantee any investment results and does not guarantee that the strategies employed will improve investment performance or achieve your investment objectives.

Information for Recipients in the United Kingdom:
NORD/LB is subject to partial regulation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Details of the scope of regulation by the FCA and the PRA are available from NORD/LB on request. The present information is "financial promotion". Recipients in the United Kingdom should contact the London office of NORD/LB, Investment Banking Department, telephone: 0044 / 2079725400, in the event of any queries. An investment in financial instruments referred to herein may expose the investor to a significant risk of losing all the capital invested.

Time of going to press: 02 July 2025 (08:43)