Covered Bond & SSA View

NORD/LB Floor Research

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Marketing communication (see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Author: Alexander Grenner

Primary market: brisk issuance activity continues

After the successful “reopening” of the market last week, issuance activities on the primary market for covered bonds in EUR benchmark format continued to be brisk. In the trading days under review, we were able to record a total of five transactions from four jurisdictions. Last week, UniCredit Bank was the first Pfandbrief issuer to become active after the summer break, placing EUR 1bn (4.0y) on the market at ms +24bp. This marks the third new issuance from the bank in the current year so far, with the previous two transactions each involving public sector Pfandbriefe. On the same day, the market welcomed the first ESG transaction after the summer break in the shape of a green covered bond from Credit Agricole Home Loan (ACACB). The French bank opted for a guidance in the region of ms +52bp for its eight-year covered bond. The new issuance attracted quite remarkable investor demand, which manifested itself in a well-filled order book of EUR 3.2bn. ACACB ultimately decided on an issue volume of EUR 1bn (reoffer spread: ms +45bp). Issuance activities cooled down somewhat for the subsequent three trading days after this, until three bonds were placed on the market yesterday (Tuesday, 26 August). While last week ING Bank (ING) from the Netherlands made an appearance on the market through its Belgian subsidiary, this week this Dutch issuer opted for a dual tranche (5.0y at ms +33bp area & 10.0y at ms +45bp area). We are by no means surprised by the nature of this bond, since ING has often decided to issue dual tranches in the past (most recently in January 2024). After completion of the marketing phase, the bank selected a transaction volume of EUR 1.75bn (ms +27bp) for the shorter bond and EUR 750m (ms +40bp) for the longer maturity. The Korea Housing Finance Corporation (see below) also opened the books for its social covered bond with a volume of EUR 500m (WNG) yesterday. The reoffer spread narrowed by 7bp in the course of the marketing phase (bid-to-cover ratio: 2.7x).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Korea Housing Finance	KR	26.08.	XS3149806971	5.0y	0.50bn	ms +42bp	- / Aaa / AAA	X
ING Bank	NL	26.08.	XS3170286283	10.0y	0.75bn	ms +40bp	AAA / Aaa / AAA	-
ING Bank	NL	26.08.	XS3170229135	5.0y	1.75bn	ms +27bp	AAA / Aaa / AAA	-
Credit Agricole SFH	FR	20.08.	FR0014012BB5	8.0y	1.00bn	ms +45bp	AAA / Aaa / AAA	X
UniCredit Bank	DE	20.08.	DE000HV2A003	4.0y	1.00bn	ms +24bp	- / Aaa / -	-

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

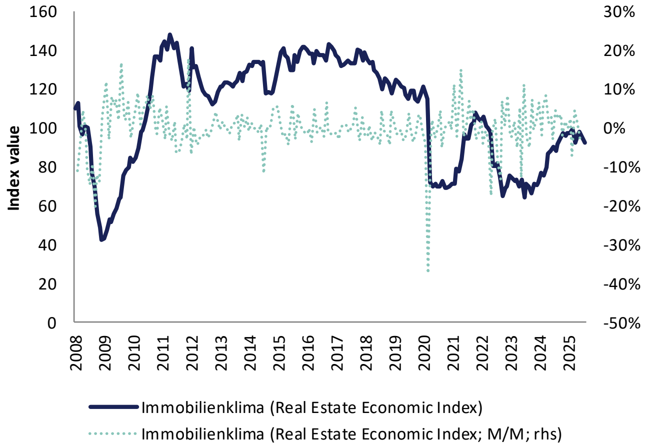
Secondary market: tense picture following confidence vote in France

Even though the rather numerous new issuances were well received on the secondary market, the general picture is tense ahead of the announced vote of no confidence in France. At the moment, pressure is still predominantly focused on French titles, but we could also see potential contagion to other jurisdictions. However, it remains to be seen whether this new pressure point will also be reflected in a general spread widening.

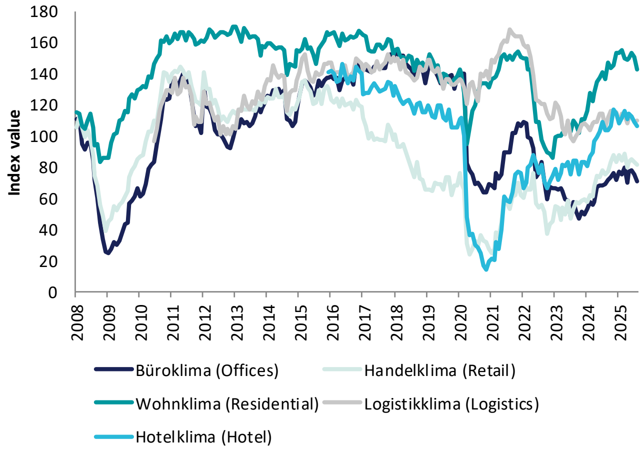
Renewed decline in Deutsche Hypo real estate climate index

The Deutsche Hypo real estate climate index has been one of the most widely observed indicators of the situation on the German property market for many years now. Following a decline in July, the sentiment barometer among real estate experts has continued to drop, registering a month-on-month fall of 3.5% to its current level of 92.2 points (212th monthly survey). The index is therefore at its lowest level for the year so far. The sentiment barometer was last lower in September 2024, at 92.1 points. The following subcategories posted declines: investment climate (-2.3% to 88.4 points), earnings climate (-4.7% to 96.0 points), retail climate (-1.9% to 81.9 points) and hotel climate (-2.8% to 106.3 points). The current leader – the residential climate – has also slumped, dropping by 5.3% to 143.3 points. The second greatest decline is attributable to the subcategory that is currently bringing up the rear, the office climate, which stands at 71.3 points (-5.2%). However, the values for all segments exceed those that were recorded at the same point in the previous year, which somewhat illustrates the volatility at present. According to Ingo Albert, Head of Deutsche Hypo – NORD/LB Real Estate Finance Frankfurt, there are still no signs of a peak phase for the real estate climate index. Even though the market for commercial real estate is showing initial signs of stabilisation, he does not expect a sustainable recovery until next year. According to Albert, the investment market is benefiting from the ECB's seven consecutive key interest rate cuts as well as from the expected effects of the German government's economic stimulus programme, while the current geopolitical uncertainties remain negative factors. Furthermore, despite the slight decline, Albert still considers investment in rental apartments to be attractive due to the high demand and low supply, while the logistics asset class is at the same time also benefiting from the planned infrastructure investments.

Real estate climate – overall index and change (M/M)



Real estate climate index by segment



Source: Deutsche Hypo, bulwiengesa, NORD/LB Floor Research

Moody's raises covered bond rating of UniCredit Bank Czech Republic and Slovakia

Moody's rating agency recently announced a rating upgrade of the mortgage-backed covered bond programme of Czechia-based UniCredit Bank Czech Republic and Slovakia from "Aa2" to "Aa1". The main reason for the upgrade was adjustments to the OC level of the programme, in particular the issuer's intention to maintain OC compatible with the "Aa1" rating in the future. The current OC level of the cover pool is 63.3%. The timely payment indicator (TPI), a key figure used by Moody's that reflects the probability of repayment, is "probable" for the programme and does not restrict the new rating. The country ceiling of Czechia is "Aaa", which means that the best possible Moody's rating of "Aaa" is achievable for covered bond issuers from this jurisdiction. We recently outlined Moody's rating approach as part of our weekly publication and at the same time regularly report on the agency's covered bond rating universe, which is updated quarterly. UniCredit Bank Czech Republic and Slovakia currently has four outstanding covered bonds in the EUR benchmark format with a total volume of EUR 2bn and has also been represented in the EUR sub-benchmark segment with one transaction in the past. At present, the only other active issuer from Czechia is Komercni Banka, which has one outstanding bond (EUR 500m). We have not yet been able to report any transactions from Czechia in the current year but are still expecting a new issue volume of EUR 500m from this jurisdiction over the rest of the year.

Korea Housing Finance Corporation again active on the market with Social Covered Bond

Last week, Korea Housing Finance Corporation (KHFC), a state-owned South Korean entity that provides social housing finance, announced the new issuance of a five-year social covered bond with a volume of EUR 500m (WNG). This was followed by a Global Investor Call in cooperation with the Joint Lead Managers of the transaction on 25 August. The new issue under the USD 15bn Global Covered Bond programme followed the next day and has been assigned the respective top ratings of Aaa and AAA by the rating agencies Moody's and S&P. KHFC is wholly owned by the South Korean government (63.7% Ministry of Economy and Finance and 36.3% Bank of Korea). The issuer ratings of Aa2 (Moody's) and AA (S&P) are on a par with South Korea's sovereign rating, highlighting the issuer's status as a quasi-sovereign institution. The KHFC cover pool consists entirely of senior mortgage loans denominated in KRW, with the maximum loan volume per property limited to KRW 500m (approx. EUR 314,000). According to its own information, with an issue volume of EUR 8.7bn across the period 2018 to 2025, KHFC is the third-largest issuer of publicly traded covered bonds in EUR from the APAC region and South Korea's largest social bond issuer since 2022. In addition to bonds in EUR, it is also active in USD, CHF and AUD. In the EUR benchmark segment, the bank currently has eight outstanding bonds with a total volume of EUR 5.3bn (all social bonds), with the most recent deal dating back to February of the current year (EUR 600m; 5.0y). South Korea is by far the jurisdiction with the largest share of covered bonds in an ESG format. In addition to KHFC, KEB Hana Bank, Kookmin Bank and Shinhan Bank are also active in the market with regular issuances of green, social and sustainability covered bonds in the EUR benchmark format. Looking to the rest of this year, after yesterday's successful deal from KHFC, we now expect a further new issue volume of EUR 500m from South Korea.

Market overview
SSA/Public Issuers

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

ICE: EU bonds will continue to be excluded from sovereign indices

In mid-August, after the end of a further consultation phase, the US index provider Intercontinental Exchange (ICE) announced that it would continue to exclude EU bonds from the relevant government bond indices. ICE had already decided against this step last year. According to ICE, the majority of investors surveyed still believe that the EU does not meet the criteria of a "typical" sovereign. The EU's efforts to break away from its current classification as a supranational therefore (once again) remain unsuccessful for the time being. However, the fact that index providers are holding consultations can be seen as a positive signal, as it indicates that the market is aware of the efforts of the EU and also recognises the progress that has been made. In our opinion, the EU is likely to step up its efforts in this context moving forwards, even if there is little prospect of it being included in the near future at least.

KfW-ifo SME Barometer: business sentiment among SMEs continues to improve

The latest developments in the SME business climate continue to fuel hopes of an economic recovery in Germany. According to a press release, the KfW-ifo SME Barometer rose by +1.6 points to -12.4 balance points in July for the fifth consecutive month, even though it remains below the long-term average. Nevertheless, there are growing signs of an economic recovery – especially given that the around 7,500 SMEs surveyed gave a significantly more positive assessment of their business expectations for the coming six months. While the assessment of the current situation rose by only a marginal +0.2 points to -16.3 balance points, business expectations for the next six months improved by a notable +2.9 points to -9.0 balance points. In terms of the individual economic sectors, sentiment has improved across the board, with all five sectors reporting overall growth: the resurgence among service providers (+1.0 point), retailers (+1.6 points) and the main construction industry (+1.2 points) was, however, driven solely by higher business expectations, while situation assessments stagnated or worsened slightly. The picture is different for manufacturing (+5.2 points) and wholesalers (+2.6 points), where the sentiment improvement is based on a better current situation and more optimistic expectations and is consequently more pronounced. Nevertheless, these two sectors continue to report the weakest business situation and the poorest business climate compared with other sectors of the economy. According to Dr Dirk Schumacher, Chief Economist of KfW, in terms of the sentiment upswing there are many signs that this time "it will be more than just a flash in the pan." He goes on to explain: "In particular, the new Federal Government has the funds for a massive fiscal stimulus that is also to be implemented very quickly now according to the budgetary plan. For example, the newly created diminishing balance method of depreciation could provide a boost to business investment in machinery and equipment already in the second half of the year. The increase in public-sector infrastructure investment and defence spending should then have a positive effect on the German economy by 2026 at the latest."

Scope plans to adapt its rating methodology for sub-sovereigns

The rating agency Scope is currently revising its rating methodology for sub-sovereigns and has announced the planned changes in a press release. Market participants still have time until 01 September to submit their comments on the changes. The changes are intended to further develop the existing methodology and provide some clarification, but the institutional framework will remain the decisive factor for the rating. According to comments from the risk experts, the changes are therefore unlikely to result in any rating changes. Scope will continue to apply its four-step rating model. While the first step continues to involve assessing the institutional framework and determining an issuer's indicative rating range on this basis, the second step involves evaluating the individual credit profile (ICP), taking into account various criteria, such as debt and liquidity, budgetary performance and ESG aspects. The rating is ultimately derived from combining the rating range and the ICP score and, if necessary, adjusted in a final step in order to take account of various aspects, such as the issuer's systemic relevance. As part of the revision, Scope proposes that ESG factors should now be fully integrated in the calculation of the ICP score, with a weighting of 20% in total – distributed over environmental (2.5%), social (7.5%) and governance (10%) factors, thereby replacing subsequent discretionary adjustments for social and environmental factors provided for in the previous methodology. Various parts of the ICP framework will also be adapted or extended. For example, in future, the unemployment rate should also be applied qualitatively when assessing income and tax capacity, even if GDP per capita remains the decisive criterion. The future qualitative application of the payback ratio (gross debt to operating balance) should also provide additional context on debt sustainability. In the new methodology, it is also planned to extend the definition of public financing to direct and indirect channels and to recognise horizontal coordination mechanisms among sub-sovereigns. We welcome the adjustments to the rating approach, which we believe will contribute to an even more decisive view of the creditworthiness of individual sub-sovereigns. Against the backdrop of ECAF approval and the greatly increased coverage in the German Laender segment, we have also decided to include Scope's ratings in our Issuer Guide – German Laender. We plan to publish this year's version in the near future.

NWB updates Social Bond Framework

The Dutch municipal financier Nederlandse Waterschapsbank (NWB, ticker: NEDWBK) has updated its Social Bond Framework and aligned it with the 2025 ICMA Social Bond Principles and the *Harmonised Impact Reporting Framework for Social Bonds*. The funds raised from the issuance of social bonds will be used exclusively to provide loans to social housing associations in order to support the construction of new social housing and thus contribute to the Sustainable Development Goals (SDGs), with a particular emphasis in this regard on SDG 1 (No Poverty) and SDG 11 (Sustainable Cities and Communities). Ecological co-benefits will contribute to achieving SDG 7 (Affordable and Clean Energy). Lending is subject to loans being approved and guaranteed by *Waarborgfonds Sociale Woningbouw* (WSW), which is a guarantee fund for social housing.

KBN presents figures for H1/2025 – core earnings down by -7.6% Y/Y

At the beginning of August, the Norwegian municipal financier Kommunalbanken (ticker: KBN) presented its results for Q2/2025 and the first six months of the year. As stated in the press release, core earnings in the second quarter of NOK 305m (EUR equivalent: EUR 26.0m) were significantly lower than in the same quarter of the previous year (Q2/2024: NOK 330m). The main reason for this was higher operating costs, which amounted to NOK 112m in the second quarter (Q2/2024: NOK 88m), and significantly lower realised profits (Q2/2024: NOK 193m; Q2/2025: NOK 88m). In contrast, the Norwegian bank's net interest income rose by NOK +16m to NOK 568m compared with the same quarter of the previous year, with the volume of the total loan portfolio at the end of the first half-year amounting to NOK 375.2m (H1/2024: NOK 358.1m). The volume of green loans increased by NOK +1bn in the second quarter, resulting in a year-on-year rise of +1.6 percentage points in their share of KBN's total loan portfolio, which amounted to 20.1% as at 30 June. "We are putting behind us yet another quarter marked by sizable market fluctuations and uncertainty regarding the development of the global economy," said CEO Jannicke Trumpy Granquist, commenting on the results. She continued: "KBN has good access to liquidity and will continue to provide its customers with attractive financing for local government sector projects across Norway." Overall, KBN reported core earnings of NOK 597m for the period from January to the end of June, which is well below the level of the same period last year (H1/2024: EUR 638m). Net interest income, on the other hand, grew slightly in the first half of the year to NOK 1,121m (+1.5% Y/Y). On the refinancing side, the Norwegian bank issued a total of 40 bonds in eight different currencies in H1/2025, raising an aggregated amount of roughly NOK 102.6bn (H1/2024: NOK 61,6bn).

FMO presents half-yearly report – USD depreciation weighs on results

The Dutch promotional bank Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO, ticker: NEDFIN) published its interim report for the period from January to June on 14 August. After generating a net profit of EUR 134m in the same period of the previous year, the bank ended the first half of the year with a net loss of EUR 90m – mainly due to unrealised currency losses of EUR 217m due to the depreciation of the USD against the EUR since the start of the year. Conversely, regular earnings before taxes developed in pleasing fashion, rising to EUR 68m compared with the same period of the previous year (H1/2024: EUR 54m), thanks in part to higher net interest income and lower operating expenses. As at 30 June 2025, the total committed portfolio amounted to EUR 13.5bn and was therefore on a par with the first half of 2024. Of this, green loans amounted to EUR 5.1bn (H1/2024: EUR 4.9bn) and social loans with the aim of reducing inequalities ("Reduced Inequalities-labelled loans") amounted to EUR 5.5bn (H1/2024: EUR 4.5bn). Despite considerable uncertainty in its target markets, FMO was able to provide EUR 830m in funding for new investments in the first half of the year (H1/2024: EUR 860m). The Common Equity Tier 1 (CET1) ratio rose to 24.0% at the end of the reporting period, up +2.2 percentage points on the same period of the previous year. This was due to a decline in risk-weighted assets, driven on the one hand by the depreciation of the USD and, on the other hand, by the first-time application of the Basel IV regulations.

Mecklenburg-Western Pomerania also looking to make use of scope for additional debt
The Mecklenburg-Western Pomerania state government (ticker: MECVOR) is expected to end the current legislative period, which will conclude in September 2026, with a lower level of debt than at the beginning of the period. While the level of debt in the 2021 budget was still approximately EUR 12.2bn, the level of debt for 2026 is expected to be around EUR 11.6bn in the draft budget 2026/27, which would mean a decrease of EUR 620m within the legislative period. This has reportedly been made possible by a special repayment of EUR 900m in 2024 – financed from unused funds from the "MV-Schutzfond" special fund, which will be dissolved at the end of 2025 and was originally set up to deal with the COVID-19 pandemic. Even though it is likely that the level of debt will be reduced during the legislative period, Mecklenburg-Western Pomerania's investment ratio remains one of the highest amongst the German Laender, according to Finance Minister Dr Heiko Geue. The extended borrowing options available to the Laender will also be utilised for this in the future. Accordingly, net borrowing of EUR 277.5m is planned for 2026. "Like the federal government and other Bundeslaender, Mecklenburg-Western Pomerania uses the structural component of 0.35% of gross national product to finance investments through loans. This will enable us to ensure that investments in broadband, schools, universities and investment funds for local authorities will not have to be cut […]", as the finance minister explains.

Primary market
Although the trading week we consider in this section was again on the quiet side, we are optimistic that issuance activities will slowly but surely gain momentum in the coming weeks. Nevertheless, issuers within the definition of our SSA universe were by no means idle: immediately after the editorial deadline for our previous issue, the Canadian pension fund CPPIB Capital (ticker: CPPIBC) came out of hiding and raised EUR 1.5bn (10y) at ms +60bp (guidance: ms +62bp area). By the end of the marketing phase, the order book had filled to a remarkable EUR 13.8bn (bid-to-cover ratio: 9.2x) for the week. Once again, we have two issues from Germany to report: while Hesse (ticker: HESSEN) placed EUR 1bn (5y) at ms +15bp (guidance: ms +16bp area; order book: EUR 2.5bn), NRW.BANK (ticker: NRWBK) met its capital requirements yesterday (Tuesday) by issuing a five-year bond worth EUR 1bn. The final price was in line with guidance at ms +18bp (order book: EUR 750m). At the beginning of this week, however, attention was once again focused on the European Union (ticker: EU), which, as is now customary, increased three of its bonds in the course of its second bond auction in H2/2025 (cf. funding plan). The volume of the 2027 bond with a coupon of 2.875% was increased by around EUR +2.1bn. The volume of the 2035 bond with a coupon of 3.375% was increased by just under EUR +2.0bn and the volume of the 2038 bond with a coupon of 3.375% by around EUR +1.5bn. The bid-to-cover ratios were 1.3x and 1.7x respectively for the first two bonds, and 1.3x again for the tap of the final bond. ESM sent an RfP to the relevant banking group for the coming week. New mandates: CAF (BMK, 7y, Sustainability), IDA (BMK, 7y, Sustainable Development Bond), KDB (BMK, 3y), BPIFRA (EUR 500m, WNG, 2035 tap).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
NRWBK	DE	26.08.	DE000NWB9163	5.0y	1.00bn	ms +18bp	AAA / Aa1 / AA	-
HESSEN	DE	21.08.	DE000A1RQE83	5.0y	1.00bn	ms +15bp	- / - / AA+	-
CPPIBC	CA	20.08.	XS3167346934	10.0y	1.50bn	ms +60bp	- / Aaa / AAA	-

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

Covered Bonds
The rating approach of Standard & Poor’s

Authors: Alexander Grenner // Lukas Kühne

The covered bonds rating approach of Standard & Poor’s
This article in our weekly publication provides a schematic presentation of the rating approach used by Standard & Poor's (S&P) to rate covered bonds. Together with DBRS, Fitch, Moody's and Scope, S&P is one of the five “External Credit Assessment Institutions” (ECAI) listed in the “Eurosystem Credit Assessment Framework” (ECAF).

Revised covered bond rating methodology with only marginal impact
S&P has recently published an updated version of their covered bond rating criteria, following a “Request for Comment” to market participants earlier this year. While the methodology’s basic structure remains unchanged, there are a few relevant adjustments that we shall outline below. For example, as a general rule the maximum uplift (three notches) determined as part of the jurisdictional support analysis is limited by the foreign currency rating (FCR) of the respective country in which the issuer is domiciled. However, this FCR limitation can now be exceeded by one notch provided that the issuer is based in a country that is a member of a monetary union. S&P generally doesn’t expect higher levels of overcollateralization than those provided for in the law when rating a covered bond program on the sole merit of jurisdiction support. Where a “AAA” rating on the basis of jurisdictional support is assigned, S&P still expects overcollateralization to cover credit risk to a “AAA” level of stress when specific risk factors in the cover pool in relation to the minimum regulatory overcollateralization level are identified. In addition, the rating experts are simplifying the counterparty risk assessment and the asset spread levels used to model refinancing costs. According to information from S&P, the adjustment to the rating approach resulted in a one-notch uplift for just a single covered bond programme, while no rating downgrades are expected. In actual fact, the OC ratio required to maintain a covered bond rating is expected to decrease by an average of 5% for 70 programmes and settle at a more stable level in the future.

Five-stage process
S&P’s rating process will be split into five phases:

i) Analysis of issuer-specific factors (e.g. legislative, regulatory, operational and administrative risks) → can the covered bond rating be higher than the issuer credit rating (Issuer Credit Rating, ICR)?
ii) Establishing the RRL (Reference Rating Level) based on the applicable resolution mechanisms → bail-in yes/no?
iii) Calculation of maximum possible rating based on the jurisdiction and cover pool → external probability of support (ex. state, central bank)?
iv) Analyze the quality of cover pool (expected loss, overcollateralisation, liquidity)
v) Combination of results and influence of additional factors (e.g. counterparty and country risk) → final rating?

ICR forms rating floor

The issuer's credit worthiness remains an essential factor in the analysis since the respective institution is both the primary source for payments to the covered bond creditors and also manager of the cover pool, and can therefore have a significant influence on asset-liability mismatch (ALMM) risks, credit quality and overcollateralisation. The issuer rating is therefore seen as the floor for the covered bond rating. On this basis, S&P first considers whether an uplift above the ICR can be awarded in principle. Among other things, this requires legislative or contractual arrangements which guarantee the separation of the cover assets to the benefit of the covered bond holders.

Resolution mechanisms define RRL

The main driver of resolution regime uplift is the systemic importance of covered bonds. The RRL is not capped at the foreign currency rating on the sovereign of domicile of the covered bond issuer. To this end, the agency checks establishes the Bank Recovery and Resolution Directive (BRRD) or similar legislation is applicable, allowing the issuer to continue to make payments to covered bond holders, even though senior unsecured paper has defaulted. In such cases, the RRL is defined as the greater of:

i) The ICR on the issuer, plus one notch for covered bond programs we assess as having moderate systemic importance or plus two notches for programs we assess as having a strong or very strong systemic importance; and
ii) the Resolution Counterparty Rating (RCR) on the issuing bank, where applicable.

In jurisdictions where there is no corresponding resolution mechanism, the RRL equals the ICR.

Likelihood of external support

The probability of public support determines the jurisdiction-supported rating level (JRL). It reflects S&P’s assessment of how likely the covered bond program is to receive support prior to resorting to a market-driven solution, such as a liquidation of the cover assets in the open market. Such support may come either through direct state intervention – such as from a central bank – or indirectly from a government’s use of private-sector mechanisms or through trustees, administrators, or other parties acting to protect covered bonds (according to specific laws or other requirements). The probability of support shall be assessed by evaluating: i) the covered bond legislation, ii) the systemic importance of the covered bonds in their market and iii) the credit worthiness of the state with marks ranging from „weak” to “very strong”, whereby the overall score is based on the weakest individual assessment of the three criteria. Subsequently, an uplift of 0 to 3 notches over the RRL can be assigned, which defines the JRL.

Cover pool factors

Based on the JRL, a further notching is then undertaken which takes into account overcollateralisation in the cover pool and analyses the extent to which it covers credit risks and refinancing costs (only for the last two notches). This factors in not only the level of overcollateralisation, but also liquidity conditions. There can be an uplift of up to four notches for assets with an active secondary market. Where a sufficiently active secondary market for the cover pool assets does not exist to enable the covered bond program to raise funds against its assets the maximum uplift is two notches.

Deduction of notches for liquidity risks and voluntary overcollateralisation
The form of commitment to maintaining overcollateralisation plays an important role. Overcollateralisation which is maintained purely voluntarily attracts a basic deduction of one notch. A public statement also leads to a deduction by one notch if the support in the jurisdiction in question is merely rated as „weak”, but not when the legislation-enabled program is supported by a robust legal framework that establishes minimum levels of overcollateralization and eligibility criteria that allow only high-quality assets in the cover pool. A further deduction of one notch can be applied if there is no committed liquidity coverage of at least six months. Such a coverage can consist of liquidity lines or structural measures (e.g. soft bullet or CPT).

Consideration of other factors
The last step combines the previous results and further factors are taken into account in order to determine the final covered bond rating. These mainly include counterparty (simplified and part of the covered bond criteria) and country risks. As regards the country risk (for programmes with assets from just one jurisdiction), unlike in the case of other agencies, there is no general country ceiling; instead a notching above the foreign currency rating of the respective state is carried out, which is dependent on the sensitivity of the cover assets to the sovereign default. If this risk is rated as „high”, then a maximum uplift of two notches is possible. If the risk is rated as “moderate”, then the maximum uplift is four notches, while “Low” can be up to six notches, if additional criteria are met (e.g. there cannot be any refinance risk). Covered bonds with a refinancing risk arising from sovereign default risks which cannot be fully mitigated are subject to a specific restriction. In this case, the maximum uplift which can be assigned is five notches, whereby a further distinction is made between issuers from inside and outside a monetary union.

Total uplift of up to nine notches possible
Overall therefore, the new S&P methodology allows a maximum uplift of nine notches above the RRL starting point. In order to achieve this, the four criteria must be met as a minimum:

i) systemic support must be rated as “very strong“
ii) overcollateralisation must completely cover credit risks in the AAA scenario and all refinancing risks
iii) 180 days liquidity need must be covered (could also be by ex. maturity extensions)
iv) overcollateralisation will be contractually or legally comitted or there will be a public commitment

In addition, the rating may not be limited by other factors such as country or counterparty risks.

Notching above starting point

	Factor	No. of notches
	Reference rating level	0 – 2
+	Jurisdictional support	0 – 3
+	Credit enhancement	1 – 4
-	Type of commitment	0 – 1
-	Liquidity scheme	0 – 1
=	Maximum CB rating	

Source: S&P, NORD/LB Floor Research

De-linking only without ALMM risk

Contrary to the prescribed method, a covered bond rating can be completely decoupled from the RRL, so that it can be calculated without a maximum rating uplift. However, for this to happen, the covered bond programme must be protected structurally from an ALMM and there must be a legal or contractual commitment to maintain overcollateralisation.

Holistic adjustment & outlooks

S&P may apply an adjustment of one notch in either direction to arrive at the final rating on a covered bond, capturing a more holistic view of its creditworthiness. They assess the potential for such an adjustment based on an analysis of the creditworthiness of a given covered bond program compared to peers. S&P also assigns outlooks to all covered bond ratings that are linked to the ICR on the issuer. These outlooks can be stable, positive, negative, or developing. Outlooks indicate their view about the potential for a rating change and the direction of that change over the intermediate term.

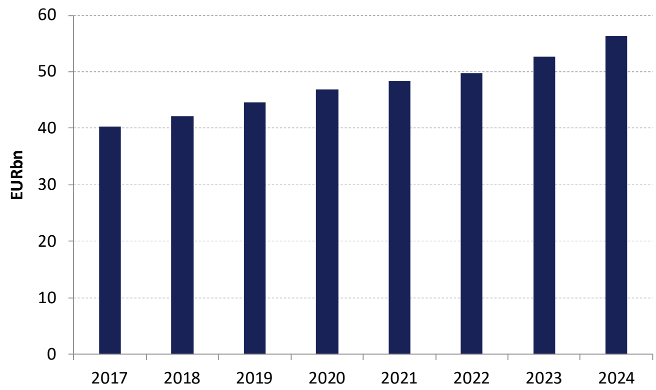
SSA/Public Issuers
Pension avalanche and municipal debt: Laender under pressure

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

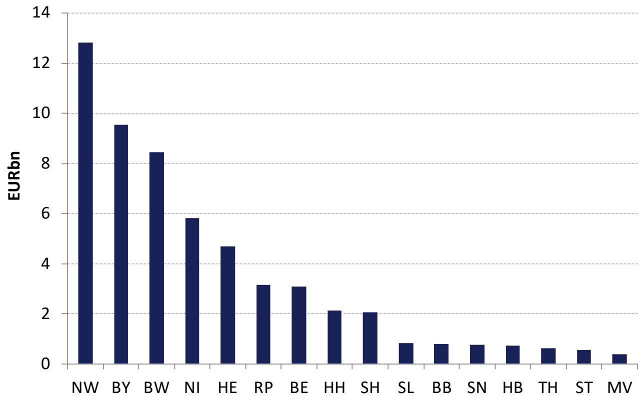
Pension obligations represent an increasing challenge for Laender finances

As part of our *Issuer Guide – German Laender 2025*, which is set for publication in the near future, we take a look at the financial basis of the 16 sub-sovereigns each year. In this context, two core issues have emerged that play a prominent role in influencing the budgetary situation of the German Laender both now and into the future. In contrast to the pay-as-you-go-financed pension system, which applies in the case of salaried employees, pension expenditures for civil servants, judges and members of the armed forces forms part of personnel costs and is paid from the ongoing budget. In this context, the situation can be described as more than tight across all levels: according to the (preliminary) 8th Remuneration Report of the German federal government (Bund), pension expenditures related to the direct federal domain is set to increase from EUR 6.8bn in 2023 to a projected value of EUR 25.4bn by 2060. This development will see the federal budget come under considerable strain. The main reasons for this are increasing life expectancy, the growing proportion of the population in retirement and steadily rising average pension payments. Therefore, in our opinion, the long-term sustainability of pension expenditures must be seriously questioned. In order to counteract this situation, Bund and Laender started to create pension reserves in 1999 in line with §14a(1) of the Federal Civil Service Remuneration Act (BBesG). As part of a process starting in 2017, these reserves are now being dissolved (in line with §7 of the Pension Reserves Act [VersRücklG]) across a time frame of 15 years in order to manage the highest expected level of charges ("pension avalanche"). These reserves may differ regarding the investment types for the assets and in relation to the reserve policy. For example, some Laender have already been setting aside payments to a pension reserve since 2003, while others use their pension funds concurrently as lenders for their own budgetary purposes. While we consider this to be an example of a lack of provision, or a form of precaution that is only sustainable to a limited extent, other Laender rely on the additional creation of reserves through their own pension or retirement funds, extending above and beyond the reserves required by law.

Development of pension and allowance expenses



Pension and allowance expenses in 2024



Source: Federal Ministry of Finance, NORD/LB Floor Research

Pension and allowance expenses represent major items of expenditure for many Laender
In comparison with 2015, the aggregated pension and allowance expenses of the Laender have grown by +54.7% up to 2024. In the past budget year alone, a rise of +6.9% year on year (previous year: +5.9% Y/Y) was posted. In total, the Laender spent a cumulative amount of EUR 56.4bn on this budget item (2023: EUR 52.7bn) across the full year 2024, corresponding to just under 10.7% of total expenditures. Accordingly, pension payments accounted for practically an identical proportion of Laender budgets as capital expenditures (10.9%). This budgetary strain is likely to continue to rise in the future, with the majority of the boomer generation (born 1955-69) now starting to gradually draw their pensions.

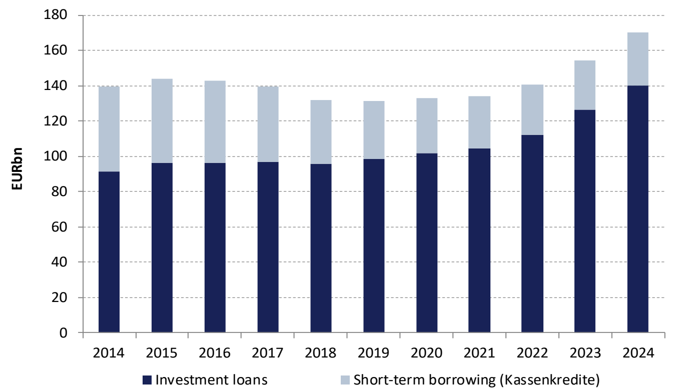
Low(er) level of pension provisions in East Germany
At 14.1%, the share of pension provisions in relation to total expenditures was highest in the Saarland last year. However, Rhineland-Palatinate, Lower Saxony and Baden-Wuerttemberg also register values of at least 13% for this item. In addition, it is striking that, over time, pension obligations in the East German Laender are accounting for a steadily rising proportion of the total expenses of these sub-sovereigns. Having stood at just 1.3% in 2010, this share has now risen to 3.9% in 2024 (2023: 3.5%). Nevertheless, expenditure in this regard remains well below the equivalent values that the West German Laender must cover. In western non-city states, the share of pension payments in relation to total expenditures has consistently fluctuated between 12% and 13%, although this ratio has increased in each of the previous two years. Looking at pension provisions relative to the number of inhabitants, the city states of Hamburg and Bremen have traditionally posted the highest expenses in this regard. At EUR 1,139 per capita, the value in Hamburg, for example, was nearly six times higher than that of Saxony (EUR 190). This relatively high expenditure is justified by the function and structure of city states, which is reflected both in above-average personnel costs and an elevated assumed number of inhabitants in the calculation used under the current system of financial equalisation among the Laender.

Interim conclusion
For years, the pension liabilities of the Laender have represented substantial items of expenditure. Especially in the west of Germany, this budget item significantly impairs budget flexibility. Moving forwards, these charges are likely to continue rising. From our perspective, the eastern German Laender have a clear advantage in this respect, because the resulting challenges are less severe, although it should be noted that this advantage is expected to fade slightly over the years, with further convergence of the proportion of pension payments in the budget to the west German level being anticipated. In the coming years, we expect these payments to rise further. Consequently, we are of the opinion that revenues will either need to be further increased, or expenditures cut, so that at least there is no deterioration in budget balances. Given in particular that interest expenses have also risen in the past few years, it seems likely that Laender budgets will continue to feel the strain.

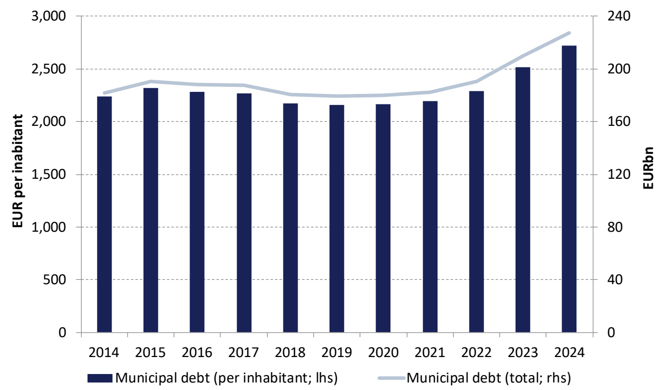
Latest data set: municipalities post record deficit in 2024

In addition to the pension and allowance expenses, the municipal debt situation represents another major challenge for Laender budgets. Having generated surpluses between 2011 and 2022, German municipalities and municipal associations recorded a deficit in 2023, which amounted to EUR -6.6bn (core and extra budgets). According to official data from the Federal Statistical Office, the deficit last year amounted to EUR -24.8bn. This represents the highest municipal financing deficit since German reunification in 1990. Adjusted expenses in the core budget rose sharply again in 2024 by +8.8% year on year to EUR 362.7bn. Social expenses were the primary driving force on the expenditure side and rose by +11.7% Y/Y to EUR 84.5bn. The reason behind this growth was the increased standard rates for citizen's income (Bürgergeld) and social assistance. The core budgets were also burdened by personnel expenses, which rose by +8.9% Y/Y to EUR 88.1bn mainly on account of collective bargaining agreements and staffing increases. Current non-personnel expenses also rose by +7.7% Y/Y, while investments in tangible assets grew by +6.4% Y/Y. The additional rise in interest expenditures of +32.1% Y/Y (2023: +37.4% Y/Y) can be explained by higher interest rates, although it should be noted in this context that the ECB has been significantly cutting key rates since June 2024. At EUR 376.1bn, adjusted revenues of municipal budgets in 2024 were up by +7.6% on the previous year. However, this was not sufficient to offset the increase in expenditures. In 2024, tax receipts amounted to EUR 132.1bn, reflecting growth of just +1.5% versus 2023, with local business tax revenues also rising by +0.3% Y/Y. Regarding the municipal debt level, 2024 saw the fifth increase in succession: liabilities rose by +8.4% Y/Y to EUR 277.7bn overall, which accounted for 60.5% of adjusted revenues. This value was therefore well below the average debt level of the Laender, which amounts to 110.0% of adjusted revenues. The sharpest growth in debt levels versus 2023 in percentage terms was recorded by the municipalities and municipal associations in Lower Saxony and Mecklenburg-Western Pomerania (+14.2% in each case), followed by North Rhine-Westphalia (+12.3%) and Bavaria (+12.2%). In terms of the sharpest percentage declines in debt, Rhineland-Palatinate (-22.2%) and Thuringia (-2.8%) lead the way.

Debt level in the non-public sector



Overall municipal debt level



Source: Federal Statistical Office, NORD/LB Floor Research

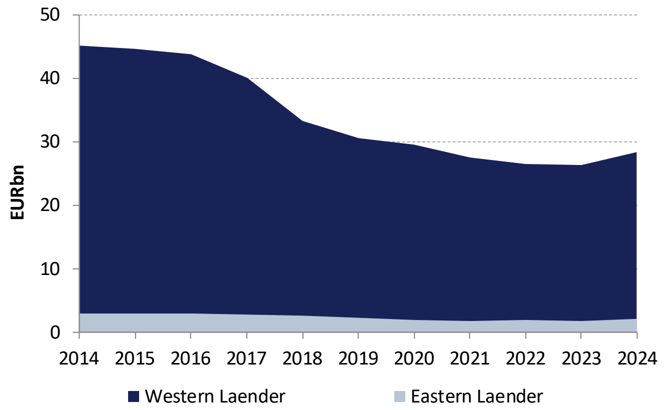
Significant rise in Laender investment loan volumes

Investment loans traditionally account for a significant portion of municipal debt. These are backed by direct assets, whereby in an ideal world the interest expenses are covered by the return on investments. In 2024, investment loans ultimately rose by +10.8% Y/Y to EUR 140.2bn (2023: EUR 126.5bn). The respective shares of investment loans in total municipal debt differed significantly between the individual Laender. At 77.8%, the highest share of investment loans in overall municipal debt is attributable to municipalities in Schleswig-Holstein, while Baden-Wuerttemberg has the lowest value in this regard at 47.4%. In our view, one positive aspect to highlight is that the share of investment loans in total debt has risen in nine of 13 non-city states. The sharpest growth was recorded by Rhineland-Palatinate, whose share increased by +20.9 percentage points. Meanwhile, the Laender average amounts to 61.6%.

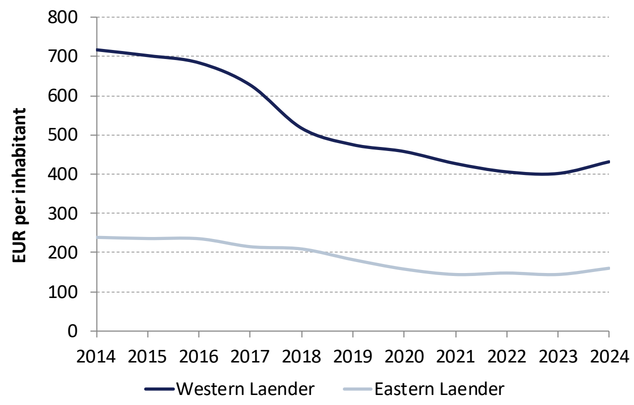
Kassenkredite debt rises for the first time since 2014

Kassenkredite were originally intended to cover short-term cash flow problems that can arise from timing mismatches in revenue and expenditure flows. For instance, if higher personnel costs are incurred at the start of a calendar year, while regular tax revenue has not yet been received, Kassenkredite can be used to bridge this time gap. Since the turn of the millennium, however, the volume of Kassenkredite has increased sevenfold across Germany. At the highpoint as at year-end 2014, for example, around 26% (roughly EUR 48bn) of total municipal debt was attributable to Kassenkredite. We can therefore say that these loans were no longer being (exclusively) used for bridging short-term liquidity difficulties. Back in 1995, this figure came in at just 3.1%. A higher proportion of Kassenkredite liabilities brings with it an increased risk of changes to the interest rate environment. As a result, we take a negative view of a high level of Kassenkredite debt. Last year, the volume of Kassenkredite debt attributable to municipalities and municipal associations amounted to EUR 30.3bn, corresponding to 13.3% of total debt. This came on the back of nine consecutive years in which the aggregated Kassenkredite debt amount had been reduced. A geographical analysis also reveals that the West German Laender have significantly higher Kassenkredite debts than their eastern German counterparts. North Rhine-Westphalia, Germany's most populous federal state, is primarily responsible for this situation, accounting for Kassenkredite in the amount of EUR 20.8bn in 2024.

Municipal cash boosting loans (absolute)



Municipal cash boosting loans



Source: Federal Statistical Office, NORD/LB Floor Research

2024: Kassenkredite volumes on the rise in nine of 13 non-city states

A breakdown by federal state of the Kassenkredite burden on municipalities and municipal associations reveals a highly varied picture: the share of Kassenkredite in the total debt level of municipalities ranges from 1.3% in Hesse to 30.9% in Saxony-Anhalt. In nine Laender, the share was below 10% in the previous year. In comparison with 2023, just four sub-sovereigns were able to reduce their Kassenkredite debt levels (Brandenburg, Rhineland-Palatinate, Saarland and Saxony). In 2023, nine of the non-city states actually managed to achieve a reduction. The extent of the increase in Kassenkredite also varied across the individual sub-sovereigns to a significant extent. The strongest growth in Kassenkredite debt versus 2023 in percentage terms was recorded by the municipalities and municipal associations in Hesse (+232.2%), followed by Schleswig-Holstein (+212.2%) and Bavaria (+84.5%). Although these are exceptionally high values, it should be noted that the absolute level of Kassenkredite liabilities is under EUR 1bn in each of these three Laender. The sharpest percentage declines were recorded by municipalities in Rhineland-Palatinate (-50.6%) and Saarland (-17.0%). Overall, the share of Kassenkredite in total municipal debt stood at 13.3% last year. While the absolute level did rise, at least the relative share in aggregated liabilities declined again (2023: 13.4%; 2022: 14.9%).

Growing challenges, growing debt?

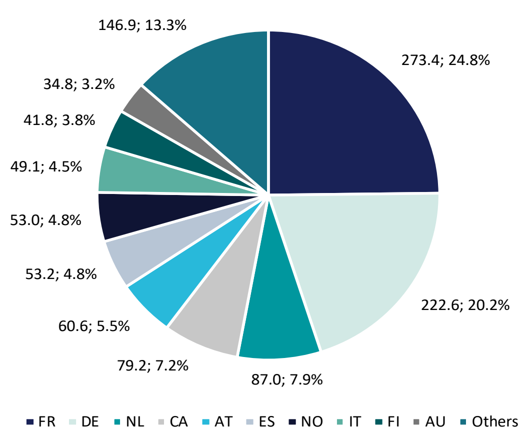
Municipal budgets are also confronted by a variety of challenges at present: with interest rates having been at a high level in both of the previous two calendar years, refinancing costs also became more expensive, which in turn placed budgets under strain. Although the ECB did start to successively reduce interest rates from June 2024 onwards, interest expenses have remained persistently high. While the interest rate peak is now firmly in the rear-view mirror, municipalities must continue to pay increased attention to credit costs in relation to their financial planning. In addition, impacts from regulatory changes have in the past been felt in relation to municipal financing. In the context of Basel III introducing the leverage ratio, municipal financing became increasingly unattractive for privately organised credit institutions. The key indicator stipulates a minimum ratio of regulatory capital to the exposure of a bank, in which the risk of the exposure is irrelevant. Low-margin segments, and this includes municipal financing, have already experienced a decline in credit offerings from private banks. Moreover, the banking crisis already precipitated a shift within the market for municipal finance: specifically, regional promotional banks have for years been experiencing significant growth in this respect. In North Rhine-Westphalia, the municipal lending business of NRW.BANK has posted strong growth over recent years. After a new peak value of EUR 7.6bn was registered in 2020 (EUR 3.7bn for municipal financing), NRW.BANK generated a volume of new financing commitments of EUR 4.4bn (-42%) in the business area of Municipalities/Infrastructure in 2021. The reason for this was falling demand for COVID-19 aid. In 2024, the volume of new commitments fell by around -12% Y/Y to EUR 4.3bn. The reason for this restrained take-up was the high EU reference interest rate. This led to a situation in which aid-free conditions, for example under the NRW.BANK.Infrastruktur funding programme, were less attractive than alternative financing terms available on the market. The promotional funding programme for educational infrastructure in NRW developed positively in 2024: the funding volume increased by +21.3% Y/Y to approximately EUR 487.3m (2023: EUR 401.8m). In the area of local public transport, a total of EUR 489.4m was paid out, more than double the level recorded in the previous year (2023: EUR 171.3m).

Conclusion and outlook

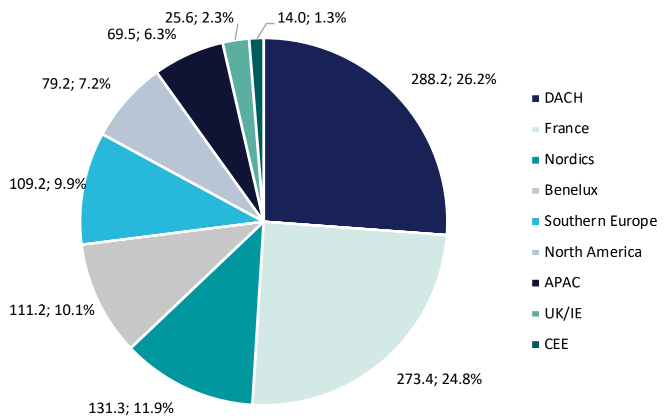
From our point of view, the projected increase in pension obligations and performance of municipal finances represent two key challenges for Laender finances. On account of the ongoing demographic change in Germany, it can be expected that pension provisions will continue to represent significant items in Laender budgets. Politicians, who have been guilty of studiously avoiding the issue for decades, obviously have a responsibility here. It is a situation that is likely to markedly impede budget flexibility, particularly in the West German Laender. Due to their population structure, the East German Laender have an advantage in this context. However, we also anticipate that the proportion of pension payments in the overall budget will continue to converge with the western German level moving forwards. We do not consider an approach that seeks to alleviate the symptoms by generating financing through tax revenues to be a sustainable solution to the problem either. At this point, structural reforms are necessary to ease the burden of the impending "pension avalanche" on public budgets and, as a result, ultimately on the taxpayer too. Other nations such as Canada could serve as something of a role model in this context. The financial strains for the Laender are also being exacerbated by the municipal budget situation. Last year, the municipalities and municipal associations in Germany registered a record deficit of EUR -24.8bn, which represents the highest municipal financing deficit since German reunification. For the first time since 2014, there was renewed growth in Kassenkredite debt. The volume of which came in at EUR 30.3bn, which corresponds to 13.3% of total debt. Several Laender have already implemented bailout funds with the aim of easing the burden on their municipalities. In our view, these programmes are a commendable attempt at fighting fires, although they are too short-lived to properly eliminate structural deficits. In this context, municipalities will hardly have any additional scope to assume new responsibilities in the foreseeable future, although there is an urgent need for them to address transformation challenges in their local area. Looking to the future, there are still numerous crucial, unresolved question marks. In this sense, it can be expected that municipal debt levels will continue to rise for the foreseeable future and that some municipalities may occasionally encounter financial difficulties. A significantly more difficult budgetary situation at municipal level indirectly impacts the budgetary situation of the respective Laender. For further information and details on the core challenges confronting Laender finances, please refer to our upcoming *Issuer Guide – German Laender 2025*, which is set for publication in the near future.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



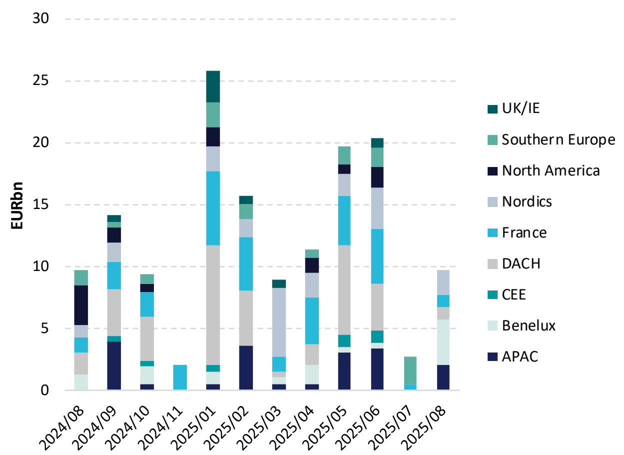
EUR benchmark volume by region (in EURbn)



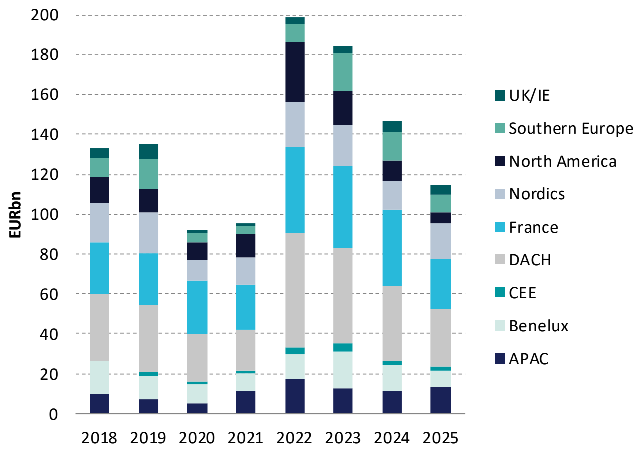
Top 10 jurisdictions

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	273.4	265	35	0.97	9.1	4.5	1.69
2	DE	222.6	311	48	0.66	7.7	3.6	1.71
3	NL	87.0	87	4	0.94	10.2	5.3	1.51
4	CA	79.2	59	1	1.32	5.5	2.3	1.60
5	AT	60.6	100	5	0.60	8.0	3.7	1.65
6	ES	53.2	46	5	1.05	10.1	3.3	2.24
7	NO	53.0	64	11	0.83	7.0	3.3	1.39
8	IT	49.1	64	6	0.74	8.2	3.7	2.13
9	FI	41.8	48	5	0.86	6.6	2.9	1.87
10	AU	34.8	34	0	1.02	7.1	3.4	1.95

EUR benchmark issue volume by month

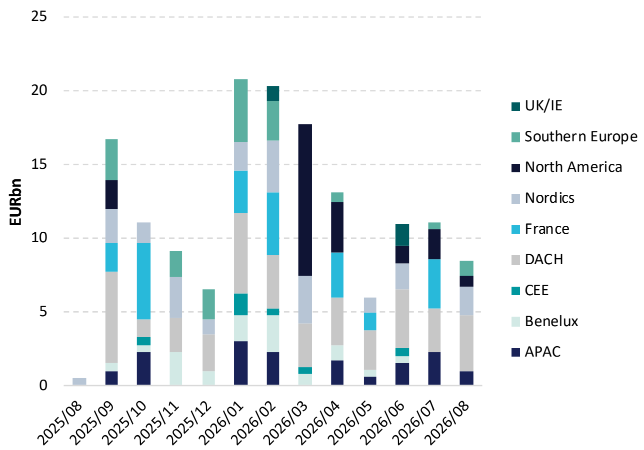


EUR benchmark issue volume by year

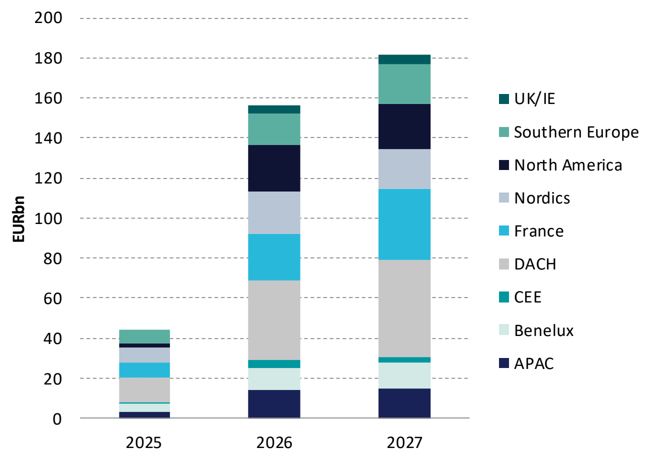


Source: Market data, Bloomberg, NORD/LB Floor Research

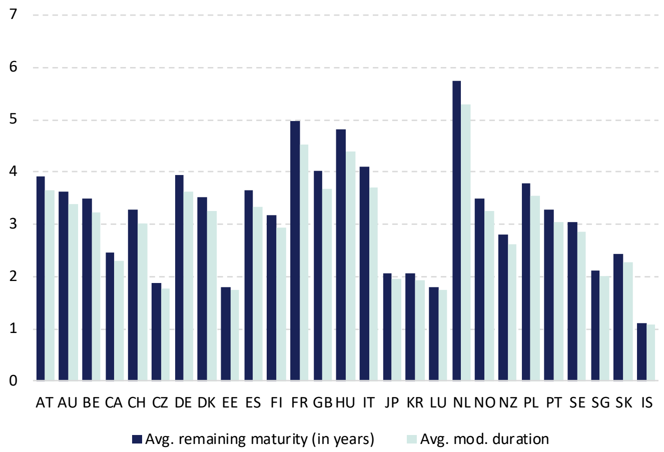
EUR benchmark maturities by month



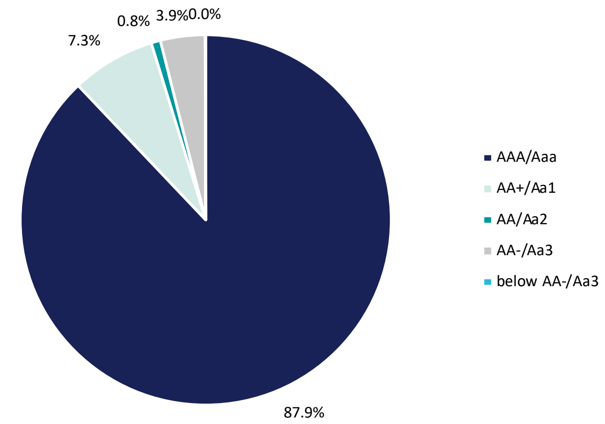
EUR benchmark maturities by year



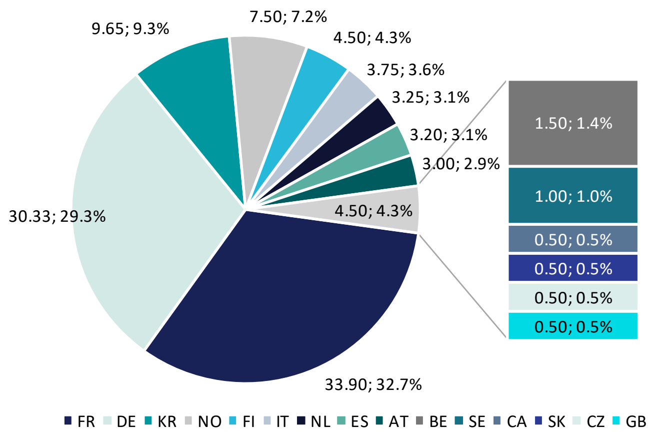
Modified duration and time to maturity by country



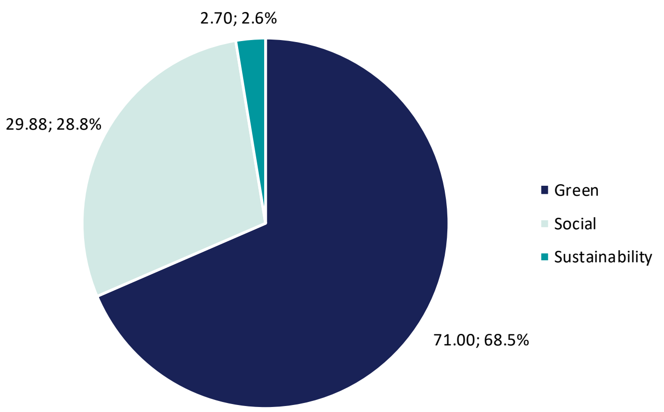
Rating distribution (volume weighted)



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

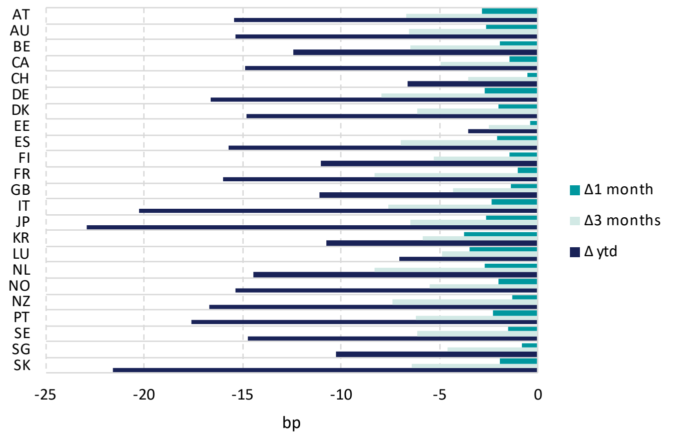


EUR benchmark volume (ESG) by type (in EURbn)

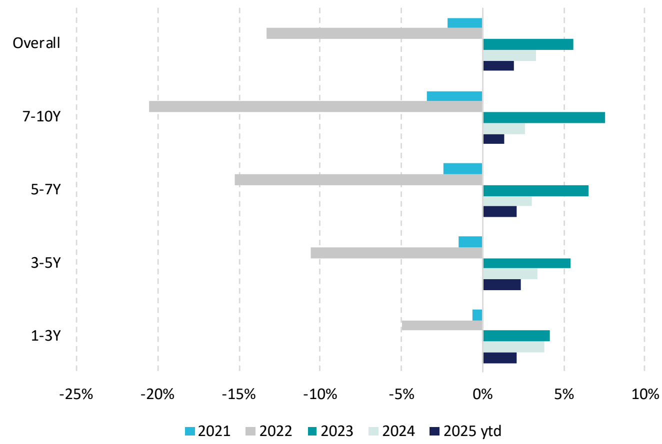


Source: Market data, Bloomberg, NORD/LB Floor Research

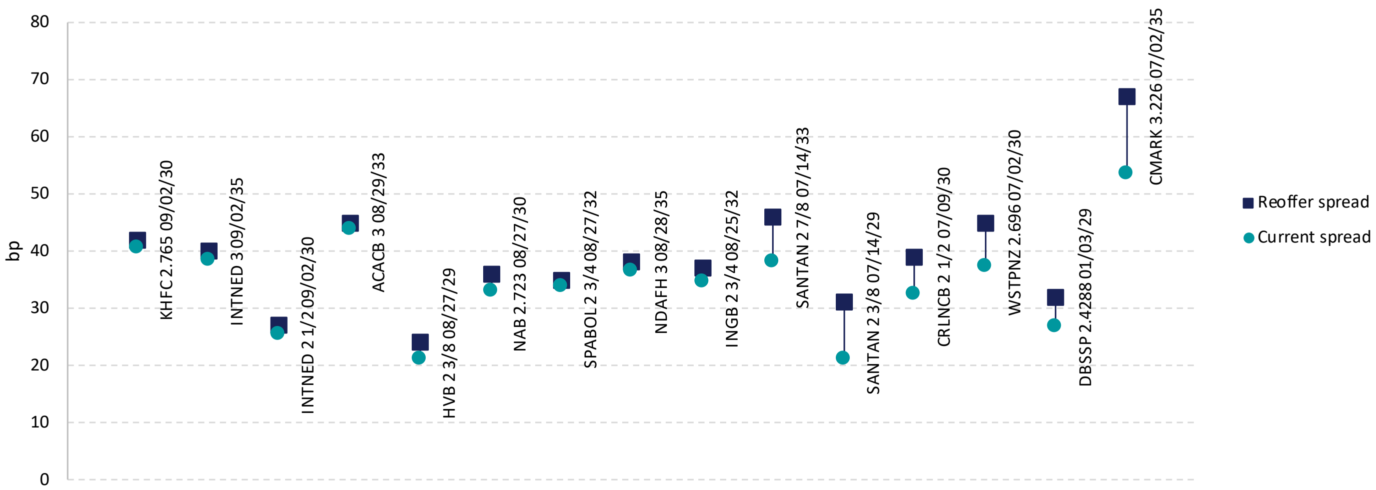
EUR benchmark emission pattern



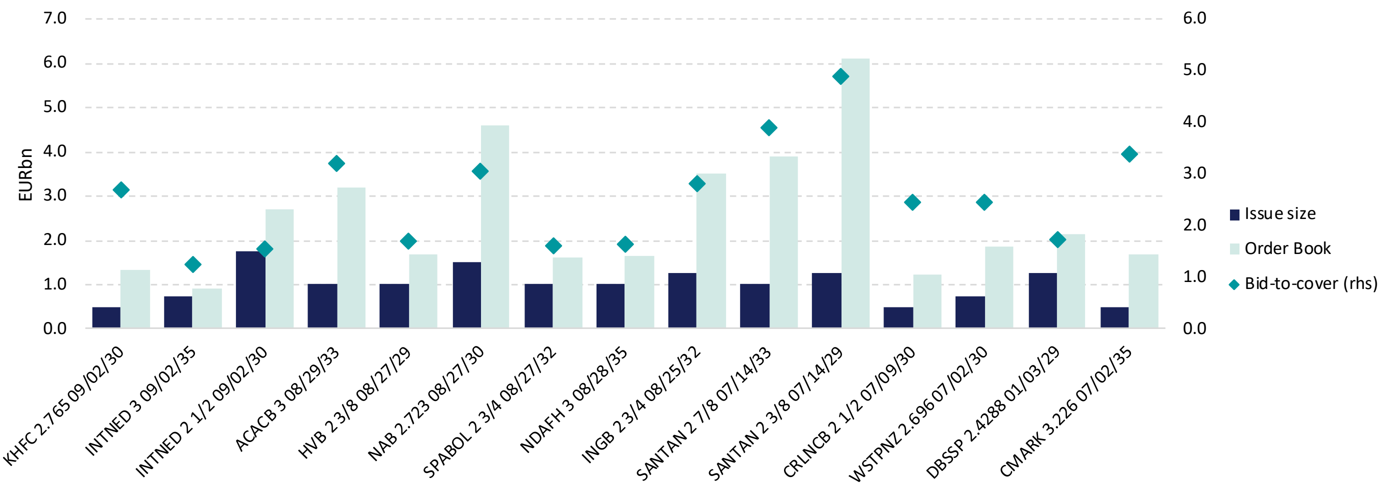
Covered bond performance (Total return)



Spread development (last 15 issues)



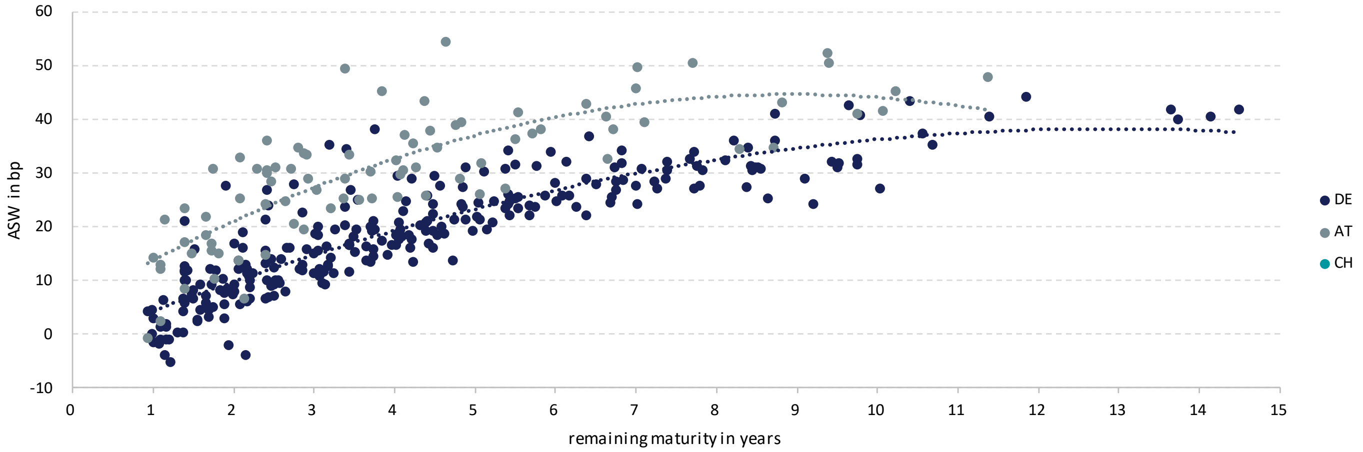
Order books (last 15 issues)



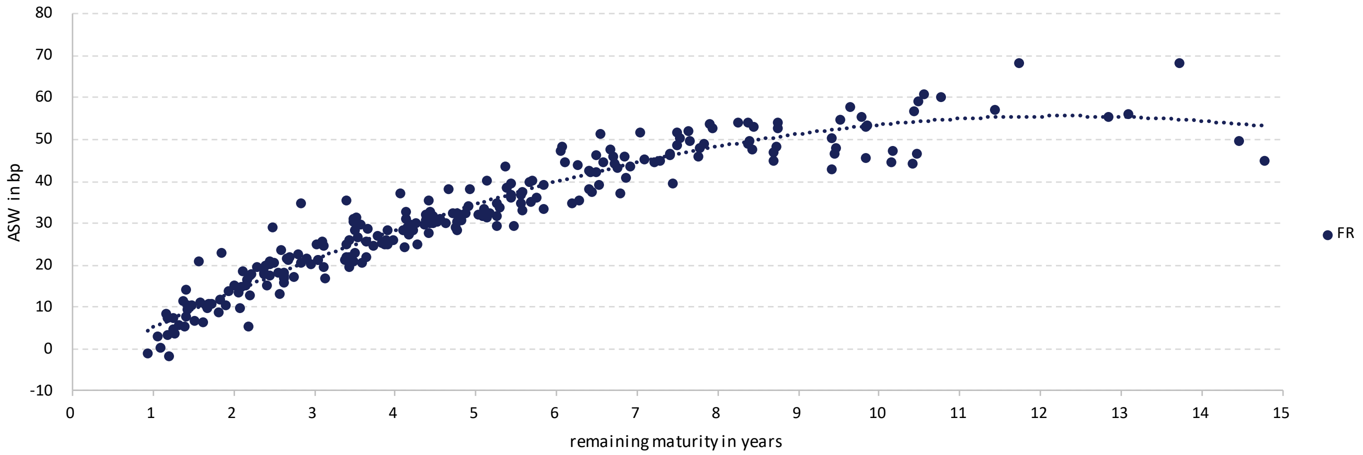
Source: Market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

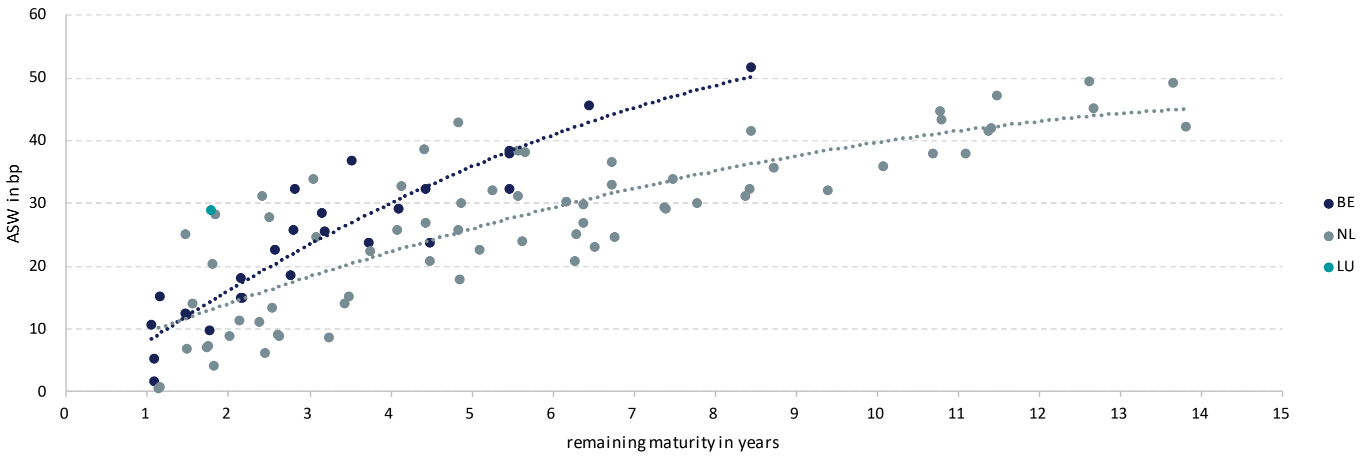
DACH



France

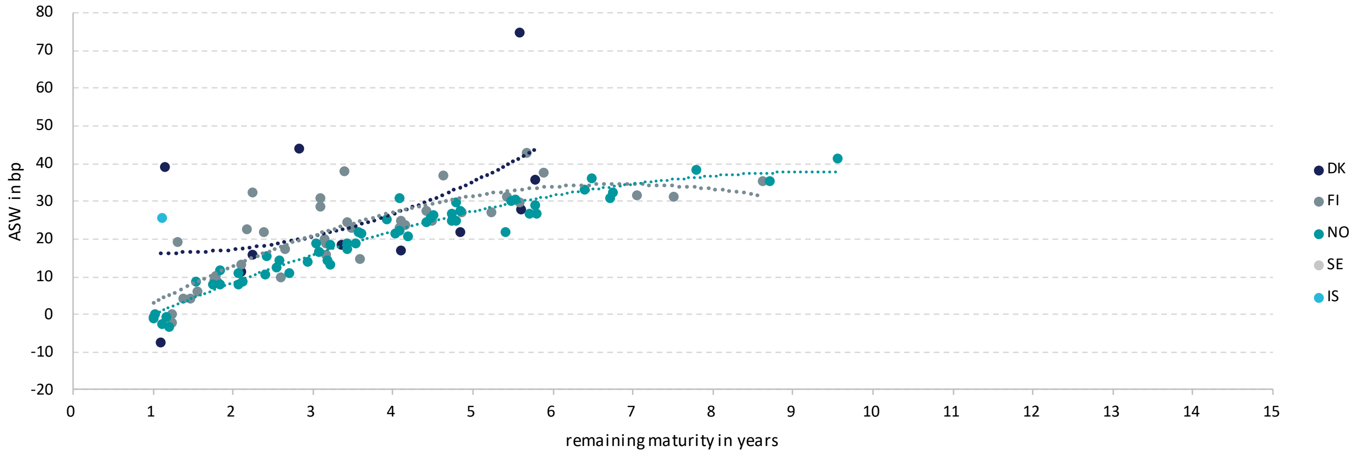


Benelux

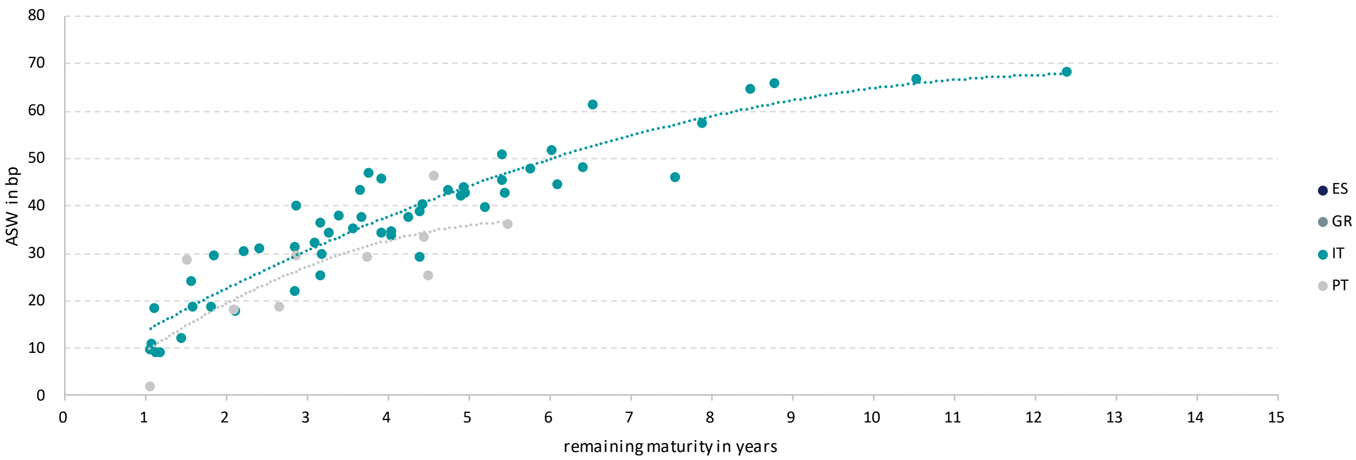


Source: Market data, Bloomberg, NORD/LB Floor Research [1] Time to maturity 1 ≤ y ≤ 15

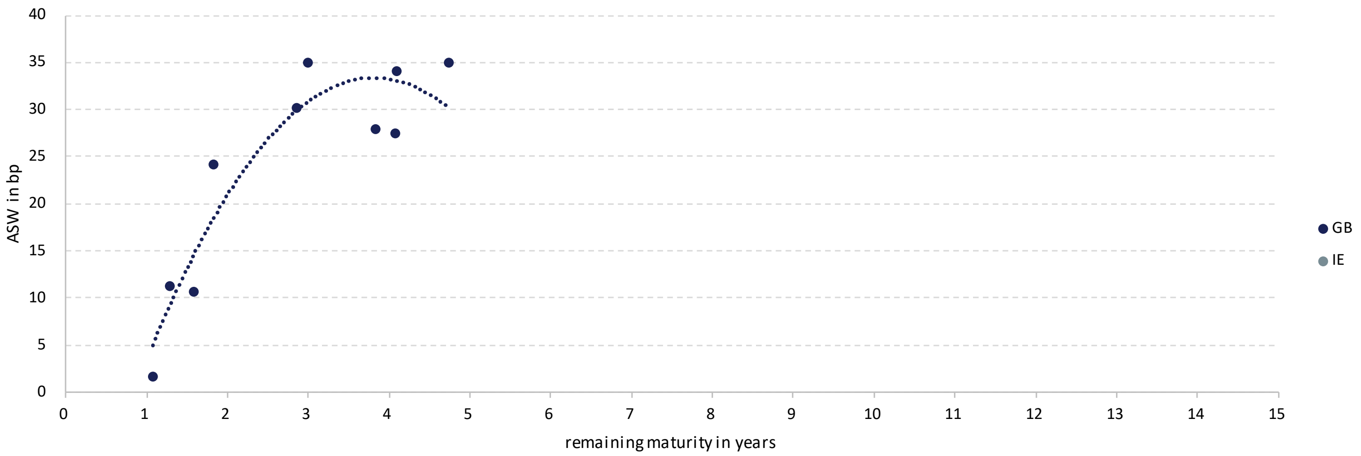
Nordics



Southern Europe

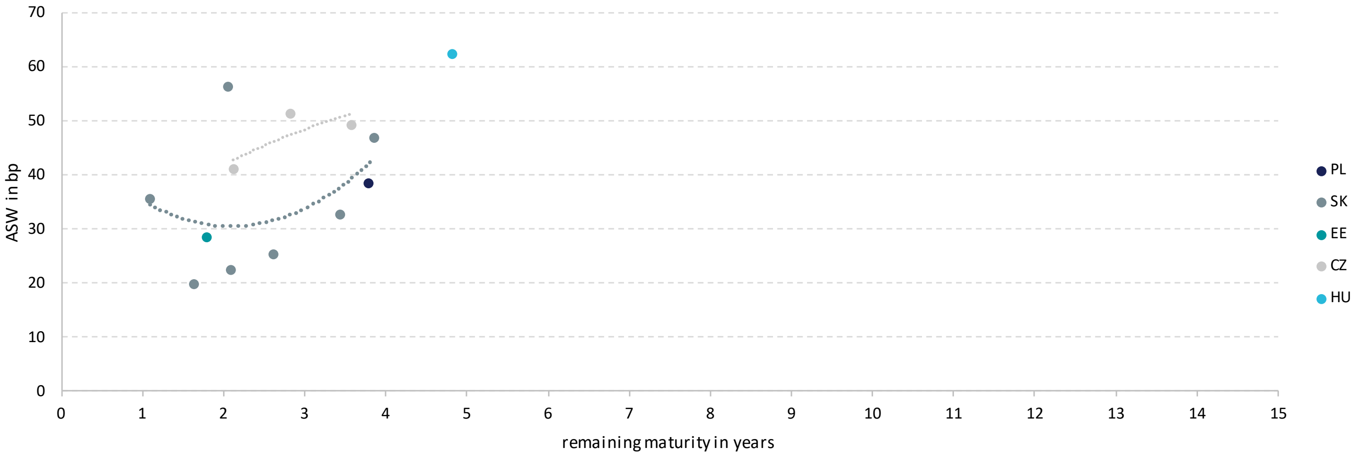


UK/IE

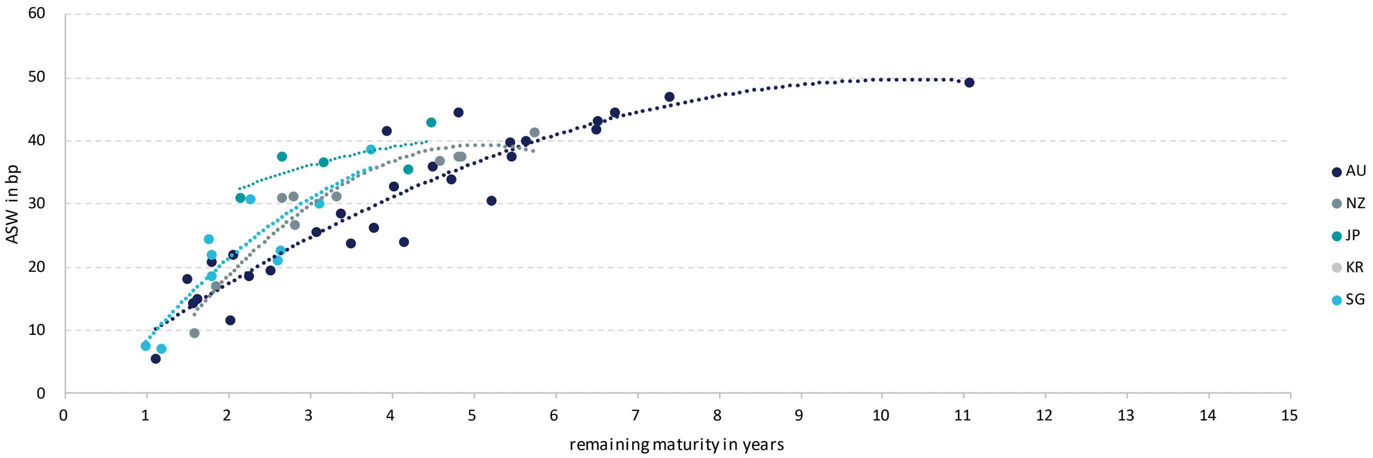


Source: Market data, Bloomberg, NORD/LB Floor Research

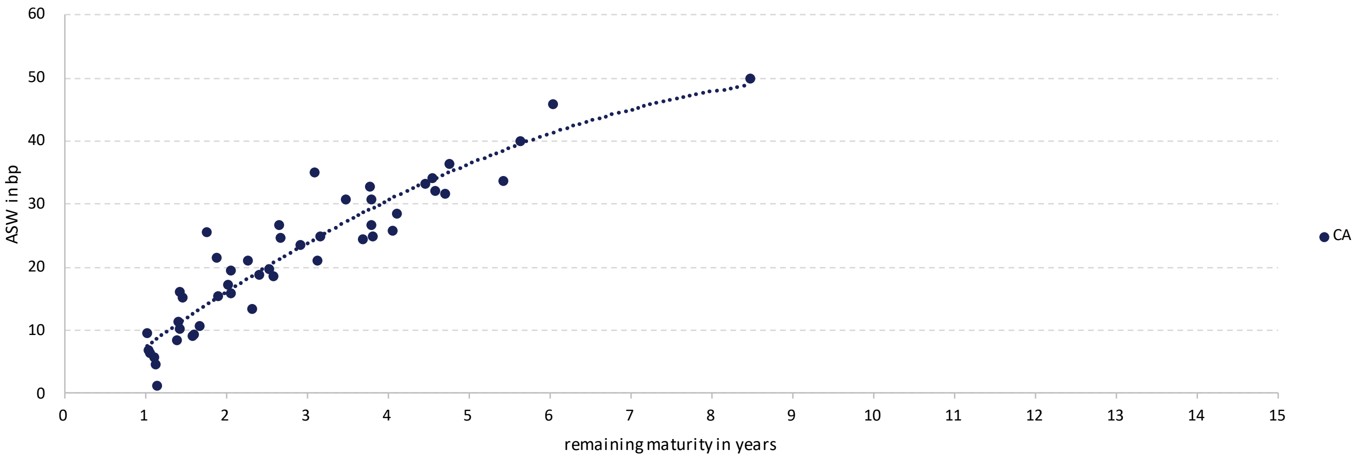
CEE



APAC



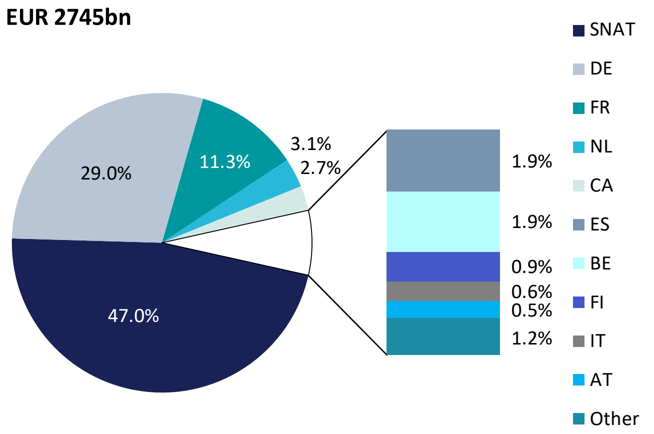
North America



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

Charts & Figures
SSA/Public Issuers

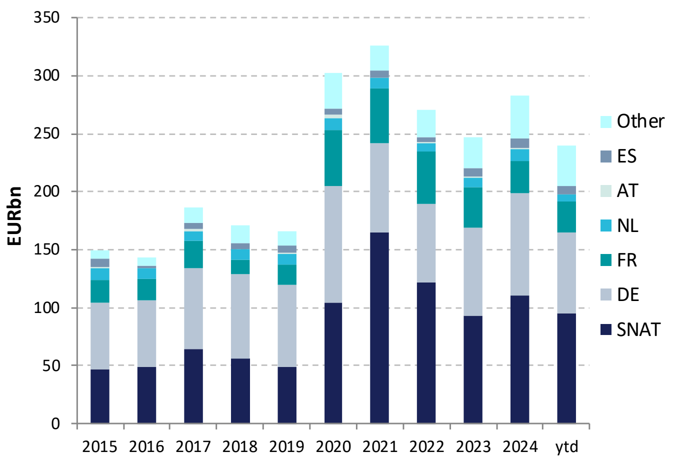
Outstanding volume (bmk)



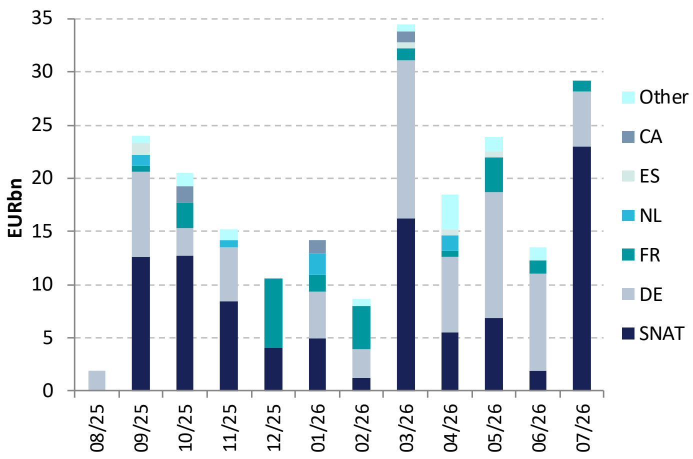
Top 10 countries (bmk)

Country	Vol. (EURbn)	No. of bonds	ØVol. (EURbn)	Vol. weight. ØMod. Dur.
SNAT	1,289.4	261	4.9	7.5
DE	795.2	600	1.3	5.9
FR	309.4	206	1.5	5.4
NL	86.2	68	1.3	6.0
CA	73.3	65	1.1	6.1
ES	52.1	75	0.7	4.9
BE	51.3	49	1.0	9.8
FI	25.0	26	1.0	4.1
IT	16.6	21	0.8	4.2
AT	14.5	20	0.7	4.6

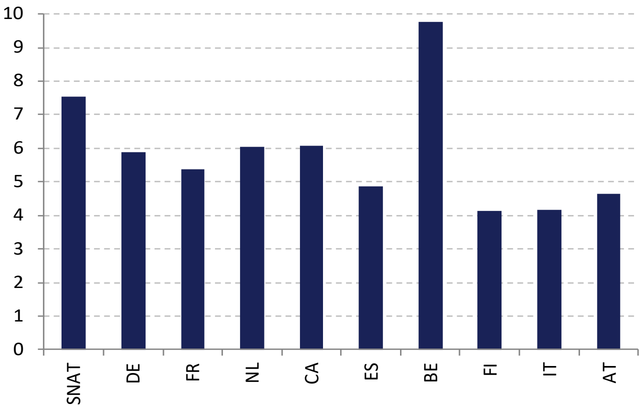
Issue volume by year (bmk)



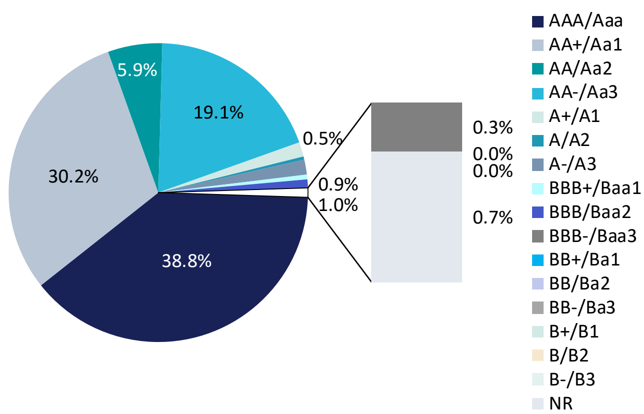
Maturities next 12 months (bmk)



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



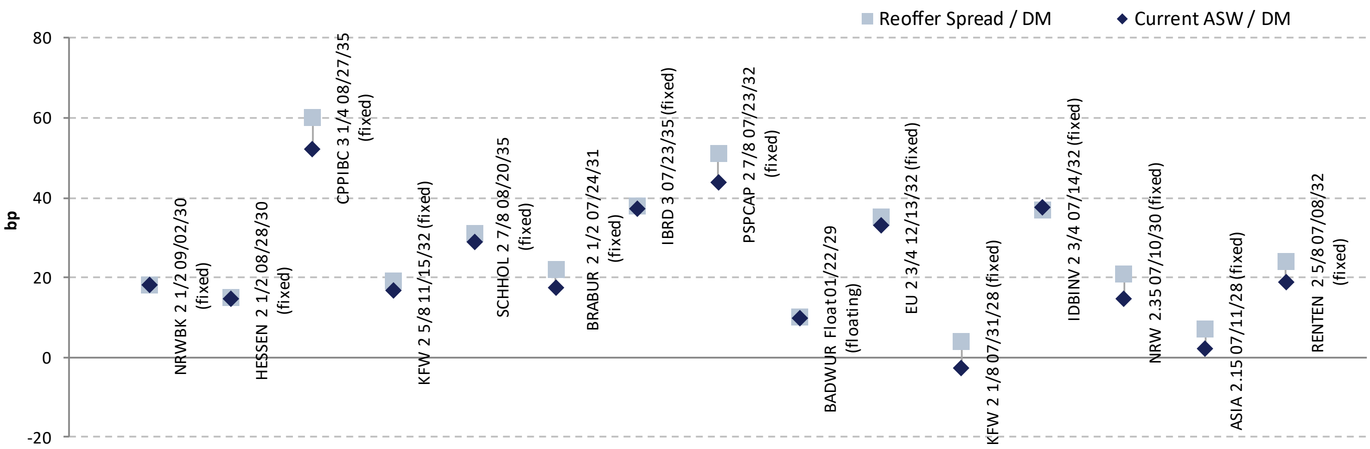
Rating distribution (vol. weighted)



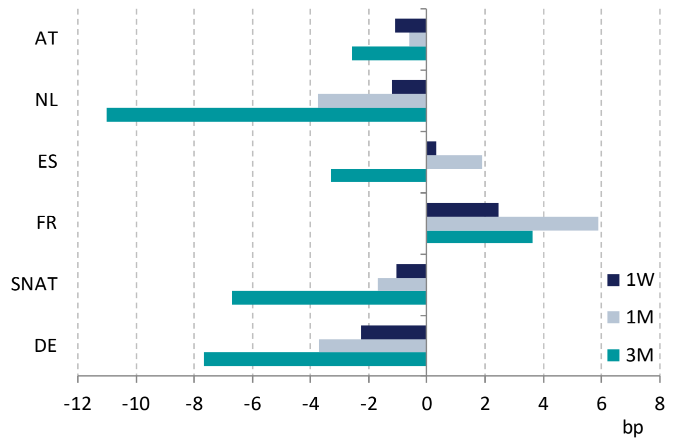
Source: Bloomberg, NORD/LB Floor Research

NORD/LB

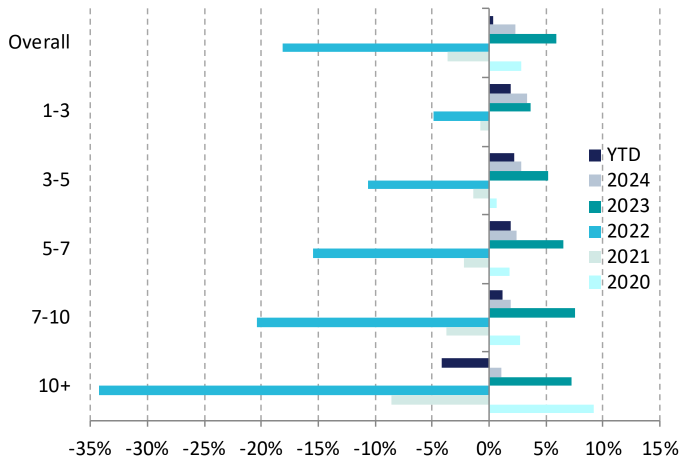
Spread development (last 15 issues)



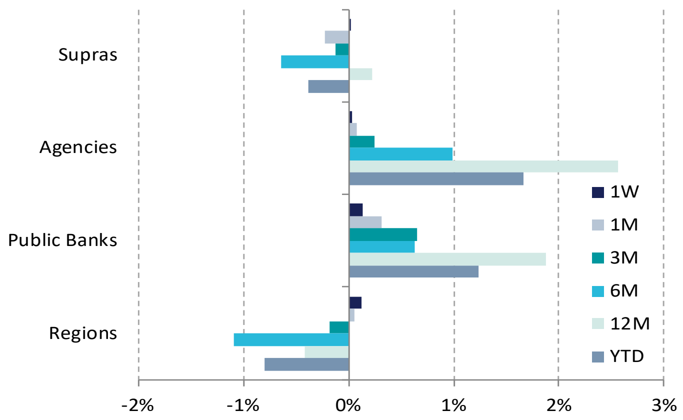
Spread development by country



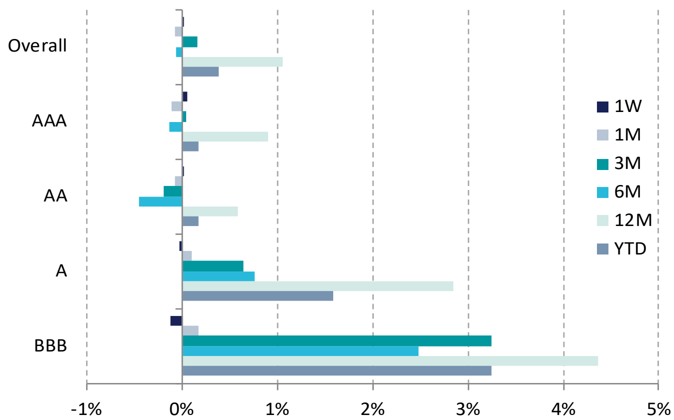
Performance (total return)



Performance (total return) by segments



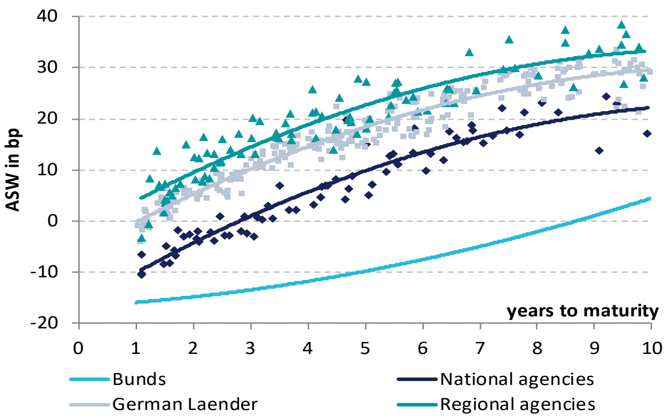
Performance (total return) by rating



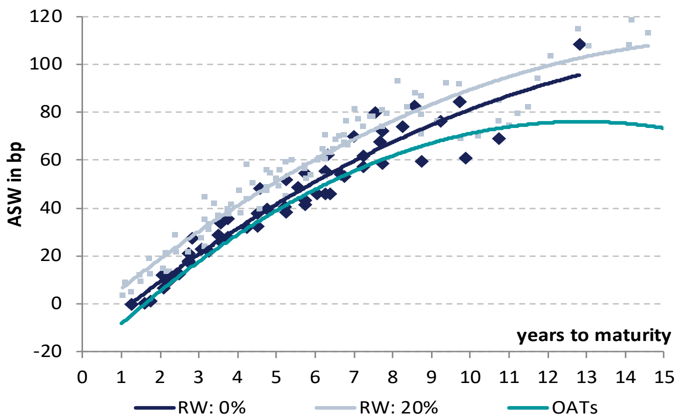
Source: Bloomberg, NORD/LB Floor Research

NORD/LB

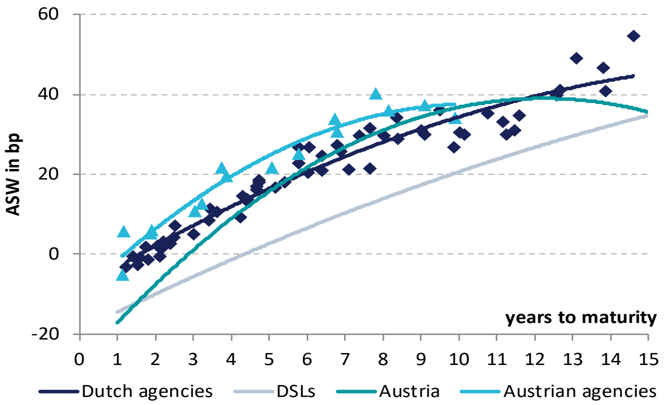
Germany (by segments)



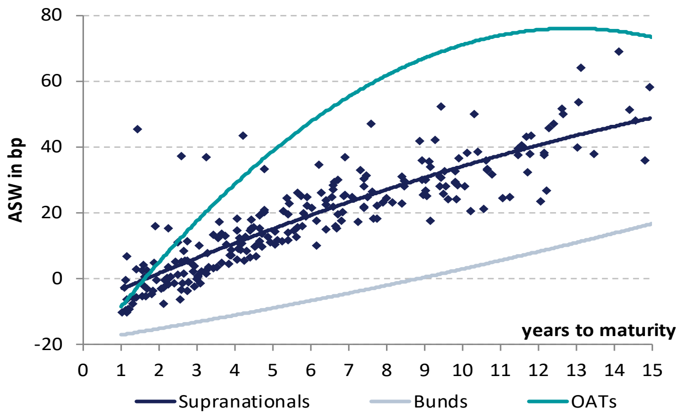
France (by risk weight)



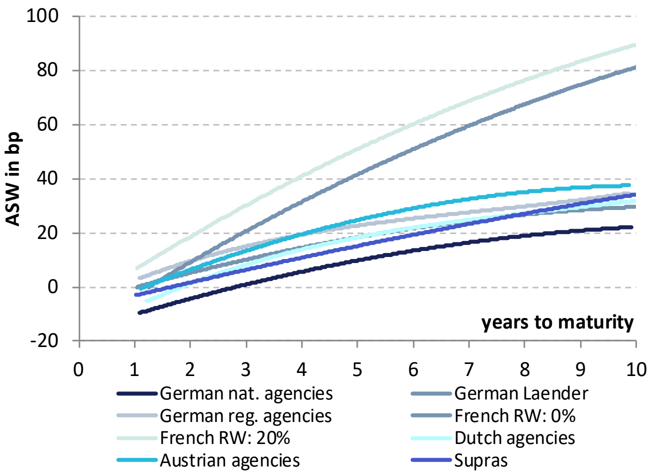
Netherlands & Austria



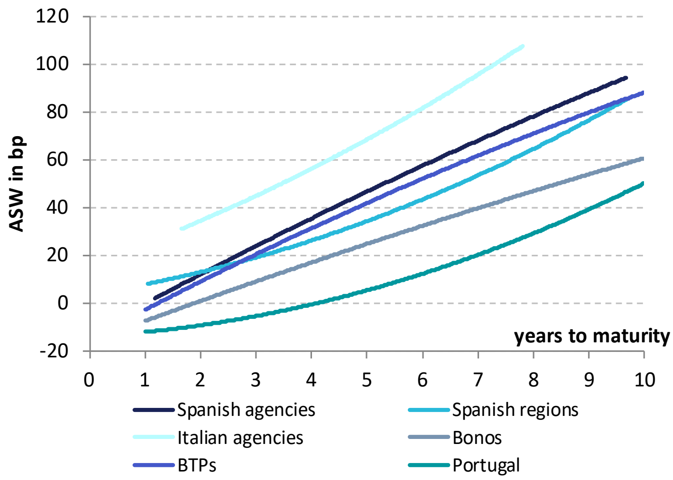
Supranationals



Core



Periphery

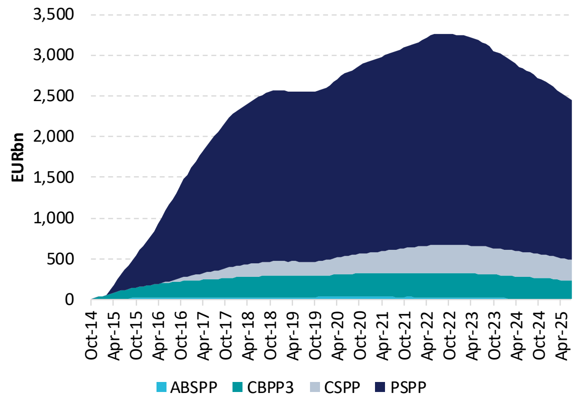


Source: Bloomberg, NORD/LB Floor Research

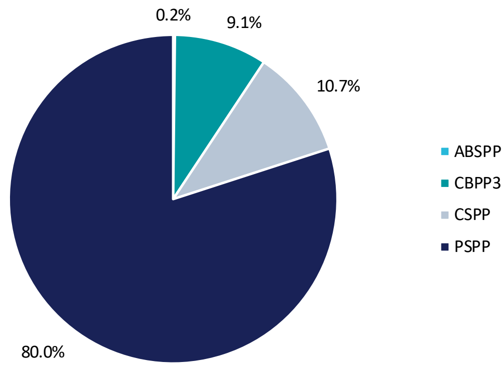
Charts & Figures
ECB tracker

Asset Purchase Programme (APP)

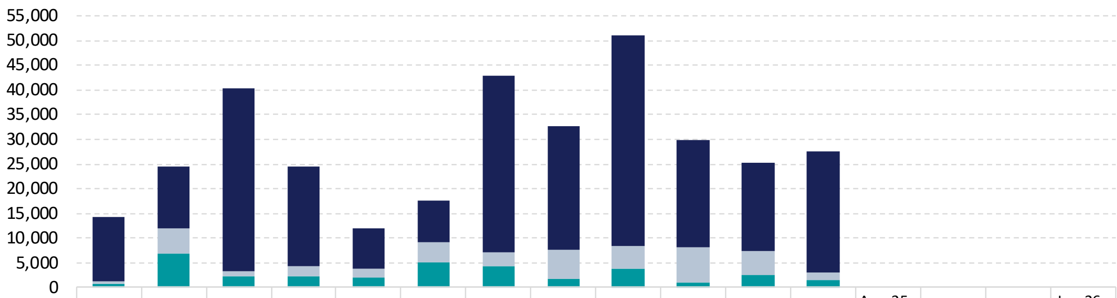
APP: Portfolio development



APP: Portfolio structure

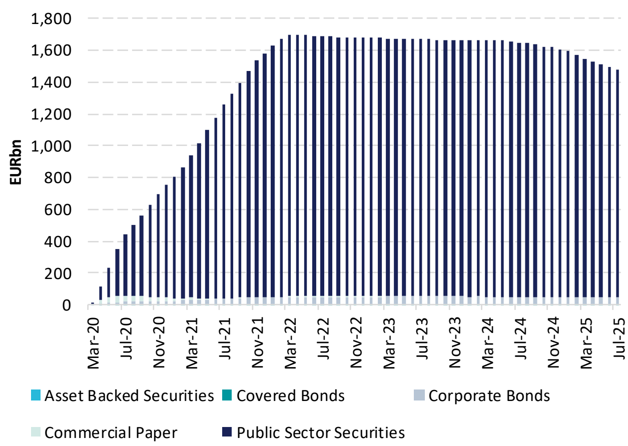


Expected monthly redemptions (in EURm)

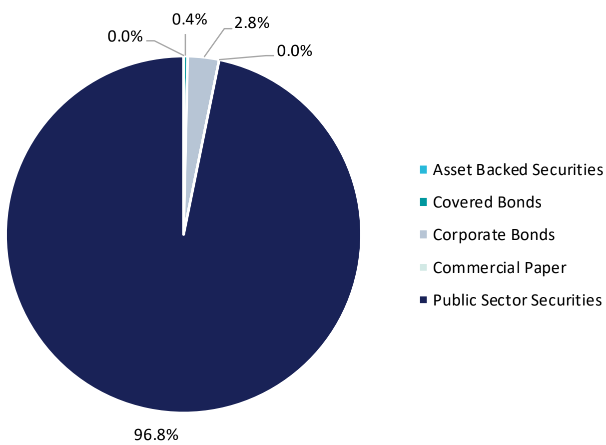


	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-25 - Jul-26	2024	2025	Jan-26 - Jul-26
APP	14,310	24,596	40,249	24,445	12,017	17,538	42,791	32,768	50,965	29,919	25,356	27,692	342,646	334,302	334,255	27,692
PSPP	13,114	12,568	37,073	20,060	8,274	8,318	35,650	25,077	42,520	21,748	17,964	24,590	266,956	264,480	253,586	24,590
CSPP	562	5,259	1,005	2,008	1,693	4,212	2,926	5,946	4,673	7,111	4,937	1,467	41,799	31,380	34,499	1,467
CBPP3	468	6,492	1,864	2,106	1,903	4,740	3,911	1,575	3,685	1,003	2,317	1,554	31,618	32,173	42,332	1,554
ABSPP	166	277	307	271	147	268	304	170	87	57	138	81	2,273	6,269	3,838	81

PEPP: Portfolio development



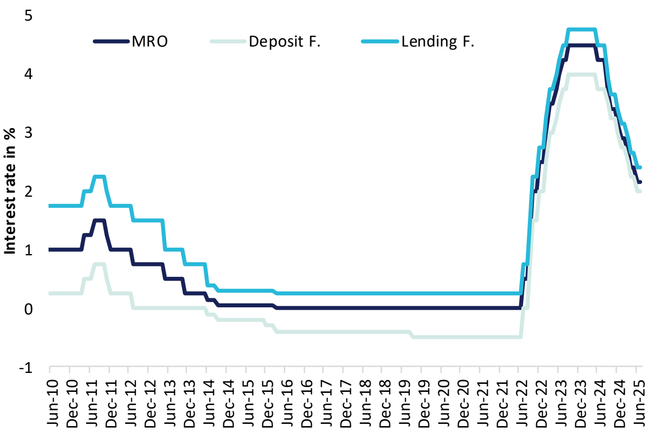
PEPP: Portfolio structure



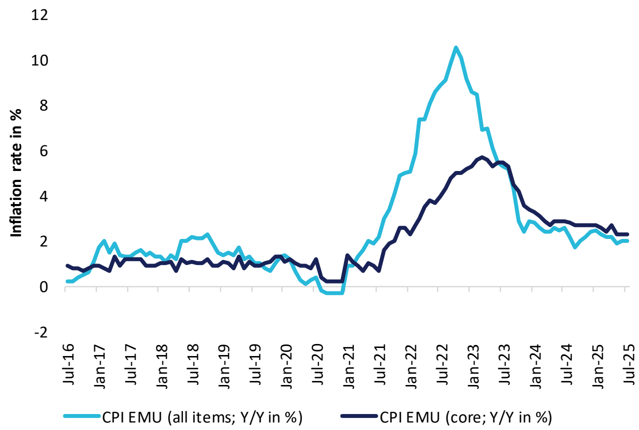
Source: ECB, NORD/LB Floor Research

Charts & Figures
Cross Asset

ECB key interest rates

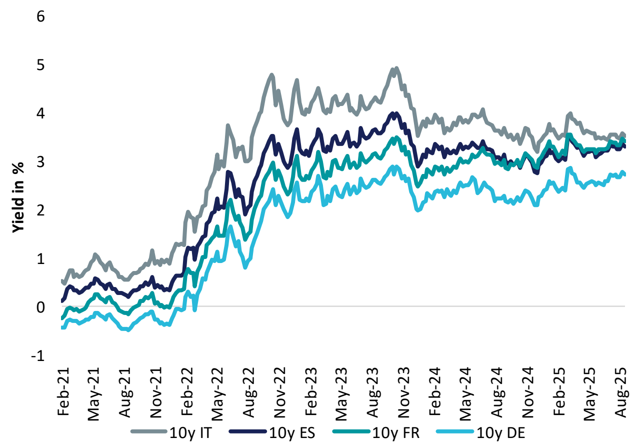


Inflation development in the euro area

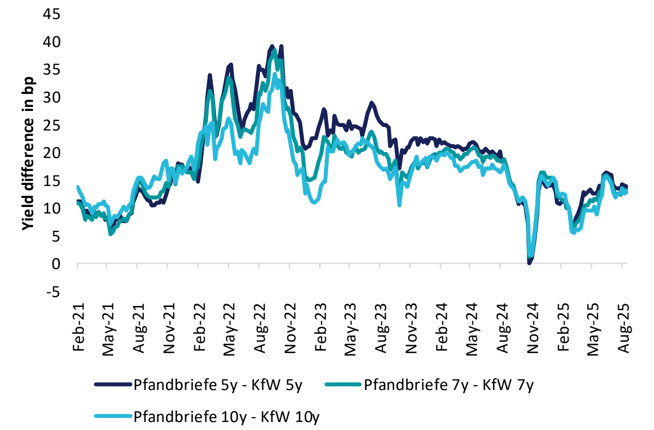


Bund-swap-spread

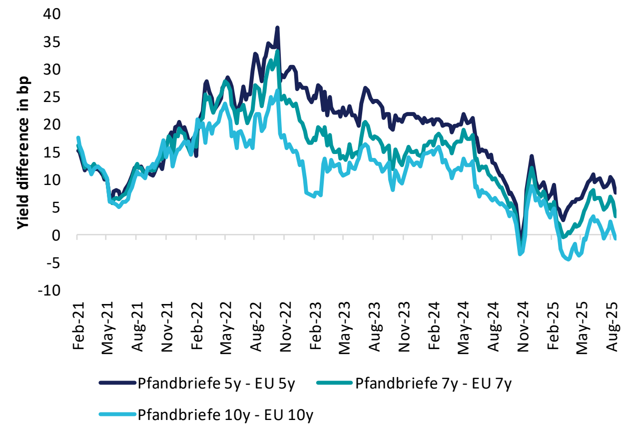
Selected yield developments (sovereigns)



Pfandbriefe vs. KfW



Pfandbriefe vs. EU



Source: ECB, Bloomberg, NORD/LB Floor Research

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Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
28/2025 ♦ 20 August	▪ Transparency requirements §28 PfandBG Q2/2025 ▪ Teaser: Issuer Guide – Spanish Agencies 2025
27/2025 ♦ 13 August	▪ Covereds – Relative value analysis: a stocktake of the situation ▪ SSA review: EUR-ESG benchmarks in H1/2025
26/2025 ♦ 06 August	▪ Repayment structures on the covered bond market: an update ▪ Teaser: Issuer Guide – German Agencies 2025
25/2025 ♦ 09 July	▪ The covered bond universe of Moody's: an overview ▪ Spotlight on the EU as a mega issuer
24/2025 ♦ 02 July	▪ Covereds: Half-year review and outlook for second half of 2025 ▪ SSA half-year review 2025 and outlook
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

NORD/LB:	**NORD/LB:**	**NORD/LB:**	**Bloomberg:**
Floor Research	Covered Bond Research	SSA/Public Issuers Research	Weekly: DS NDB <GO>

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 Q2/2025 (quarterly update)
- Transparency requirements §28 PfandBG Q2/2025 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 2025
- 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
- Summer break: Just a deep breath or ECB running out of steam?

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
Weekly: DS NDB <GO>

Appendix
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