We wish our readers a blessed start to the new year 2026!

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Covered Bond & SSA View

NORD/LB Floor Research

14 January 2026 ♦ 01/2026

Marketing communication (see disclaimer on the last pages)

Agenda

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Covered Bonds
Market overview

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Primary market kicks off the new year with a bang!

With 22 separate bond deals resulting in an aggregated issuance volume of EUR 21.8bn, describing the first eight trading days of the new year as busy would not quite do justice to the level of activity already seen on the primary market in 2026. This is all the more remarkable when we consider that the volume of covered bonds placed so far in 2026 is just EUR 4.1bn below the value seen across the whole of January last year (EUR 25.9bn). In actual fact, a comparison with the record month of January 2024 seems more appropriate, when the exact same total of EUR 21.8bn in new covered bonds was placed during the same period. Strong investor interest is the key to success for such a wave of new issues. The significant excess demand is currently reflected in high bid-to-cover ratios (average of 4.5x over the first eight trading days) and allows issuers to significantly reduce spreads during the marketing phase. At -0.2bp, the average new issue premium was accordingly meagre. In addition to a high issuance volume, it is also not unusual for a higher number of long-dated covered bonds to be placed at the start of the year. In this vein, six of the covered bonds placed on the primary market so far come with a term of ten years. Only BAWAG decided to go even further, ultimately opting for a maturity of 12 years for its new covered bond. In geographical terms, issuers from France and Germany have been the most active in the market in the new year, with six deals each originating from these two leading jurisdictions. As far as the geographical distribution of primary market deals in the first few trading days of the new year is concerned, an inaugural Israeli EUR benchmark certainly deserves a mention. In this regard, Bank Leumi Le-Israel successfully issued its first structured covered bond in the EUR benchmark segment on 13 January. In chronological order, the covered bond year 2026 actually kicked off on 05 January when Arkea Public Sector SCF got the ball rolling. With the exception of 06 January (Epiphany), at least two primary market transactions have been priced every trading day since the first deal of the new year. Owing to this veritable flood of new issues, we shall only highlight a few specific features in this section. For a more detailed summary of all deals, please refer to the tabular overview on the next page. In the midst of all this fresh supply, the total of five dual tranches certainly caught our eye: Caisse de Refinancement de l'Habitat (5.0y & 10.0y), Commerzbank (5.0y & 10.0y), Landesbank Hessen-Thüringen (4.5y & 9.0y), BAWAG (7.1y & 12.0y) and Bank of Nova Scotia (3.0y & 7.0y). Also noteworthy was the issuance of two covered bonds on a Friday, which can undoubtedly be attributed to the favourable issuance window in January and the high frequency of new issues. In this respect, Caisse Française de Financement Local (cf. Issuer View) and Norddeutsche Landesbank (cf. Issuer View) approached investors last Friday with fresh supply featuring maturities of 10.0y and 7.1y respectively. Finally, at this point we would like to highlight yesterday, 13 January, which in view of the number of deals (8 transactions) and the aggregated issuance volume (EUR 6.8bn) will in all probability rank among the busiest individual days across 2026 as a whole. It will be interesting to observe whether this dynamic start to the year will be sustained over the coming days and weeks, or whether a decline in demand will start to dampen the issuers' appetite for new deals. However, at present, we are not expecting the flood of fresh supply to come to an abrupt end.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
Bank Leumi Le-Israel	IL	13.01.	IL0012343351	5.0y	0.75bn	ms +68bp	AA- / Aa3 / -	-
Bank of Nova Scotia	CA	13.01.	XS3276317487	7.0y	1.25bn	ms +30bp	AAA / Aaa / -	-
Bank of Nova Scotia	CA	13.01.	XS3276321679	3.0y	1.25bn	ms +13bp	AAA / Aaa / -	-
Helaba	DE	13.01.	XS3276331553	9.0y	0.50bn	ms +24bp	- / Aaa / -	-
Helaba	DE	13.01.	XS3276327288	4.5y	0.75bn	ms +15bp	- / Aaa / -	-
BAWAG	AT	13.01.	XS3276183426	12.0y	0.50bn	ms +45bp	- / Aaa / -	-
BAWAG	AT	13.01.	XS3276183343	7.1y	0.75bn	ms +31bp	- / Aaa / -	-
National Bank of Canada	CA	13.01.	XS3275405309	5.0y	1.00bn	ms +24bp	AAA / Aaa / -	-
Bank of Montreal	CA	12.01.	XS3273186083	5.0y	1.50bn	ms +24bp	AAA / Aaa / -	-
Banco de Sabadell	ES	12.01.	ES0413860935	6.8y	0.50bn	ms +28bp	- / Aaa / -	-
DNB Boligkreditt	NO	12.01.	XS3275406885	6.0y	1.50bn	ms +20bp	- / Aaa / AAA	-
CAFFIL	FR	09.01.	FR0014015HK6	10.0y	1.00bn	ms +51bp	- / Aaa / -	-
NORD/LB	DE	09.01.	DE000NLB54C6	7.1y	0.75bn	ms +24bp	- / Aaa / -	-
Commerzbank	DE	08.01.	DE000CZ457V6	5.0y	1.25bn	ms +17bp	- / Aaa / -	-
Commerzbank	DE	08.01.	DE000CZ457U8	10.0y	1.25bn	ms +27bp	- / Aaa / -	-
BPCE SFH	FR	08.01.	FR0014015E17	10.0y	1.50bn	ms +52bp	- / Aaa / AAA	-
Credit Agricole SCF	FR	07.01.	FR0014015F81	7.0y	0.75bn	ms +41bp	- / Aaa / AAA	-
CRH	FR	07.01.	FR0014015FU9	5.0y	1.25bn	ms +29bp	AAA / Aaa / -	-
CRH	FR	07.01.	FR0014015FV7	10.0y	0.50bn	ms +54bp	AAA / Aaa / -	-
DZ HYP	DE	07.01.	DE000A4DFKQ8	10.1y	1.00bn	ms +28bp	- / Aaa / AAA	-
UniCredit Bank	DE	07.01.	DE000HV2A1C7	5.0y	1.50bn	ms +21bp	- / Aaa / -	-
Arkea Public Sector SCF	FR	05.01.	FR0014015EI7	10.0y	0.75bn	ms +56bp	- / Aaa / -	-

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

Secondary market: further spread tightening unlikely for the time being

The new issuances placed since the start of the new year created additional impetus on the secondary market. In this context, there was a distinct focus on fresh supply from France on the part of investors, with French new deals performing better on the secondary market than their German peers, for example. Overall, the first full trading week of the year was characterised by strong demand for primary market deals, which was also reflected in narrower secondary market spreads. This picture shifted somewhat at the start of the current trading week. In our view, pressure from Bund-swap-spreads and from a relative value perspective makes further spread tightening an unlikely prospect at present. Nevertheless, a minor countermovement cannot be entirely ruled out either.

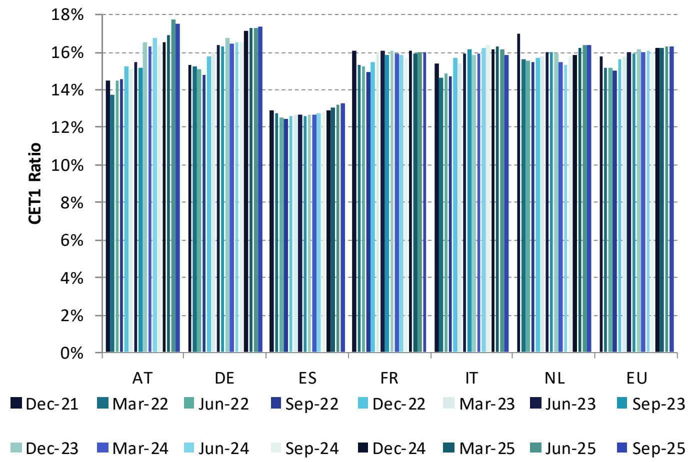
Two new issuers join the Covered Bond Label

On Monday, two active EUR benchmark issuers announced that they had joined the Covered Bond Label. In addition to OTP Jelzálogbank (OTP), which last year became the first issuer after a "long time no see" period since 2011 from Hungary in the EUR benchmark segment, BAWAG will in future also be making use of the uniform reporting standard under the Harmonised Transparency Template for two additional cover pools. This brings the number of issuers signed up to the Covered Bond Label to 156, covering 26 states and encompassing a total of 192 cover pools. Luca Bertalot (Secretary-General of the Covered Bond Label Foundation) expressed his delight that OTP, as the first issuer from Hungary, has expanded the geographical scope of the Covered Bond Label to include another jurisdiction and underlined the label's position as a reliable standard for investors. Csaba Nagy (CEO of OTP) sees his bank's decision to join the label as a milestone not only for OTP itself but also for the entire Hungarian covered bond market. In relation to BAWAG, Bertalot highlighted the fact that Austrian issuers are holding the label in greater esteem, as evidenced by the registration of two new cover pools under the Covered Bond Label.

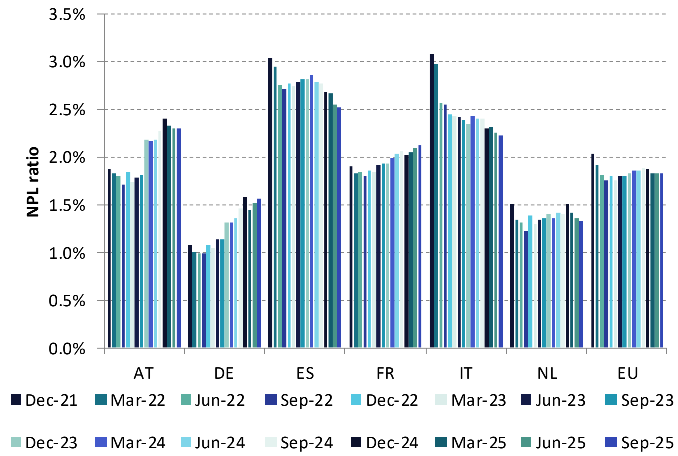
EBA Risk Dashboard: robust capitalisation of the banking sector

With its Risk Dashboard (RDB), the EBA offers a regular overview of potential risks in the European banking sector. The database, comprised of supervisory disclosures from the largest commercial banks in the EU/EEA, covers a range of indicators (including capitalisation and liquidity, asset quality and profitability, among others). The current reporting period covers the data for the third quarter of 2025. In the most recent version of the RDB (cf. press release), the EBA continues to view the situation of European banks as robust despite the presence of elevated macroeconomic and geopolitical risks, and therefore confirmed the assessments included in the previously published Risk Assessment Report (RAR). On average, the banks continue to be strongly capitalised compared with the previous quarter, which is supported by adequate profitability. In this respect, the average CET1 ratio remained unchanged versus the previous quarter at 16.3% across the EU/EEA at the end of Q3/2025. The quality of assets on bank balance sheets can also still be described as robust. Accordingly, the volume of non-performing loans (NPLs) remained largely stable at EUR 377.8bn. The average NPL ratio came to 1.8% in Q3/2025 (Q2/2025: 1.8%), and therefore remained at a low level. However, in the RAR, the EBA points out that the share of Stage 2 loans on bank balance sheets is high, particularly in the CRE segment and among SMEs. In its latest Regulatory Bulletin (RDB), the EBA concludes that the liquidity ratios of banks as at 30 September remain significantly in excess of the regulatory minimum requirements on average (LCR: 160.7%, NSFR: 126.8%). However, it should be noted that both the LCR and the NSFR have declined by 1.0 and 0.1 percentage points respectively. At present, sovereign bonds account for a greater share of the liquidity buffers. According to the EBA, this implies heightened sensitivity to market volatility. In addition to shedding light on the state of the European banking sector, the RDB also provides deeper insights into the funding behaviour of European banks. In the context of covered bonds, secured refinancing activities are of particular importance. The EU/EEA average share of secured funding stands at 31.7% (Q2/2025: 31.8%). The EBA's data also looks at the investment side. In specific terms, the regulatory body reports that Extremely High Quality Covered Bonds account for 6.8% of the weighted composition of liquid assets.

Risk Dashboard: CET1 Ratio



Risk Dashboard: NPL Ratio



Source: EBA, NORD/LB Floor Research

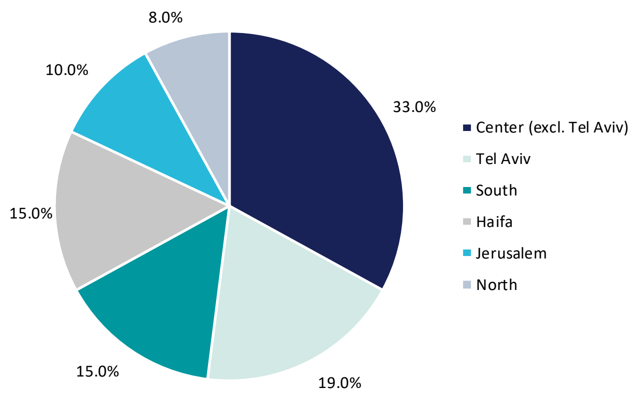
Newcomer to the EUR benchmark segment: Bank Leumi Le-Israel places inaugural deal

On 06 January 2026, Bank Leumi Le-Israel (Leumi) announced that it had mandated a consortium of banks for its first covered bond transaction in the EUR benchmark segment, which the Israeli bank successfully placed on 13 January. This not only represents its debut transaction, but also the first covered bond in the EUR benchmark segment from Israel. As measured by total assets (Q3/2025: EUR 213bn), Leumi is the largest bank in Israel and holds a market share of approx. 29% in the domestic market. As a universal bank, Leumi offers its customers a broad range of financial services. In addition to the core banking business, it also holds investments in companies outside the financial sector. In recent years, the bank has increasingly focused on the domestic market after deciding to scale back its international activities. The loan portfolio is primarily made up of mortgage loans (Q3/2025: 31.1%), corporate loans (17.7%), and real estate loans (14.4%). The bank's refinancing mix chiefly consists of customer deposits (Q3/2025: 79.4% of liabilities) and is supplemented by bonds and subordinated debt (4.7%).

Programme Summary

08 December 2025	Mortgage
Programm Size	EUR 3,000m
Cover pool volume	ILS 3,600m (EUR 972m)
OC (contractual / committed)	5.0% / 14.0%
Type	100% Residential
Main country	100% Israel
Format	Soft Bullet
Number of loans / borrowers	14,828 / 3,321
Weighted Average Seasoning (Cover Pool)	3.4y
Unindexed LTV	61.2%
CB Rating Expected (Fitch / Moody's / S&P)	AA- / Aa3 / -

Regional Distribution Cover Pool



Source: Issuers, rating agencies, Bloomberg, NORD/LB Floor Research

Leumi cover pool exclusively located in Israel

Given that Israel does not have covered bond legislation in place, Leumi issues structured covered bonds on a contractual basis. In this context, Leumi issues covered bonds that are guaranteed by a subsidiary. The necessary cover pool assets are also transferred to the subsidiary via a true sale, which is not an uncommon structure and is used in a similar form by Japanese and Swiss issuers for their covered bond issuances. The primary cover pool assets exclusively comprise residential mortgage loans based in Israel. As at 08 December 2025, the cover pool of Leumi was made up of assets in the amount of around EUR 972m. Leumi contractually guarantees an overcollateralisation (OC) ratio of at least 5%, while the committed OC is reported at 14%. The rating experts from Fitch and Moody's expect preliminary ratings of AA- and Aa3 to be respectively awarded for the bank's first covered bond transaction. Based on these ratings, a risk weight of 20% would apply to the issuer's covered bonds under the CRR. Given the lack of specific covered bond legislation, we take the view that Leumi's covered bonds are not suitable for use as assets for LCR management purposes. Moreover, we believe that the covered bond issues are not eligible for ECB repo funding either.

SSA/Public Issuers
Market overview

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

ECB: interest rates left unchanged in December – we are not expecting any changes in 2026 either

There were no surprises at Christmas; ultimately events played out as we had forecast: the ECB left all three interest rates unchanged for the fourth time in succession. Its focus was concentrated especially on the published *staff projections*, which provided an outlook through to 2028 for the first time. The ECB drew a slightly more positive picture of economic development for the next few years, which is likely to be supported by stronger domestic demand in particular. At the same time, President Lagarde emphasized the unusually high degree of uncertainty, particularly with regard to the geopolitical and economic environment, to which the forecasts are subject at the press conference. The ECB is therefore unlikely to see any reasons for the moment for deviating from its current monetary policy course and will especially seek to ensure that it remains flexible – even though it kept its cards very close to its chest, as usual, as far as any future steps are concerned. Since inflation is close to the symmetrical target of +2% in the medium term and the economy continues to demonstrate its resilience, the ECB is likely to believe that it is still well-positioned with its current monetary policy focus. We do not expect any changes to interest rates in 2026. In addition, there have been increasing signs over the last two weeks that the next move – albeit not until 2027 – could be to raise rates. This can also be inferred from the interest rate probabilities produced by the data provider Bloomberg, which we examined in our ECB Special "NO! You joyful… pause! – ECB keeps key rates unchanged".

Société des Grands Projets will benefit from a 0% risk weight and LCR Level 1 in future

The French agency Société des Grands Projets (SGP; ticker: SOGRPR) has seen a marked improvement in its regulatory treatment since 17 December last year. The national banking supervisory authority Autorité de Contrôle Prudentiel et de Résolution (ACPR) decided to treat exposure to SGP in the same way as exposure to the French government in future. According to Art. 116 (4) CRR, this results in a risk weight of 0% (previously: 20%). It also means that it can be classified as a Level 1 asset (previously: Level 2A) under the LCR Regulation. SGP will therefore benefit from the same advantages as the French agencies CADES, UNEDIC and CDCEPS. As a result, future imminent rating downgrades will no longer affect the treatment of the infrastructure operator by the regulator either. Previously, a possible downgrade by Moody's this year would, among other aspects, have meant that SGP would lose its LCR eligibility. This risk has been obviated by ACPR's decision regarding its future regulatory treatment. Its more advantageous conditions compared with other French agencies should also have a positive impact on funding terms. SGP intends to raise EUR 6bn of new funding in 2026. The entire amount is likely to be raised from new green issues.

Selected German funding figures in 2026

It is still very early in the year, which makes it even more worthwhile to look at the planned funding figures published so far by issuers here in Germany. Kreditanstalt für Wiederaufbau (KfW; ticker: KFW) intends to raise new funding of EUR 75-80bn on international capital markets in 2026. This corresponds to an increase on the previous year of just under EUR 10bn. Around EUR 15bn of the total volume is to be raised by issuing green bonds – made by KfW. Depending on market conditions, Germany's largest promotional bank is likely to exceed the EUR 100bn mark for the first time in terms of its new issuance volume for green bonds in Q1/2026 since the introduction of its green bond framework in 2014. Meanwhile KfW's maturities amount to EUR 69.5bn, meaning that ultimately net supply is likely to be positive. As the second national promotional bank in Germany, Landwirtschaftliche Rentenbank (ticker: RENTEN) also announced a funding volume of EUR 11bn with maturities of more than two years for 2026. In addition, we assume that the agency is likely to issue a EUR-denominated green bond again although no details have yet been provided by officials regarding this. This will be offset by aggregate maturities of EUR 8.7bn, meaning that Rentenbank's net new supply is also likely to be positive. With regard to the regional promotional banks, we assume that the funding target for NRW.BANK (ticker: NRWBK) is again likely to be around EUR 11-13bn. Wirtschafts- und Infrastrukturbank Hessen (ticker: WIBANK) meanwhile calculates a medium and long-term funding requirement of EUR 2.0bn. In contrast, Investitionsbank Schleswig-Holstein (ticker: IBBSH) has announced a funding target of EUR 800m.

Explicit government guarantee for TenneT NL

SSA market participants' focus has increasingly switched to the subsidiary of the Dutch electricity network operator TenneT – TenneT NL (ticker: TENNNL) – in recent weeks and months. Since 01 September 2025, the issuer has had an explicit guarantee from the Dutch government for (virtually) all outstanding and future liabilities. Only five bonds are excluded from the liability mechanism. In this context, it is important to mention that bonds under the TENNNL ticker were previously transferred from TenneT Holding (ticker: TENN) to the Dutch subsidiary and were therefore originally issued under another ticker. The government also retains a right of cancellation for the agreement, but this cannot be exercised before 31 December 2030 and then triggers a 12-year transition period. On the basis of the explicit guarantee, the rating agencies Moody's and S&P have adjusted their ratings for TenneT NL to the ratings of the Dutch government, meaning that the guaranteed liabilities are now rated "AAA". Well-known index providers, such as Markit, have also started classifying bonds issued under the ticker TENNNL as SSA bonds. From a regulatory perspective, the guaranteed ISINs will, in our opinion, now qualify for a risk weight of 0% according to CRR (as per Art. 116) as well as classification as Level 1 assets under the LCR Regulation. However, official confirmation of this assessment has not yet been received from the EBA or the Dutch central bank as the national supervisory authority. On 12 December 2025, TenneT NL also updated its EMTN programme against the backdrop of the government guarantee. The framework applies to liabilities up to and including 31 December 2042 and does not include any restriction on issuance volume.

Portugal repays EUR 2.5bn to the EFSM ahead of schedule

At the end of December last year, Portugal repaid EUR 2.5bn of its liabilities to the European Financial Stabilisation Mechanism (EFSM). The repayment related to the financial assistance programme provided for the country from 2011 to 2014. As part of the support payments, Portugal received EUR 24.3bn of EFSM loans as well as financial aid from the EFSF and the IMF. Following aggregate repayments of EUR 2bn by the EU Member State in 2022 and 2023, EUR 19.8bn of EFSM loans remains outstanding now. The financial resources are now to be used by the European Commission as part of its financing activities. The Commission also stressed that Portugal's premature repayment would have no impact on the bonds issued to finance EFSM loans. These will remain outstanding until their planned maturity.

Lower Saxony: State Parliament adopts 2026 budget

On 18 December last year, the State Parliament of our guarantor, Lower Saxony (ticker: NIESA) adopted the budget for 2026. The budget comes to EUR 48.2bn in total, which equates to an increase of EUR +2.6bn compared with the 2025 budget year. With regard to expenditure, the most funding is to be provided for "Education, Science, Research, Culture", namely EUR 11.8bn, followed by social benefits of EUR 10.6bn. Meanwhile, EUR 6.3bn is estimated for the municipal financial equalisation scheme. The formal investment ratio amounts to 8.9% in 2026, which represents a slight fall in comparison with the 9.5% in the previous budget year. However, the investments from the Federal Government's Special Fund have not yet been taken into account here. The other major items of expenditure include personnel expenses, which will increase by around +6% compared with the previous year. The 2026 budget also focuses especially on supporting municipalities in Lower Saxony. Having already received EUR 400m from the 2025 supplementary budget, they will receive a further EUR 200m for investments. As a result, and with the additional EUR 4.7bn from the Special Fund for Infrastructure and Climate Neutrality, they should be able to make significant progress in making up for investment backlogs. Net borrowing by the federal state amounting to EUR 1.7bn is envisaged to close the funding gap of EUR -3.5bn in the 2026 budget. The loan finance quotient will amount to 3.5%.

Nordics present 2026 funding targets

The two Scandinavian municipal financiers Kommuninvest i Sverige (ticker: KOMINS) and Municipality Finance (MuniFin, ticker: KUNTA) announced their funding targets for 2026 in mid-December 2025. As is clear from the relevant press release, Sweden's Kommuninvest again plans a funding requirement of SEK 150-170bn (EUR equivalent: EUR 14-16bn). The institution plans to issue in the most strategically important currencies, namely the domestic currency SEK, as well as EUR and USD. Given the growth in the green and social lending segments, bond issues in these formats can also be expected. In the meantime, Finland's MuniFin intends to raise EUR 9-10bn on international capital markets in 2026. A total of 50% of the funding is to be achieved by issuing benchmark bonds in EUR and USD. The other half will be accounted for by public transactions in other currencies, such as GBP, NOK, SEK and CNH for the first time, plus private placements. New issues are to have a maturity of 4-5 years. The ESG segment is also to be further serviced with new green and social bonds.

Primary market

Same procedure as every year: on 16 December last year, our guarantor, Lower Saxony (ticker: NIESA) issued mandates for a dual tranche consisting of a long five-year and a ten-year bond to open the SSA primary market in Europe in 2026. The books were then opened on 05 January. Demand from investors was very high for both tranches – which each have a volume of EUR 1.5bn. The shorter-dated bond generated an order book of EUR 7.4bn and was ultimately priced three basis points below guidance at ms +13bp. At the end of the marketing phase, investor interest for the ten-year bond totalled EUR 10.3bn, meaning that it was finally priced at ms +26bp (guidance: ms +29bp area). It was followed by Rhineland-Palatinate (ticker: RHIPAL) from the German Laender segment with a short maturity of two years and a volume of EUR 1bn. The deal was ultimately concluded in line with guidance at ms +1bp. The order book only reached EUR 750m, whereby the sub-sovereign retained EUR 250m of the issuance volume. North Rhine-Westphalia (ticker: NRW) also put its money where its mouth is and provided fresh supply at the long end of the curve. The bond in the amount of EUR 1bn over 30 years generated an order book of EUR 21.4bn and was priced three basis points below guidance at ms +62bp. Similarly to Lower Saxony, the State of Berlin (ticker: BERGER) also issued a dual tranche – albeit in the form of a benchmark and a tap: the new bond worth EUR 2bn (20y) also proved to be highly popular and the order book stood at EUR 16bn at the end of the book-building process. In terms of volume, it was the largest new issue by the German capital. The deal was ultimately priced at a reoffer spread of ms +43bp. Moreover, BERGER 2.75% 01/16/2032 was increased by EUR 500m at ms +14bp (guidance: ms +16bp area). The bid-to-cover ratio stood at 8.0x. Berlin has announced a funding requirement of at least EUR 10.0bn for 2026 as a whole. Baden-Wuerttemberg (ticker: BADWUR) also broke cover with a floater: the order book for the FRN with a volume of EUR 750m over a term of six years amounted to EUR 500m at the end of the marketing phase, meaning that the bond was ultimately issued in line with guidance at +12bp above 6M Euribor. Away from the Laender segment, a German agency, namely KfW (ticker: KFW) also featured on the primary market: the promotional bank opted for a dual tranche consisting of two new benchmarks each worth EUR 5bn. The shorter-dated bond with a term of three years started the marketing phase with a guidance of ms +5bp area. The final order book of EUR 47bn ultimately allowed the spread to be reduced by two basis points, meaning that it was printed at ms +3bp. Orders for the 10y tranche totalled EUR 50bn, which is a KfW-specific record volume. This resulted in narrowing of three basis points compared with the guidance and the deal was priced at ms +17bp. Let us now turn our attention to Belgium: Wallonia (ticker: WALLOO) also approached investors with a dual tranche (long 8y and short 20y). The order book for the shorter-dated bond in the amount of EUR 1bn reached EUR 9.2bn, meaning that it was priced at OLO +38bp (corresponds roughly to ms +68bp; guidance: OLO +40bp area). The long-dated bond generated significantly less demand (order book: EUR 3.3bn). In this case too, the fresh funding of EUR 1bn was placed at OLO +39bp (approx. ms +116bp; guidance: OLO +40bp area). Wallonia has announced a funding requirement of EUR 3.3bn for 2026.

Primary market (continued)

In the meantime, a sub-sovereign and an agency from France also raised fresh capital: Île-de-France (ticker: IDF) started proceedings in the shape of a sustainability bond worth EUR 1bn over ten years. The bid-to-cover ratio amounted to 3.0x, meaning that the deal was completed at OAT +10bp (this corresponds to around ms +74bp; guidance: OAT +13bp area). From the agency segment, CADES (ticker: CADES) entered the market, issuing EUR 2.5bn in the form of a social bond (long 7y) at OAT +8bp (approx. ms +54bp; guidance: OAT +10bp area). In the end, the order book totalled EUR 8.5bn, meaning that the deal was more than 3.0x oversubscribed. Further supply in the ESG segment came from the Far East: Japan Finance Organization for Municipalities (ticker: JFM) issued a green bond (5y) amounting to EUR 750m at ms +31bp (bid-to-cover ratio: 5.1x; guidance: ms +36bp area). Remaining in this far-flung corner of the world, a supranational from this region also appeared on our screens in the shape of the Asian Development Bank (ticker: ASIA): in total, EUR 2.5bn was raised over a term of three years with final pricing of ms +3bp. E-supras also seized the moment: EFSF (ticker: EFSF) opted for a dual tranche consisting of two bonds. The principal role was played by the 10y bond worth EUR 4bn, which was placed at ms +30bp (guidance: ms +33bp area; order book: EUR 37.5bn). A three-year bond in the amount of EUR 3bn was also issued at ms +5bp (guidance: ms +6bp area; order book: EUR 18bn). Moreover, the EU (ticker: EU) approached investors with a dual tranche comprising a fresh bond and a tap: the new benchmark (long 3y) with an issuance volume of EUR 6bn ultimately came in at ms +3bp and was more than 10x oversubscribed (guidance: ms +5bp area), while at the same time EU 4% 10/12/2055 was also increased by EUR 5bn at ms +90bp (guidance: ms +92bp area). The bid-to-cover ratio for this tranche amounted to 19.4x. Last but not least, on the other side of the Atlantic, the Canadian pension fund CPPIB Capital (ticker: CPPIBC) ventured onto the market, issuing EUR 2bn over ten years at ms +46bp (order book: EUR 19.2bn; guidance: ms +48bp area). New mandates for the next trading week: KOMINS (BMK, 3y) and HESSEN (BMK, 10y).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
CADES	FR	13.01.	FR0014015JW7	7.3y	2.50bn	ms +54bp	A+ / Aa3 / A+	X
EU	SNAT	13.01.	EU000A4ENP68	3.4y	6.00bn	ms +3bp	AAA / Aaa / AA+	-
CPPIBC	CA	13.01.	XS3277031459	10.5y	2.00bn	ms +46bp	- / Aaa / AAA	-
IDF	FR	12.01.	FR0014015IR9	10.3y	1.00bn	ms +74bp	A+ / Aa3 / -	X
EFSF	SNAT	12.01.	EU000A2SCAX8	10.0y	4.00bn	ms +30bp	A+ / Aaa / A+	-
EFSF	SNAT	12.01.	EU000A2SCAW0	3.0y	3.00bn	ms +5bp	A+ / Aaa / A+	-
BADWUR	DE	12.01.	DE000A3H2572	6.0y	0.75bn	6mE +12bp	- / - / AA+	-
WALLOO	BE	09.01.	BE0390282516	19.4y	1.00bn	ms +116bp	- / A3 / -	-
WALLOO	BE	09.01.	BE0390281500	8.8y	1.00bn	ms +68bp	- / A3 / -	-
BERGER	DE	09.01.	DE000A4DE9K2	20.0y	2.00bn	ms +43bp	AAA / Aa1 / -	-
JFM	Other	08.01.	XS3261940426	5.0y	0.75bn	ms +31bp	- / A1 / A+	X
ASIA	SNAT	08.01.	XS3272371876	3.0y	2.50bn	ms +3bp	AAA / Aaa / AAA	-
NRW	DE	08.01.	DE000NRW0P99	30.0y	1.00bn	ms +62bp	AAA / Aa1 / AA	-
RHIPAL	DE	08.01.	DE000RLP1650	2.0y	1.00bn	ms +1bp	AAA / - / -	-
KFW	DE	07.01.	DE000A460C98	9.9y	5.00bn	ms +17bp	- / Aaa / AAA	-
KFW	DE	07.01.	DE000A460C80	3.4y	5.00bn	ms +3bp	- / Aaa / AAA	-
EIB	SNAT	07.01.	EU000A4EM8H8	10.0y	6.00bn	ms +19bp	AAA / Aaa / AAA	-
NIESA	DE	05.01.	DE000A460EH3	10.0y	1.50bn	ms +26bp	AAA / - / -	-
NIESA	DE	05.01.	DE000A460EG5	5.3y	1.50bn	ms +13bp	AAA / - / -	-

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

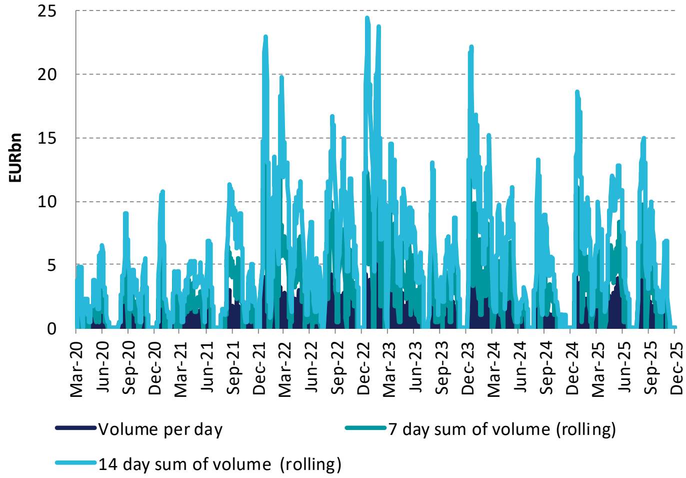
Covered Bonds
Annual review of 2025 – Covered Bonds

Authors: Lukas Kühne // Dr Norman Rudschuck

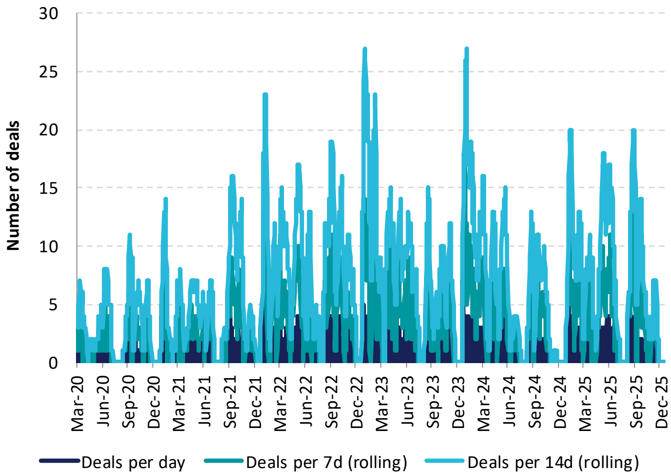
Review of the 2025 covered bond year

The start to 2025 was certainly notable, especially with regard to the volume of new issues on the primary covered bond market. However, the EUR 25.9bn issued in January was markedly less than in previous years. Issuers seemed to focus more on the issuance of unsecured bonds at the beginning of the year. This rather sluggish environment was sustained in the following months. In addition, the new tariff policy brought the covered bond market to a standstill in April, which was only resolved when the US government decided to postpone the tariff measures by 90 days. As summer approached, the volume of issuances on the primary market became noticeably more dynamic. This development was driven by lower spreads and continued high demand. The consistently high level of interest from investors over 2025 was reflected in low new issue premiums and high bid-to-cover ratios, among other features. Spreads narrowed significantly over the course of the year, driven in particular by high demand and relative value considerations. This trend was observed across jurisdictions and was not limited to individual countries. Due to political instability and the high government deficit, the spread performance of French covered bonds was lower than in most other jurisdictions. Nevertheless, French banks were among the most active covered bond issuers in the EUR benchmark segment. The "French debate" accompanied us throughout 2025 and is likely to be an important topic for 2026 due to the still unresolved problems. In the remainder of this article, we shall present a more detailed review of the covered bond year, elaborating on the "highlights" briefly outlined above, before also taking a look at other relevant factors.

EUR BMK: daily issuance volume (EURbn)



EUR BMK: daily number of issues

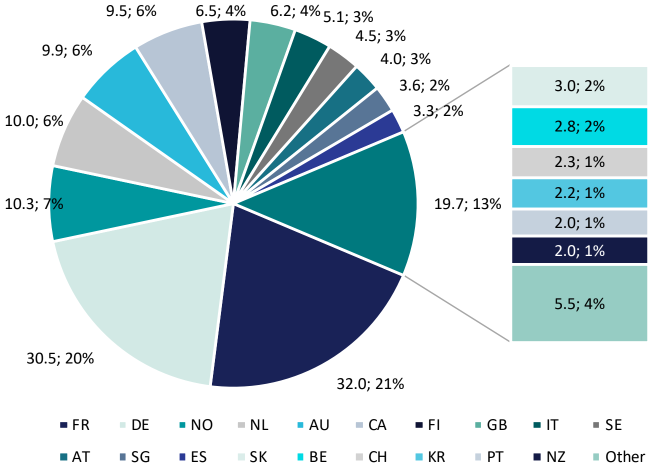


Source: Market data, NORD/LB Floor Research

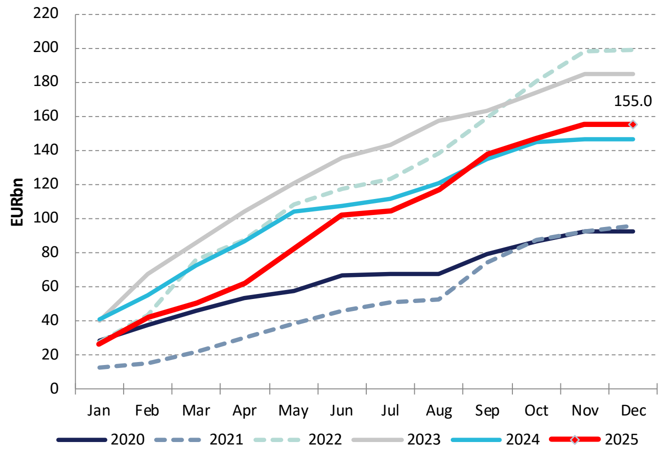
New issue volume: weaker start, but strong recovery

The 2025 covered bond year only started on 08 January following a slight delay, owing to the uncertainty regarding the "actual" fair value level of new issues and calendar-related effects. The reason for the ambiguous fair value determination was the shift in the relative value of covered bonds when compared with other asset classes that took place at the end of 2024 and was driven by the Bund-swap-spread, among other factors. Against this backdrop, the volume of new issues in January came to EUR 25.9bn, reflecting a considerable drop on the figures seen in the previous two years of EUR 40.6bn (2024) and EUR 39.7bn (2023). In the months following January 2025, issuances also failed to quite achieve the momentum of previous years. The volume of newly issued covered bonds at the end of the first quarter was around 30% down on the previous year. Especially at the start of the year, some issuers evidently preferred the issuance of unsecured bonds, which was reflected in low new issue levels in the covered bond segment. The lower spread differences between senior bonds and covered bonds may have been a key reason in terms of appeal why issuers opted instead for the placement of unsecured bonds. The country-specific reciprocal tariffs announced by the US government on 02 April and the associated uncertainty led to a brief pause in issuances on the primary market, which quickly subsided with the announcement that the tariffs would be suspended. Issuance activities on the primary market picked up noticeably over the course of the first half of the year, with the months of May and June being particularly busy in terms of issuance volumes. Possible reasons for this renewed momentum can undoubtedly be seen in certain catch-up effects due to the low level of fresh supply at the start of the year, as well as in the 90-day tariff break, which promised a relatively calm political environment. In June, for example, we observed a new record issue volume of newly placed covered bonds of EUR 20.9bn. Accordingly, the new offering at the end of the first half of the year was only EUR -5.4bn below the issue volume of the previous year. The primary market maintained this positive momentum over the summer break and never really slowed until November. In 2025, a total covered bond volume of EUR 155.0bn was placed in the EUR benchmark segment, therefore exceeding the issue volume from 2024 (EUR 146.5bn).

Issue volume EUR BMK 2025 (EUR 155.0bn)



EUR BMK: comparison of issue trends year on year

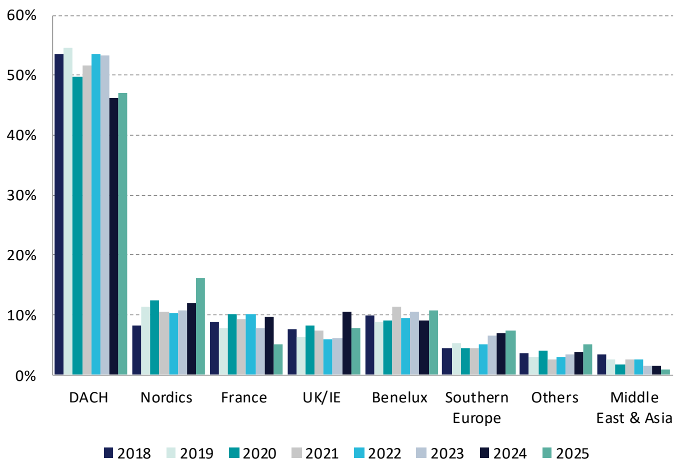


Source: Market data, NORD/LB Floor Research

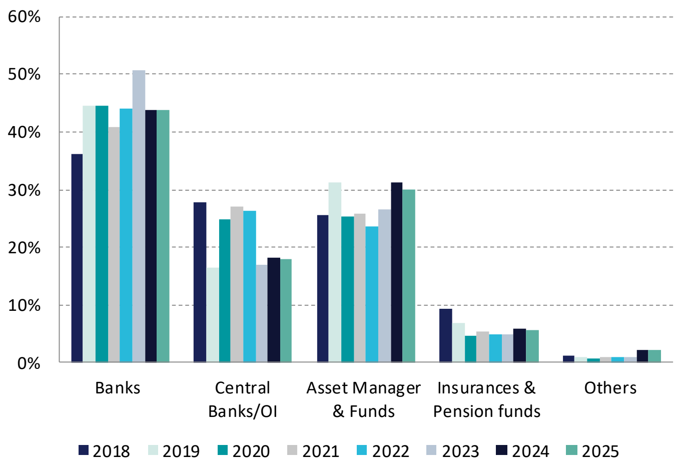
Positive net supply 2025 amounts to EUR 28.1bn

In terms of net supply, market growth was driven by France (net supply: EUR 10.7bn), Germany (EUR 11.0bn) and the Netherlands (EUR 6.8bn). By contrast, the covered bond market in Spain diminished significantly with a net new issuance volume of EUR -14bn. This development is mainly due to the high deposit base of banks on the Iberian Peninsula coupled with moderate new business and the market consolidation trend seen in recent years. In addition to Spain, a contracting covered bond market could also be observed in Italy (net new issuance volume: EUR -4.4bn) and Sweden (EUR -1.4bn), among others. Accordingly, nuances must be considered when looking at covered bond market growth in different jurisdictions as well as the regional circumstances in each case.

Primary market distribution by investor region



Primary market distribution by investor type



Source: Market data, NORD/LB Floor Research

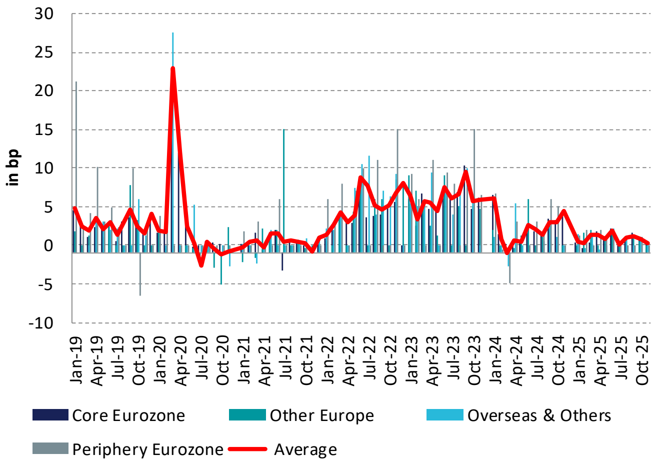
Investor base largely remained stable

In terms of investor distribution, the 2025 covered bond year was not defined by any significant shifts. Bank treasuries and asset managers & funds represented the most important investor groups, accounting for 74% of the total allocated volume in 2025. Since the termination of the purchase programmes, the share of central banks among covered bond investors has seen a notable decline, but they nevertheless continue to represent an important investor group. In the case of insurance firms and pension funds, issuers' preference for the medium maturity bands does not seem to have generated an increased appetite for covered bonds in 2025. Accordingly, the share of these investor groups in the allocations remains in the single-digit range. In terms of regional distribution, the majority of investors come from the German-speaking countries of Austria, Germany and Switzerland, accounting for 47% of the allocated issue volume. The higher proportion of covered bond investors from the Nordic countries in 2025 is remarkable, rising from 12.0% in 2024 to 16.1%. This is likely to be rooted in the home bias of many investors on the covered bond market. In 2025, issuers from the Nordics placed covered bonds of EUR 23.0bn in the EUR benchmark segment, which is a new record. Demand from local investors was particularly high for issuances from their home countries, which caused a rise in the share of investors from the Nordics in the aggregated statistics, on account of the overall high issue volume from this region.

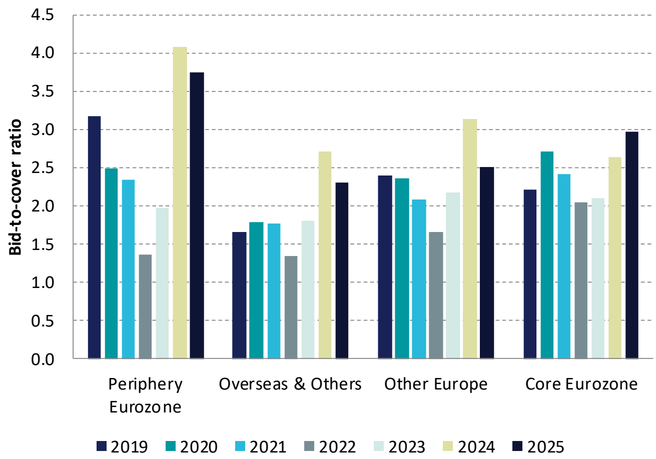
New issue premiums persistently low over the entire year

The 2025 covered bond year was characterised by consistently high demand. This was reflected in high bid-to-cover ratios and low or in some cases even negative new issue premiums (NIP). For example, the average NIP in 2025 was 1.0bp, whereas in the previous two years it was 2.6bp (2024) and 5.8bp (2023), respectively. The fluctuation range of the NIP was also relatively small in 2025 when compared with previous years. However, at 2.84x in 2025, bid-to-cover ratios were almost identical to the previous year (2024: 2.88x). The high demand led to well-filled order books, with even significant spread reductions in the marketing phase not causing any swift decreases in order books. The combination of fair value and reoffer spread, especially compared with unsecured bonds, has in our view resulted in covered bonds being seen as more attractive over the course of the year.

New issue premiums (in bp)



Bid-to-cover ratios



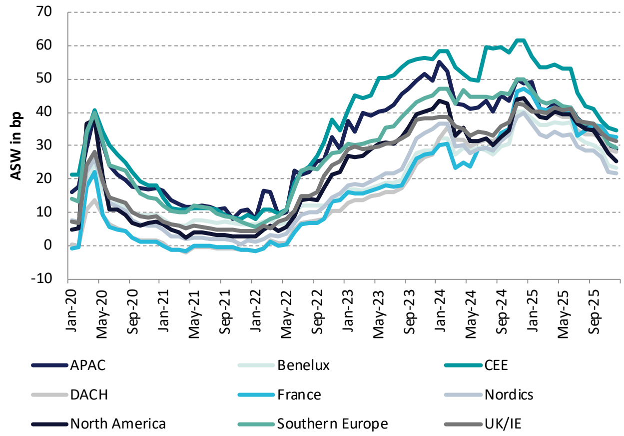
Source: Market data, NORD/LB Floor Research

Secondary market: spreads decline across practically the entire previous year

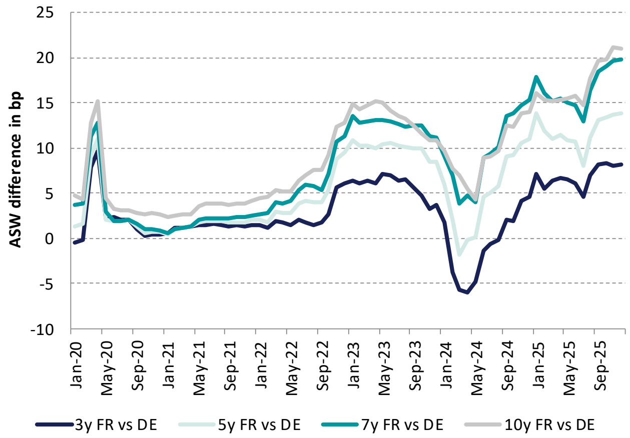
The spread trend in 2025 was largely driven by the “classic” covered bond-specific supply and demand factors. Persistently high demand led to a decline in spreads for most of the year. However, uncertainty regarding the fair value level of new issues still prevailed at the start of the year as a result of the shift in the Bund-swap-spread. Accordingly, the first new issues in 2025 went on the market with a pick-up versus the previous year. The year-on-year decline in the new issuance volume in the first quarter combined with high demand led to a noticeable narrowing of spreads on the covered bond market. This trend towards narrower spreads was a constant companion throughout the rest of the year and not limited to individual jurisdictions. Rather, the spread differences between the individual jurisdictions increasingly disappeared. By contrast, the development was more nuanced when it came to French covered bonds. Due to increased uncertainty with regard to political stability and the large budget deficit, spread performance in France was significantly weaker than in most of the other EUR benchmark jurisdictions. Accordingly, the spread difference between French covered bonds and Pfandbriefe continued to increase in 2025, while it narrowed, for example, relative to Italian covered bonds.

NORD/LB

EUR BMK: spread trend (5y; generic)



EUR BMK: spread trend FR vs. DE

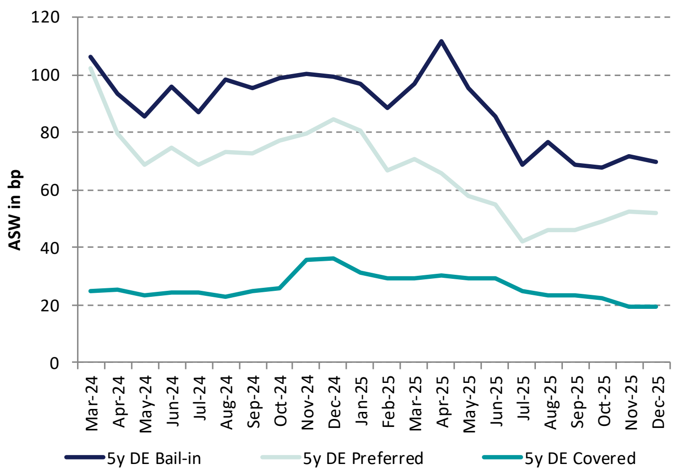


Source: Market data, NORD/LB Floor Research

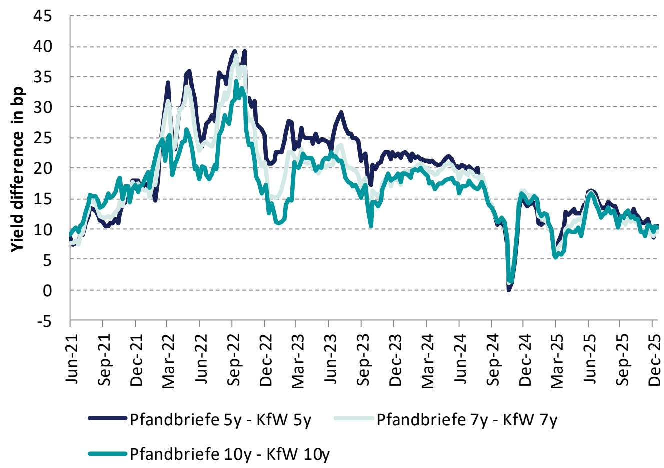
Relative value: spread compression between asset classes sustained

In 2025, increasing spread compression was observed between not only individual covered bond jurisdictions, but also covered bonds and bonds from the SSA/Public Issuers universe as well as unsecured bonds. After the shifts in the Bund-swap-spread at the end of 2024 triggered movement across the entire spread structure between individual asset classes, a new equilibrium increasingly set in during 2025. The generic yield difference between Pfandbriefe and comparable KfW bonds can be seen in the pressure exerted by SSA on covered bond spreads. The yield differential between the two sub-markets narrowed in the second half of the year but was well above the lows at the beginning of 2025. In contrast, we saw an increase in the spread differentials between benchmark-size covered and unsecured bonds in the second half of the year, after they also declined in the first half. However, we would rather speak of a normalisation than a trend reversal here, since the spread differentials at the end of the year were still significantly below the values at the beginning of the year. Nevertheless, from a relative value perspective, we believe covered bonds have been an attractive asset class for both investors and issuers throughout 2025.

Pfandbriefe vs. seniors (5y generic)



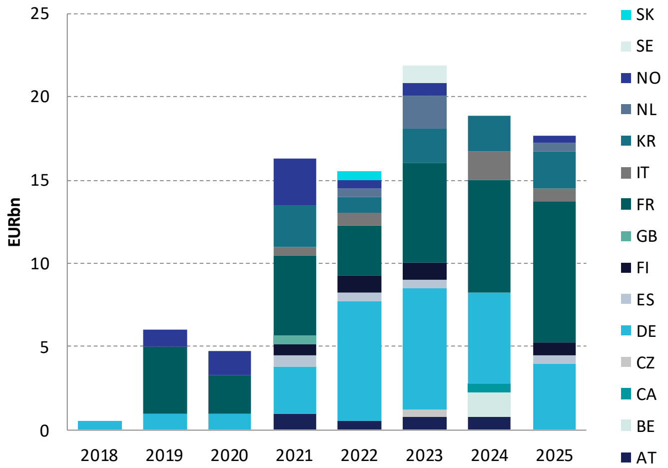
Yield difference: Pfandbriefe vs. KfW



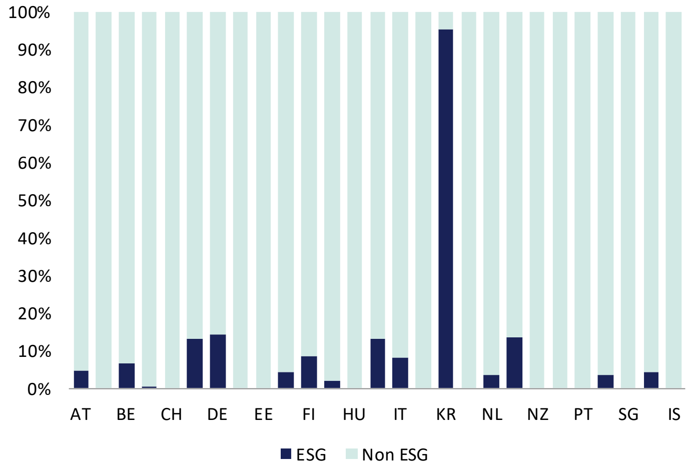
Source: Market data, Bloomberg, NORD/LB Floor Research

ESG segment again remains on the growth path in 2025 with issues of EUR 17.7bn
In absolute terms, 2025 was defined by a second consecutive decline in the issue volume for the ESG sub-market in the EUR benchmark segment. Covered bonds in the sustainable formats ("Green", "Social" and "Sustainability") worth EUR 17.7bn (spread over 24 issues) were placed on the market in the 12 months of last year. This figure was EUR 1.2bn below the previous year's level (EUR 18.9bn) and was once again dominated by placements in the green format. In fact, EUR 11.3bn was attributable to the "Green" segment (previous year: EUR 10.8bn), while EUR 4.9bn was attributable to the "Social" category (previous year: EUR 7.7bn) and EUR 1.6bn to the "Sustainability" label (previous year: EUR 0.5bn). In terms of maturities, 2025 can undoubtedly be seen as a litmus test for the further growth potential of the ESG segment. For the first time, notable maturities of EUR 11.2bn were recorded here, whereas previously maturing bonds over the course of a whole year had never totaled more than EUR 3.0bn. With a net new issuance volume of EUR 6.5bn, the ESG sub-market shows that an abrupt end to growth in the ESG segment is not to be expected. No inaugural issuers approached investors with new EUR benchmarks in 2025. Nevertheless, we do not rule out possible debut transactions for 2026, especially in the "Green" and "Social" formats. The share of ESG deals in the total EUR benchmark segment was around 9.6% at the end of 2025, with the distribution at the jurisdictional level very heterogeneous. In terms of issue volume, the share in 2025 came to around 11% (previous year: 13%).

EUR benchmarks (ESG): issue volume



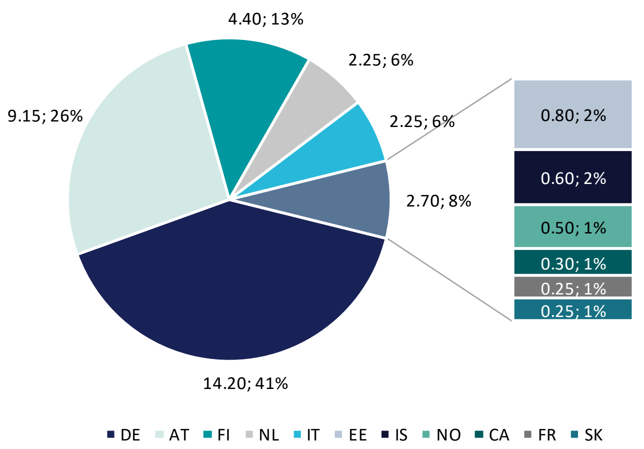
EUR benchmarks (ESG): share of overall market



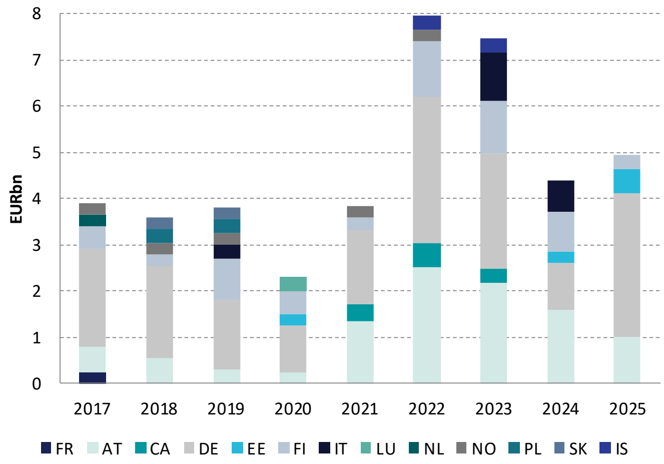
Source: Market data, Bloomberg, NORD/LB Floor Research

EUR sub-benchmark segment 2025 more dynamic again
Over the course of last year, the segment of EUR sub-benchmarks was somewhat more dynamic than in 2024. While fresh supply with a volume of EUR 4.4bn was placed on this market in 2024, the issue volume at the end of 2025 amounted to EUR 5.0bn. We see the EUR sub-benchmark segment continuing to grow organically and attribute this assessment not least to the inaugural issues in this sub-segment. In 2025, for example, Coop Pank (EE) and Nassauische Sparkasse (DE) approached their investors with their first EUR sub-benchmark issues. In addition, BSK 1818 (DE; formerly Landesbank Berlin) decided to issue its first public sector Pfandbrief in this segment. Previously, the bank had only been active on the market with mortgage Pfandbriefe in sub-benchmark size.

EUR sub-benchmark volume by jurisdiction (EURbn)



EUR sub-benchmarks: issue volume



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

NORD/LB Issuer Guide 2025 as a reference document for the covered bond market
In November 2025, we published the 13th edition of our NORD/LB Issuer Guide Covered Bonds. As usual, the publication provides a comprehensive overview of the covered bond market. The Issuer Guide focuses on covered bond issuers and their corresponding cover pools. The guide includes information on 188 institutions that have outstanding EUR benchmark and/or sub-benchmark issues. Data was compiled on more than 220 cover pools from 27 jurisdictions. In addition, we have regularly concentrated on specific data disclosures and regulatory aspects over the past twelve months as part of the regular publications “Transparency requirement §28 PfandBG” (edition Q3/2025), “Transparency requirement §28 PfandBG Sparkassen (edition Q3/2025) and “Risk weights and LCR levels of Covered Bonds“ (edition 02/2025). These and other publications can be found here: NORD/LB Floor Research. If you do not wish to miss out on the latest information, we are happy to include you in the distribution list for our Floor Research newsletter. As part of our ESG Update 2025, we looked at current developments in the ESG segment and presented a detailed overview of the opportunities and challenges arising in this segment of the market.

Conclusion
The past 12 months again proved to be a special covered bond year. High demand and low new issue premiums were just as much a part of the fragmented situation in 2025 as pauses in issuances due to tariff policy or the effects of political instability and national debt in France. In our view, “weaker start, but strong recovery” is an apt description of the issuance activities seen on the covered bond market over the past 12 months. In addition to growing markets in Germany and France, negative net new issuance volumes in Spain and Italy were also important factors in the covered bond year. In 2025, secondary market spread performance was accompanied by spread compression between jurisdictions and asset classes. Ultimately, the year ended on a positive note, as even late in November, new issuances with low new issue premiums and high bid-to-cover ratios were still being successfully placed.

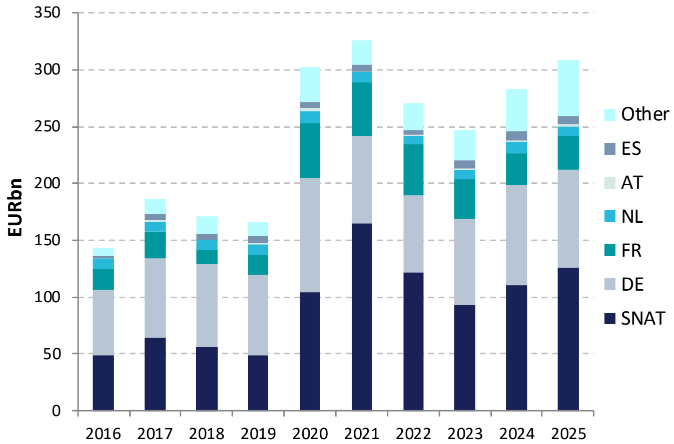
SSA/Public Issuers
SSA: Annual review of 2025

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

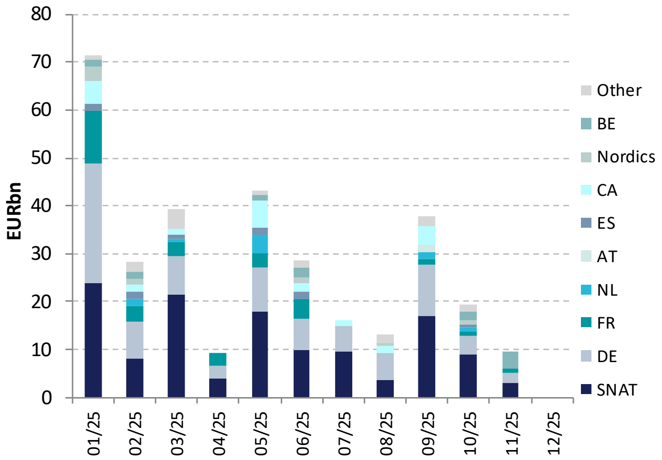
Introduction

As usual, we shall use our first issue of the new year to look back and recap the developments on the SSA market in 2025. Overall, the past year was characterised by growing concerns among the issuers included in our coverage about the long-term sustainability of European public finances. The need for investment in defence capabilities, coupled with necessary expenditures on infrastructure projects, has led to increased funding requirements for the public sector – not only in Germany or France. There were also fundamental changes on the demand side: for example, the ECB, as the largest price-insensitive investor, withdrew completely from the bond markets in the wake of Quantitative Tightening. At the same time, new bonds placed by the issuers in our coverage were very well absorbed throughout the year, which had a positive effect on the development of spreads.

EUR benchmark issuance volumes



EUR benchmark issuance volumes in 2025



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

Trend continues – issuance volume rose again year on year

The volume of new issues rose again (significantly) in 2025 compared with the previous year. With a volume of EUR 316.7bn (+10.6% Y/Y), 2025 ranked second in a long-term comparison – only 2021 saw a higher volume, at EUR 329.3bn. In terms of the number of new EUR benchmarks, however, 2025 claims the gold medal historically with 214 issues (2020: 211 bonds). The increase in issuance volume is primarily due to the funding activities of supranationals – in particular the EU and EIB – which, at EUR 127.3bn, issued more than in the previous year (2024: EUR 110.8bn). By contrast, the issuance volume of German Laender and Agencies fell slightly year on year to EUR 86.9bn (2024: EUR 88.2bn), while France was responsible for bringing more fresh supply to the market again (2025: EUR 30.0bn; 2024: EUR 28.1bn).

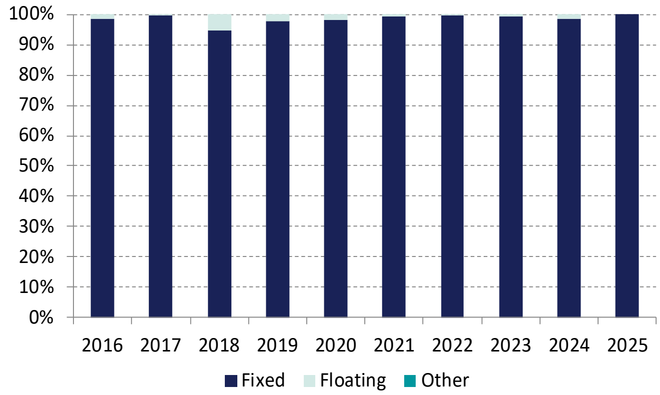
Order books at record level – EU dominates tap volume

In terms of aggregated order books, we calculated a figure of EUR 1,928.3bn across all new issues (2024: EUR 1,384.0bn; 2023: EUR 1,088.9bn). This means that 2025 even surpassed the historic mark set in the pandemic year of 2021, when order books totalled EUR 1,837.3bn. In a long-term comparison, last year therefore ranks in first place. Almost 58% of the volume was attributable to the supranationals, while German issuers accounted for the second-highest demand at EUR 332.0bn. In terms of increases to outstanding bonds, the tap volume came to EUR 92.1bn, representing a decline of around -23% against 2024. Unsurprisingly, the EU dominated this segment, raising a total of EUR 78.9bn through such transactions.

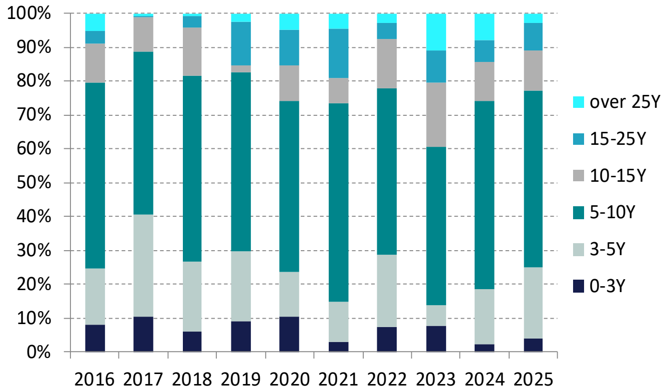
Fixed-coupon bonds continue to dominate issuance activities

In terms of the coupon structure, fixed-coupon bonds continued to dominate primary market activity in 2025. Only 0.7% of the total issuance volume, or EUR 2.3bn, came onto the market in the form of floaters. The proportion of FRNs therefore fell significantly compared with the previous year (1.6%) and remained well below the long-term average, which is just under 5% for the years 2008-2025 (median: 2%). Three of the four FRNs were issued in the first half of the year when the ECB's interest rate-cutting cycle was still in full swing. As the majority of market players do not currently expect the ECB to raise interest rates in 2026, we see no reason to assume that the proportion of FRN issues will increase significantly in the current year.

EUR benchmark issues by coupon type



EUR benchmark issues by maturity range

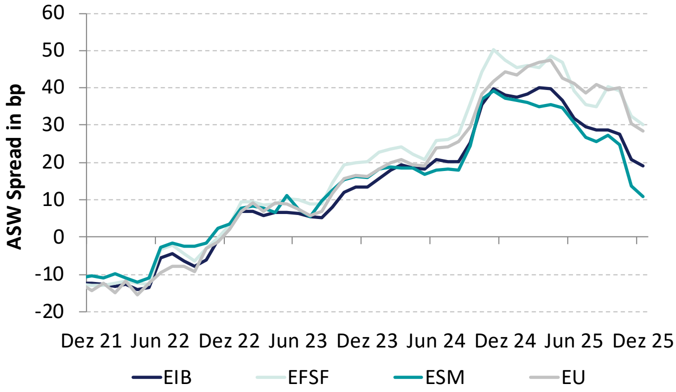


NB: Benchmarks are defined as bonds with a minimum volume of EUR 0.5bn.
Source: Bloomberg, NORD/LB Floor Research

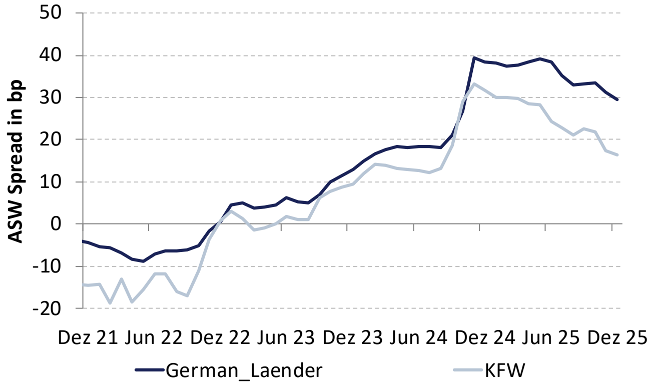
Maturity buckets: focus remains on medium-term maturities

A glance at the changes in maturities shows that market players in 2025 tended to focus primarily on issues in the 5-10y maturity segment, which at 52.4% accounted for by far the largest share. However, this share fell by -3.1 percentage points compared with 2024. The same can also be said for issues in the ultra-long band (>25y): here, the decline was as much as -5.3 percentage points, which equated to a nearly 60% reduction in the volume of new issues in this category year on year. With an increase to a share of 11.9%, the 10-15y maturity segment recorded a (slightly) positive development once again after a significant decline in 2024. The same also applies to the 3-5y band, which continued to account for the second-highest issuance volume at 20.9% (+4.6 percentage points versus 2024).

European supras: ASW Spreads 10y



German Laender & KFW: ASW Spreads 10y

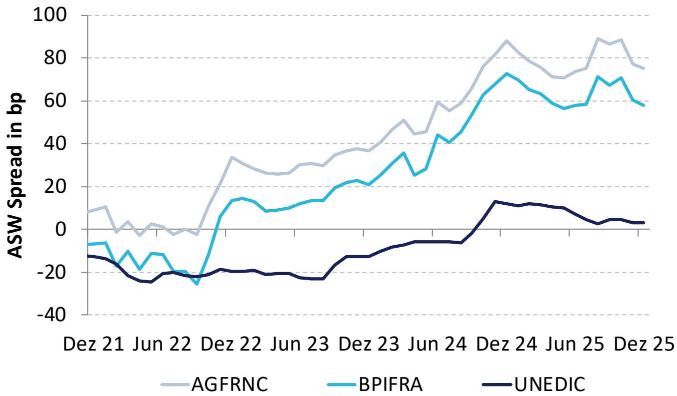


Source: Bloomberg, NORD/LB Floor Research, data from 30 December 2025

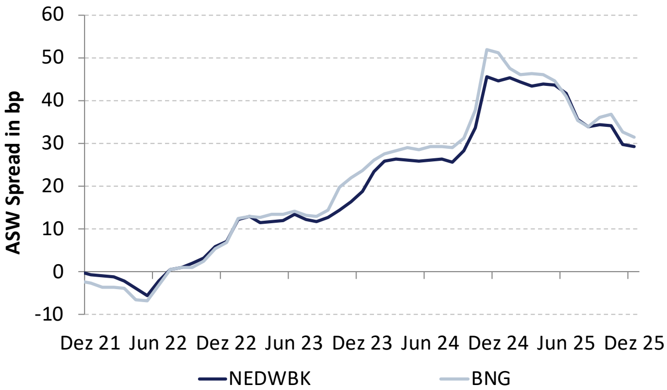
Repricing (largely) complete – risk premiums trending downward

In terms of spread developments, risk premiums tended to decline for almost the whole of 2025. We saw this movement occur in virtually all jurisdictions, with the exception of France. Ongoing concerns about spiralling government debt, an ever-larger budget deficit, permanent political instability without any sustainable reforms and rating downgrades meant that investors continued to demand higher risk premiums as compensation for holding French SSA bonds. In Germany too, the burden on public finances will grow in future. At Laender level, the severely stretched financial situation of municipalities combined with pension obligations that will continue to rise in future represent a considerable amount of pressure on the relevant budgets. Added to this are the necessary investments in infrastructure. Nevertheless, the spread development for Laender bonds clearly shows that they continue to be rated as having a high credit quality, despite these financial challenges. The same applies at supranational level to bonds issued by Luxembourg-based supranationals. The EU and EIB were again among the largest issuers in the SSA segment in 2025 and new issues were very popular with investors, as demonstrated by the respective oversubscription rates. In principle, E-supras are likely to have benefited from their status as safe haven assets last year, meaning that despite the pessimistic outlook for France as a key shareholder risk premiums have fallen over time.

French agencies: ASW Spreads 10y



Dutch agencies: ASW Spreads 10y



Source: Bloomberg, NORD/LB Floor Research, data from 30 December 2025

January 2025 – the busiest SSA month of all time

The chronological distribution of issues once again revealed a familiar picture in 2025. Although January is generally one of the months with the highest volume of issues of the year, 2025 was particularly busy: Accordingly, EUR benchmark issues in January 2025 for the SSA segment came to EUR 71.5bn (2024: EUR 61.3bn; 2023: EUR 52.5bn; 2022: EUR 44.5bn). Never have we had such a strong issuance start to the new year. Moreover, we could not find any other month in our historical database where new bonds of a comparable magnitude were launched on the market. The month with the second-highest number of new issues was May, with fresh benchmarks totalling EUR 43.3bn. March once again took third place in this ranking with EUR 39.3bn. The primary market only came to a standstill in December, when not a single bond was placed.

Inaugural deals on the SSA primary market

We again saw debut issues in EUR benchmark format in 2025. One of the debutants was the New Zealand Local Government Funding Agency (ticker: NZLGFA), which raised EUR 500m for the first time at ms +38bp with a five-year term. From Australia, the state of Queensland (ticker: QTC) joined the party and placed its first EUR benchmark with a volume of EUR 1.25bn (10y) at ms +74bp. The supranational OPEC Fund for International Development (ticker: OFIDEV) also celebrated its EUR benchmark debut and issued EUR 500m in the form of a sustainability bond (5y) at ms +46bp. In the sub-benchmark segment, the Federation of Bosnia and Herzegovina (ticker: FEDBH) appeared for the first time, raising EUR 350m (5y) at a remarkable reoffer spread for sub-sovereigns of ms +222bp.

Publications in 2025

In addition to our regular commentary on market-moving events as well as research accompanying issues, the old adage of "playing to your strengths" again applied in 2025. Accordingly, we published the 12th edition of the Issuer Guide – German Laender in August, which again – and we say this with a certain degree of pride – proved to be very popular. Furthermore, we always take a keen interest in our readers' growing enthusiasm for niche products. We therefore also worked hard on the "Beyond Bundeslaender" segment this year and focused in detail on the Belgian regions and Greater Paris. Within the issuer group of agencies, our Issuer Guides were divided into the individual sub-markets for publication: German, French, Dutch, Austrian, Scandinavian, Spanish and Non-European agencies were published in this area across 2025. From the supranationals segment, we looked at European supras and non-European supras (MDBs). These annual studies were accompanied by a total of 43 editions of our weekly publication, in which we dealt particularly intensively with the subject of relative value across all asset classes (e.g. weekly publication dated 16 April 2025). In addition, the reform of Dutch pension funds caused quite a stir, prompting us to take a detailed look at this topic and its implications before Christmas (cf. weekly publication dated 17 December 2025). We were also particularly pleased with the enthusiastic participation in various digital Spotlight events and our annual Capital Markets Conference, which was held again in September at Schloss Herrenhausen – the same goes for our annual Regulatory Update in February.

EU lays down additional markers for the future

In 2025, the EU again made some landmark decisions and laid down important markers for its future activities on the capital market. For example, the European Commission decided not to extend the NextGenerationEU (NGEU) stimulus programme beyond 2026. As NGEU is funded entirely through borrowing on the capital market, this is likely to lead to a noticeable reduction in the EU's issuance activity from 2027 onwards. However, the EU has launched new initiatives that should keep the direct supply of bonds at a high level beyond 2026. In this respect, at the end of May 2025, Security Action for Europe (SAFE) was launched, a EUR 150bn programme that will run until 2030. SAFE is part of the plan presented by the European Commission in March 2025 to rearm Europe ("ReArm Europe/Readiness 2030") and provides for extensive investment in the security and defence sector. As in the case of NGEU, the whole initiative will be funded through joint debt via EU bonds. Shortly before Christmas, the EU decided to provide Ukraine with further financial assistance amounting to EUR 90bn. The financial resources are to be granted as an interest-free loan and will cover military requirements for the next two financial years. The required capital will also be raised via the capital market. In 2025, the EU again failed to achieve its long-term aim of having the market consider its securities as part of the Govie segment, which would entail their inclusion in corresponding bond indices by renowned providers. Conversely, trading in futures contracts based on EU bonds has been possible on the Eurex since 10 September. The "Euro-EU Bond Futures" (FBEU) have a 6% coupon and an identical maturity. However, the available bonds may have terms of 8-12 years and therefore reflect the EU's issuance activity.

A new bond label for defence and a new E-supra?

To identify bonds whose use of proceeds is primarily aligned "with Europe's defence, security and strategic autonomy priorities", the Euronext securities exchange has created an appropriate label in the shape of the "European Defence Bond" (EDB). Issuers declare that at least 85% of the proceeds will be used to finance defence, security or qualifying dual-use projects. Up to 15% may be used for other activities, provided that they do not contradict strategic EU objectives. Unlike other new bond labels – such as the European Green Bond Standard – there are no plans to have the bonds certified by an external auditor. The exchange does not carry out extensive checks, but limits itself exclusively to verifying the formal correctness and completeness of the self-declaration. EDBs are not suitable for ESG investors, in our opinion, even though the ICMA did not categorically rule out compatibility between defence and ESG in its Guidance Handbook, which was last updated in June 2025. In the SSA segment, only Bpifrance was active on the market (ticker: BPIFRA) with an EDB in 2025. One project that is now hanging in the balance is the creation of a new European supranational, namely the Defence, Security, and Resilience Bank – DSR Bank for short, which was supposed to be raising capital for defence purposes on the market from 2027 onwards. However, it was announced at the beginning of December that the UK government had withdrawn its support, making it unclear whether the project will go ahead in its current form or whether an alternative "European Defence Bank" will be established for this purpose.

Reform of the debt brake at federal government and Laender level

On 18 March 2025, the German Bundestag, still in its old composition, passed the amendment to the Basic Law (Grundgesetz; GG – the German Constitution) with the necessary two-thirds majority, thereby launching an investment package worth around EUR 1,000bn for defence, infrastructure and climate protection. A few days later, on 21 March, the necessary approval by the Bundesrat finally followed for the package we dubbed Rambo-Zambo in our publications. This consists of several components: true to the motto "whatever it takes", the reform of the debt brakes stipulates that all defence spending exceeding 1% of GDP is exempt. This (unambitious) rearmament programme ("Rambo") amounts to EUR 400bn, whereas the (ill-conceived) "shunting yard" for infrastructure and climate protection ("Zambo") has a total volume of EUR 500bn. "Sondervermögen" was correctly named the worst German word of the year in 2025 – these "special funds" are, after all, simply debt. With the modification of the debt brake pursuant to Art. 109(3) GG coming into force, the Laender were also given the option of utilising a structural debt component amounting to 0.35% of GDP last year, in line with the provisions at Bund level. This was previously reserved solely for the federal government. However, in order for the Laender to be able to exploit this additional financial leeway from a legal perspective, the majority of them first needed to amend their respective state constitutions. Only four of the 16 Laender have not made any provision in their state constitutions (BERGER, NRW, THRGN and SAARLD). Some of the German Laender – including, for example, Hesse (ticker: HESSEN) and Bremen (ticker: BREMEN) – already took the structural debt component into account in their supplementary budgets for 2025 last year, while federal states such as Thuringia (ticker: THRGN) and Berlin (ticker: BERGER) announced that they would not make use of the additional financial leeway until 2026. In October, the German Bundestag, with the approval of the Bundesrat, also passed an amendment to the Restructuring Aid Act, thereby creating the legal basis for states such as Bremen and Saarland, which currently receive restructuring aid, to take advantage of the higher debt leeway agreed upon with the amendments to the Basic Law in March 2025 without jeopardising their annual restructuring aid payments.

Joint Laender issuance vehicle places two new deals in 2025

An idiosyncrasy of the bond market in general, and one specific to the German sub-sovereign market, is the Joint Laender issuance vehicle (ticker: LANDER). Within this framework, several German Laender issue joint bonds (known as "Laender jumbos"; issuance volumes starting from EUR 1bn), whereby each federal state assumes several (but not joint) liability for the issuance overall. In 1996, several Laender came together for the first time for such an issue. Since then, the Joint Laender issuance vehicle has become an established part of the bond market and is an important player on the German Laender bond market with a current outstanding volume of EUR 15.75bn spread over 15 bonds. And LANDER was also back on the primary market in 2025, after two bonds (#47 in February and #54 in April) fell due; in February, six issuers joined forces and raised EUR 1bn at ms +27bp by issuing bond #66 (5y) in line with the guidance. Bond #67 eventually followed a few months later, in September. As a result, five of the seven Laender that take part in the joint issues approached investors with a EUR 1bn jumbo with a term of ten years. The deal went through at ms +35bp in line with the guidance; an order book was not published.

Rating changes – a(nother) look at France and regulatory implications

There were also some noteworthy rating changes last year: while the most significant of these did not originate directly from the SSA segment, the consequences for it were far-reaching. In September and October of last year, the two rating agencies Fitch and S&P re-evaluated their credit ratings for the French state. And so there was a sense of inevitability about what then came to pass: once Fitch downgraded France's rating from AA- to A+ (outlook: stable) on 12 September against the backdrop of political instability and the associated uncertainties regarding budget consolidation, the ratings and outlooks for 27 government-related entities (GREs) were subsequently and predictably adjusted on 18 September. While some French agencies in our coverage have an appropriate guarantee in line with the CRR or are treated as exposures to regional governments and local authorities (RGLA) or sovereigns as per the EBA list and continue to benefit from a 0% risk weight and Level 1 classification under the LCR, the downgrade had immediate consequences for those agencies whose regulatory treatment is based on their rating. In specific terms, this affected exposures to Agence Française de Développement (ticker: AGFRNC), Bpifrance (ticker: BPIFRA), AFL (ticker: AFLBNK), and ALS (ticker: ALSFR), for which – under application of Art. 116 CRR and therefore following the more conservative approach – we now believe a risk weight of 50% is applicable. However, deriving the risk weights for the aforementioned French agencies is anything but trivial and leaves considerable room for interpretation. Depending on whether the relevant risk weight is derived via Art. 116 CRR (public bodies) or Art. 120 CRR (institutions), a risk weight of 30% is also possible when applying the less conservative approach (Art. 120 CRR). In this context, Fitch also aligned the credit ratings of 16 French RGLA with the French sovereign rating and lowered these to A+ (outlook: stable). Within our sub-sovereign coverage, this impacted the Occitanie region and Île-de-France (IDF). As a result of rising public debt, S&P also downgraded France's credit rating on 17 October from AA- to A+, with a stable outlook. A few days later, as expected, S&P then adjusted the ratings of eight GREs in France to match that of the French state with a stable outlook in each case. In our view, however, this move is likely to only have had regulatory consequences for SAGESS: as the agency is now rated solely by S&P, the applicable risk weight increased from 20% to 50% (pursuant to Art. 116 CRR). As a result, in the context of the LCR classification, SAGESS bonds are likely to lose their LCR eligibility due to the excessively high risk weight (previously: Level 2A). Given that France is the second-largest guarantor of the EFSF, S&P also felt compelled to downgrade the rating of this supranational. Speaking of regulatory aspects: another French agency, Société des Grands Projets (SGP; ticker: SOGRPR), now benefits from significantly improved regulatory treatment. On 17 December 2025, France's national banking supervisory authority, Autorité de Contrôle Prudentiel et de Résolution (ACPR), announced that exposure to SGP will be subject to equivalent regulatory treatment as that for risk positions against the French state. For further details on this topic, please refer to our comments in the SSA market overview section.

Further selected rating changes

Apart from France and the associated credit rating adjustments for government-related issuers and supranationals, there were other notable rating changes in 2025. We turn first to Austria, where in February continued weak economic prospects, among other factors, prompted S&P to downgrade the outlook for Austria from positive to stable while leaving the rating unchanged. In our coverage, this affected the outlooks of Autobahnen- und Schnellstraßen-Finanzierungs-AG (ASFiNAG, ticker: ASFING), Oesterreichische Kontrollbank AG (OeKB, ticker: OKB) as well as ÖBB-Infrastruktur AG (ticker: OBND), for example. Similarly, Moody's also decided in August to adjust its outlook for Austria – however, this changed from stable to negative. As a result, the outlooks for three government-related entities were also lowered, including that of ASFiNAG. We have also learned of further rating changes in Germany: during its regular review in March, S&P confirmed its AA+ rating for Baden-Wuerttemberg (Ticker: BADWUR), but lowered the outlook from positive to stable. According to the risk experts, this was caused by the developments surrounding the softening of the debt brake. The hierarchy of liability meant that the adjustment was also applied to Landeskreditbank Baden-Württemberg – Förderbank (ticker: LBANK). However, there was positive news from southern Europe: S&P raised the credit rating of Spanish promotional bank Instituto de Crédito Oficial (ticker: ICO) from A to A+ (outlook: stable), bringing it into line with the rating of the Spanish government, which was upgraded in mid-September. A short time later, Fitch also decided to raise Spain's rating from A- to A (outlook: stable) - and hence the credit ratings of five other government-related entities (including ICO, ADIF-Alta Velocidad [ticker: ADIFAL] and Corporación de Reservas Estratégicas de Productos Petrolíferos [ticker: CORES]). The rating of the Italian promotional bank Cassa Depositi e Prestiti (ticker: CDEP) was also adjusted to match that of the Italian government after Moody's raised Italy's rating from Baa3 to Baa2 (outlook stable) on 21 November for the first time in 23 years (!) in view of the tangible successes of the economic and fiscal policy reforms.

NBank rated by Fitch for the first time and awarded top rating

The rating agency Fitch assessed the creditworthiness of Investitions- und Förderbank des Landes Niedersachsen (NBank) for the first time in October last year. The bank received the top "AAA" rating (outlook: stable) in line with the state of Lower Saxony (ticker: NIESA). According to risk experts, the strong guarantee and liability mechanism is the main factor which allows the agency's rating to be equated with that of the federal state. As an issuer, NBank is (still) not part of our Issuer Guide – German Agencies, although we did take a closer look at the promotional bank last year in our weekly publication from 16 April 2025.

Scope Ratings: coverage extended to include ESM, EIB and RENTEN

Over the course of last year, the European rating agency Scope gradually extended its coverage and was mandated by several important issuers from the SSA segment: since January, for example, Landwirtschaftliche Rentenbank (ticker: RENTEN) has had a Scope rating, followed in March and May by the official mandates of the European Stability Mechanism (ticker: ESM) and the European Investment Bank (ticker: EIB). Previously, the assessment of the creditworthiness of the two supranationals was only on an unsolicited basis. All three issuers were awarded a rating of "AAA" with a stable outlook.

Canadian pension funds examined as separate issuers for the first time

A key challenge for sovereigns and subnational authorities is and will remain ensuring pension provisioning. In view of demographic changes and increased life expectancy, spending on pensions and benefits represents a continually growing share of the budgets of sovereigns and sub-sovereigns. As a result, the elected representatives as well as the wider public must ask themselves how pension provisioning could be ensured, without having to make more and more of taxpayers' money available for this purpose every year. One conceivable option would be the introduction of pensions secured by capital, a possibility that is currently being debated in Germany. Against this backdrop, it would appear to make sense to take a look at some other nations where this already is common practice. In Canada, for example, the lion's share of pension provisioning is underwritten by a number of pension funds which, in addition to the contributions paid by their members, invest funds raised on the capital market to finance pensions. In our weekly publication dated 29 October 2025, we therefore examined a selection of relevant issuers who regularly refinance themselves on the EUR primary market. Our analysis focused on the outstanding volume as well as constitutional aspects and regulatory framework conditions. The pension funds we analysed, namely CPPIB Capital (ticker: CPPIBC), CDP Financial (ticker: CADEPO), ONTFT (ticker: ONTTFT), PSP Capital (ticker: PSPCAP) and OMERS (ticker: OMERFT) are among the largest institutional investors in Canada. The volume of bonds outstanding of these issuers amounted to the equivalent of around EUR 123bn as at the publication date, distributed over 134 ISINs. The European single currency accounted for a share of almost 22% (EUR 27.6bn) of the funding mix. The number of available EUR securities stood at 28, with 25 of these meeting the benchmark bond criterion. Furthermore, all EUR-denominated bonds featured a fixed coupon. A particularly important feature for investors is that all pension funds grant their creditors a preferred creditor status. This ensures that debt is serviced before contributors' right to payment is satisfied. Our assessment of the regulatory treatment can be found in the table below. Please refer to the publication mentioned above for a detailed breakdown.

Regulatory summary of Canadian pension funds

Risk weight	20% (Art. 116 and Art. 122 CRR)
LCR classification	Level 2A
Solvency II classification	Non-preferred
ECB eligibility	No clear classification

Source: NORD/LB Floor Research

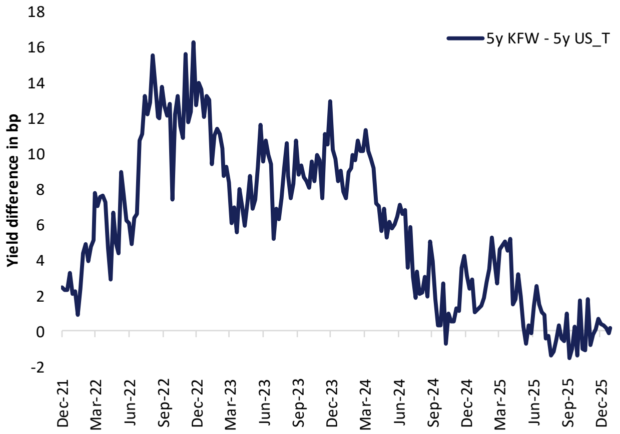
A brief look at the German municipal bond segment

Although there was little news to report from the German municipal bond segment in 2025, the city of Munich (ticker: MUENCH) caused quite a stir and provided ample liquidity shortly before the start of the Oktoberfest celebrations with its first benchmark issue: EUR 500m was raised at ms +54bp (guidance: ms +58bp area, order book: EUR 7.9bn). In addition, the city of Dortmund (ticker: DRTMND) was active with a sub-benchmark deal on the SSA primary market in March, placing a total of EUR 150m (7y) at ms +65bp. The order book filled up to EUR 390m, so that the deal narrowed by five basis points versus the guidance.

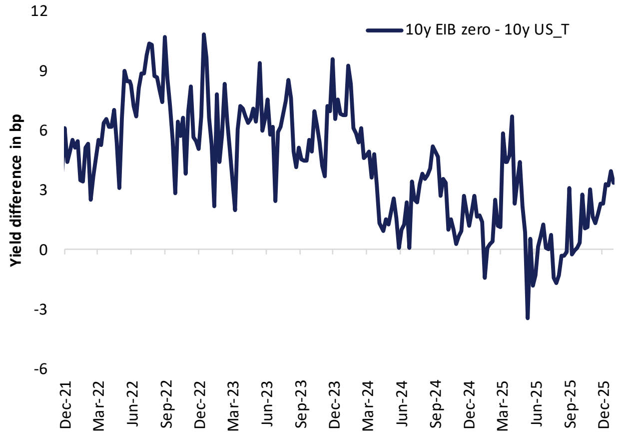
Anomalies in the market for public issuers in USD

Although we generally deal with EUR benchmarks in this publication, we nevertheless also regularly look beyond the horizon. Last year, for example, an interesting detail caught our eye in regard to KfW and the EIB: the yield spread between, for example, 5y US Treasuries and KfW bonds with identical maturities was intermittently negative. In the 10y maturity segment, this also applied at times to EIB bonds.

Delta: yield gap US-T vs. KFW (5y; in bp)



Delta: yield gap US-T vs. EIB zero (10y; in bp)



Source: Bloomberg, NORD/LB Floor Research

USA reviews participation in MDBs

The USA has scrutinised its participation in international organisations. At the beginning of February, President Trump instructed an evaluation of all intergovernmental organisations of which the USA is a member and which it supports financially. The aim of this review was to determine which organisations run counter to the interests of the USA and whether the underlying treaties can be reformed. Therefore, a number of multilateral development banks (MDBs), in which the United States is a significant shareholder, also came under scrutiny, including the IBRD (US share: 16.3%), IDA (9.7%), IDB (30.0%), ADB (15.6%) and AfDB (6.4%). With the exception of the latter institution, the USA is the largest shareholder in all these MDBs. Ultimately, in this context, not much actually changed over the course of the year and the USA has (still) not withdrawn from any of the aforementioned MDBs or announced a drastic reduction in its financial support. Even if it is possible for a sovereign to withdraw from an MDB, it is a protracted and costly process, as shown by the example of the UK in the case of its withdrawal from the EIB in the wake of Brexit. In addition, from our perspective the prospect of the USA withdrawing from the above-mentioned MDBs is an unrealistic scenario, as the United States is unlikely to have any interest in relinquishing this opportunity to exercise geopolitical influence.

KommuneKredit withdraws from the primary market

KommuneKredit (ticker: KOMMUN) has officially ceased issuing bonds on the capital market since the end of March 2025. Instead, the Danish government has taken over funding of the agency in its entirety. The new model is expected to lead to a further reduction in financing costs for local authorities, regions and affiliated companies. However, the agreement will not lead to any changes on the part of the Danish government to the terms and conditions or collateral for bonds that have already been placed.

Outlook

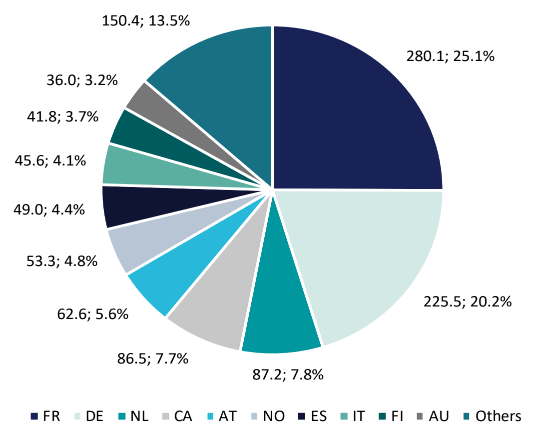
As outlined in our last weekly publication of 2025 with our SSA Outlook 2026, we expect the SSA segment in 2026 to continue to be dominated by current geopolitical crises, economic and budget policy challenges. In our baseline scenario, we assume that spread movements are likely to trend sideways over the course of the year. We are also curious about the seasonal patterns, such as how strong January will be and whether investor demand for fresh supply will remain at a very high level now that risk premiums have fallen significantly compared with last year. However, there are still risks of renewed spread widening if the burden on European public finances due to rising new debt is not accompanied by a long-term improvement in economic, productivity or revenue growth. On the demand side, concerns about the sustainability of these expansionary fiscal measures are likely to prevail, causing investors to re-evaluate the risks and therefore the spreads. In our view, a much more volatile market environment for our SSA issuers cannot be ruled out.

Conclusion

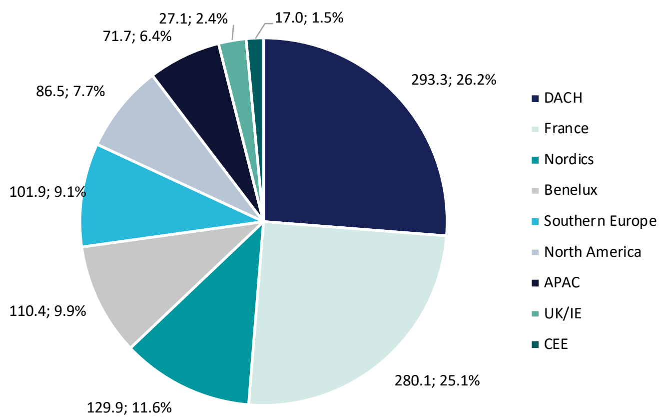
In many respects, 2025 was an extraordinary year and the abundance of events is difficult to squeeze into a “short” annual review. Moreover, it is far too easy to forget what else existed either side of wars and political crises and fiscal pressures. After issuance volumes in our SSA coverage had already risen considerably in 2024, it experienced another strong growth last year, increasing by +10.6% to EUR 316.7bn. This puts 2025 in second place based on a long-term comparison in terms of historical issuance volumes – only 2021 saw a higher volume, at EUR 329.3bn. In terms of the number of new EUR benchmarks, however, 2025 claims the gold medal historically with 214 issues. From our perspective, the main trends have hardly changed. In terms of maturity preferences, the focus remained on shorter and medium-term bonds rather than ultra-long-term bonds. Fixed-coupon bonds continued to dominate issuance activities in 2025. The proportion of FRNs remained at a negligible level. Although market developments were influenced by political uncertainties, economic weaknesses in some European countries and concerns about their budgetary positions, the mood on the primary market remained positive and constructive throughout almost the entire year, leading to a steady narrowing of spreads. We wish our readers a successful and, above all, healthy 2026!

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



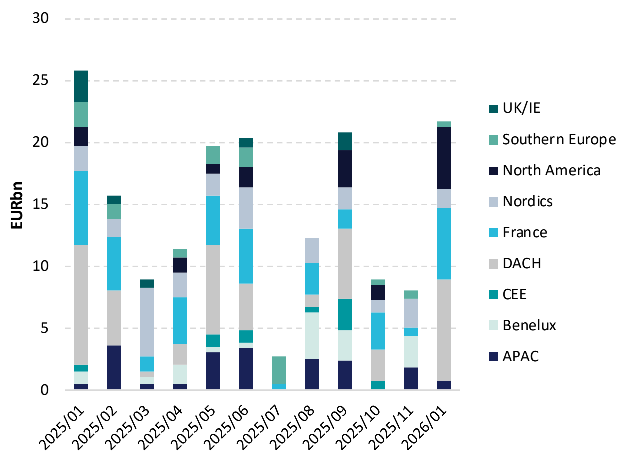
EUR benchmark volume by region (in EURbn)



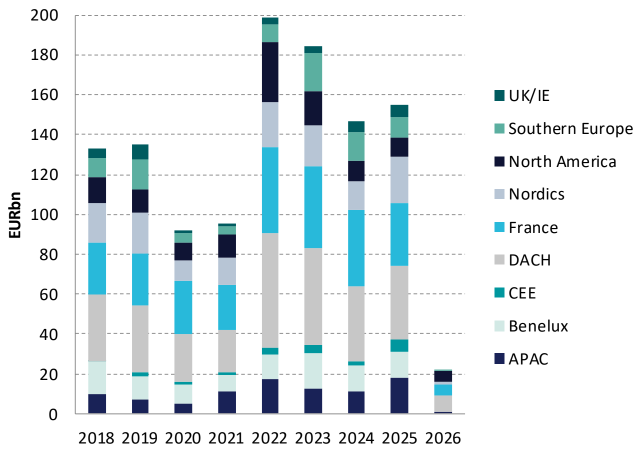
Top 10 jurisdictions

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	280.1	273	37	0.97	9.0	4.3	1.75
2	DE	225.5	315	49	0.67	7.7	3.5	1.79
3	NL	87.2	85	4	0.96	10.3	5.1	1.58
4	CA	86.5	64	1	1.33	5.5	2.2	1.77
5	AT	62.6	104	5	0.59	8.0	3.5	1.71
6	NO	53.3	62	10	0.86	7.1	3.2	1.45
7	ES	49.0	44	4	1.01	10.2	3.2	2.28
8	IT	45.6	59	6	0.74	8.1	3.7	2.23
9	FI	41.8	50	4	0.82	6.6	2.9	1.94
10	AU	36.0	35	0	1.03	7.2	3.2	1.96

EUR benchmark issue volume by month

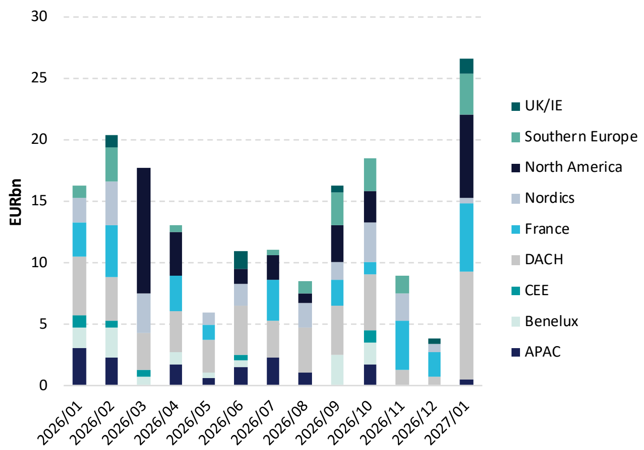


EUR benchmark issue volume by year

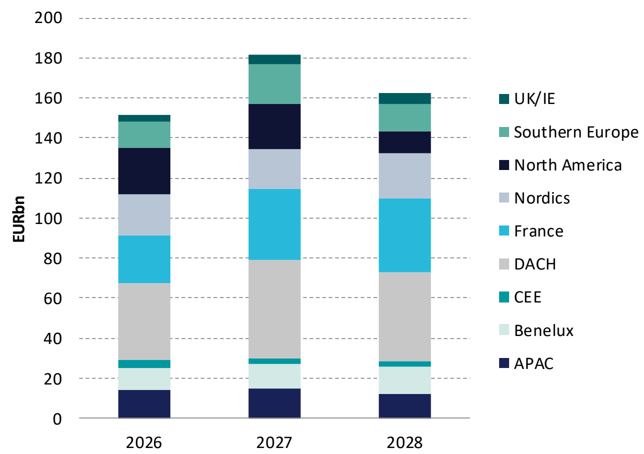


Source: Market data, Bloomberg, NORD/LB Floor Research

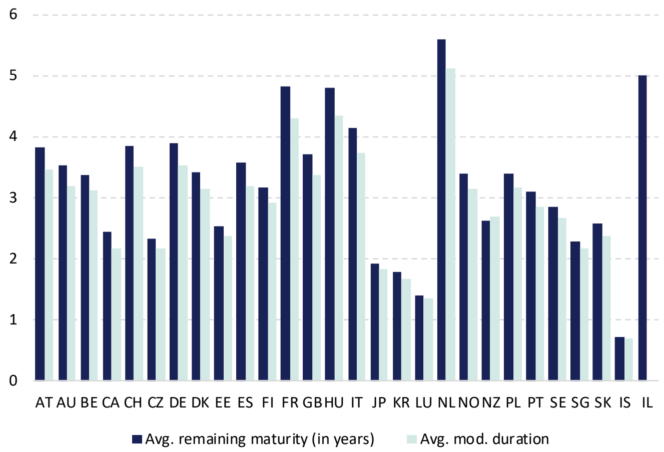
EUR benchmark maturities by month



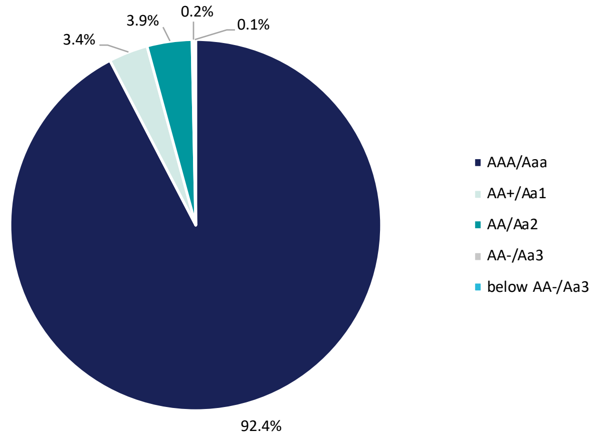
EUR benchmark maturities by year



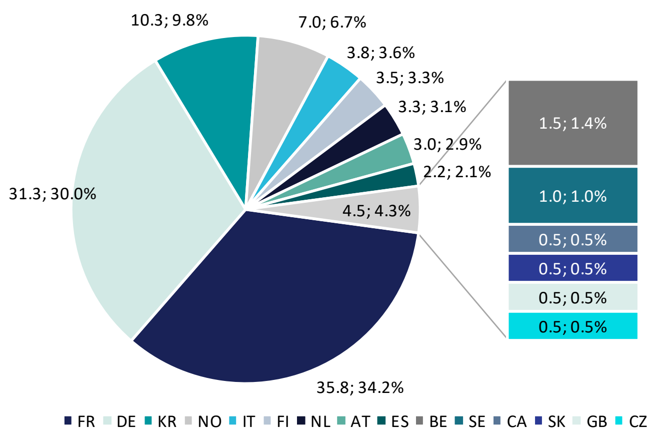
Modified duration and time to maturity by country



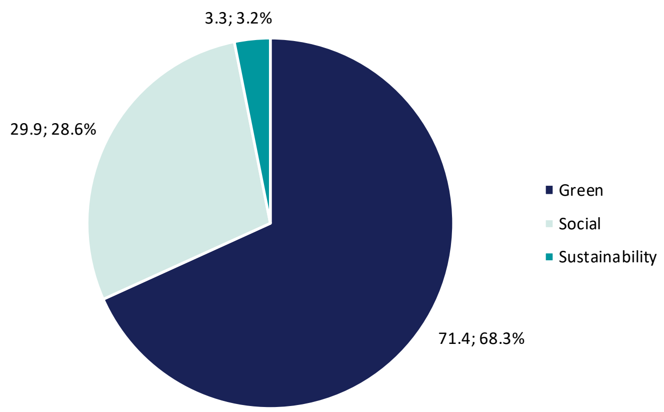
Rating distribution (volume weighted)



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

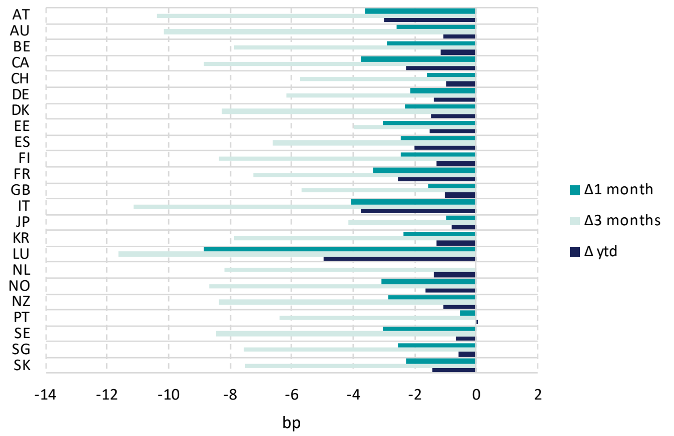


EUR benchmark volume (ESG) by type (in EURbn)

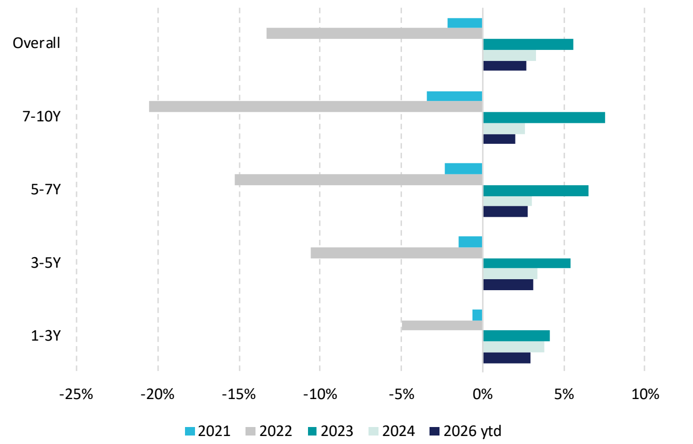


Source: Market data, Bloomberg, NORD/LB Floor Research

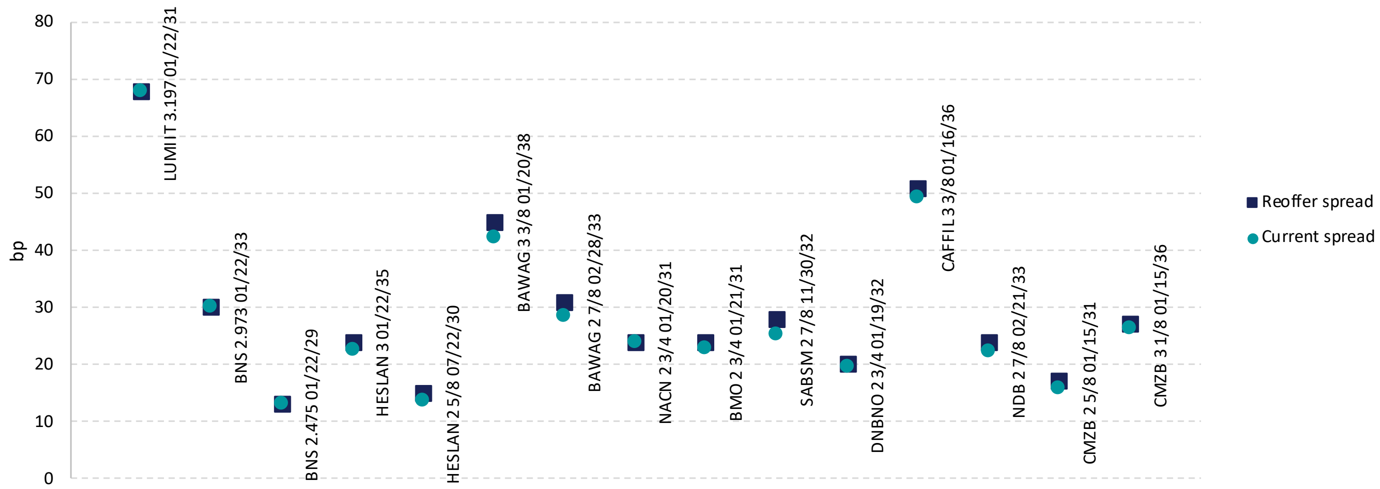
Spread development by country



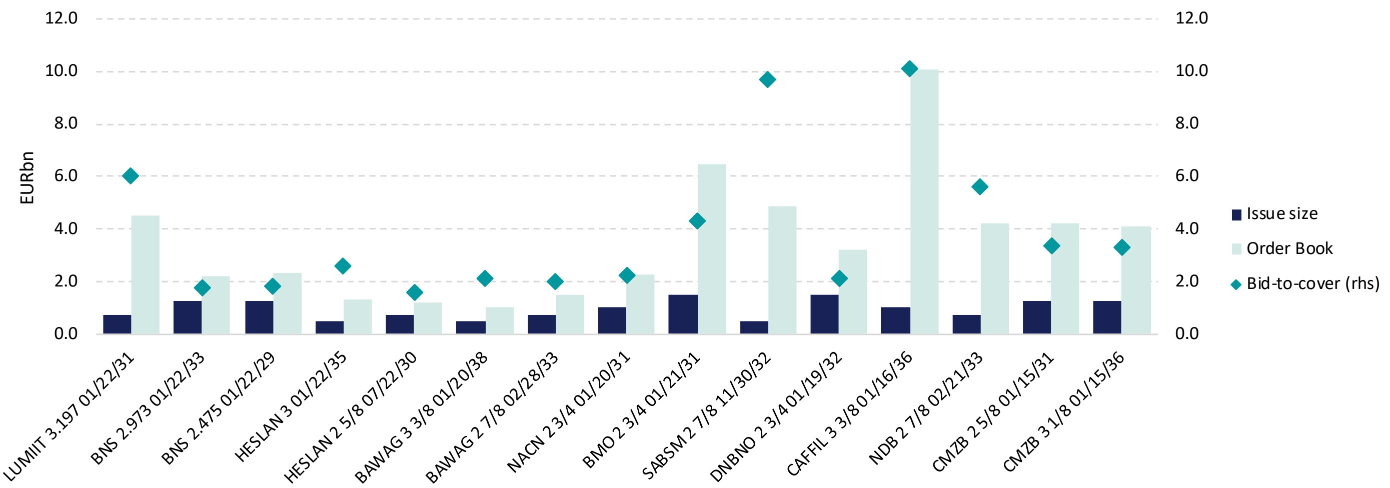
Covered bond performance (Total return)



Spread development (last 15 issues)



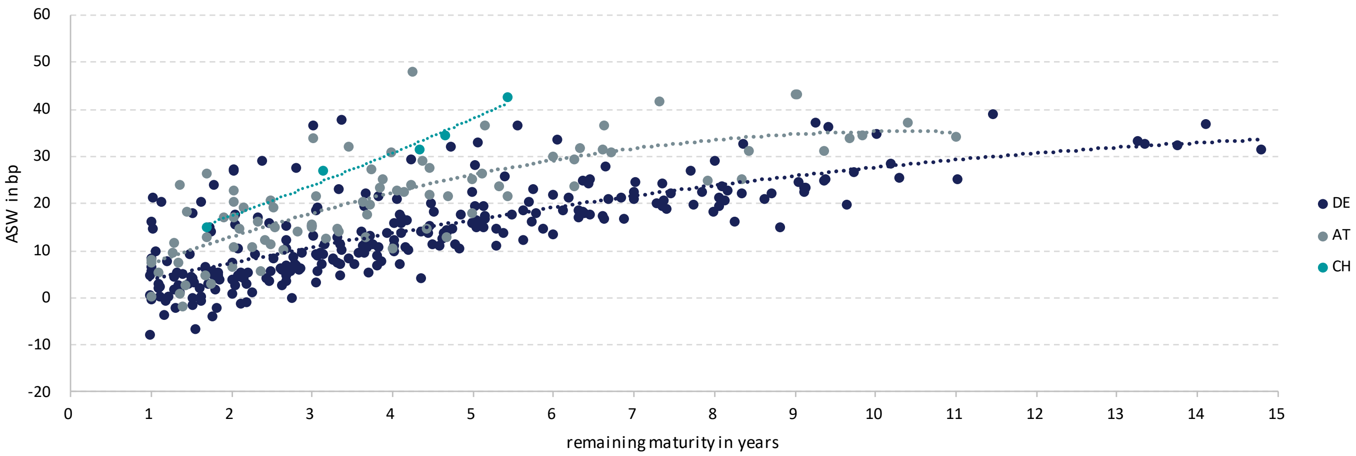
Order books (last 15 issues)



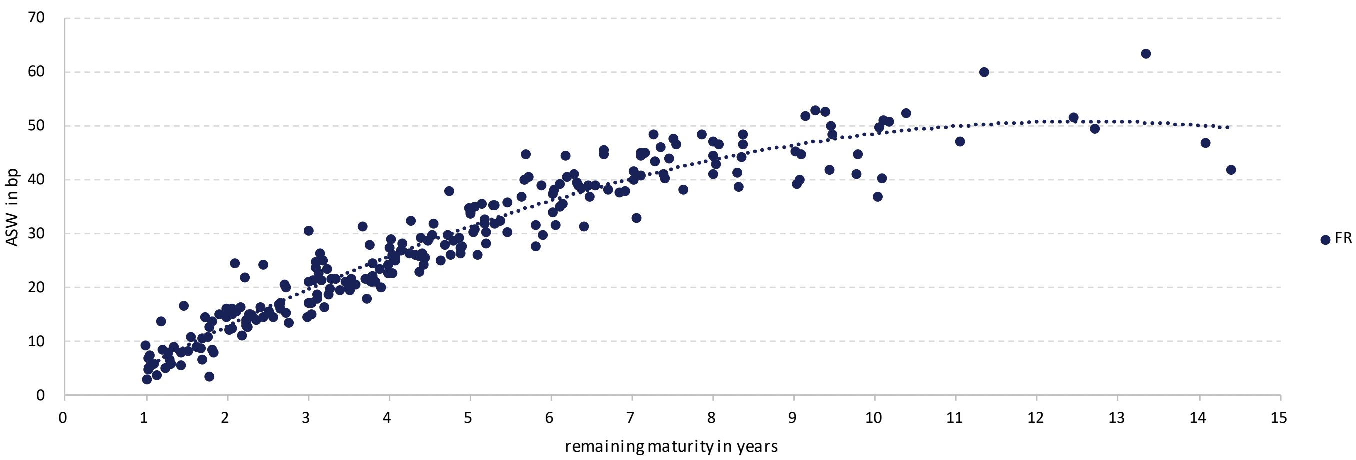
Source: Market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

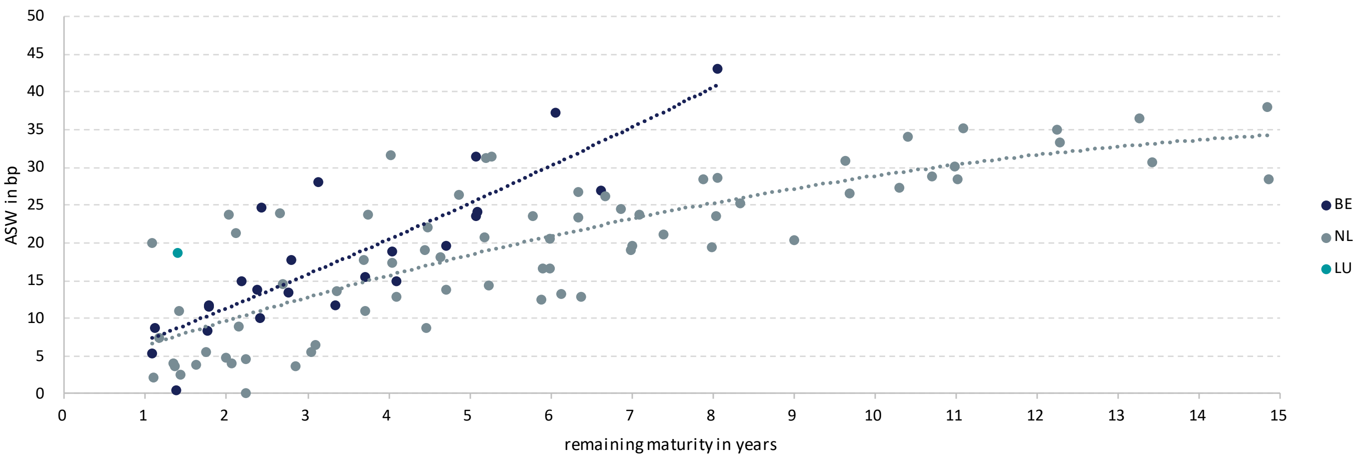
DACH



France

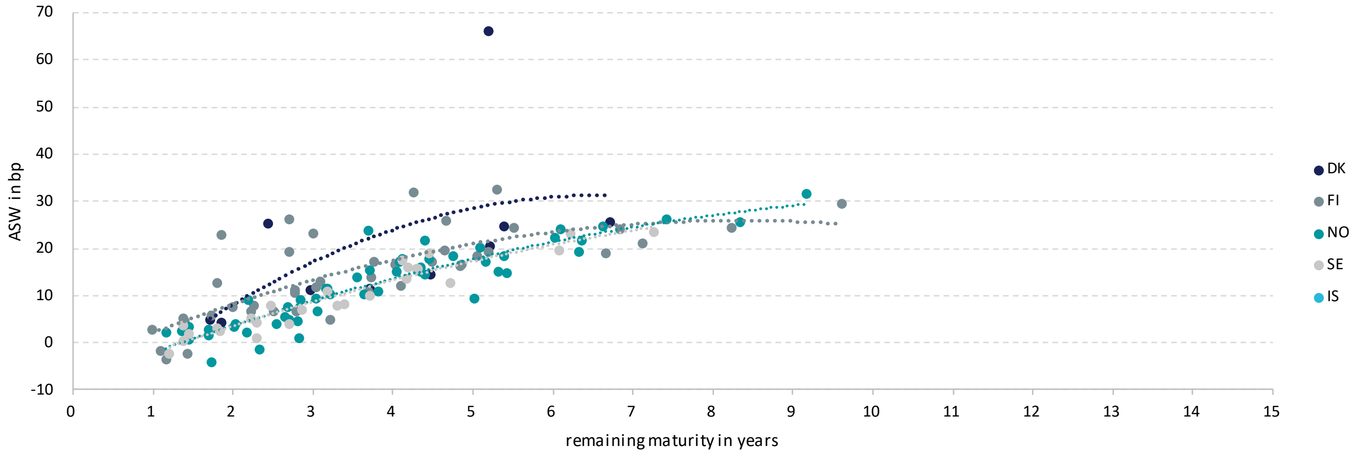


Benelux

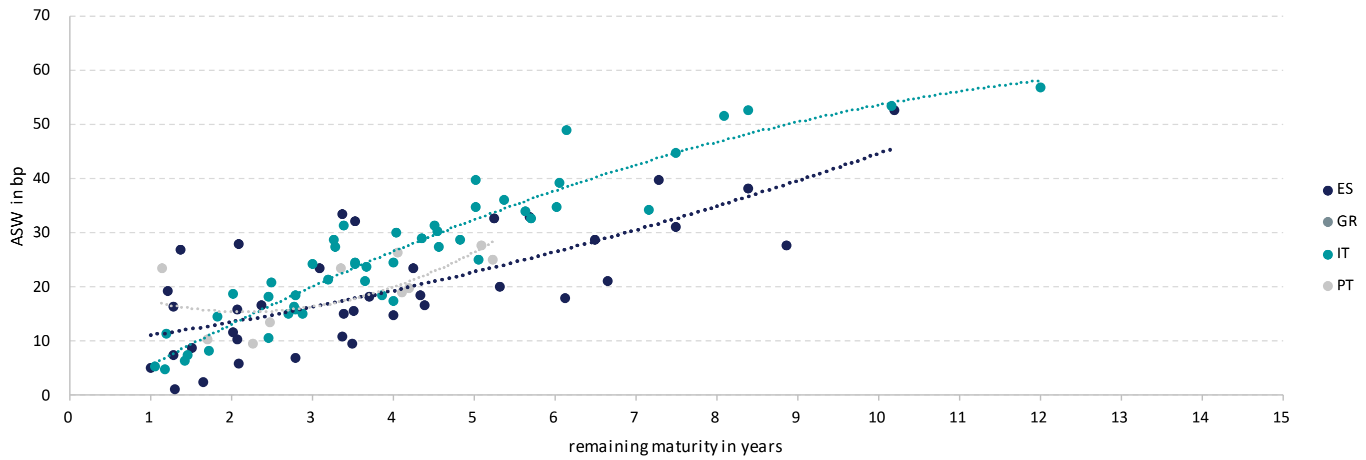


Source: Market data, Bloomberg, NORD/LB Floor Research [1] Time to maturity 1 ≤ y ≤ 15

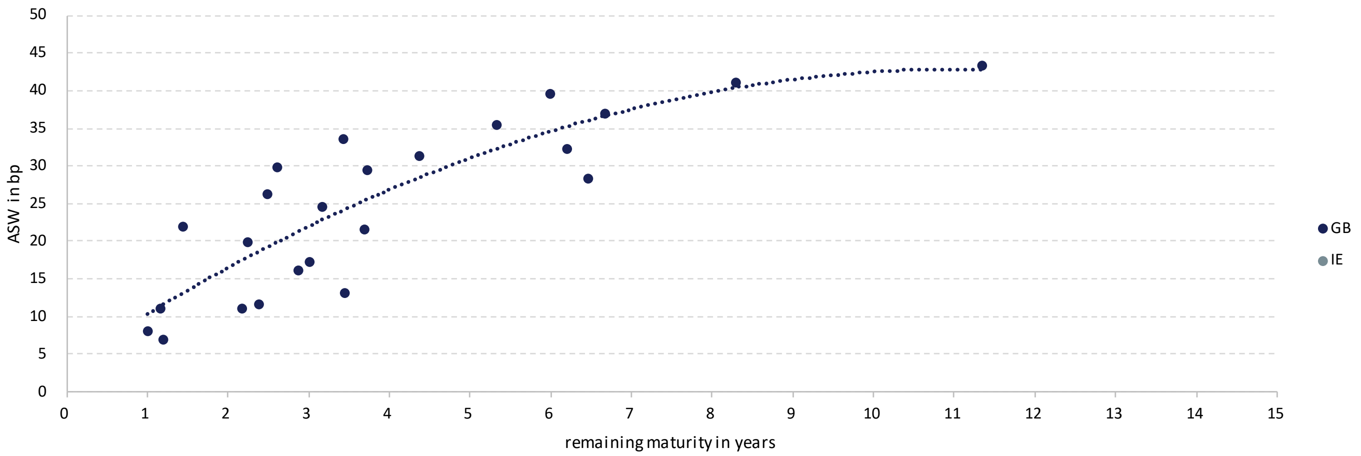
Nordics



Southern Europe

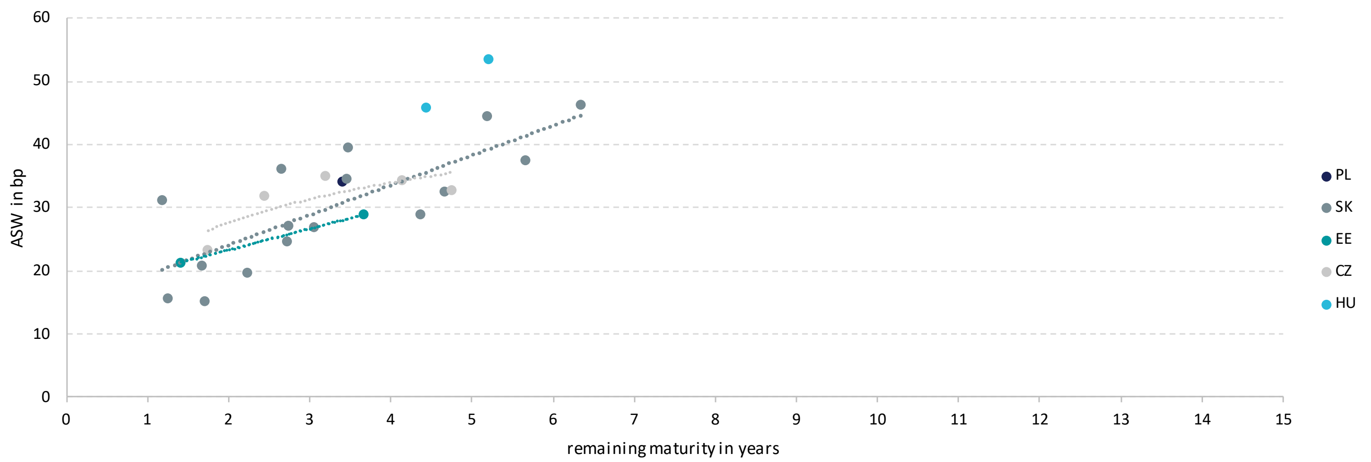


UK/IE

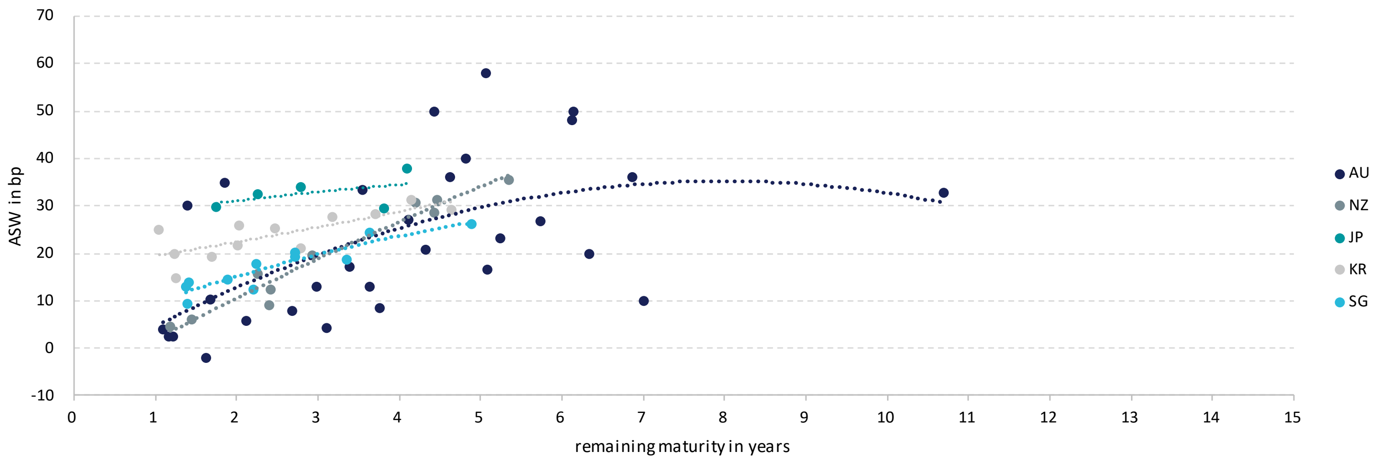


Source: Market data, Bloomberg, NORD/LB Floor Research

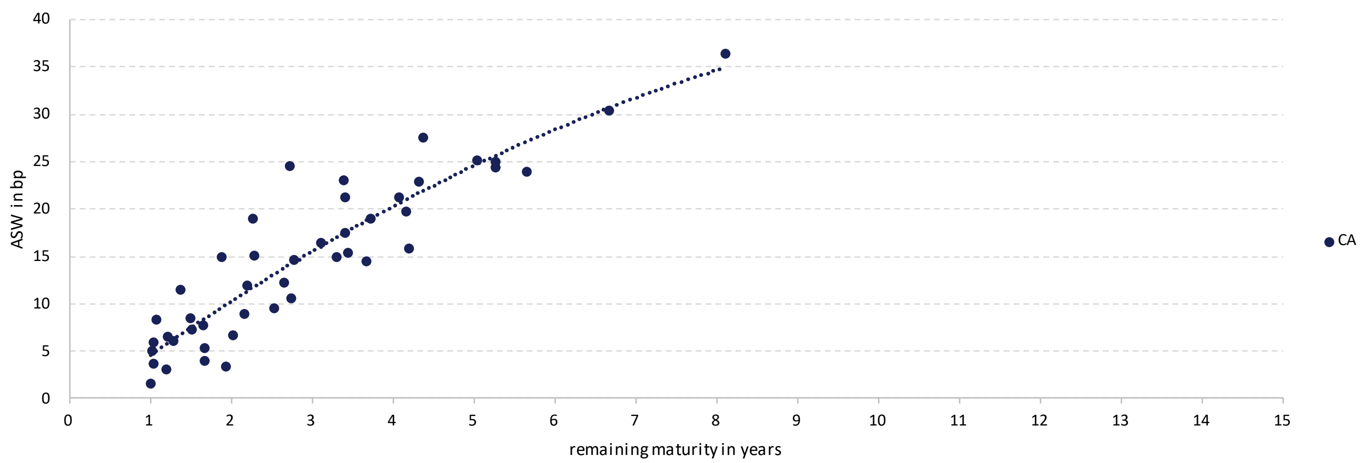
CEE



APAC



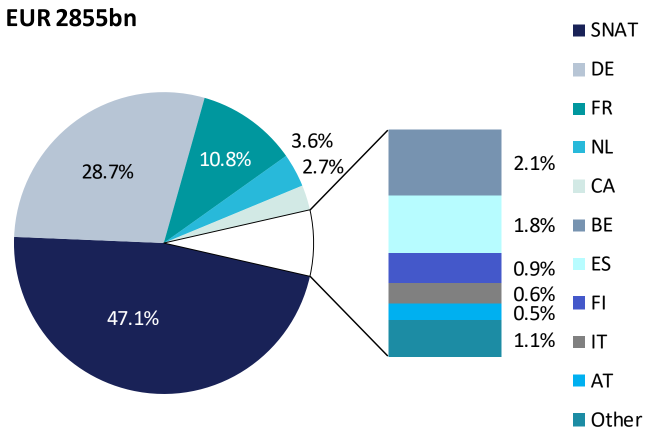
North America



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

Charts & Figures
SSA/Public Issuers

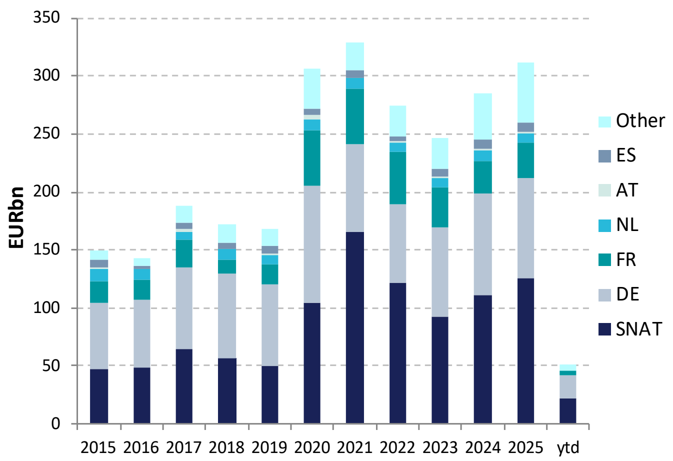
Outstanding volume (bmk)



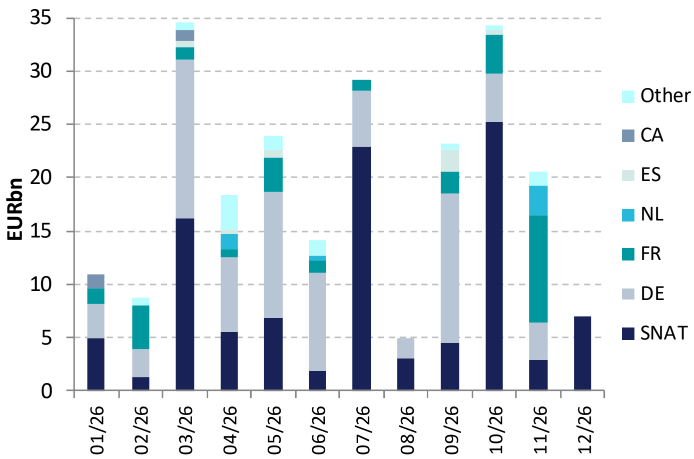
Top 10 countries (bmk)

Country	Vol. (EURbn)	No. of bonds	ØVol. (EURbn)	Vol. weight. ØMod. Dur.
SNAT	1,345.0	270	5.0	7.5
DE	820.7	620	1.3	5.7
FR	308.6	205	1.5	5.2
NL	102.4	91	1.1	6.0
CA	76.4	68	1.1	6.1
BE	59.0	54	1.1	9.4
ES	51.4	75	0.7	4.6
FI	26.2	27	1.0	3.8
IT	18.3	24	0.8	4.0
AT	14.5	21	0.7	5.1

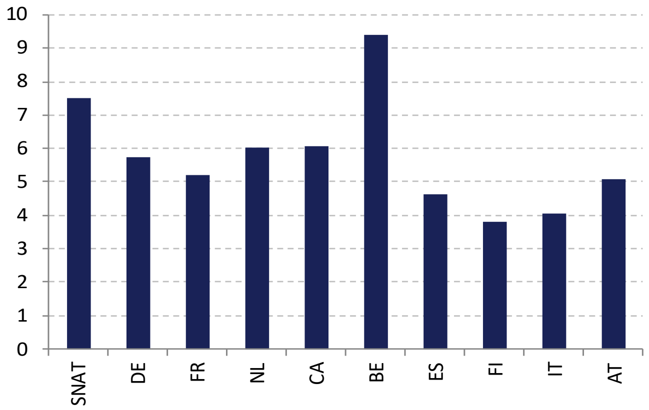
Issue volume by year (bmk)



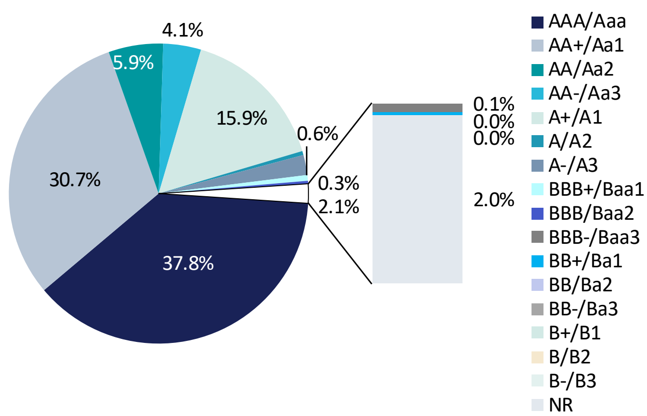
Maturities next 12 months (bmk)



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

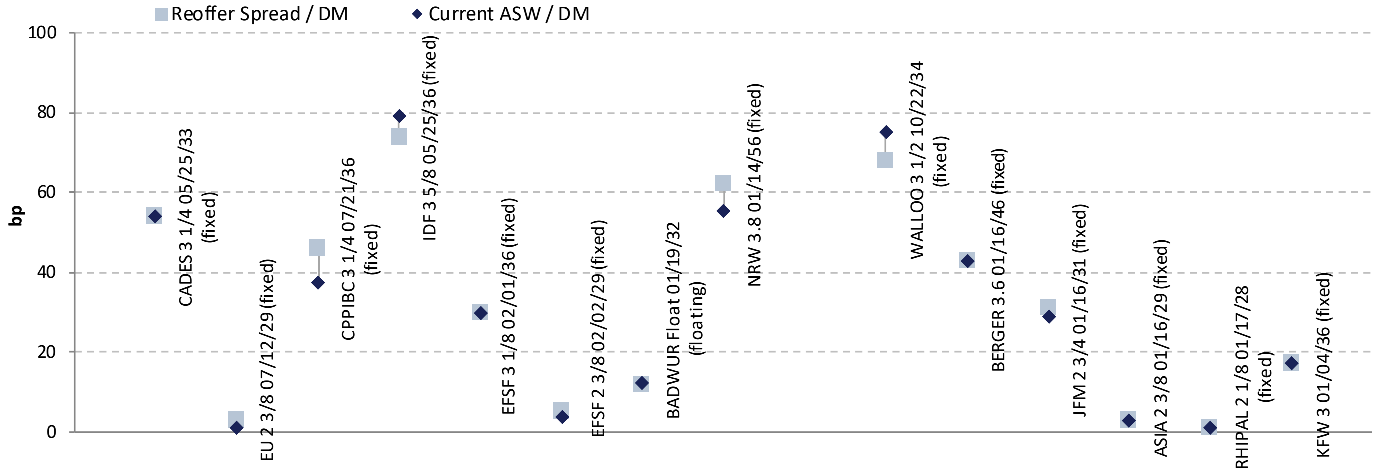


Rating distribution (vol. weighted)

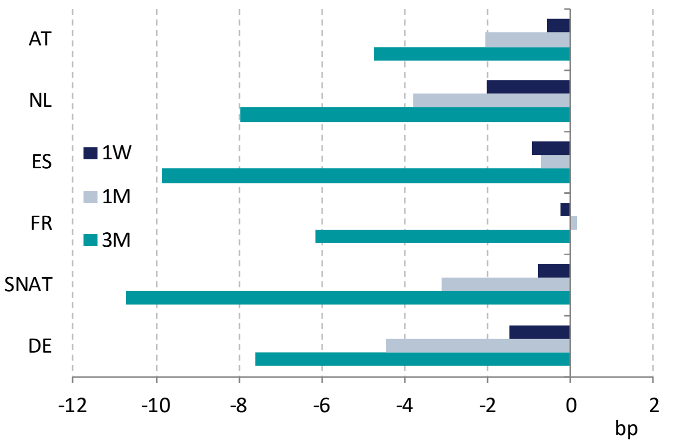


Source: Bloomberg, NORD/LB Floor Research

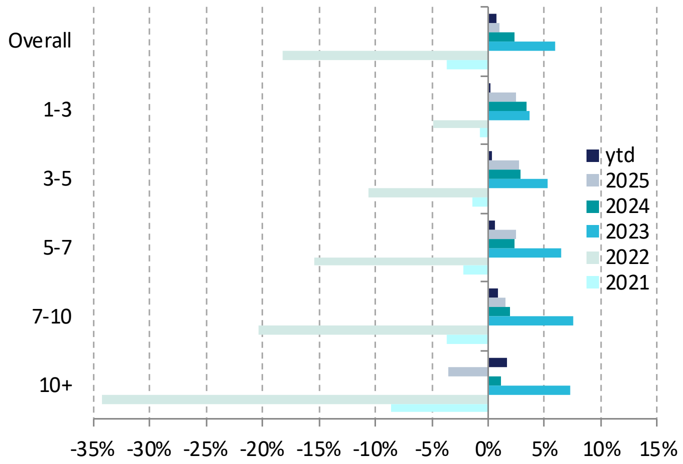
Spread development (last 15 issues)



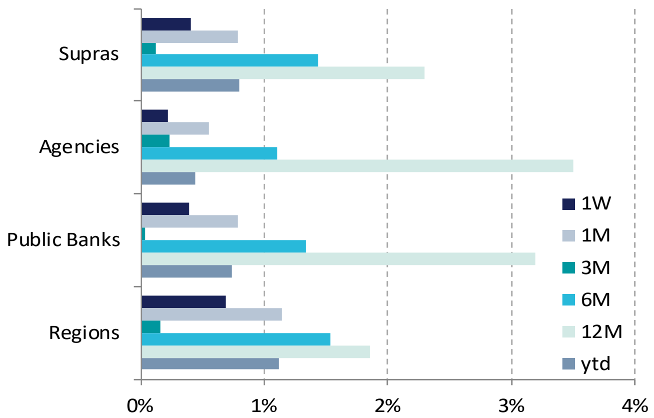
Spread development by country



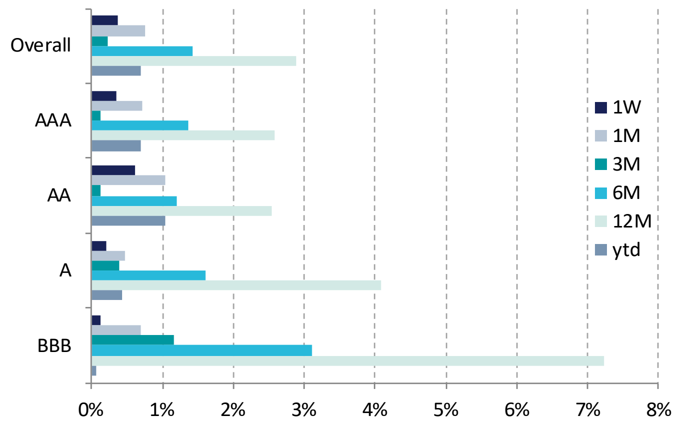
Performance (total return)



Performance (total return) by segments

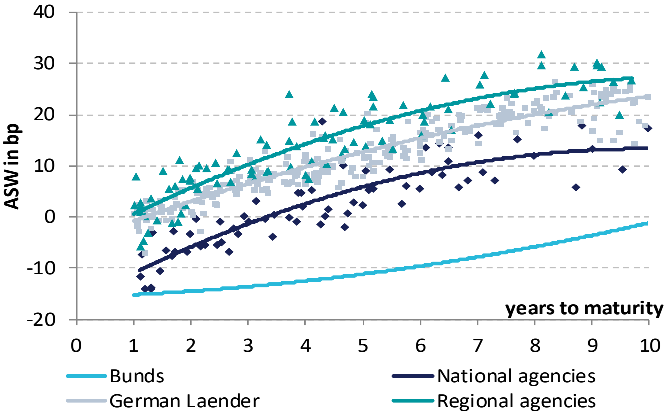


Performance (total return) by rating

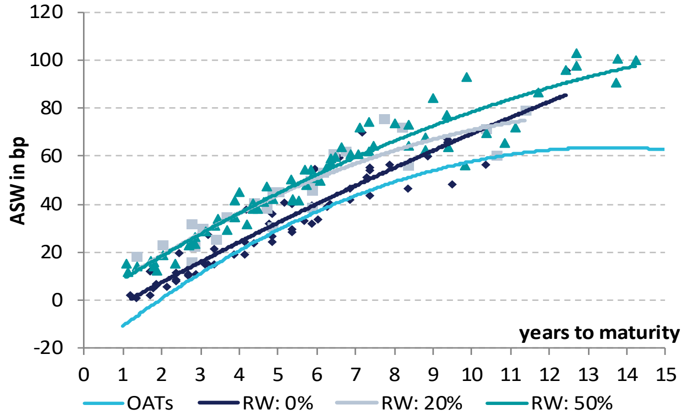


Source: Bloomberg, NORD/LB Floor Research

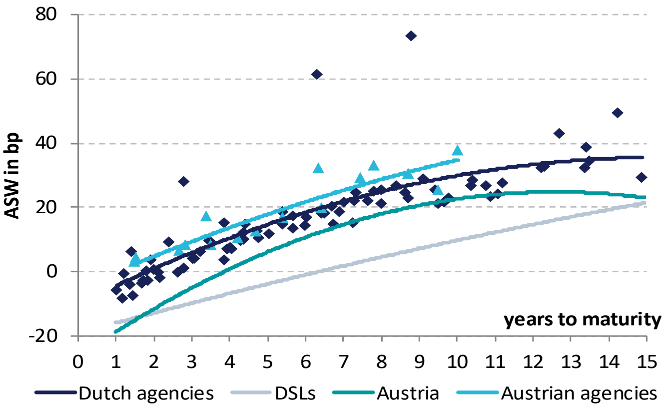
Germany (by segments)



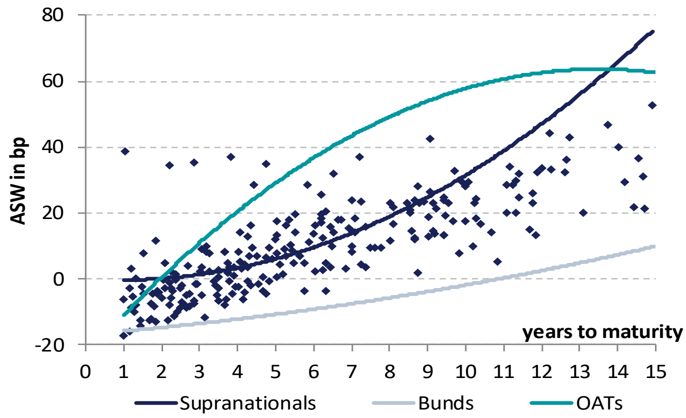
France (by risk weight)



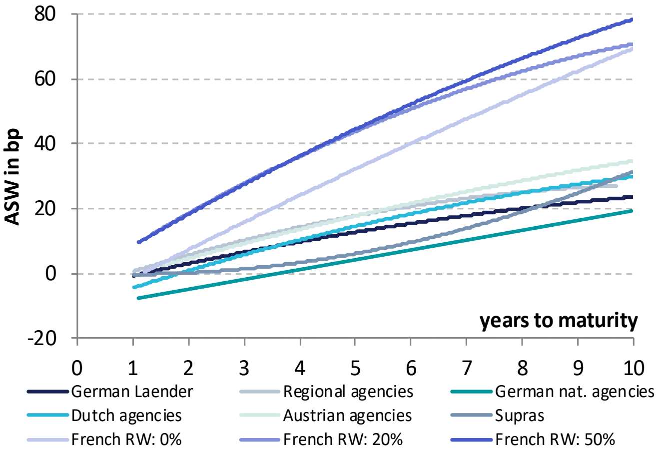
Netherlands & Austria



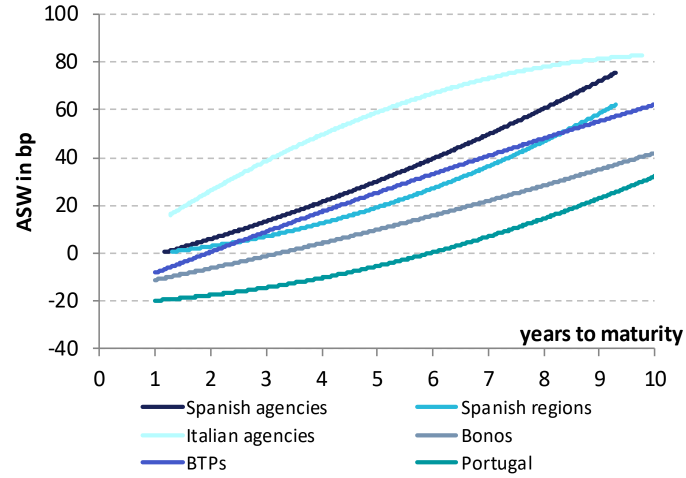
Supranationals



Core



Periphery

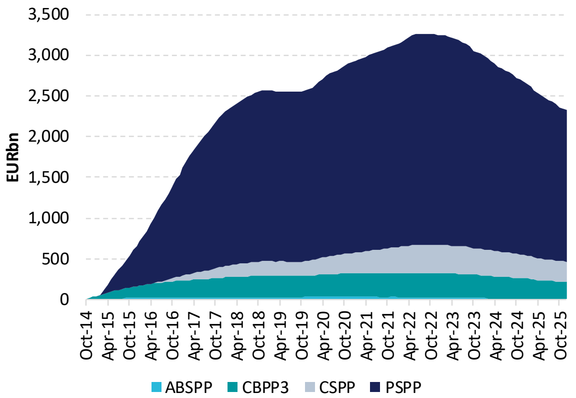


Source: Bloomberg, NORD/LB Floor Research

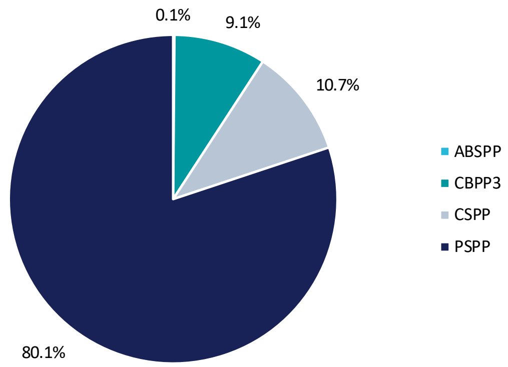
Charts & Figures
ECB tracker

Asset Purchase Programme (APP)

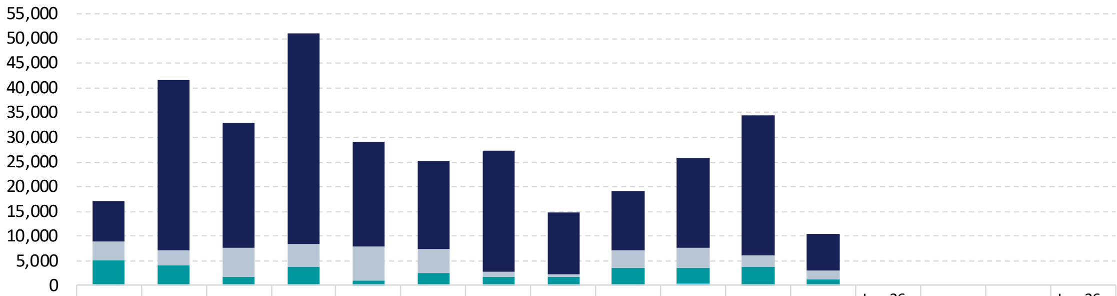
APP: Portfolio development



APP: Portfolio structure

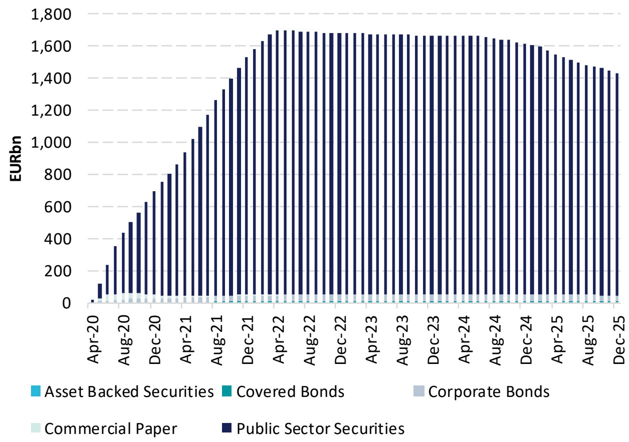


Expected monthly redemptions (in EURm)

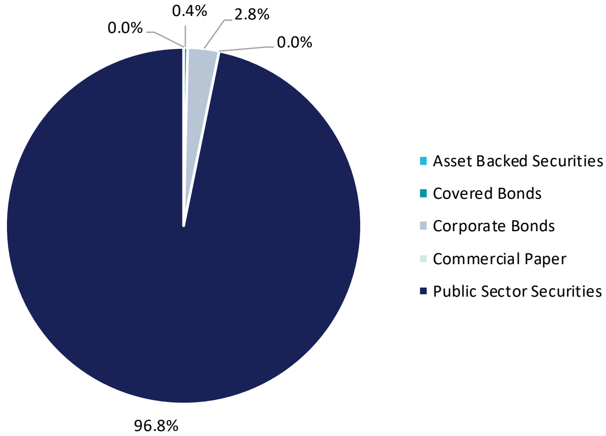


	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-26 - Dec-26	2025	2026	Jan-26 - Dec-26
APP	17,119	41,523	32,837	51,023	29,020	25,281	27,197	14,893	19,219	25,849	34,527	10,448	328,936	332,840	328,936	328,936
PSPP	8,318	34,465	25,111	42,657	21,135	17,964	24,306	12,570	12,097	18,215	28,397	7,420	252,655	252,566	252,655	252,655
CSPP	3,815	2,926	5,886	4,562	6,820	4,857	1,245	684	3,610	4,069	2,398	1,741	42,613	33,961	42,613	42,613
CBPP3	4,740	3,911	1,575	3,685	1,003	2,317	1,554	1,566	3,281	3,123	3,692	1,216	31,663	42,332	31,663	31,663
ABSPP	246	221	265	119	62	143	92	73	231	442	40	71	2,005	3,981	2,005	2,005

PEPP: Portfolio development



PEPP: Portfolio structure

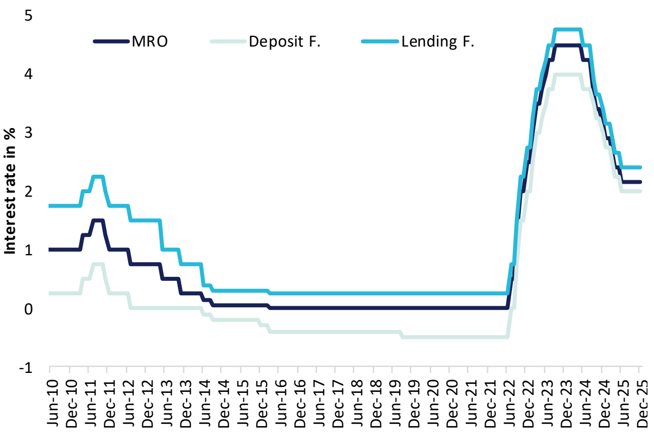


Source: ECB, NORD/LB Floor Research

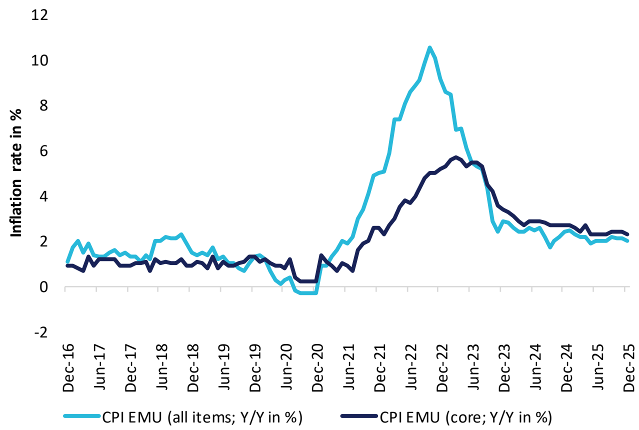
NORD/LB

Charts & Figures
Cross Asset

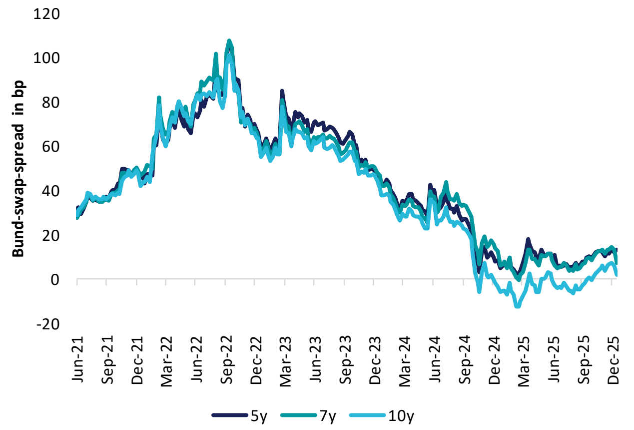
ECB key interest rates



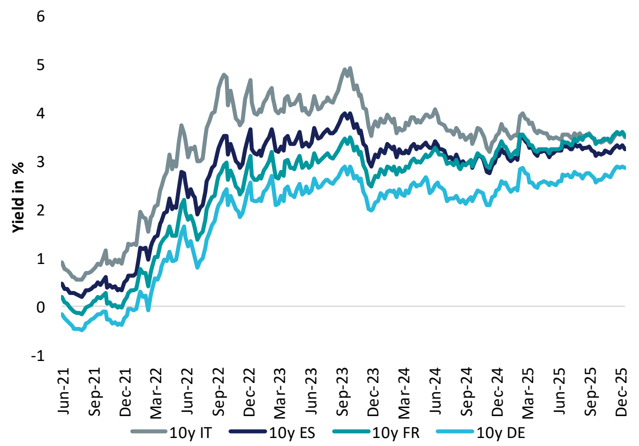
Inflation development in the euro area



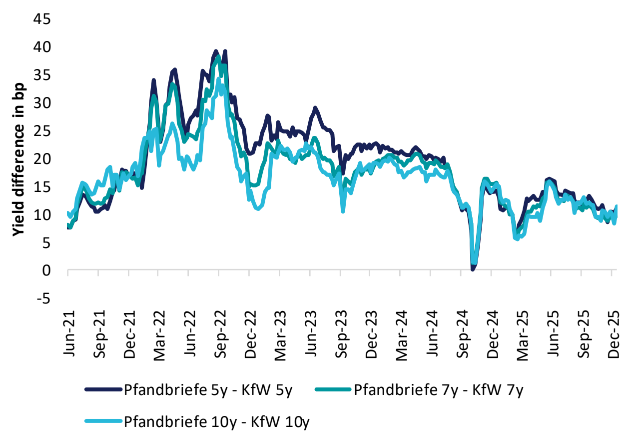
Bund-swap-spread



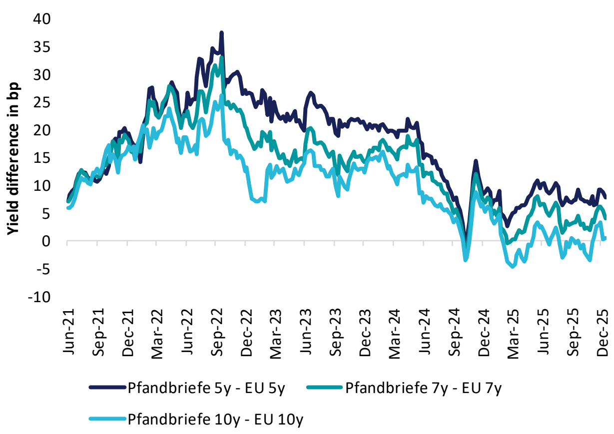
Selected yield developments (sovereigns)



Pfandbriefe vs. KfW



Pfandbriefe vs. EU



Source: ECB, Bloomberg, NORD/LB Floor Research

NORD/LB

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
43/2025 ♦ 17 December	▪ Cross Asset: Dutch pension funds in the spotlight
42/2025 ♦ 10 December	▪ Focus on spread relationships: Covereds vs. Seniors ▪ Teaser: Beyond Bundeslaender – Belgium
41/2025 ♦ 03 December	▪ The bigger picture – ECB and four daring suppositions ▪ Our view of the covered bond market heading into 2026 ▪ SSA outlook 2026: More debt, less scope?
40/2025 ♦ 26 November	▪ Cross Asset // Call for evidence: EU Taxonomy under review
39/2025 ♦ 19 November	▪ A covered bond view of the Nordics ▪ Teaser: Issuer Guide – French Agencies 2025
38/2025 ♦ 12 November	▪ Covereds: Development of the German property market (vdp index) ▪ Funding strategies of Canadian provinces – an overview
37/2025 ♦ 05 November	▪ Covereds: Savings banks as primary market issuers ▪ Auvergne-Rhône-Alpes Region – spotlight on REGRHO
36/2025 ♦ 29 October	▪ Covereds: A look at the EUR sub-benchmark segment ▪ SSA: Canadian pension funds in the spotlight
35/2025 ♦ 22 October	▪ ESG benchmark segment at a crossroads? ▪ Teaser: Issuer Guide – European Supranationals 2025
34/2025 ♦ 15 October	▪ Greece: covered bond jurisdiction on the rise? ▪ Agencies and resolution instruments of the BRRD
33/2025 ♦ 08 October	▪ Solvency II and covered bonds ▪ NGEU: Green Bond Dashboard
32/2025 ♦ 01 October	▪ Teaser: EBA report on the review of the EU covered bond framework ▪ Update on German municipality bonds: DEUSTD and NRWGK
31/2025 ♦ 24 September	▪ The rating approach of Morningstar DBRS ▪ Teaser: Beyond Bundeslaender – Greater Paris (IDF/VDP)
30/2025 ♦ 03 September	▪ A look at the German banking market ▪ ECB repo collateral rules and their implications for Supras & Agencies
29/2025 ♦ 27 August	▪ The rating approach of Standard & Poor's ▪ Pension avalanche and municipal debt: Laender under pressure
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

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
Weekly: DS NDB <GO>

Appendix
Publication overview

Covered Bonds:

[Issuer Guide – Covered Bonds 2025]

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

[Transparency requirements §28 PfandBG Q3/2025] (quarterly update)

[Transparency requirements §28 PfandBG Q3/2025 Sparkassen] (quarterly update)

[Covered bonds as eligible collateral for central banks]

[EBA report on the review of the EU covered bond framework]

SSA/Public Issuers:

[Issuer Guide – German Laender 2025]

[Issuer Guide – Canadian Provinces & Territories 2024]

[Issuer Guide – Down Under 2024]

[Issuer Guide – European Supranationals 2025]

[Issuer Guide – Non-European Supranationals (MDBs) 2025]

[Issuer Guide – German Agencies 2025]

[Issuer Guide – French Agencies 2025]

[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]

[NO! You joyful… pause! – ECB keeps key rates unchanged]

Appendix
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Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Institutional Sales MM/FX	+49 511 361-9460
Fixed Income Relationship Management Europe	+352 452211-515
Retail & Structured Products	+49 511 361-9420

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

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Asset Finance	+49 511 361-8150

Treasury

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