



## Covered Bond & SSA View

NORD/LB Floor Research

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Marketing communication (see disclaimer on the last pages)

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## Covered Bonds

### Market overview

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#### Primary market: new issue premiums no longer available

In the previous trade week, the primary market continued to paint a dynamic picture. For example, over the past four trading days, a total of five issuers from five different jurisdictions placed covered bonds with an aggregated volume of EUR 3.9bn on the market. The majority of these deals came on 20 May, when three issuers approached the market at the same time. These included Aareal Bank (DE; inaugural Green) and Belfius Bank (BE), which both opted for terms of five years, while Fédération des Caisses Desjardins du Québec (CCDJ) issued a covered bond with a term to maturity of six years. Over the course of the marketing phase, the spreads narrowed by six basis points versus the guidance in each case; moreover, order books remained largely stable even after the final spread was fixed (average bid-to-cover ratio: 2.9x). Following the three deals placed on 20 May, another non-European issuer, on this occasion the Commonwealth Bank of Australia (ticker: CBAAU), entered the market the very next day. The Australian issuer opted to place a 7y covered bond with a deal size of EUR 1.25bn, which was issued at a reoffer spread of ms +32bp. Following the Pentecost holiday, OTP Jelzálogbank (OTP Mortgage Bank) entered the market for the second time this year, approaching investors with a deal worth EUR 500m (WNG). Since making its comeback to the EUR benchmark segment last summer, OTP Mortgage Bank is increasingly becoming something of a regular issuer in this market segment. Since June 2025, the bank has now issued as many as four EUR benchmarks with a total volume of EUR 2.0bn. Overall, the primary market is being supported by a high level of investor interest. Among other aspects, this can be seen in more than adequate oversubscription ratios and the low (or, in some cases, negative) new issue premiums (average for the five most recent new deals: -0.2bp). At the moment, we also see little sign of this trend reversing in the near future.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
OTP Mortgage Bank	HU	26.05.	XS3392853902	7.3y	0.50bn	ms +54bp	- / A1 / -	-
CBAAU	AU	21.05.	XS3386669694	7.0y	1.25bn	ms +32bp	AAA / Aaa / -	-
Aareal Bank	DE	20.05.	DE000AAR0496	6.0y	0.62bn	ms +33bp	- / Aaa / -	X
CCDJ	CA	20.05.	XS3389643407	5.0y	0.75bn	ms +26bp	AAA / Aaa / -	-
Belfius Bank	BE	20.05.	BE0390317866	6.0y	0.75bn	ms +24bp	AAA / - / AAA	-

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

#### Secondary market: demand primarily focused on new deals

The covered bonds issued over the previous four trading days were not only subject to high demand, but they also continued to perform well in the secondary market. At present, however, this performance is limited to 1-2bp. Overall, the majority of demand is focused on the secondary market and recently issued covered bonds, whereby there is a distinct preference for shorter and medium maturities in particular. At the moment, the spread level appears to be largely stable, although we would say there is more of a chance of marginal spread tightening than of a countermovement.

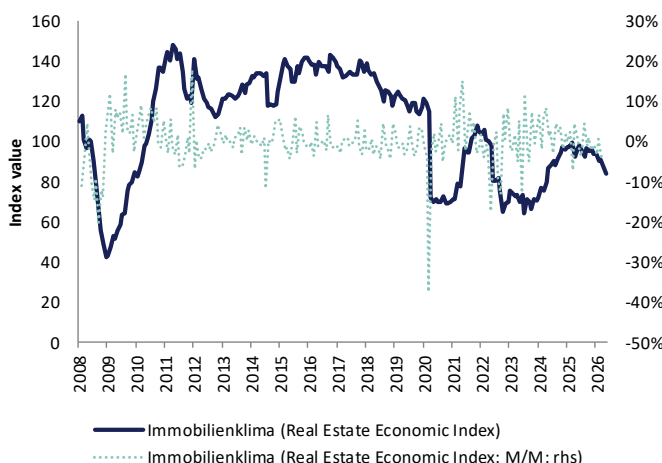
### EUR sub-benchmark segment: two issuers active in this sub-segment

The sub-benchmark segment presented a similarly dynamic picture to the issuers in the EUR benchmark segment, with two new issues recorded in the past four trading days. Hypo Tirol Bank (AT; cf. [Issuer View](#)) and Kreissparkasse Köln (DE) both approached the market with a transaction on 21 May and respectively raised EUR 300m and EUR 250m. Both issuers opted for a 7.0y maturity and were able to reduce the spread over the course of the marketing phase by six basis points in each case. The bid-to-cover ratios amounted to 2.6x (Hypo Tirol Bank) and 2.9x (Kreissparkasse Köln), which from our perspective points to not insignificant levels of investor interest in the two deals.

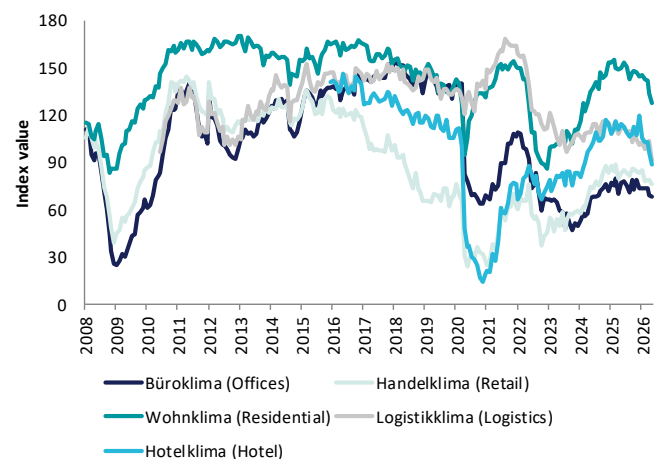
### Deutsche Hypo real estate climate index: downward trend continues

For many years now, the Deutsche Hypo real estate climate index has ranked among the most widely observed barometers for assessing the situation on the German property market. In May, too, the sustained downward trend, which has been in evidence for several months now, was continued. In total, around 1,000 real estate experts were surveyed as part of the 221st [monthly survey](#). The final result saw the real estate climate fall by -4.7% against the previous month to 83.8 points, its lowest level in more than two years. Compared with the previous year, the decline already stands at -13.6%. After the earnings climate had at least remained relatively stable over previous months, it registered a significant decline in May, falling to 90.6 points (-4.9% M/M). The investment climate declined by a similar amount and now stands at just 77.2 points (-4.2% M/M). The logistics climate recorded the sharpest declines (-11.9% M/M), followed by the hotel climate (-8.7% M/M). The residential climate continues to lead the way at 128.2 points – however, it too has seen a significant decline recently (-4.7% M/M). Only the office climate (-0.7% M/M) remained relatively constant. Peter Kleinhütten, Head of Customer Services for North Rhine-Westphalia, sees the declining index level primarily as an indicator of widespread weakness, which is now becoming apparent owing to the lack of clear stabilisation impetus. According to Kleinhütten, investment decisions are still possible, but are currently only being made sporadically, as investors are opting to act cautiously and selectively. At the moment, the macroeconomic environment is only ramping up the pressure. At the same time, the real estate experts at Deutsche Hypo have identified a qualitative shift within the market.

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



Real estate climate index by segment



**Bpifrance planning first issue of a European Secured Note**

Last week, the French agency Bpifrance (BPI) announced its intention to issue a EUR benchmark transaction in the form of a European Secured Note (ESN) (cf. [press release](#)). With the issuance of an ESN, BPI is expanding its range of funding instruments to encompass another bond class, with the specific aim of strengthening the financing of SMEs. Similar to a covered bond, an ESN has a pool of receivables that can be used to secure the bonds in the event that the issuer is no longer in a position to service its obligations to bondholders. Unlike mortgage-backed covered bonds, where the value of the property is used as collateral, these receivables consist of claims against SMEs. With this step, BPI is aiming to establish what has up until now been the rather theoretical concept of ESNs – supported by the European Commission and the European Covered Bond Council (ECBC) – in practice for the first time. According to BPI, the receivables pool used for collateralisation is made up of a granular portfolio of secured and unsecured loans to French SMEs. BPI guarantees more than 80% of these receivables itself. Similar to most EUR benchmarks, ESNs from BPI feature a soft bullet structure that allows for a 12-month maturity extension. BPI expects to attain a rating of “Aaa” from the rating agency Moody’s for its ESNs. The combination of an issuer from the SSA/Public Issuers universe and a covered bond-adjacent structure undoubtedly represents an exciting construct. Given the narrow spread differences between covered bonds and those from the SSA/Public Issuers universe, it remains to be seen whether an ESN deal will also offer funding advantages for BPI. The question as to the investor base for a bond of this kind is also pertinent, as investors would undoubtedly expect a certain spread premium compared to the BPI curve. Nevertheless, from our point of view the expansion of the bond universe has to be seen as a positive development.

**Fitch: current market environment enhancing the appeal of Canadian covered bonds**

In the latest edition of its regular [Peer Credit Analyses](#), the rating experts from Fitch provide a positive report of the Canadian covered bond market overall. Aside from Equitable Bank (AA+, outlook: positive), all covered bond programmes receive the top rating AAA. According to Fitch, the excellent credit quality of the underlying cover assets stands out as a clear reason for this rating assessment. For example, less than 1% of the mortgage pools of the eight issuers examined contain non-performing loans (NPLs). Furthermore, these exhibit a moderate loan-to-value (LTV) ratio at an average of around 45%, as well as a high proportion of owner-occupied residential properties (approx. 81%). Another strength is linked to the recent improvement in creditor protection that was initiated by the Canada Mortgage and Housing Corporation (CMHC) – the central regulatory body of the Canadian covered bond framework. It is now the case that only amortising loans are permitted in the issuers’ cover pools, while home equity lines of credit (real estate-backed, revolving credit lines) are no longer eligible as cover assets. In addition, stricter rules regarding interest payments during extension periods within the framework of soft bullet structures have been introduced. As part of its market analysis, Fitch also discusses the possibility of Canadian covered bonds attaining EU equivalence status in the future. In this context, the Canadian covered bond framework is seen as largely compatible with EU regulations, with differences existing only in details in relation to liquidity requirements and eligible assets.

**OSFI proposes adjustment to the LCR framework in Canada**

The Canadian banking supervisory authority, the Office of the Superintendent of Financial Institutions (OSFI), recently published a [Consultation proposal](#) with the aim of achieving improved treatment of covered bonds under the Canadian LCR framework. At present, covered bonds, as highly liquid assets (HQLA), can at best be considered Level 2A assets within the framework of LCR management, which corresponds to a 15% haircut. The OSFI is now proposing the introduction of a new LCR Level 1B, to which covered bonds would also be assigned. This would change the requirements that covered bonds in Canada must meet to be recognized as Level 1B assets and be subject to a lower haircut of 7%. These requirements include a long-term rating of at least AA- from a recognised ECAI rating agency (e.g., Fitch, Moody's, S&P) and a minimum issuance volume of USD 750m. For an overview of the ratings of Canadian EUR benchmark issuers, please refer to the [focus article](#) in this present edition of our weekly publication. The liquidity requirements in particular and the requirements of the market in which the bond is traded continue to apply. For a covered bond to be recognised as a Level 2A asset, these requirements must be satisfied. Accordingly, the new category represents an improvement for covered bonds in Canada without altering the existing standard (Level 2A). The consultation draft contains no requirements in relation to geographical focus. Therefore, in our view almost all EUR benchmarks with an outstanding volume of at least EUR 750m should qualify as Level 1B assets under the new approach. This would also enhance the appeal of covered bonds for Canadian bank treasuries and could potentially stimulate higher demand for EUR benchmark transactions, although it does remain to be seen just how strong the effect on demand will actually be. With this move, Canada continues to converge with the EU LCR framework, which also differentiates between Level 1 and Level 2A assets. However, differences still crop up when we look at the details: according to the current interpretation of EU regulations, Canadian covered bonds meet the requirements for Level 2A assets at a maximum. In the future, a third-country equivalence regime proposed by the EBA could help to bring about greater harmonisation. Market participants have until 20 July to submit their observations and comments about the OSFI proposal.

**Moody's: French covered bonds defy macroeconomic risks**

In a recently presented [study](#), Moody's conducted a detailed analysis of the French covered bond market. In this report, the rating experts highlight the impending risk of political fragmentation, in addition to weaker growth trajectories and fiscal challenges. A sovereign rating of Aa3 (outlook: negative) also implies that refinancing risks could potentially increase. Against this backdrop, however, Moody's emphasises that rising macroeconomic risks are not the dominant factors driving the performance of the covered bond segment. Instead, the rating experts underline the relevance of fundamental data of the covered bond programmes, which Moody's describes as robust. The high quality of the cover assets – reflected in low LTV ratios and strict issuance standards in the programmes examined – continues to constitute the anchor of stability for the asset class. In addition to the high-quality cover assets, the strong creditworthiness of the issuers under consideration is another supporting factor. Given that all issuer ratings are in the Aa3 to Baa2 range, the strong creditworthiness of the institutions and robust cover pools together provide a double layer of security.

## SSA/Public Issuers

### Market overview

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

#### **Just in time for the updated Issuer Guide – EBA confirms 0% risk weight for TenneT NL**

On 21 May, the European Banking Authority (EBA) announced its decision regarding the risk weight to be applied to bonds issued by the Dutch electricity grid operator TenneT NL (ticker: TENNNL). To recap: Since 01 September 2025, the agency has had an explicit guarantee from the Dutch government for (virtually) all outstanding liabilities and any incurred in the future. Against this backdrop, the rating agencies [Moody's](#) and [S&P](#) have aligned their credit ratings for TenneT NL with those of the Dutch state, with the result that the guaranteed liabilities now carry a rating of AAA. Following the inclusion of the electricity grid operator in the [EBA list of public sector entities](#) (PSE), which lists all the agencies for which the risk weight is derived from Art. 116(4) [CRR](#), the supervisory authority has now officially confirmed the 0% risk weight for TenneT NL that we had already anticipated. This would also indicate a classification as a Level 1 asset under the [LCR Regulation](#). “This recognition highlights TenneT NL’s strong institutional position and its crucial role in the energy transition. As the only Dutch issuer on the EBA list, this emphasises the strength of our credit profile and further strengthens our position in the international capital markets. This will enable us to obtain long-term funding at a lower cost, which strengthens our ability to finance future grid investment projects”, said Gerard Kits – Treasury and Insurance Manager. The timing of the announcement was also very convenient for us, as shortly afterwards we published our [Issuer Guide – Dutch Agencies](#), in which we also took a detailed look at TenneT NL for the first time in addition to the established trio of Dutch agencies BNG, NWB and FMO.

#### **WIBank achieves record results in municipal financing**

Wirtschafts- und Infrastrukturbank Hessen (WIBank; ticker: WIBANK) has provided an insight into its financial results for 2025, recording a further rise in new business. As stated in the accompanying press release, the volume of new business amounted to EUR 4.1bn as at the balance sheet date, an increase of around +5% year on year (2024: EUR 3.9bn). Once again, the financing of various investment projects at local authority level accounted for the lion’s share, which the bank says is traditionally its most lucrative promotional segment. General municipal financing, which is not subsidised by public funds, posted a record result of EUR 818.9m in the past financial year, an increase of +45% compared with the end of 2024. Meanwhile, municipal investments under the Hessian Investment Fund came to EUR 351.8m (2024: EUR 361.9m). In terms of earnings performance, WIBank increased its net commission income by EUR +6.7m to EUR 174.9m, while net interest income fell by EUR -15.1m, to EUR 79.6m. At the end of 2025, annual net profit stood at EUR 26.7m (2024: EUR 26.5m). Total assets also grew by EUR +1.6bn to EUR 31.6bn, due to increased funding requirements in connection with the promotional business.

**Lower Saxony: impact of the May tax estimate remains manageable**

The tax revenues forecast by the “Tax Estimates” working group for the coming years – which has been revised downwards compared with the October estimate (cf. [weekly publication dated 13 May](#)) – for the Bund, Länder and municipalities is also having an effect on Lower Saxony’s finances. This means that our owner state Lower Saxony (ticker: NIESA) must also expect lower tax revenues this year against the backdrop of weak economic growth resulting from the war in the Middle East. Lower Saxony’s tax revenues are expected to amount to around EUR 37.2bn this year and could rise in subsequent years to as much as EUR 39.9bn in 2029 and EUR 41.1bn in 2030. Compared with the October estimate, the tax revenue forecast for 2026 would therefore be around EUR -262m lower taking into account the municipal financial equalisation system. However, as this shortfall is expected to be offset within the existing budget, no supplementary budget will be needed as things stand. Furthermore, it remains to be seen how the actual cash flow situation develops. Looking ahead to the coming years, forecasts suggest that from 2027 onwards there will initially be a slight shortfall in revenue, followed by a small surplus by the end of the planning period running until 2030, although these will not fully offset one another from an overall perspective. Specifically, expectations for the coming years have been revised downwards as follows: by EUR -86m for 2027, by EUR -48m for 2028 and by EUR -7m for 2029. On the other hand, an increase of EUR 108m is estimated in 2030. In addition, the Ministry of Finance of Lower Saxony also previously presented its financial statements for 2025 and was able to break even in this year thanks to net borrowing of EUR 1.2bn, while the budget balance stood at EUR -1.4bn.

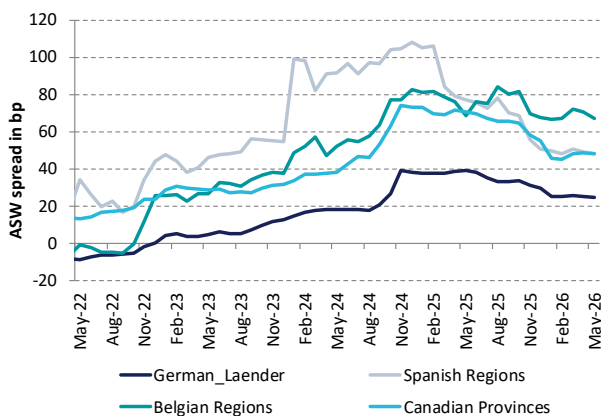
**Kommuninvest presents quarterly report on municipal debt management**

The Swedish municipal financier Kommuninvest (ticker: KOMINS) has presented its report on municipal debt management in Sweden for the first quarter. This report is based on the loans and transactions of Kommuninvest, which were registered by local authorities and regions as well as their businesses in Kommuninvest’s debt management tool “KI Finans”. The data set for Q1/2026 comprises 9,825 loans, certificates and borrowings with a total value of SEK 746bn (equates to around EUR 69.0bn) as well as 1,700 derivatives with a value of SEK 219bn. The report shows that the average term of the outstanding loans of Swedish municipalities rose from 2.5 years in the previous quarter to around 2.6 years, with 25% of the loan portfolio maturing within the next twelve months. This relatively short term means that externally financed investments usually must be refinanced several times. After financing costs for the local government sector had largely stabilised last year, financing terms became more expensive again in Q1/2026, with the average interest rate, including derivatives, increasing by six basis points versus the previous quarter to 2.48%. Regarding the transactions in Q1/2026, 926 new loans, bonds and commercial papers with a total volume of SEK 72bn and 81 derivatives worth SEK 11bn were registered. The average term for these transactions was 3.2 years, while the average interest rate for new transactions was 2.55%. “Volatile financial markets affected interest rates in the sector this quarter. Given the short average duration of capital and interest rates, changes in the interest rate environment are passed on relatively quickly”, said Viktor Johansson – analyst at Kommuninvest.

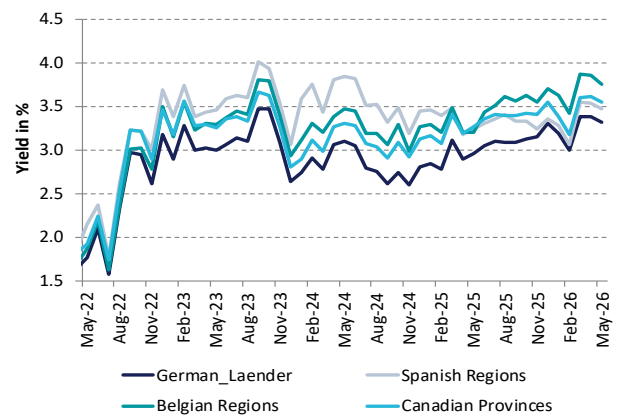
**Current spread developments in the sub-sovereign segment**

Rising inflation expectations and fiscal policy challenges mainly impacted yield trends in the sub-sovereign segment in our definition of SSA/Public Issuers. By contrast, spreads (based on monthly data) have largely moved sideways since the beginning of the year for the most important regional governments and local authorities that are part of our coverage – i.e., German Laender, Belgian regions, Canadian provinces and the Spanish autonomous communities. Benchmark bonds issued by German Laender in the ten-year maturity segment are currently trading at an ASW spread of +25bp, which is roughly in line with the median level over the past 36 months. In 2026, sub-sovereigns have so far issued a total of EUR 27.2bn in EUR benchmark bonds, which is a lower volume than in the two previous years (2025: EUR 33.1bn; 2024: EUR 29.3bn). The same applies to Belgian regions, which started the year with an ASW spread of around +67bp and are now trading at the same level again after temporary spread widening. The challenging economic conditions combined with an anticipated further rise in debt and an ongoing budget deficit recently prompted the rating agency Moody’s to downgrade their credit rating for Belgian sub-sovereigns (cf. [weekly publication dated 29 April](#)). In our view, this decision has not had a significant impact on risk premiums, as this step is likely to have already been priced in by market participants to a large extent. So far this year, Belgian sub-sovereigns have raised EUR 4.75bn through new issues, representing an increase of around 19% year on year. Canadian provinces are also facing a growing mountain of debt. The budgets approved for the new fiscal year, which began on 01 April, provide for continuing high levels of borrowing and persistent budget deficits in many places. Consequently, spreads have moved upwards since January. Most recently, 10y bonds issued by Canadian provinces were trading at an ASW spread of +48bp (January: +45bp), which was roughly in line with the median for the past three years. Five provinces have already been active on the EUR primary market this year, raising a total of EUR 9.25bn in fresh capital (05/2025: EUR 6bn; 05/2024: EUR 9bn). The Spanish regions are a positive exception in our analysis: on the one hand, risk premiums have remained virtually unchanged over the past few months, whereas spreads have narrowed significantly since the end of 2024 (12/2024: +108bp; 05/2026: +48bp). This trend is particularly striking based on a historical comparison with Belgian regions and it reinforces the narrative that the European South has been more successful than the North in terms of fiscal consolidation and debt reduction.

**Spread development of relevant sub-sovereigns (10y)**



**Yield development of relevant sub-sovereigns (10y)**



Source: Markit, Bloomberg, NORD/LB Floor Research

### Primary market

Around the public holidays, activities on the SSA primary market in various jurisdictions were also slow in the trading week covered here. In this issue, we can only report three deals in the EUR benchmark segment with an aggregated new issuance volume of EUR 4.5bn. Let's start in chronological order as usual: we had already mentioned the mandate from NRW.BANK (ticker: NRWBK) for its inaugural [European Green Bond](#) (EuGB, 7y) in the last edition and the books were subsequently opened shortly after publication with a guidance of ms +21bp area. At the end of the marketing phase, investor demand resulted in an order book worth EUR 3.3bn. A fresh EUR 1.5bn was ultimately issued at a reoffer spread of ms +19bp, resulting in a bid-to-cover ratio of 2.2x. According to the issuer, the EuGB's underlying assets are fully compliant with EU taxonomy and are intended to contribute to climate protection and to restoring biodiversity and ecosystems. Following the social bond issued in April, this was NRW.BANK's second EUR-denominated ESG transaction this year. The agency's announced funding target for 2026 is EUR 15-17bn (average: EUR 16bn), of which, according to our estimates, the equivalent of around EUR 10bn has been raised to date in a wide variety of currencies. Let's look back at developments on the primary market: Nordic Investment Bank (ticker: NIB) was also active in the ESG segment and chose an in-house green [Environmental Bond](#) with a 7y maturity and a new issuance volume of EUR 1bn for its first EUR benchmark in 2026. During the bookbuilding process, the order book finally filled to EUR 2.2bn, enabling the reoffer spread to be narrowed by two basis points compared with the guidance. The bond was finally priced at ms +13bp. After the Pentecost holiday, the European Stability Mechanism (ticker: ESM) approached investors yesterday (Tuesday) with a 5y EUR benchmark. It sought to raise EUR 2bn, which finally came to market at ms +6bp. The order book ultimately amounted to EUR 21.5bn, meaning that the deal was more than ten-times oversubscribed (guidance: ms +8bp area). With the transaction, the ESM has now already reached EUR 4.5bn of its total refinancing target of EUR 7bn for this year. With an eye to the future, the French promotional bank Bpifrance (ticker: BPIFRA) is holding talks with investors up to and including Friday, 29 May for an upcoming deal in the form of a European Secured Note (ESN). This is a covered bond-adjacent security that is secured primarily by receivables from loans to small and medium-sized enterprises (SME). By its own account, Bpifrance is aiming for a new issuance volume of EUR 500m in this inaugural transaction and is planning a total of two deals in this format in 2026. The bond is likely to be rated Aaa by Moody's. For further information on European Secured Notes, please refer to the [Covered Bond Market overview](#) in this issue. Based on the other new mandates that have been issued, we expect to see the following transactions on our screens in the near future: the Federation of Bosnia and Herzegovina (ticker: FEDBH) is planning to issue a five-year EUR benchmark bond and has been holding talks with investors to this end since yesterday. In addition, the Dutch BNG Bank (ticker: BNG) intends to place a seven-year EUR benchmark. Finally, the French agency Unédic (ticker: UNEDIC) has also mandated for a 15y [social bond](#).

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
ESM	SNAT	26.05.	EU000A1Z99Z8	5.0y	2.00bn	ms +6bp	AAA / Aaa / AAA	-
NIB	SNAT	21.05.	XS3391770743	7.0y	1.00bn	ms +13bp	- / Aaa / AAA	X
NRWBK	DE	20.05.	DE000NWB0B16	7.0y	1.50bn	ms +19bp	AAA / Aa1 / AA	X

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

## Covered Bonds

# Focus on covered bond jurisdictions: Canada in the spotlight

Authors: Lukas Kühne // Dr Norman Rudschuck, CIIA

### **Canada is one of the world's leading covered bond markets**

In this edition of our weekly publication, we are using the consultation on changes to the LCR treatment of covered bonds in Canada as an opportunity to once again focus on the Canadian covered bond market. In its consultation draft, the Office of the Superintendent of Financial Institutions (OSFI) proposes that covered bonds may be included in the newly created LCR Level 1B under certain conditions. This would reduce the haircut from the current level of 15% to 7%, which represents a significant improvement in the treatment of covered bonds and is reminiscent of the European LCR requirements for covered bonds. For a more detailed overview of the exact conditions that covered bonds must meet to be recognised as Level 1B assets in Canada in the future, as well as the potential impact on the attractiveness of covered bonds, please refer to our Covered Bonds [Market Overview](#) section. The Canadian covered bond market is one of the most established in the world and, based on data from the European Covered Bond Council (ECBC), ranks seventh in terms of outstanding volume as at the end of 2024 (EUR 205.2bn). Among other aspects, we will be providing a general market overview and will examine issuance activities in this and previous years, as well as taking a look at the currency preferences of Canadian issuers for their covered bond deals.

### **EUR benchmark segment Canada: eight banks active in the market**

Currently, eight Canadian banks have at least one outstanding covered bond in the EUR benchmark segment. According to the [Canadian Covered Bonds Registry](#), which lists all active covered bond issuers from Canada, this means that all institutions are also operating in this submarket, with the exception of [Laurentian Bank](#). In total, the outstanding EUR benchmark volume of all Canadian issuers amounts to approximately EUR 77bn. The bulk of issue activity is attributable to the Toronto-Dominion Bank (TD; EUR 19.0bn) and the Royal Bank of Canada (RBC; EUR 17.8bn), which together account for nearly 50% of the total outstanding volume. In contrast, Equitable Bank is the smallest Canadian issuer in this market segment, with only two outstanding EUR benchmarks totalling EUR 1.0bn. In the context of Canadian banks' issue activities, the OSFI ratio plays a significant role, as it limits an institution's potential covered bond placements. The OSFI covered bond limit is officially capped at 5.5% for all the issuers we are examining, and this ratio is calculated as the total assets pledged for covered bonds divided by the total on-balance sheet assets. The eight EUR benchmark issuers currently report OSFI ratios ranging from 1.7% to 4.1%. Accordingly, all institutions still have room to further expand their refinancing via covered bonds. The overcollateralisation ratio, calculated based on the CMHC Guide (Canada Mortgage and Housing Corporation), serves as the basis for determining the OSFI limit. With regard to the calculated overcollateralisation ratio, there are currently also no limiting factors that might constrain the issuing activities of Canadian banks. The minimum overcollateralisation ratio in Canada is 3.0%.

**Canadian EUR benchmark issuers – an overview<sup>1</sup>**

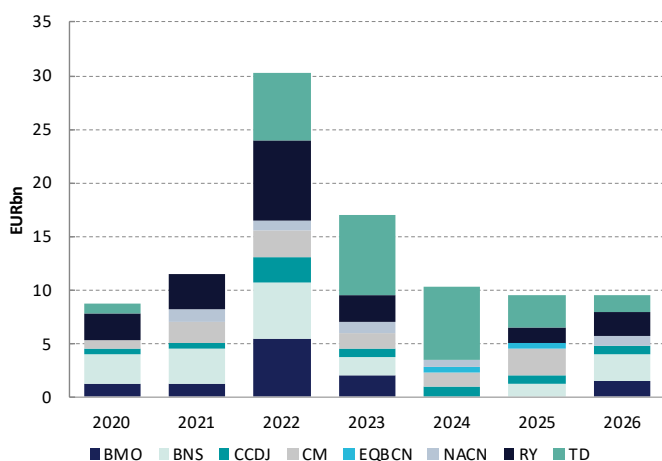
Issuer (Link)	Cover pool volume (in CADbn)	Total outstanding (in CADbn)	OC nominal	OC <sup>2</sup> CMHC Guide	OSFI- Ratio <sup>3</sup>	Rating (Fitch / Moody's / S&P)	EUR BMK 2026ytd	EUR BMK 2025	EUR BMK 2024
							EURbn / Number of deals		
<a href="#">BMO</a>	36.722	22.967	59.9%	7.0%	1.7%	AAA / Aaa / -	1.50 / 1	0.00 / 0	0.00 / 0
<a href="#">BNS</a>	85.072	54.549	56.0%	5.4%	3.9%	AAA / Aaa / -	2.50 / 2	1.25 / 1	0.00 / 0
<a href="#">CCDJ</a>	22.384	17.347	29.0%	5.3%	3.5%	AAA / Aaa / -	0.75 / 1	0.75 / 1	1.00 / 1
<a href="#">CIBC</a>	62.837	40.655	54.7%	7.4%	3.8%	AAA / Aaa / -	0.00 / 0	2.50 / 2	1.25 / 1
<a href="#">EQBCN</a>	2.479	1.961	26.4%	9.7%	4.1%	AA+ / Aa1 / -	0.00 / 0	0.50 / 1	0.50 / 1
<a href="#">NACN</a>	26.175	10.640	146.0%	9.1%	1.9%	AAA / Aaa / -	1.00 / 1	0.00 / 0	0.75 / 1
<a href="#">RY<sup>4</sup></a>	114.570	64.360	78.0%	7.6%	3.0%	AAA / Aaa / -	2.25 / 2	1.50 / 1	0.00 / 0
<a href="#">TD</a>	115.186	68.049	69.3%	5.3%	3.4%	AAA / Aaa / -	1.50 / 1	3.00 / 2	6.75 / 4
<b>Σ</b>							<b>9.50 / 8</b>	<b>9.50 / 8</b>	<b>10.25 / 8</b>

<sup>1</sup> Reporting date: 30 April 2026; <sup>2</sup> OC as basis for OSFI limit; <sup>3</sup> OSFI limit = 5.50%; <sup>4</sup> Reporting date: 31 March 2026  
Source: Issuers, rating agencies, NORD/ Floor Research;

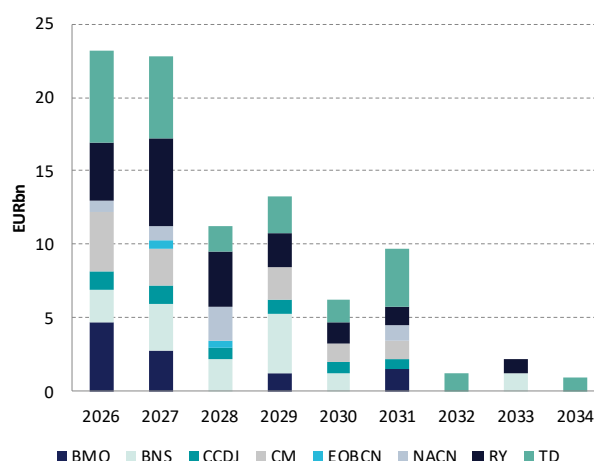
**Canadian primary market: high maturities driving issue activity**

So far in 2026, six of the eight issuers have been active in the market with at least one EUR benchmark, placing new bonds totalling EUR 9.5bn. As a result, after just under five months, the new issue volume stands at the same level as in FY/2025 (EUR 9.5bn) and only slightly below the FY/2024 level (EUR 10.3bn). Maturities amounting to more than EUR 23bn are the driving force behind this high issue volume when compared with the previous two years. We therefore expect the high issue activity from Canada to continue over the remainder of the year. Aside from the Canadian Imperial Bank of Commerce (CIBC) and Equitable Bank (Ticker: EQBCN), all Canadian issuers have already been active in the market with at least one EUR benchmark transaction this year. Both the Royal Bank of Canada (RBC) and the Bank of Nova Scotia (BNS) approached investors with dual tranches featuring maturities of three and seven years. Typically, issuers from Canada tend towards higher issue volumes, not limiting their deals to the minimum requirement for a EUR benchmark (EUR 500m). Accordingly, seven of the eight deals placed in 2026 had an issue volume of at least EUR 1.0bn; only the Fédération des Caisses Desjardins du Québec (CCDJ) opted for a lower issue volume of EUR 750m.

**EUR benchmarks CA (EURbn)**



**EUR benchmarks CA (maturities, EURbn)**

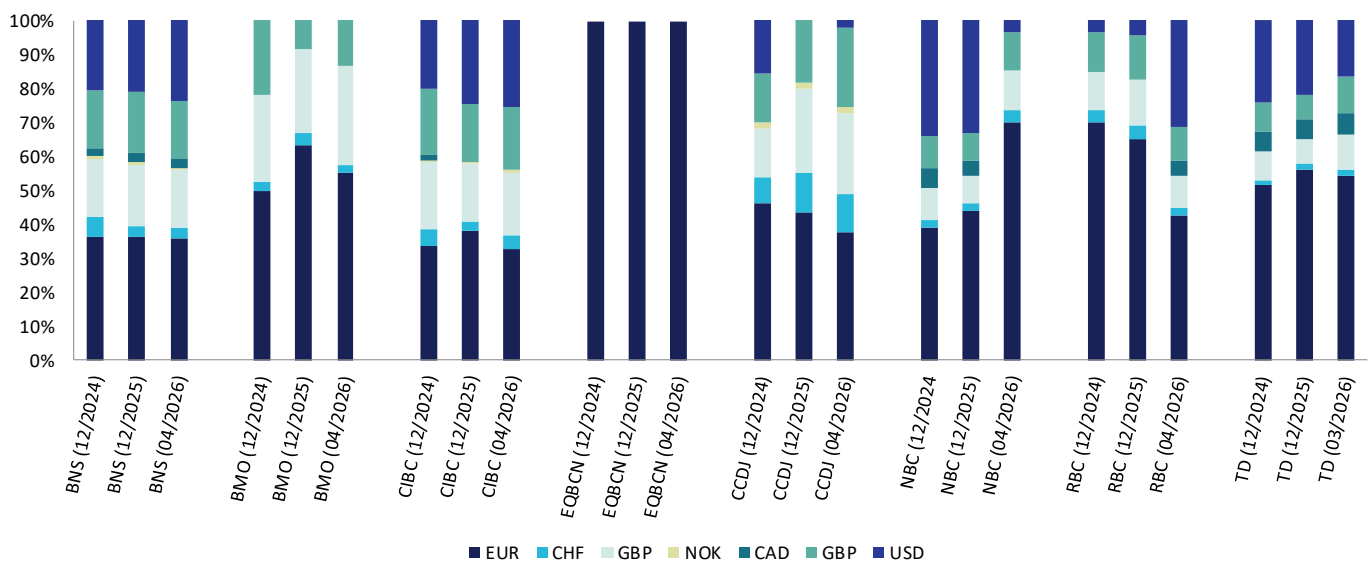


Source: Bloomberg, NORD/LB Floor Research

**EUR benchmark issuers in Canada: varied in terms of currency**

The distribution of total outstanding covered bonds by issuer broken down by currency also presents a mixed picture. The following analysis is based on HTT disclosures from Canadian institutions. The currency distribution is particularly important for assessing the situation in the Canadian covered bond market because banks in this jurisdiction are quite broadly diversified in terms of their choice of issue currencies. This is illustrated by the USD and GBP benchmark transactions that have already been successfully placed by Canadian issuers this year. In our view, the comparatively high activity of Canadian issuers in this submarket is likely attributable not least to the high maturities in the EUR benchmark segment. Some issuers appear to not be exclusively replacing their EUR maturities with benchmark issues denominated in the same currency and are increasingly using covered bonds in other currencies to meet their funding needs this year. At present, all issuers except Equitable Bank (which only in EUR denominated Bonds) have outstanding covered bonds in at least four currencies.

**Canadian covered bond issuers (EUR BMK): breakdown of outstanding volume by currency**



Source: Issuers, NORD/LB Floor Research

**Rating and regulatory classification of Canadian covered bonds**

With the exception of Equitable Bank (AA+ / Aa1), the covered bonds placed by Canadian EUR benchmark issuers all feature top ratings from the rating agencies (Fitch and Moody’s). Furthermore, the Moody’s collateral score for the relevant covered bonds indicates a high credit quality of the cover assets, even by international standards. The mortgage cover pools can all be described as granular, with the primary cover consisting exclusively of residential mortgage financing, as already mentioned. Furthermore, the cover assets are all located in Canada. With regard to regulatory classification, the covered bonds are subject to a risk weight of 20% under the CRR. According to our understanding, the EUR benchmarks are also eligible as Level 2A assets in the context of LCR management. Given Canada’s membership of the G10, the EUR benchmarks are eligible as collateral in the context of ECB collateral management.

### Key features of covered bond legislation

In our assessment, Canadian covered bond legislation ranks among the stronger national legal frameworks, even in a global context. This view is consistent with that of Moody's rating agency, which evaluates not only the actual covered bond law but also the market standards derived from issuers' placement practices and the corresponding programme descriptions. Bankruptcy remoteness is verified through an SPV model. Primary cover assets are confined to residential mortgage loans located in Canada. Substitute cover assets may not exceed 10% of the cover assets. The maximum loan-to-value (LTV) ratio is set at 80%. Furthermore, the OSFI ratio limits potential covered bond issues based on the proportion of bank assets that may be included in the cover pool. Since July 2024, property values must be indexed at least quarterly to enable the valuation of cover assets in the pool. Accordingly, Canadian issuers always report an LTV based on market values in their cover pool reports.

### Canadian covered bond legislation – an overview

Country	Canada
Designation	Canadian Registered Covered Bonds
Owner of assets	SPV
Public supervision / Regulator	<a href="#">Canada Mortgage and Housing Corporation</a>
Cover assets (if applicable incl. substitute cover)	Residential mortgage loans, Canadian government bonds, Cash (limited)
Substitute assets	Yes
Limit of substitute assets	10%
Derivatives as cover assets	Yes
Geographical scope – Mortgage loans	CA
Loan to value – Mortgage loans	Residential: 80%
LTV calculation	Market value
Minimum OC	3% nominal value
Cover pool register	Yes
Asset encumbrance	5.5% of the Total Balance Sheet
Deferral of maturity	Yes
Trigger Deferral of maturity	Insolvency, Inability to pay, breach of liquidity rules
CRD compliant	No
ECB eligible	Yes

Source: National legislation, ECBC, NORD/LB Floor Research

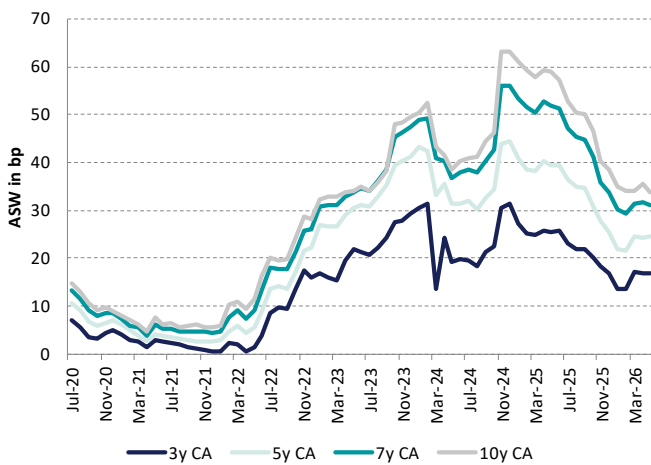
### 2026 issue forecast: market expected to contract slightly

So far this year, the issue activity of Canadian banks can be rated as rather dynamic. Nevertheless, given the high level of maturities in 2026 (EUR 23.2bn), we expect the EUR benchmark segment in Canada to shrink slightly. We attribute this less to reduced refinancing needs via covered bonds and more to the high variability among issuers regarding the currency of their covered bond issues. Canadian institutions are therefore undoubtedly among the most flexible issuers, utilising the market in a wide variety of currencies, in some cases very opportunistically. The uncertainty surrounding our issuance forecast is correspondingly high. Furthermore, the real estate market in Canada is developing less dynamically than it did at the beginning of the 2020s, which is also reflected in significantly slower growth in refinancing needs. Overall, we expect EUR benchmark issues totalling EUR 17.0bn in 2026, which would result in a negative net new issue volume of EUR -6.2bn.

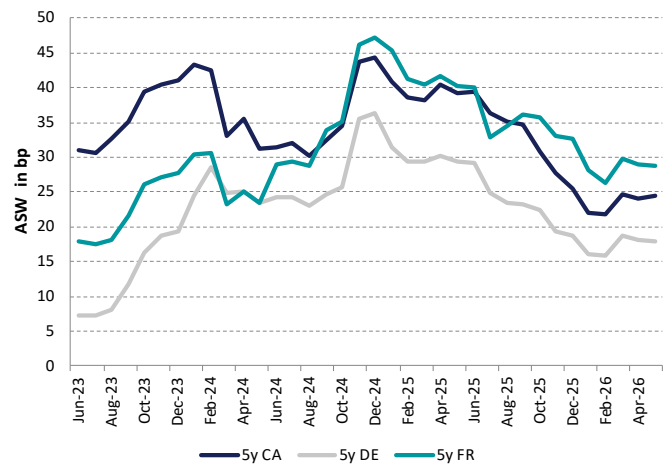
**Spread trend for 2026: no significant adjustments expected in the short term**

The secondary market spreads of Canadian covered bond issuers have largely moved in tandem with the broader market in recent months. The trend towards increasingly tighter spreads this year was broken for the first time by the military conflict in the Middle East. However, the slightly higher spread level compared to the lows of February 2026 is presently proving to be quite attractive. We conclude this not least from the high demand for newly placed deals, which continued to perform well in the secondary market after pricing. One example is the CCDJ’s EUR benchmark placed on 20 May (bid-to-cover ratio: 2.8x), which was priced at a reoffer spread of +26bp and is currently trading slightly lower in the secondary market (1-2bp). Accordingly, we view the Canadian covered bond market as quite attractive in terms of investor interest. In the short term, we do not expect any significant spread movements in the secondary market but consider the scenario of a modest spread tightening to be more likely. The currently high demand for new issues – driven in part by the rise in absolute yields and high liquidity – in our view constitutes a supportive factor for secondary market prices that could also justify a slight spread tightening. In the longer term, the volume of new issues still to be placed in the first half of the year will once again come to the fore. We currently anticipate new issues totalling approximately EUR 168bn. With the issued volume of bonds already amounting to EUR 94.0bn, there is a shortfall of more than EUR 74bn. We expect new issues to make up for this as the year progresses. This figure has been exceeded only once in recent years. Accordingly, we would expect investors to demand higher compensation from issuers, particularly towards the end of the year when liquidity is slowly falling. In our view, this would also be reflected in a slight increase in the general spread level, which is likely to be reflected in the spreads of Canadian covered bonds as well. Furthermore, the relative value of covered bonds is an important parameter for spreads in the covered bond market, particularly compared to senior debt and bonds from the SSA/Public Issuers universe. However, we do not anticipate any significant shifts in this regard at this time.

**ASW spreads: Canada (generic)**



**Spread comparison: CA, DE, FR (5y generic)**



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

**Conclusion and outlook**

The Canadian covered bond market has been quite active in 2026, particularly when compared with the previous two years. In the first five months of the year, covered bonds totalling EUR 9.5bn were placed, which matches the total for all of 2025 and is only slightly below the 2024 level. This momentum is primarily being driven by the high volume of maturities this year. In addition to the EUR benchmark segment, Canadian issuers have recently increasingly utilised issues in USD and GBP to meet their refinancing needs. We view this as a response to the high EUR maturities, which are being refinanced opportunistically in other currencies as well. Against this backdrop, we expect the EUR benchmark segment in Canada to contract slightly over the course of the year, despite high maturities. In the secondary market, spreads of Canadian covered bonds have largely moved in line with the broader market in recent months. The previously persistent trend towards increasingly tighter spreads was disrupted by the military conflict in the Middle East. As a result of the slight rise in spread levels combined with higher absolute yields, we view the covered bond market as well positioned at the moment. This is also reflected in the high demand for new issues and solid secondary market performance. In the short term, we do not expect any significant spread movements, but we consider a slight spread tightening to be likely. However, as the year progresses, it is probable that there will increasingly be a focus on the volume of new issues still to be placed. Investors could demand higher risk premiums as liquidity dries up towards the end of the year, in particular. Overall, we expect new bonds in the Canadian EUR benchmark segment to total EUR 17.0bn in 2026, so with maturities of EUR 23.2bn this corresponds to a negative net new issue volume of EUR -6.2bn.

## SSA/Public Issuers

# Stability Council convenes for 35th meeting

Authors: Dr Norman Rudschuck, CIIA // Lukas-Finn Frese // Tobias Cordes, CIIA // assisted by Luc Depping

### Introduction

On 11 May 2026, the 35th meeting of the Stability Council was held under the chairmanship of the Federal Minister of Finance, Lars Klingbeil, and the Finance Minister of the Free Hanseatic City of Bremen, Björn Fecker. The meeting focused on compliance with the net spending path as the new key indicator under European fiscal rules, particularly in light of rising investment in infrastructure and defence and the national borrowing options created in the context of the national exemption clause (NEC) for defence-related spending.

### Amended EU fiscal rules in force since April 2024 – Germany with late FSP submission

The [reform](#) of the Stability and Growth Pact (SGP) fundamentally changed the EU's common fiscal framework in 2024. [EU Regulation 2024/1263](#) no longer contains an annual target for the general government fiscal deficit, but rather a multi-year ceiling for expenditure growth – known as the Net Spending Path. This upper limit is set out in a medium-term Fiscal Structural Plan (FSP) that must be agreed with the European Commission and confirmed by the Council and is essentially aimed at ensuring compliance with the existing Maastricht criteria for annual new borrowing and debt levels over time. As the German government had agreed with the European Commission to postpone submitting the first German FSP due to the early federal elections, Germany submitted it to the Commission and the Economic and Financial Affairs Council (ECOFIN) in mid-July 2025. In its 35th meeting, the Stability Council reviewed, for the first time, compliance with the net spending path for 2025 and – based on the general government fiscal projection – for 2026.

### Macroeconomic framework – challenging situation persists

Germany continues to face a challenging economic and fiscal situation, which, according to the Stability Council, cannot be attributed solely to the weak economic growth, but is also due in part to structural factors. In addition, other uncertainties such as rising inflation resulting from the Iran conflict are creating challenges. According to the federal government's [spring projection](#) published in April, the economic outlook has deteriorated once again: Consequently, the growth forecast for 2026 has been lowered from +1.0% year on year to +0.5% year on year. Real GDP is also expected to grow by +0.9% year on year in 2027. In the [tax estimate](#) published on 07 May, tax revenue projections for the Bund, Laender and municipalities were also revised downwards. Accordingly, tax revenues for the Bund, Laender and municipalities in 2026 are expected to come in EUR -17.8bn lower than assumed in October 2025. In the coming years, the revenue shortfall is also expected to amount to approximately EUR 17.4bn annually on average. In terms of the general government deficit, it is possible that the Maastricht limit of 3% of GDP could be exceeded in 2026. At the same time, the debt ratio is expected to rise to 66.5% of GDP, meaning that Germany could potentially breach both Maastricht criteria in 2026.

**Stability Council's assessment: deficit in excess of Maastricht criteria – rising fiscal risks**

In addition to submission of the FSP, the EU regulation on the reformed Stability and Growth Pact also requires Member States to submit an annual report on progress in implementing the net spending path. At the end of April, the German government submitted its [Progress Report 2026](#) to the European Commission. In this, it also presented a fiscal policy projection for the current year with as at 31 March. Accordingly, the federal government is forecasting a general government deficit of 4.25% of GDP and a Maastricht debt ratio of just under 66.5% for 2026. Taking into account the NEC for defence-related expenditure, the deficit would be reduced to around 3.3% of GDP, but would still exceed the Maastricht limit on new borrowing. The projected increase in the deficit is in particular due to a rise in general government expenditure, which exceeds annual revenue. Spending will continue to be mainly concentrated on defence, security and the Special Fund for Infrastructure and Climate Neutrality. The maximum permissible expenditure growth under the net spending path for Germany varies from year to year (2025: +4.4%; 2026: +4.5%). In its review of 2025, the Stability Council found that net expenditure had increased by +3.9% year on year. After deducting individual defence expenses under the NEC, this results in a shortfall of 0.6% of GDP compared to the maximum permissible level. According to the fiscal projection, expenditure growth for the current year could be +5.8% year on year and would therefore significantly exceed the permitted maximum figure. However, defence-related expenses are also excluded from this amount under the NEC. Furthermore, any instances where net expenditure goes over or falls short of the target are settled over time via a control account. In light of this, there could be a cumulative shortfall of 0.25% of GDP by the end of 2026 compared to the ceiling of 4.5%. In terms of the aforementioned indicators, the Stability Council pointed to a potential threat to the sustainability of public finances should the rise in debt continue and the Maastricht criteria be continuously exceeded.

**Call for further reforms to improve the fiscal situation**

The Stability Council supports the German government's efforts to increase potential growth, not least with the aim of ensuring the long-term sustainability of public finances. In this context, the efficient use of funds from the Infrastructure and Climate Neutrality Special Fund plays a key role, as these investments currently represent the most important driver of growth. Further spending on defence and security along with the accompanying increase in borrowing are necessary in order to make Germany more resilient to crises in the coming years. At the same time, however, debt levels should not be overlooked, and in the Council's opinion further reforms will be necessary in the near future in order to stimulate sustainable economic growth. The net spending path is expected to be maintained in 2025 and 2026 by not including defence-related expenditure. In the medium term, however, the NEC is to be abolished in order to prevent the overall debt level from rising too sharply. This would mean that expenditure would have to be funded from regular budget revenue in future. However, current forecasts indicate that in the face of continuing high spending pressures public finances will have to contend with lower tax revenues in the coming years than previously anticipated. Therefore, the Stability Council strongly recommends that fiscal and economic policy should be consistently geared towards boosting economic momentum and, above all, that further structural reforms should be pursued on the expenditure side.

**Independent advisory board sees room for improvement in national budgetary oversight**

The independent advisory board has once again used the regular meeting of the Stability Council as an opportunity to comment on the state of national budgetary oversight in Germany. It has also again emphasised the urgent need for fundamental reforms. With regard to the net spending path, the Federal Ministry of Finance's forecast for 2026 is regarded as plausible, although the spending level is significantly higher than the original assumptions in the FSP and cannot be explained solely by higher defence expenditure. Nevertheless, the advisory board does not consider that the EU's spending requirements have been breached, taking into account intertemporal offsetting and the NEC. The advisory board recommends improving reporting transparency by providing more detailed and less rounded figures on results, projections and underlying calculations. This should provide third parties in particular with a clearer overview and a deeper understanding. Furthermore, the advisory board thinks that the current guidelines on expenditure trends are too generous and in this context recommends that EU rules be applied more stringently in order to ensure a solid budgetary position in the future. In the advisory board's view, the limited fiscal binding effect is particularly illustrated by the fact that the net spending path is being adhered to, whilst the Maastricht limit of 3% could be exceeded despite the adjustment for defence spending. In this case, there is a risk of an excessive deficit procedure being initiated against the federal government. In light of this, the advisory board considers it necessary to intervene in good time where needed to prevent an excessive deficit and criticises the fact that, despite the apparent risks of exceeding the 3% threshold taking into account the NEC, the Stability Council has so far neither issued a warning nor outlined any specific countermeasures.

**Sustainability of public finances must be maintained – reforms are needed**

In the opinion of the advisory board, the deficit limit could be met simply through disciplined budgetary management and consistent financing of additional expenditure without having to resort to comprehensive consolidation measures. In particular, it is crucial that existing expenditure structures, such as subsidies and support schemes, are systematically reviewed for potential savings and efficiency gains. In principle, the advisory board considers that a higher level of debt in connection with earmarked expenditure is acceptable, but only as long as the sustainability of public finances is maintained. At the same time, the aim is to limit the level of debt as much as possible or to reduce it where feasible, which is an important component of the EU's requirements. Despite the difficult fiscal environment, Germany is still deemed to be in a relatively sound position by European standards and is expected to maintain this position in the future. The advisory board, however, considers the existing national budgetary rules to be inadequate and therefore sees a need for some adjustment. In particular, they will reportedly no longer be compatible with European fiscal rules from 2030 onwards and will not ensure a sustainable development of the debt ratio. Against this backdrop, the advisory board recommends that the NEC be gradually phased out of the Basic Law and the announced reform of the debt brake be consistently aligned with the stability targets.

**Revision of key policy document for monitoring the net spending path**

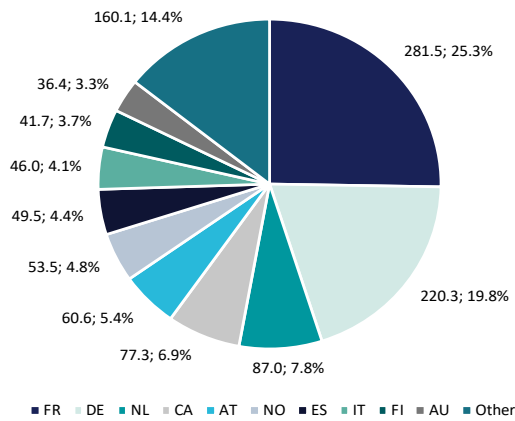
Another topic that the Stability Council dealt with at its 35th meeting was the revision of the key policy document, which replaces the version from December 2022. The legislative amendments to the Stability Council Act (StabiRatG) and the Budgetary Principles Act of 20 October 2025, which were made in the course of reforming the European Stability and Growth Pact, provide the background context to this. The new key points in particular set out in detail the procedure for projecting the net spending path under §7 of the Stability Council Act. A key element is an expanded projection of the general government budget, which also covers budget balances, the structural budget situation, the level of debt and net spending. In addition to the development of the general government budget, the trends in the sub-sectors (Bund, Laender, municipalities and social security systems) are also listed. The projection also includes annual data on the following points: i) Information on a scenario based on the assumption of an unchanged policy and the associated developments, ii) outlining of new measures, including their expected financial impact in the medium term and iii) an assessment of the effects of these measures on the sustainability of public finances. The projections will be drawn up by the Federal Ministry of Finance, supplemented by data from the Laender and agreed upon by the Stability Council working group. On this basis, a draft resolution will be drawn up for monitoring compliance with the net spending path, which will also be submitted to the independent advisory board for assessment.

**Conclusion**

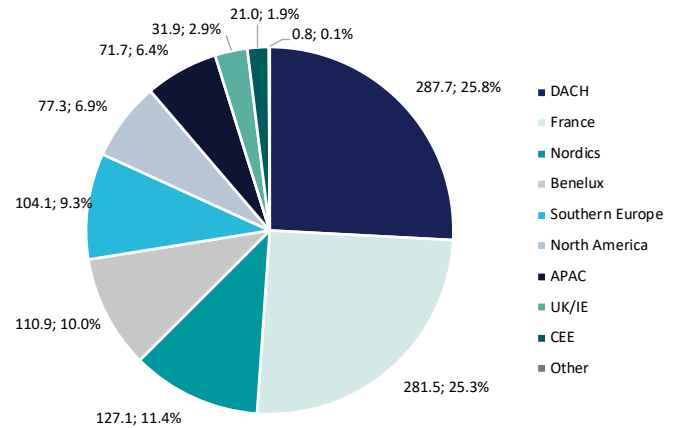
At its 35th meeting, the Stability Council noted that in retrospect the net spending path had been maintained in 2025 and that, taking into account the NEC and the carryover from the previous year, it was expected to fall short of the target by 0.25% of GDP by the end of 2026. Germany is said to still be facing a challenging economic and fiscal situation: the German government is forecasting a general government deficit of 4.3% of GDP for 2026, which is around 3.3% when the NEC is taken into account. This would, however, still be in excess of the Maastricht limit for new borrowing of 3% of GDP. The Maastricht debt ratio is estimated to be just under 66.5%. Nevertheless, the Stability Council supports the federal government's efforts to boost potential growth and considers a higher level of debt resulting from investment expenditure to ensure Germany's future viability to be acceptable. At the same time, however, the level of debt should be monitored, stabilised in the medium term and reduced in the long term. The key is to identify potential savings and efficiency gains in order to cut costs on the expenditure side in particular. Against the backdrop of potentially exceeding the Maastricht limit of 3%, the independent advisory board sees a need to act and calls on the Stability Council to take corresponding countermeasures or to issue a warning. To this end, further reforms are considered necessary to enable the NEC to be gradually phased out in the medium term and avoid an excessive rise in debt. The advisory board is also critical of the existing national budgetary rules, which it believes are not sufficiently effective and in particular will no longer be compatible with European fiscal requirements from 2030 onwards. Reforming the debt brake is deemed to be a sensible approach in this context. All in all, there are growing indications that it will become increasingly challenging to meet the fiscal targets in the medium term without structural adjustments on the expenditure side and additional reforms.

# Charts & Figures Covered Bonds

EUR benchmark volume by country (in EURbn)



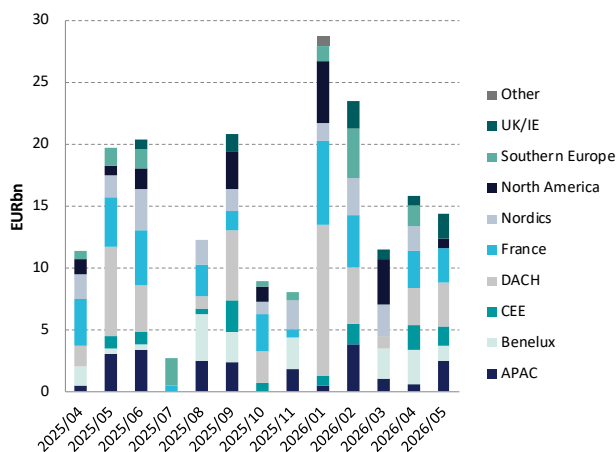
EUR benchmark volume by region (in EURbn)



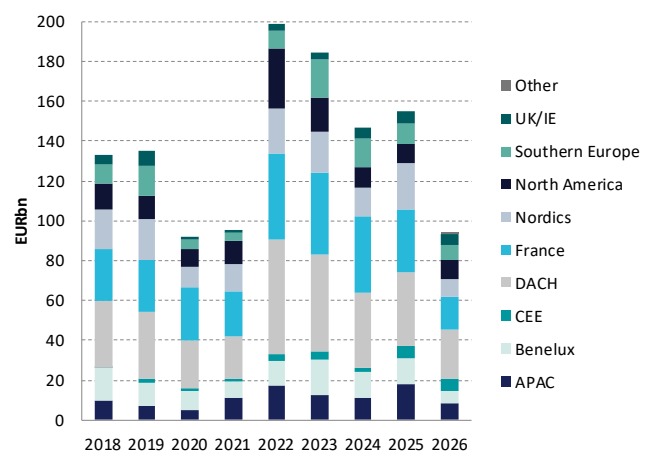
Top 10 jurisdictions

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	281.5	275	40	0.97	9.0	4.2	1.84
2	DE	220.3	306	50	0.67	7.8	3.6	1.85
3	NL	87.0	86	5	0.95	10.1	5.1	1.71
4	CA	77.3	61	1	1.25	5.6	2.3	1.89
5	AT	60.6	100	5	0.60	8.2	3.5	1.71
6	NO	53.5	63	13	0.85	7.0	3.2	1.63
7	ES	49.5	45	4	0.99	9.7	3.3	2.30
8	IT	46.0	60	6	0.73	7.9	3.6	2.25
9	FI	41.7	51	5	0.81	6.5	2.8	2.06
10	AU	36.4	37	0	0.98	7.2	3.5	2.14

EUR benchmark issue volume by month

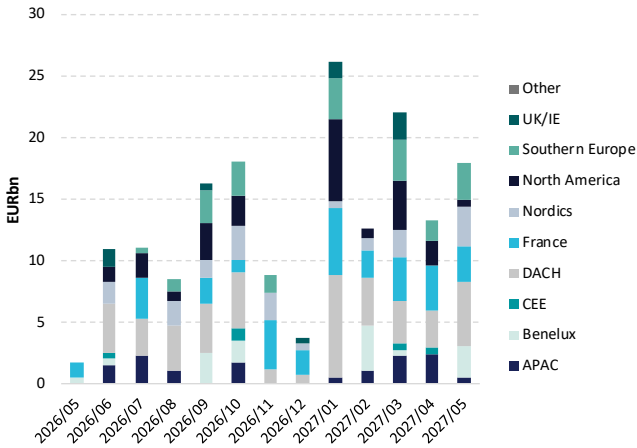


EUR benchmark issue volume by year

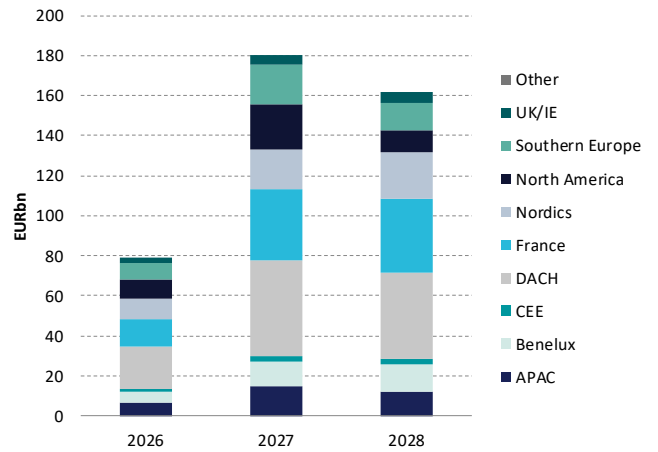


Source: Market data, Bloomberg, NORD/LB Floor Research

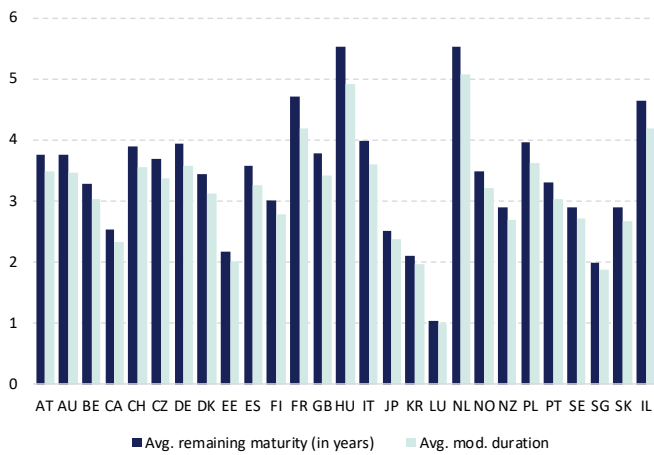
**EUR benchmark maturities by month**



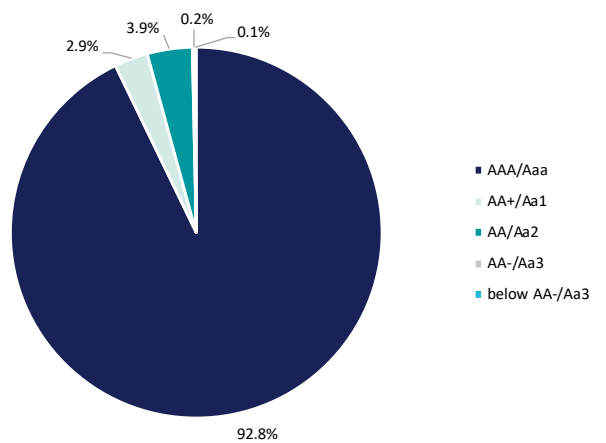
**EUR benchmark maturities by year**



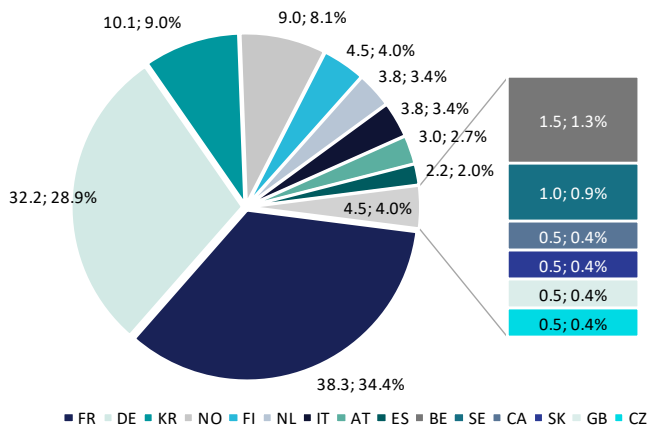
**Modified duration and time to maturity by country**



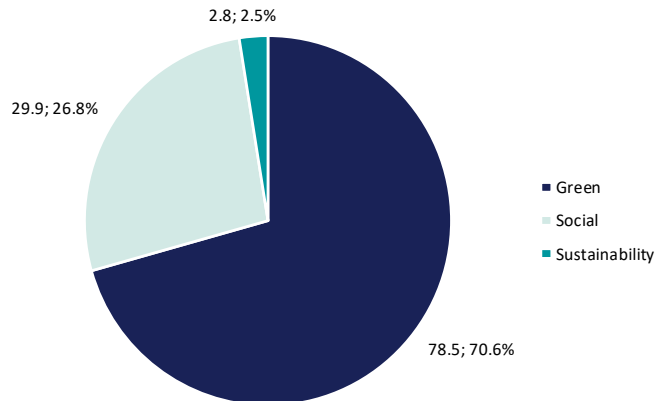
**Rating distribution (volume weighted)**



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

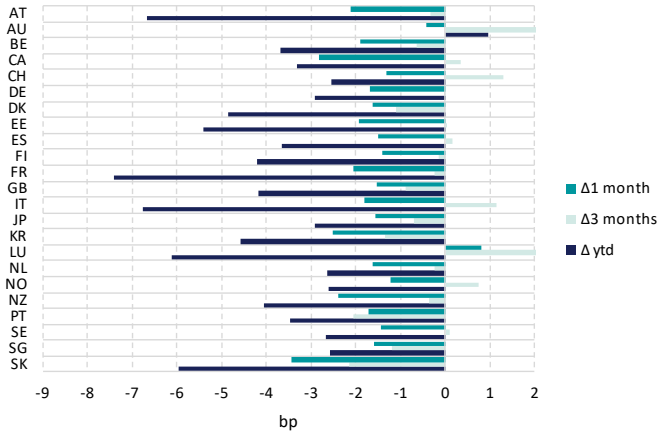


**EUR benchmark volume (ESG) by type (in EURbn)**

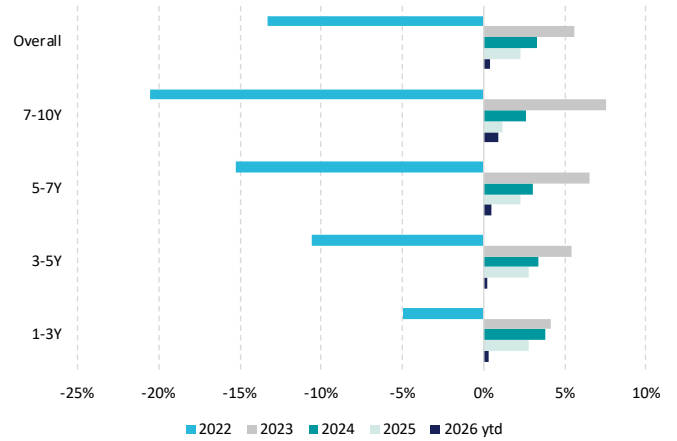


Source: Market data, Bloomberg, NORD/LB Floor Research

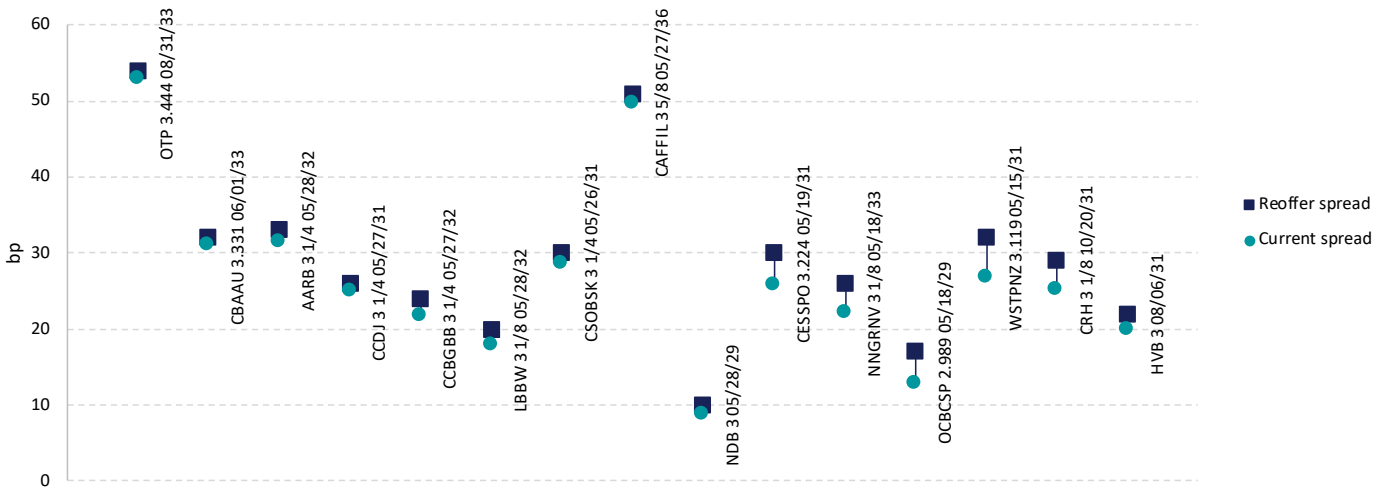
**Spread development by country**



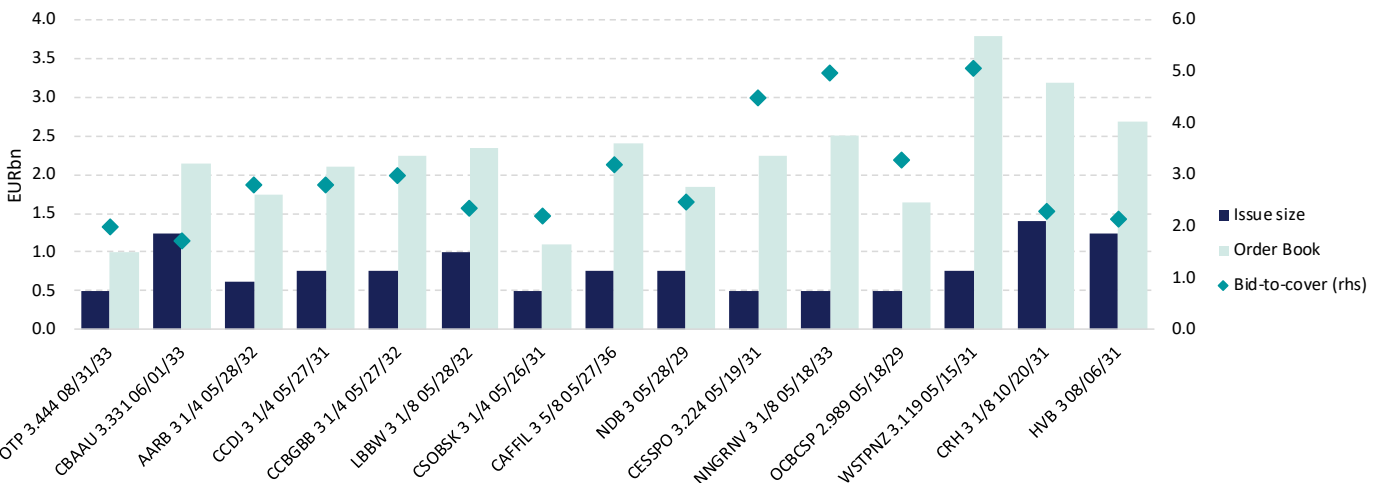
**Covered bond performance (Total return)**



**Spread development (last 15 issues)**

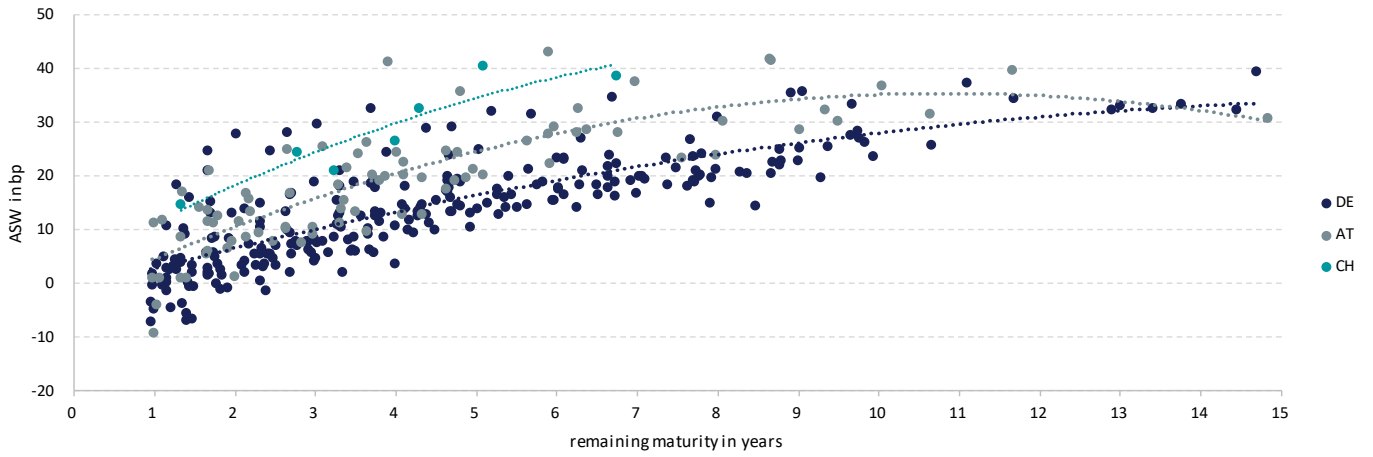


**Order books (last 15 issues)**

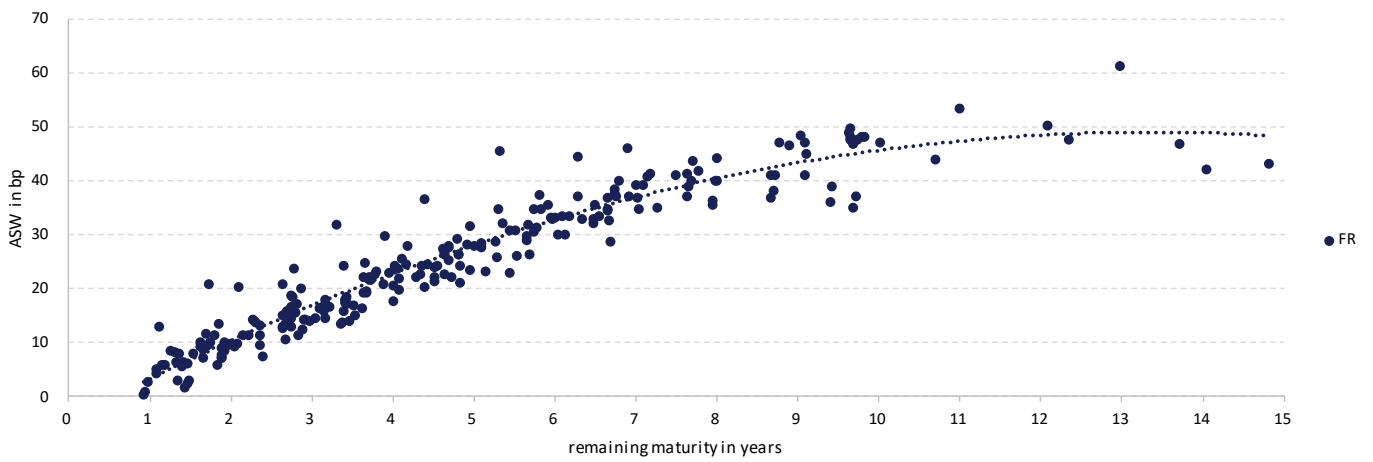


**Spread overview<sup>1</sup>**

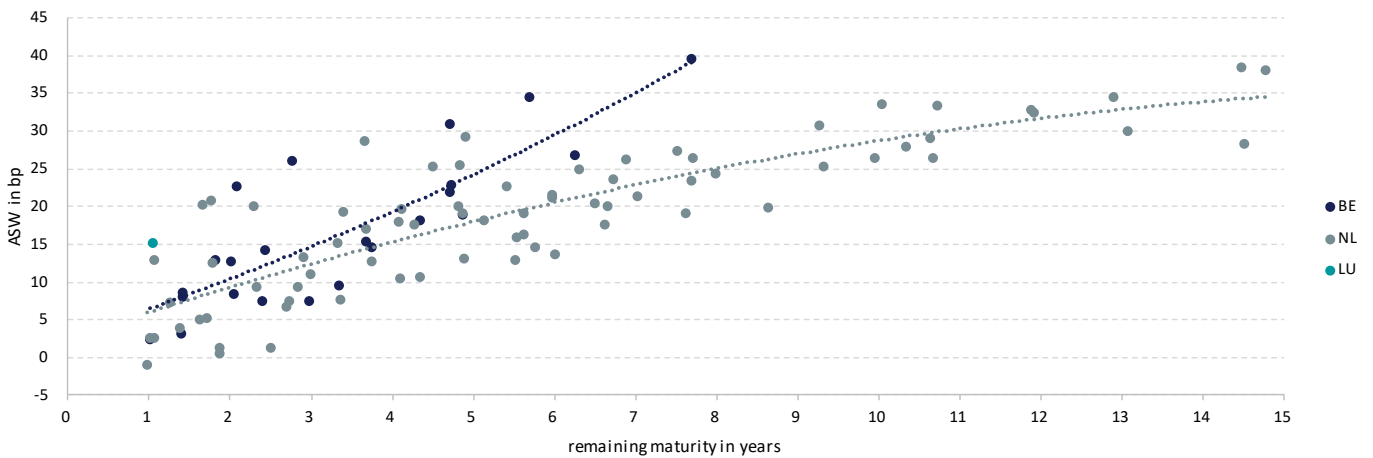
**DACH** 



**France** 

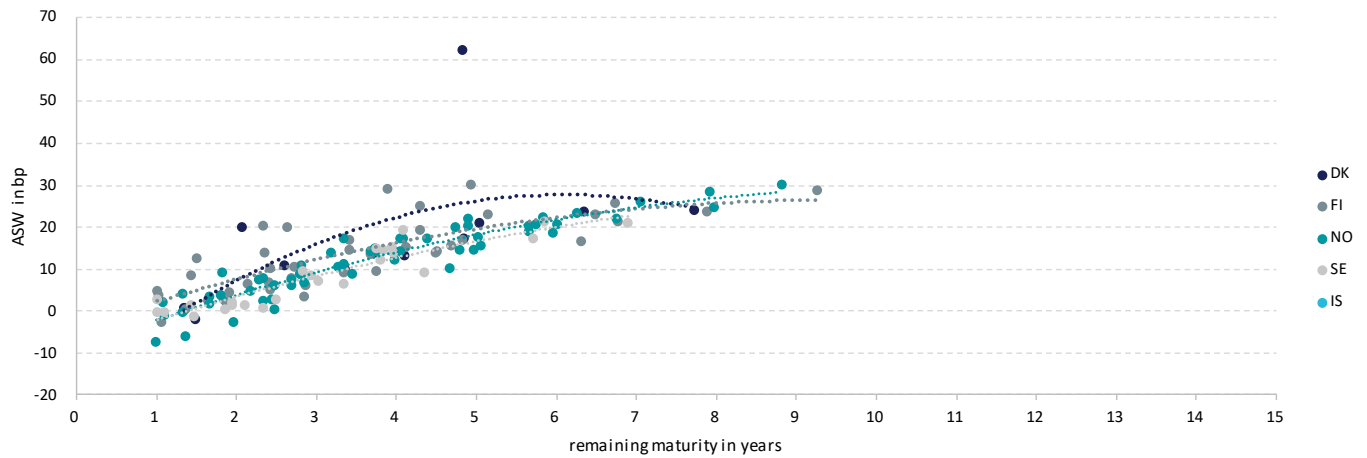


**Benelux** 

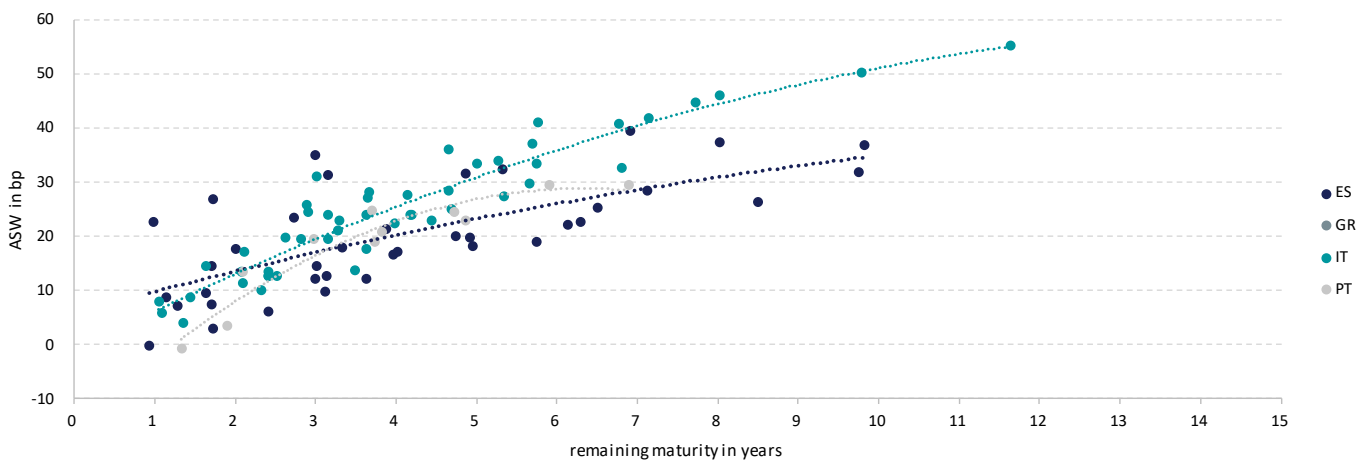


Source: Market data, Bloomberg, NORD/LB Floor Research <sup>1</sup>Time to maturity 1 ≤ y ≤ 15

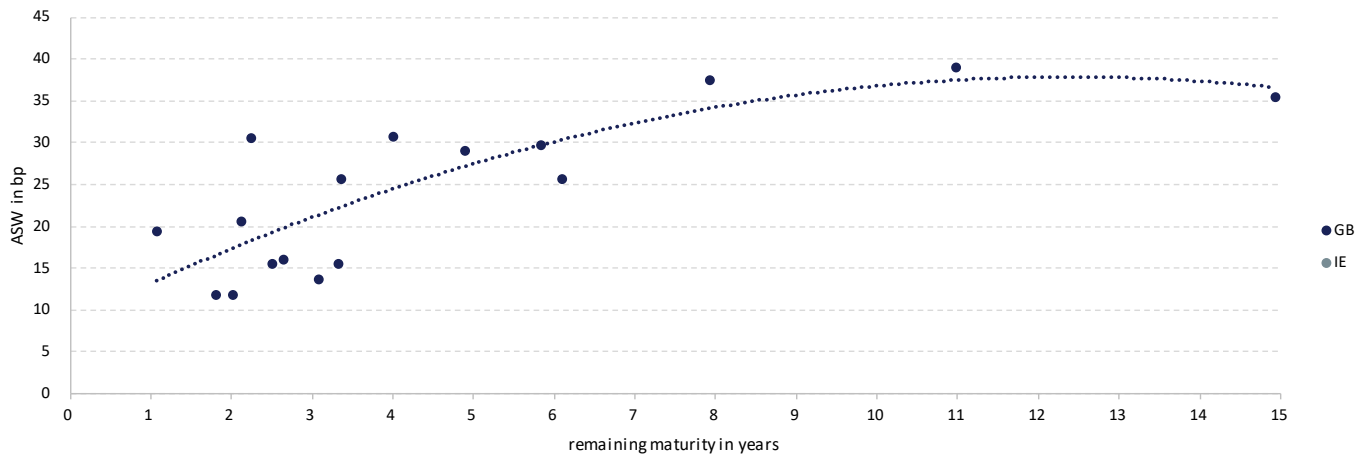
**Nordics** 🇩🇰 🇫🇮 🇳🇴 🇸🇪 🇮🇸



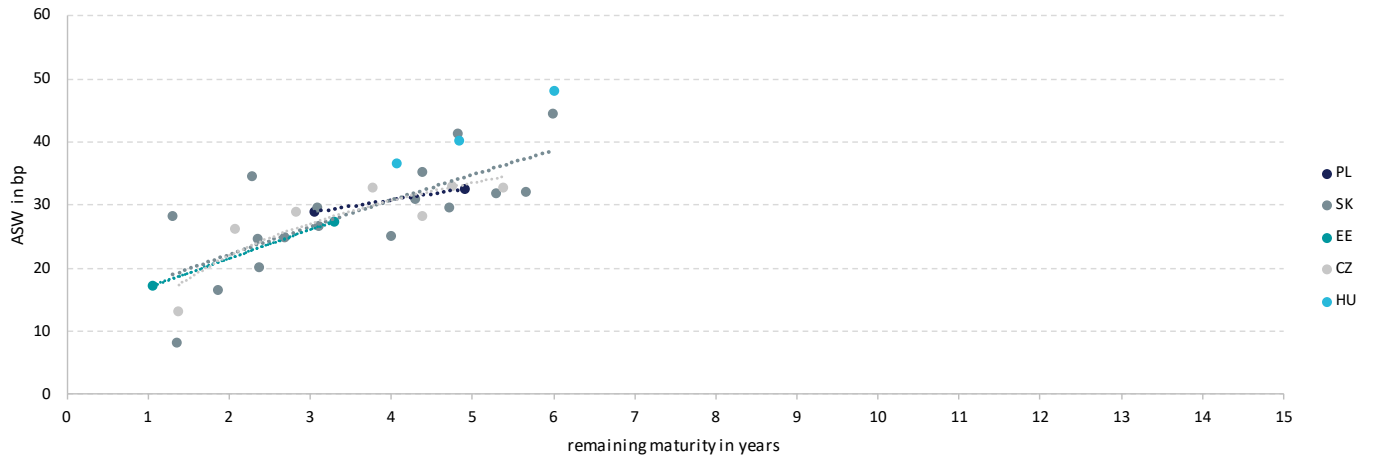
**Southern Europe** 🇪🇸 🇬🇷 🇮🇹 🇵🇹



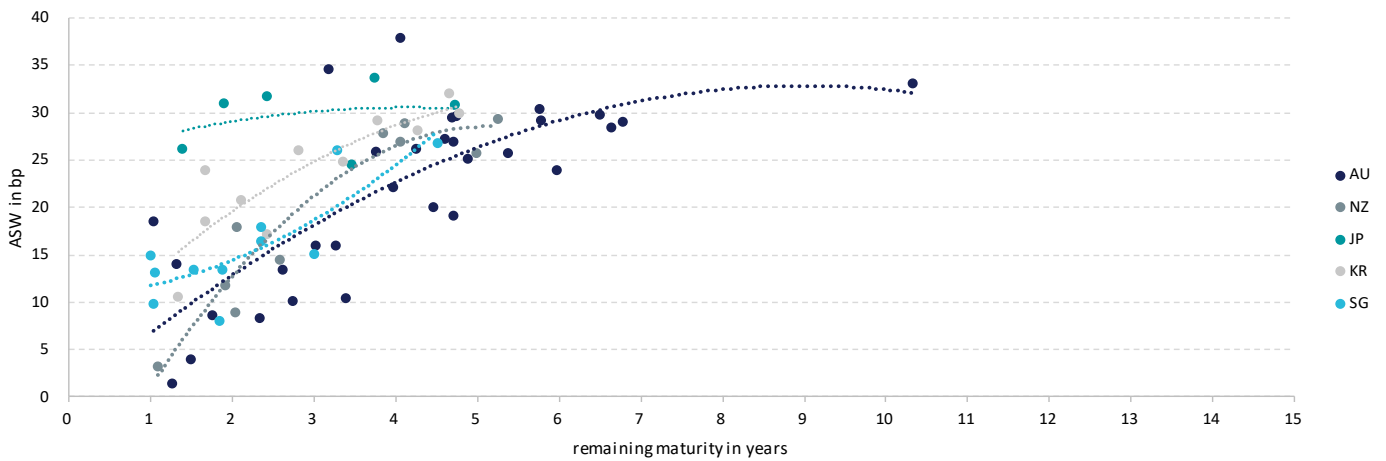
**UK/IE** 🇬🇧 🇮🇪



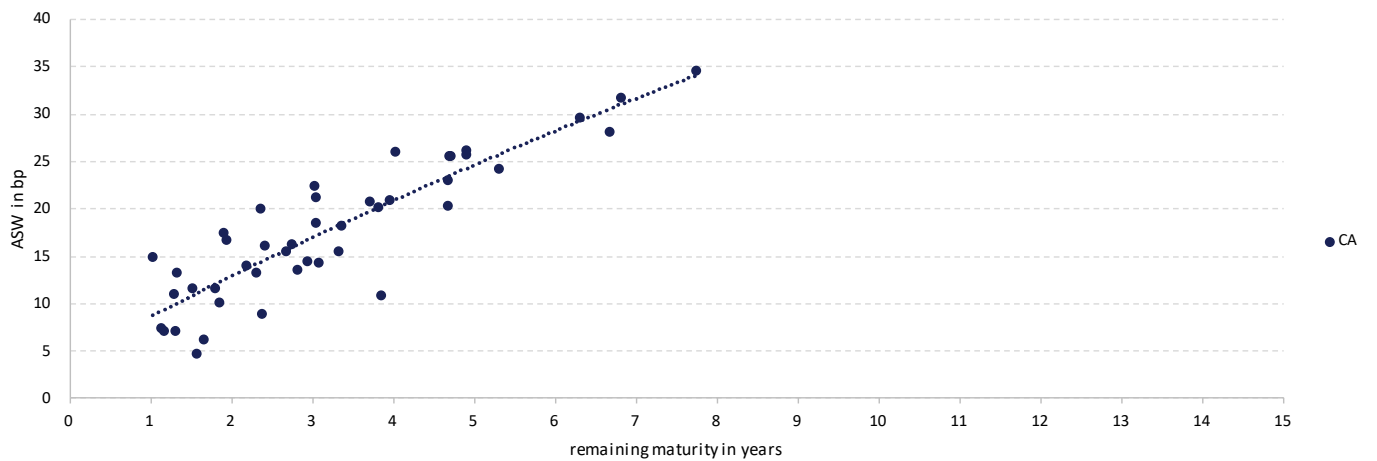
**CEE** 



**APAC** 



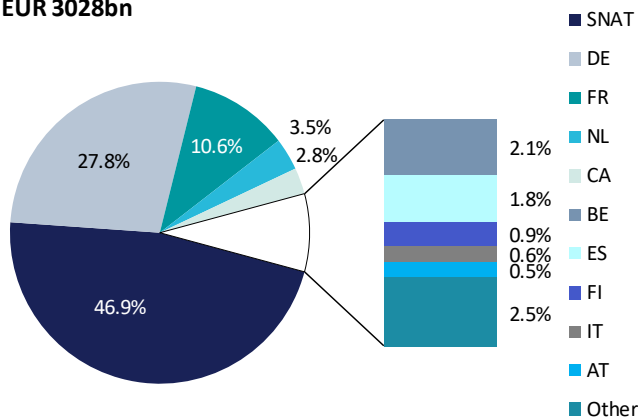
**North America** 



# Charts & Figures SSA/Public Issuers

## Outstanding volume (bmk)

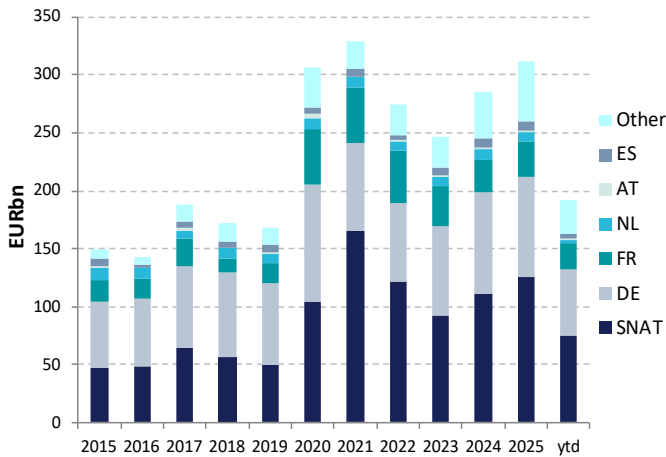
EUR 3028bn



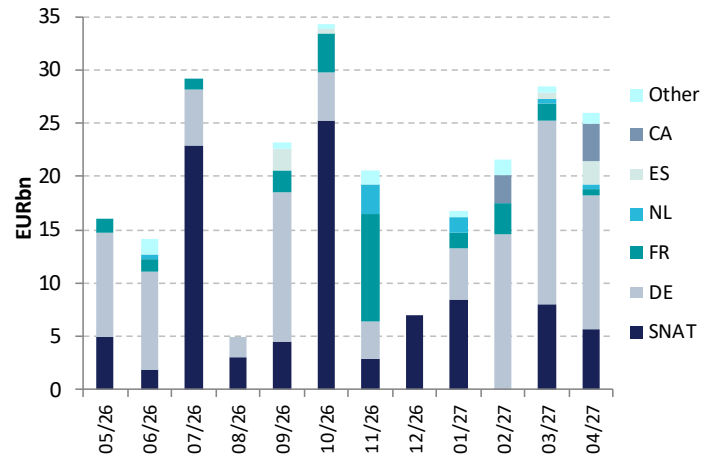
## Top 10 countries (bmk)

Country	Vol. (EURbn)	No. of bonds	ØVol. (EURbn)	Vol. weight. ØMod. Dur.
SNAT	1,421.1	279	5.1	7.4
DE	841.8	629	1.3	5.6
FR	322.4	214	1.5	5.1
NL	104.5	92	1.1	5.9
CA	85.2	71	1.2	6.3
BE	62.2	55	1.1	9.1
ES	53.2	76	0.7	4.7
FI	26.2	27	1.0	3.7
IT	18.2	24	0.8	4.3
AT	16.0	23	0.7	4.9

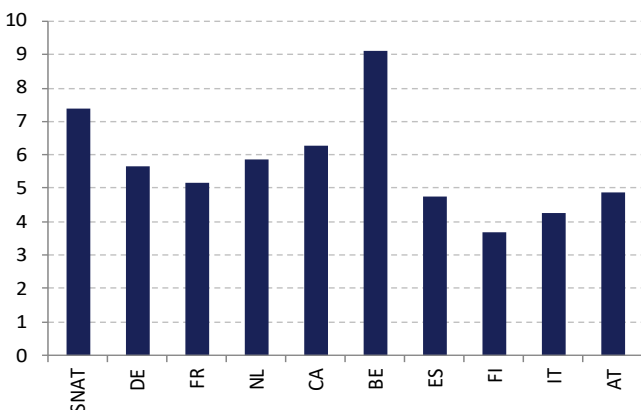
## Issue volume by year (bmk)



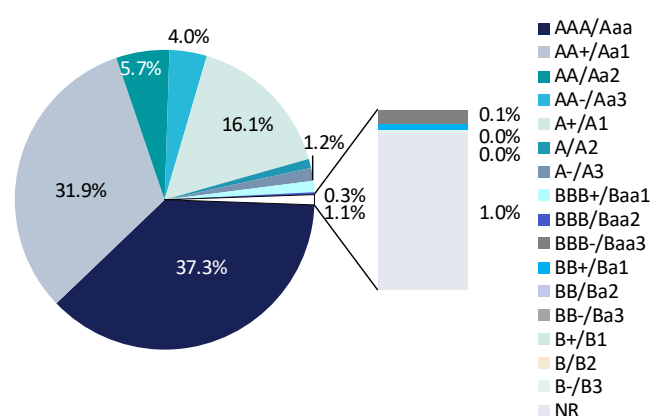
## Maturities next 12 months (bmk)



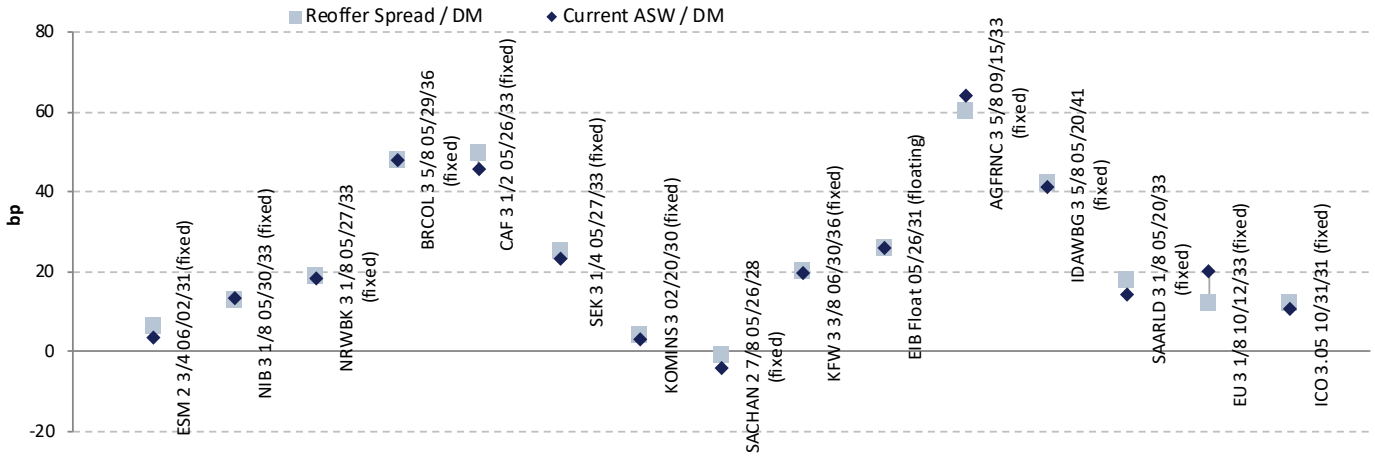
## Avg. mod. duration by country (vol. weighted)



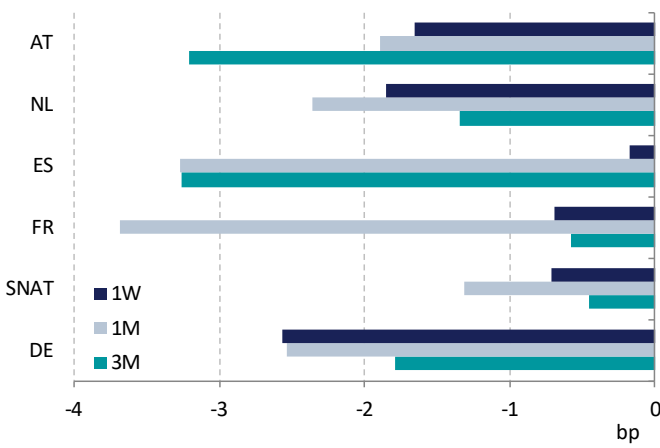
## Rating distribution (vol. weighted)



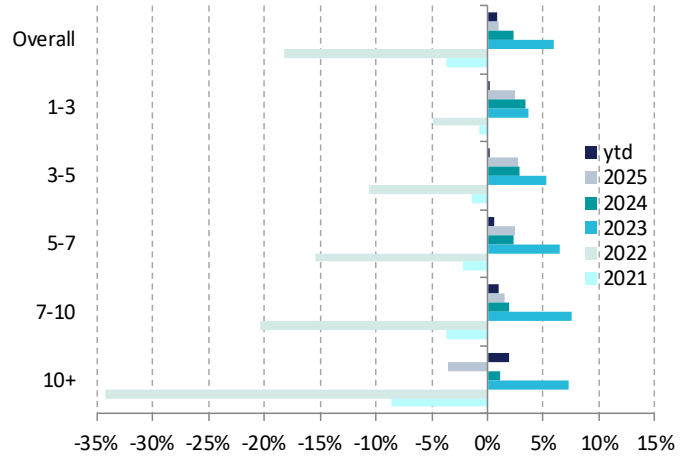
**Spread development (last 15 issues)**



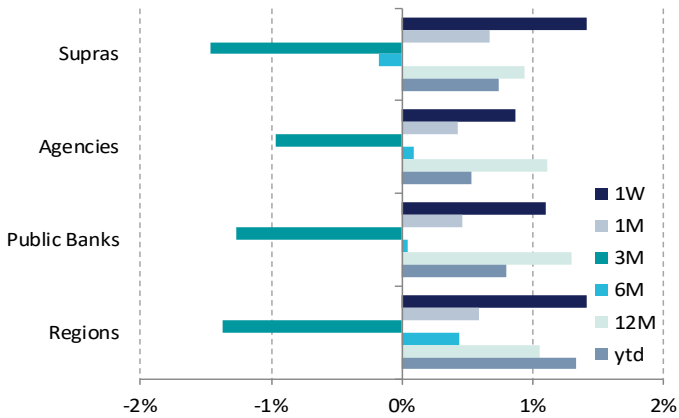
**Spread development by country**



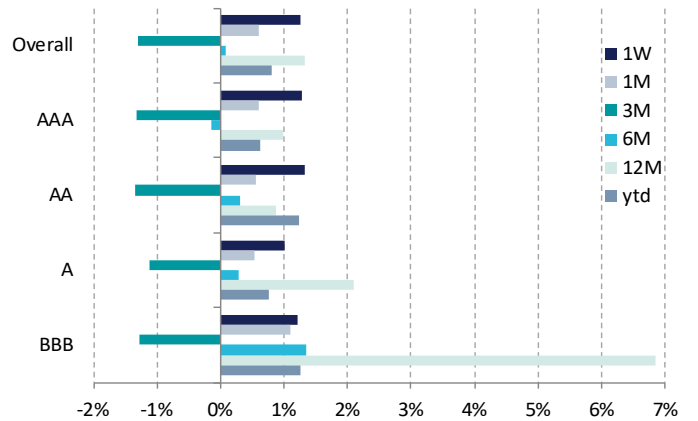
**Performance (total return)**



**Performance (total return) by segments**

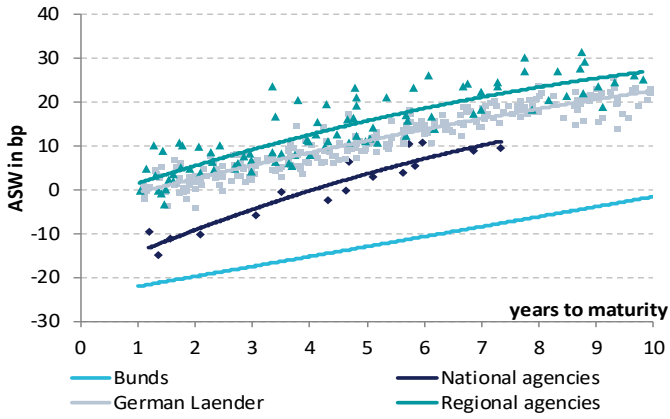


**Performance (total return) by rating**

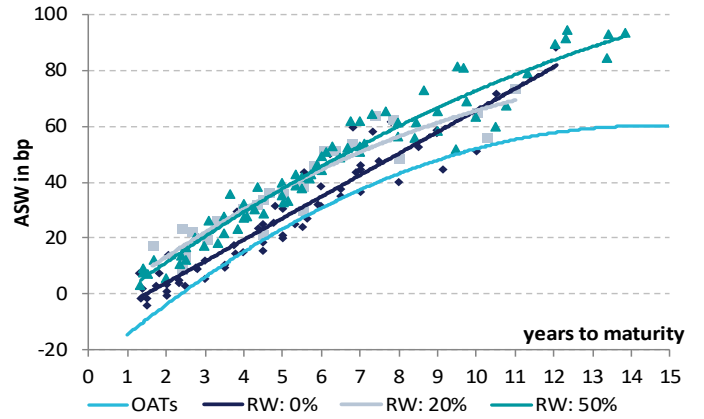


Source: Bloomberg, NORD/LB Floor Research

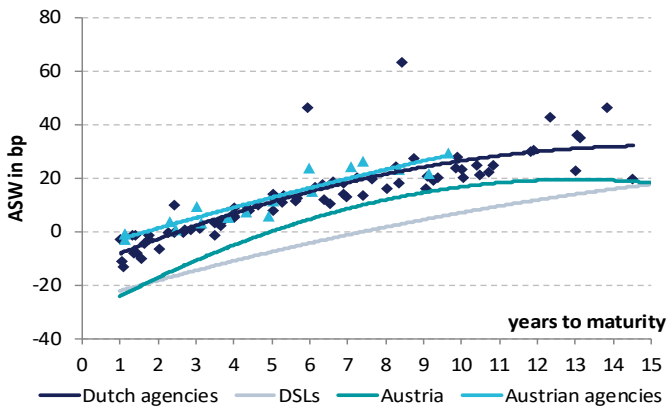
**Germany (by segments)**



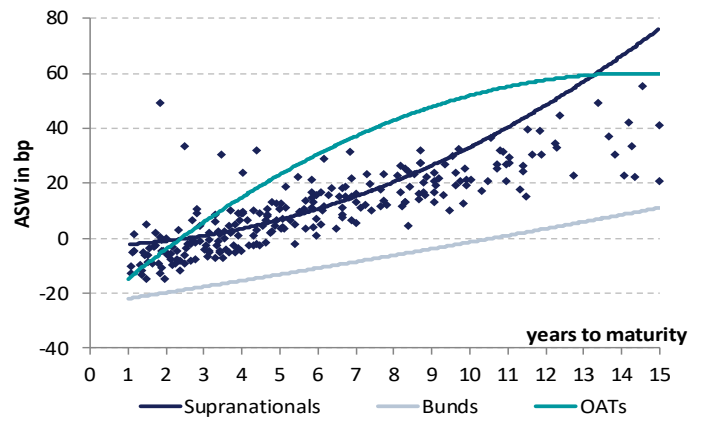
**France (by risk weight)**



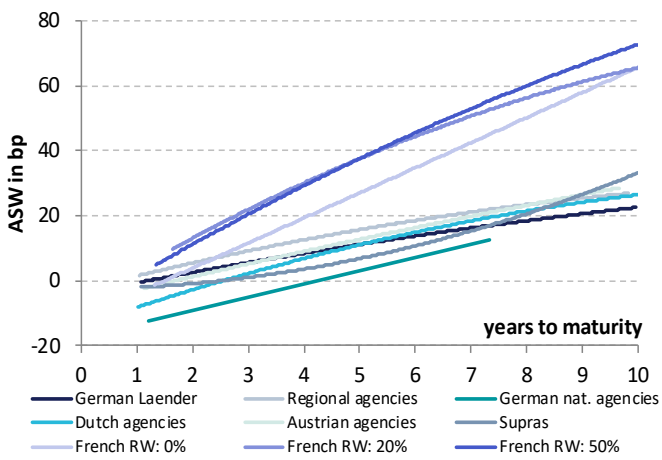
**Netherlands & Austria**



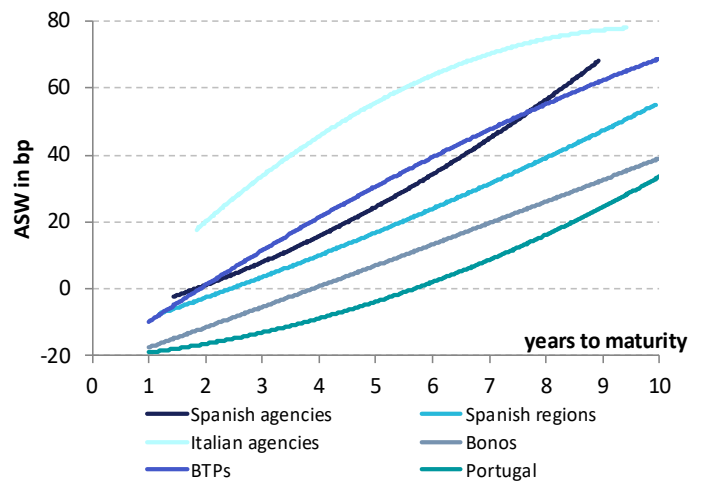
**Supranationals**



**Core**



**Periphery**



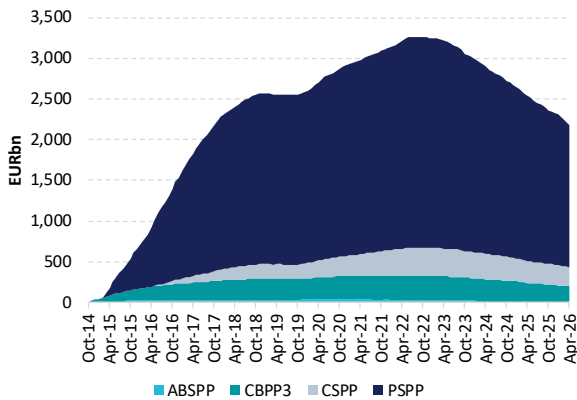
Source: Bloomberg, NORD/LB Floor Research

# Charts & Figures

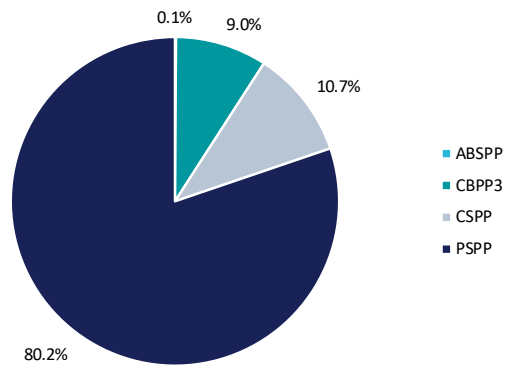
## ECB tracker

### Asset Purchase Programme (APP)

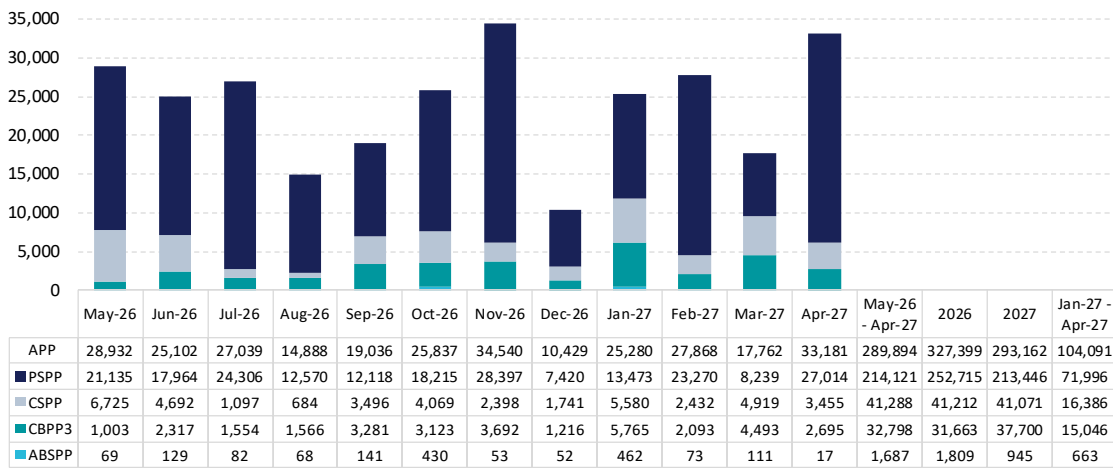
APP: Portfolio development



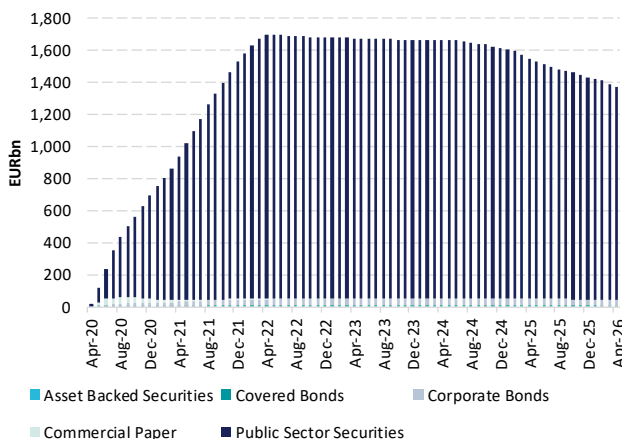
APP: Portfolio structure



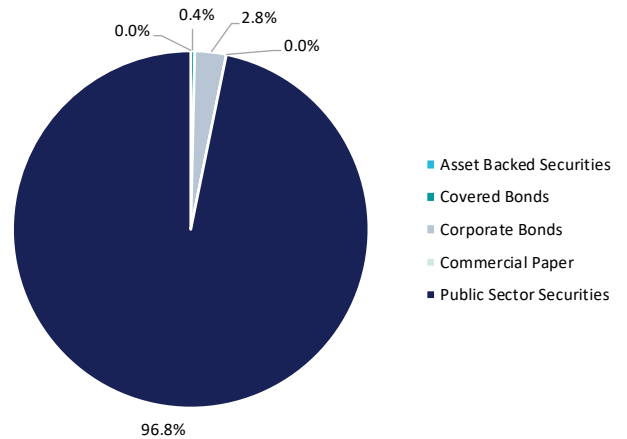
Expected monthly redemptions (in EURm)



PEPP: Portfolio development



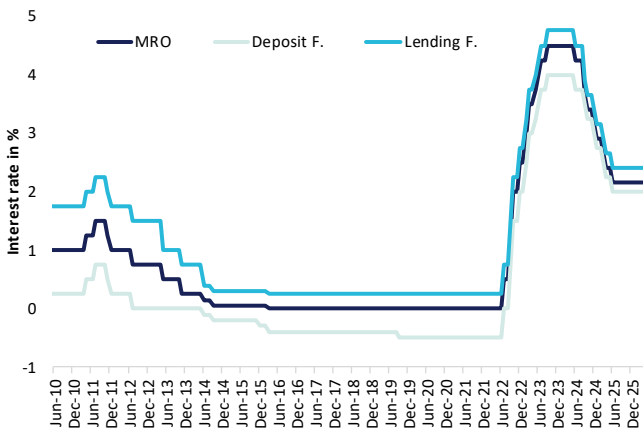
PEPP: Portfolio structure



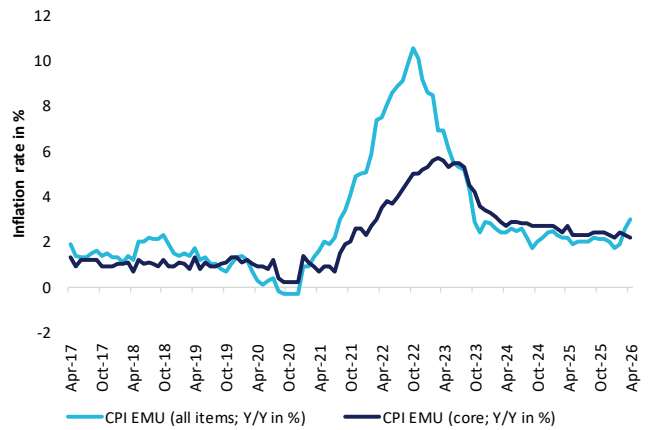
# Charts & Figures

## Cross Asset

**ECB key interest rates**



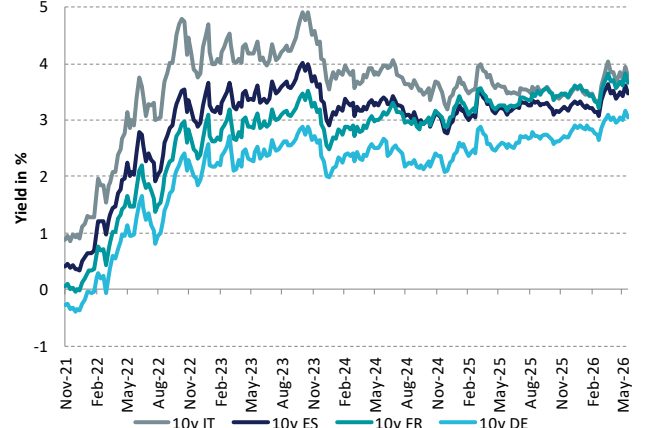
**Inflation development in the euro area**



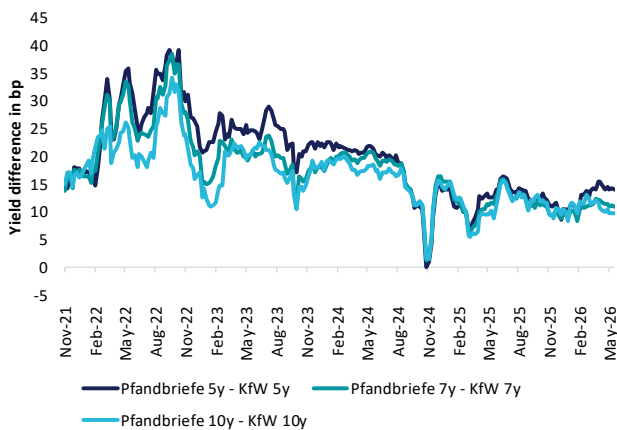
**Bund-swap-spread**



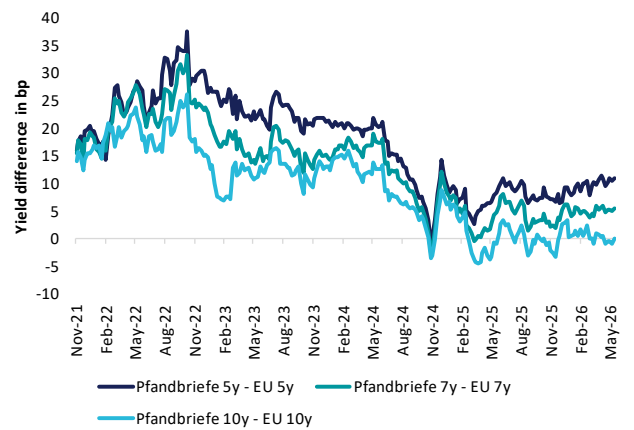
**Selected yield developments (sovereigns)**



**Pfandbriefe vs. KfW**



**Pfandbriefe vs. EU**



## Appendix

### Overview of latest Covered Bond & SSA View editions

Publication	Topics
<a href="#">15/2026 // 20 May</a>	<ul style="list-style-type: none"> <li>▪ Covereds: Transparency requirements §28 PfandBG – Q1/2026</li> <li>▪ Teaser: Issuer Guide – Dutch Agencies 2026</li> </ul>
<a href="#">14/2026 // 13 May</a>	<ul style="list-style-type: none"> <li>▪ Covereds – ESG benchmark segment: limited market growth expected</li> <li>▪ Current LCR classification for our SSA coverage</li> </ul>
<a href="#">13/2026 // 29 April</a>	<ul style="list-style-type: none"> <li>▪ Cross Asset: Benchmark indices for Covered Bonds and SSA/Public issuers</li> </ul>
<a href="#">12/2026 // 22 April</a>	<ul style="list-style-type: none"> <li>▪ Italy: Covered bond jurisdiction on the rise</li> <li>▪ New Zealand Local Government Funding Agency in the spotlights</li> </ul>
<a href="#">11/2026 // 15 April</a>	<ul style="list-style-type: none"> <li>▪ Covereds: Which way will the market move in the months ahead?</li> <li>▪ The SSA segment in 2026 – status quo and outlook</li> </ul>
<a href="#">10/2026 // 01 April</a>	<ul style="list-style-type: none"> <li>▪ Cross Asset: Relative value – in the eye of the storm?</li> </ul>
<a href="#">09/2026 // 25 March</a>	<ul style="list-style-type: none"> <li>▪ Covereds: Issuers under pressure – attractive issuance windows limited</li> <li>▪ Update: Joint Laender jumbos (ticker: LANDER)</li> </ul>
<a href="#">08/2026 // 18 March</a>	<ul style="list-style-type: none"> <li>▪ Covereds: Transparency requirements §28 PfandBG</li> <li>▪ Teaser: Issuer Guide – Non-European Supras (MDBs) 2026</li> </ul>
<a href="#">07/2026 // 04 March</a>	<ul style="list-style-type: none"> <li>▪ Public sector covered bonds: comeback on the cards?</li> <li>▪ Export Development Canada – spotlight on EDC</li> </ul>
<a href="#">06/2026 // 25 February</a>	<ul style="list-style-type: none"> <li>▪ CEE region: growing covered bond markets</li> <li>▪ Current risk weight of supranationals &amp; agencies</li> </ul>
<a href="#">05/2026 // 18 February</a>	<ul style="list-style-type: none"> <li>▪ Development of the German property market (vdp index)</li> <li>▪ Credit authorisations of the German Laender for 2026</li> </ul>
<a href="#">04/2026 // 04 February</a>	<ul style="list-style-type: none"> <li>▪ Covereds: Will the issuance momentum be sustained beyond January?</li> <li>▪ The SSA January is over – what else can we expect from 2026?</li> </ul>
<a href="#">03/2026 // 28 January</a>	<ul style="list-style-type: none"> <li>▪ CB jurisdiction in the spotlight – Austria</li> <li>▪ 34th meeting of the Stability Council</li> </ul>
<a href="#">02/2026 // 21 January</a>	<ul style="list-style-type: none"> <li>▪ The covered bond universe of Moody's: an overview</li> <li>▪ Review: EUR ESG benchmarks 2025 in the SSA segment</li> </ul>
<a href="#">01/2026 // 14 January</a>	<ul style="list-style-type: none"> <li>▪ Annual review of 2025 – Covered Bonds</li> <li>▪ SSA: Annual review of 2025</li> </ul>
<a href="#">43/2025 // 17 December</a>	<ul style="list-style-type: none"> <li>▪ Cross Asset: Dutch pension funds in the spotlight</li> </ul>
<a href="#">42/2025 // 10 December</a>	<ul style="list-style-type: none"> <li>▪ Focus on spread relationships: Covereds vs. Seniors</li> <li>▪ Teaser: Beyond Bundeslaender – Belgium</li> </ul>
<a href="#">41/2025 // 03 December</a>	<ul style="list-style-type: none"> <li>▪ The bigger picture – ECB and four daring suppositions</li> <li>▪ Our view of the covered bond market heading into 2026</li> <li>▪ SSA outlook 2026: More debt, less scope?</li> </ul>
<a href="#">40/2025 // 26 November</a>	<ul style="list-style-type: none"> <li>▪ Cross Asset // Call for evidence: EU Taxonomy under review</li> </ul>
<a href="#">39/2025 // 19 November</a>	<ul style="list-style-type: none"> <li>▪ A covered bond view of the Nordics</li> <li>▪ Teaser: Issuer Guide – French Agencies 2025</li> </ul>

## 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 Q1/2026](#) (quarterly update)

[Transparency requirements §28 PfandBG Q1/2026 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](#)

[Beyond Bundeslaender: Canadian Provinces](#)

[Beyond Bundeslaender: Belgium](#)

[Beyond Bundeslaender: Greater Paris \(IDF/VDP\)](#)

[Beyond Bundeslaender: Spanish regions](#)

[Issuer Guide – European Supranationals 2025](#)

[Issuer Guide – Non-European Supranationals \(MDBs\) 2026](#)

[Issuer Guide – German Agencies 2025](#)

[Issuer Guide – French Agencies 2025](#)

[Issuer Guide – Nordic Agencies 2025](#)

[Issuer Guide – Dutch Agencies 2026](#)

[Issuer Guide – Austrian Agencies 2025](#)

[Issuer Guide – Spanish Agencies 2025](#)

#### Fixed Income Specials:

[ESG-Update 2025](#)

[ECB preview: Oil price shows the limitations of monetary policy](#)

## Appendix

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