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Covered Bond & SSA View

NORD/LB Markets Strategy & Floor Research

24 March 2021 ♦ 11/2021

Investment strategy recommendation and marketing communication
(see disclaimer on the last pages)

Agenda

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Market overview
Covered Bonds

Authors: Dr Frederik Kunze // Henning Walten, CIIA

ESG debut from Finland, TLTRO III.7 allocation and two more deals

The past five trading days have also generated EUR benchmarks again, although these were already placed on Wednesday and Thursday of the last calendar week. Speaking of Thursday, this was when the announcement was made regarding the allocation of what was previously the last tender of the TLTRO III programme (in December, TLTRO III was extended to include three more tenders until the end of 2021). A total of 425 bidders took part in the latest tender and were provided with central bank liquidity of EUR 330.5bn, significantly more than the market had previously anticipated. We shall discuss what this means or could mean for the covered bond market in a separate article in this issue. Turning back to the primary market, VUB from Slovakia made the first appearance of the previous trading week last Wednesday. The bank has concluded a transaction every year since it opened the Slovak covered bond market for EUR benchmarks in 2019. In 2020, it was also the only institution from Slovakia to participate in the primary market. Last Wednesday, EUR 500m was raised at ms +10bp for five years. Compared with the guidance, this equated to a narrowing of five basis points. The bond, which was marketed as a WNG deal, attracted a final demand of EUR 1.3bn and was thus significantly oversubscribed. Despite the increase in 5y swap yields since the beginning of the year, the issue yield was -0.225% and therefore deep in negative territory. In addition to the first EUR benchmark from Slovakia this year, we also saw the first deal from Finland last Thursday, for which OP Mortgage Bank was responsible. The EUR 750m bond with a 10y term to maturity was particularly noteworthy as it was not only the institution's ESG debut, but also the first EUR benchmark transaction in ESG format from Finland. After Austria and Italy, Finland is the third jurisdiction to enter the market for sustainable EUR-denominated covered bonds this year. Pricing was four basis points below guidance at ms -1bp, making it only the second deal with a negative spread since 10 February 2020 (BHH 0.01 02/17/27), after Berlin Hyp was also able to launch a green bond (EUR 500m; 6.8y) at ms -3bp last week. The order book totalled EUR 1.4bn and the issue yield was +0.074%. The allocation went primarily to investors from the German-speaking DACH region (43%) and Nordics (29%). More than half (55%) was snapped up by Central Banks/OI, whereas banks received 32%. Last Thursday also saw National Bank of Canada approach its investors, offering a EUR 500m, seven-year deal at ms +5bp (guidance: ms +10bp area). The order book amounted to EUR 1.7bn and the issue yield was slightly negative at -0.093%. The volume issued in 2021 in the EUR benchmark segment now totals EUR 21.25bn spread over 30 bond issuances.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
National Bank of Canada	CA	18.03.	XS2324405203	7.0y	0.50bn	ms +5bp	AAA / Aaa / -	-
OP Mortgage Bank	FI	18.03.	XS2324321368	10.0y	0.75bn	ms -1bp	- / Aaa / AAA	X
VUB	SK	17.03.	SK4000018693	5.0y	0.50bn	ms +10bp	- / Aa2 / -	-

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

Activity also in the sub-benchmark segment

In addition to the three new issues in the EUR benchmark segment, one institution also placed a bond in the EUR sub-benchmark segment. The Mortgage Society of Finland issued its fifth EUR sub-benchmark last Wednesday. The EUR 300m deal was initially marketed at ms +10bp area, but ultimately placed on the market at ms +6bp with an order book of over EUR 1.0bn. The issue yield of the 10y bond was slightly into positive territory at +0.097%. In total, 29% of the volume remained in the domestic market, while a further 26% was allocated to investors from the rest of Scandinavia. Buyers from the DACH region received 21%, while 8% headed for southern Europe. In terms of investor type, central banks/OI dominated with 42%, followed by bank treasuries with 37%. Altogether, four deals with a total volume of EUR 1.2bn have been placed in the EUR sub-benchmark segment so far this year (2020: 8 deals worth EUR 2.05bn).

PEPP: 26 March marks first anniversary of initial purchases

On Friday this week it will be exactly one year ago to the day since the Eurosystem started buying securities under the PEPP. A lot has happened in the meantime. Not only has the volume been extended in the past twelve months from the original EUR 750bn to EUR 1,850bn, but the time horizon has also been gradually adjusted. While the securities purchases were initially intended to continue until at least the end of 2020, they are currently scheduled to be phased out by the end of March 2022 at the earliest. Reinvestments are also currently expected until the end of 2023. As of the most recent reporting date (19 March), assets worth EUR 913.6bn were reported under the PEPP, which equates to a current utilisation rate of 49%. In fact, however, securities with a volume of around EUR 1,005bn have already been purchased under the programme, but these have already been offset by maturities of EUR 87.9bn. The ECB is due to report again in more detail on the PEPP at the end of this month, which will also give us a deeper insight into the programme, as is now customary every two months. Corresponding data will only be published on 7 April due to the Easter holidays.

Fitch assesses covered bond programmes of major Australian banks

Fitch recently commented on the impact of the coronavirus crisis on the ratings of the covered bond programs operated by the major Australian banks. It is also emphasised that the covered bond ratings of the Australia and New Zealand Banking Group, the Commonwealth Bank of Australia, the National Bank of Australia and the Westpac Banking Corporation are relatively comfortably protected against possible downgrades of the relevant issuer rating (long-term issuer default rating) with three notches of “protection” each. In terms of the effects of the coronavirus crisis on the cover pools, the risk experts certainly see a danger of delayed repayments, a rising percentage of loans in arrears as well as reduced recovery rates, which could adversely impact cash flows. Nevertheless, the issuers would have sufficient potential to replace the affected loans in the cover pools. In this respect, Fitch also sees a capacity on the part of the issuers to maintain the AAA rating. Six Australian issuers are currently active in the EUR benchmark segment (in addition to the above: Macquarie Group and Bank of Queensland). We expect issues in the order of EUR 2bn this year, which, given the expected maturities (EUR 5.5bn), would result in a negative net supply of EUR 3.5bn for 2021 as a whole.

IMN panel discussion: Outlook for APAC covered bonds

Following on from the previous paragraph, we would like to highlight a discussion held on 16 March centred on APAC covered bonds in which NORD/LB also took part. The panel, which was part of the Asian Structured Credit Virtual Summit organized by IMN and for which a Replay On Demand is freely available, comprised various market players and covered a whole host of issues, including risk and regulatory aspects as well as current and future market developments. Also organised by IMN is the Virtual Investors' Conference on Global Covered Bonds, which is scheduled to be held on 30 March 2021.

Moody's comments on expiring measures to mitigate effects of the coronavirus crisis

The far-reaching and, on a global level, extremely multi-faceted measures introduced by central banks, regulators and legislators to mitigate the impact of the coronavirus crisis generally came with an expiration date. Accordingly, we aim to assess the possible consequences for covered bonds. In a recent Sector Comment, Moody's took the cessation of the option of applying for a payment holiday in the UK from 31 March 2021 as an opportunity to assess what possible consequences an end to government support could have on covered bonds, amongst other things. As Moody's points out, the majority of borrowers who took up the payment holiday option resumed payments at the end of the year, implying that payment holidays did not lead to a "masking" of NPL increases. The analysis classifies this observation as a credit positive for covered bonds in the UK as well, although it is important to note that other temporary government measures will also expire. In the wake of this, Moody's believes that there could well be loans in arrears, which will impact the corresponding cover pools. Finally, the removal of measures such as the UK equivalent of short-time work could have a negative effect on residential construction loans. In this respect, however, possible burdens for the cover pools in the form of payment defaults or arrears also depend on the general economic situation. In our view, the facts discussed by Moody's can also be applied to other jurisdictions and measures. Even if we generally assume that legislators and regulators will want to avoid "cliff effects" when ending the support measures, deteriorations in the credit quality of covered bonds – albeit of a more temporary nature – cannot be ruled out in their entirety.

EU Taxonomy: announcements re: adjustment of the European Commission draft

As part of our ESG Update, we recently discussed the aims of the EU taxonomy and referenced criticisms directed by the European Covered Bond Council (ECBC). The strict criteria for energy efficiency, which prescribe an EPC label of "A", in particular for buildings constructed before 31 December 2020, should be mentioned here. As Global Capital, among others, recently reported, the expected adjustment to the draft gives rise to optimism that this strict requirement will be expanded to include class "B" provided that the certificate is not older than 12 months and the energy performance of the building ranks in the top 15% of the building stock in the country/region. In the sense of climate change adaptation, the minimum value of "C" now applies to buildings completed before 31 December 2020. Corresponding changes in the European Commission's final draft should be welcomed solely because this would significantly increase the critical mass for taxonomy-compliant green covered bonds, since the issuers' green frameworks often follow the "Top 15%" approach in particular. In this respect, we expressly welcome this development. The Energy Efficient Mortgage Label (EEML), which was recently launched, would also markedly benefit from a similar adjustment.

Market overview SSA/Public Issuers

Author: Dr Norman Rudschuck, CIIA

PEPP: Weekly reporting shows that the pace is picking up

The end of February and the beginning of March in particular have been dominated by discussions regarding the pace of purchases by the ECB, mainly those under the Pandemic Emergency Purchase Programme (PEPP). In the meantime, it has been clear that net purchase volumes have been falling on a weekly basis while capital market yields have been rising. In certain respects, this combination is poison for the markets. An ECB spokesperson commented that the net purchases were affected by seasonal factors, especially high levels of maturities. A more detailed reaction was provided in the decision taken at the subsequent meeting of the ECB's Governing Council on 11 March, when it was confirmed that bonds totalling up to EUR 1,850bn could be purchased under the PEPP. Confirmation that the programme would run until the end of March 2022 was also provided, with purchases being continued in any case until the Governing Council decides that the coronavirus crisis has been overcome. And then came the crucial sentence of the introductory statement for us: "Based on a joint assessment of financing conditions and the inflation outlook, the Governing Council expects purchases under the PEPP over the next quarter to be conducted at a significantly higher pace than during the first months of this year." This sentence was fleshed out with the following details: "We will purchase flexibly according to market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation. In addition, the flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy." Net purchases are calculated from the gross volume of securities purchased minus maturing securities, which drop out of the balance sheet and must be replaced. These net purchases under the PEPP have increased significantly in the past week. According to details provided by the ECB, PEPP holdings increased by EUR 21.1bn (previous week: EUR 14.0bn). Our view is that it was both correct and important to issue a signal to the markets before Easter, as there will be several weeks in the near future with fewer trading days (Easter, May Bank Holiday, Ascension, Whitsun etc.). The ECB also added: "If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation. We will continue to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance."

TLTRO III still of interest for promotional banks

In 2020, KfW raised EUR 13.4bn via the ECB programme for "targeted longer-term refinancing of the Eurosystem" (abbreviated to TLTRO). It can be assumed that by raising these funds, it also reduced its capital market funding requirement. Accordingly, the largest German promotional bank raised some EUR 10bn less from its own bonds on the capital market than had been planned for 2020. The funding details were now known in advance and the KfW could also "plan" for 2021 with coronavirus, meaning that we do not expect any reduction in its funding requirement like last year. Banks in the eurozone still absorbed EUR 330.5bn from the ECB's most recent TLTRO tender, which was far more than was expected. It is all the more likely that promotional banks were involved once more, having done their bottom-line calculations in advance. At least this seems to make economic sense and not be just a matter of conjecture but current press releases concerning this are not (yet) available.

Federal budget: EUR 240bn for 2021 and no end in sight

The decisions taken by the Conference of Ministers-President of the Laender still need to be digested/set in stone by Easter for the purpose of a "day of rest". In Berlin, lockdown is expected to last until as late as 24 April, making it a week longer than the rest of Germany. Information here is subject to considerable change. Expenditure for aid to businesses, purchases of PPE, coronavirus tests and vaccinations is also considerable: The Federal Minister of Finance Olaf Scholz will therefore have to borrow more – over the next few years too. According to media reports, he wants to borrow some EUR 60.4bn more in the current year than was originally planned. As reported by several news agencies, with reference to the Ministry of Finance, the candidate for the chancellorship also plans to raise new debt for the coming year of around EUR 81.5bn. "We are not going to try to sugar-coat the matter; net borrowing is substantial," commented the Ministry of Finance. The expectation is that the exception to the requirement for a balanced budget enshrined in the German constitution will be used for this purpose next year too. However, there is optimism that the impact of the pandemic will not be felt so heavily then, and the economy will no longer need as much support as it does at present. Germany is heading towards a debt ratio of 80% and is therefore better placed than any other G7 country. It is not just because of lockdown being extended that the German government will not be able to count on the previous levels of tax revenue in future. New debt will rise to a record figure of EUR 240.2bn. Scholz also plans to continue with new debt in the years from 2023 to 2025 - but then within the framework of the debt brake, which allows for a low level of new debt. According to the news agencies, reserves saved in 2023/24 are also expected to be used up. The cabinet will discuss the benchmarks of the budget for 2022 today (24 March). The resultant draft budget is to be adopted by the current German government in summer. However, it will only be resolved by the new Bundestag to be elected in the autumn.

Invitation to our imminent digital Capital Market Conference

It is our pleasure to invite you to our NORD/LB KMK digital event on 25 March 2021 entitled "Beyond Bundeslaender – Sub-Sovereigns outside Germany". Our DCM Syndicate & Origination FI/SSA and Floor Research will take you and our guests on a journey "Beyond Bundeslaender". The event will be held in English. Please contact us ASAP at sales@nordlb.lu for the dial-in details or click here.

Primary market

A busy week with substantial volumes is finally being reported in our publication once more: first and foremost, the dual tranche issued by the EU under its SURE programme must be mentioned of course. A total of EUR 13bn was placed here. Of this figure, EUR 8bn had a maturity of five years (ms -14bp) and EUR 5bn a maturity of 25 years (ms +1bp). The target figure of an average of 15 years was achieved or maintained once more. The books amounted to more than EUR 96.5bn, with almost half being spread over the quite different maturities offered. In the year to date, a further EUR 27bn was added to the EUR 39.5bn from 2020. The EU will still have enough to do after Easter. The SURE programme will comprise EUR 100bn in total. However, the ESM (EUR 2bn) and EFSF (EUR 7bn) will also seek to raise funds on the capital market in the coming quarter. Sufficient space on the market – in other words, ample demand – is nevertheless likely to lead to there not being any bottlenecks or any cannibalisation effects here. Up to this point, one of the biggest deals was Greece's bond for 30 years (demand of EUR 26.1bn). Among others, there were deals from Germany; the most prominent being SACHAN (EUR 500m for 30 years at ms +8bp) and BERGER (EUR 500m WNG for five years at -6bp). Despite their maturity, the deals were similar: SACHAN tightened by two basis points compared with guidance and recorded an order book of over EUR 1bn. BERGER reached over EUR 950m and did not tighten any further. Flanders recorded a bigger deal: EUR 1.25bn for 25 years was the target here. The order books exceeded EUR 5bn, meaning that it was priced four basis points lower than the guidance. The deal came in 21 interpolated basis points above the Belgian reference bonds (BGB 0.4% 06/22/40 and BGB 1.6% 06/22/47). The EIB dazzled with a 2035 tap (EUR 500m) of a climate awareness bond (CAB), which despite being only slightly oversubscribed (1.4x) tightened by one basis point. Perhaps the best things come in small packages: the first issue by ISB from Mainz (EUR 125m at ms +3bp) was met with demand of EUR 350m. Guidance had been in the area of ms +5bp. From now on, the Rhineland-Palatinate bank will use the Bloomberg ticker ISBRLP. Looking ahead, France's UNEDIC issued a mandate for a 10y social bond yesterday, for which we expect pricing to be announced in the course of Wednesday.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
EU	SNAT	22.03.	EU000A3KNYG5	25.1y	5.00bn	ms +1bp	AAA / Aaa / AA	X
EU	SNAT	22.03.	EU000A3KNYF7	4.9y	8.00bn	ms -14bp	AAA / Aaa / AA	X
BERGER	DE	18.03.	DE000A3H2Y32	5.0y	0.50bn	ms -6bp	AAA / - / -	-
FLEMSH	Other	17.03.	BE0002780618	25.0y	1.25bn	ms +40bp	AA / - / -	-
SACHAN	DE	17.03.	DE000A3E5FS7	30.0y	0.50bn	ms +8bp	AAA / Aa1 / AA	-

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

NORD/LB

Covered Bonds
Surprising dynamic: Eurosystem lends EUR 331bn to EMU banks via TLTRO III.7

Author: Dr Frederik Kunze

TLTRO III.7: Second-highest lending volume

In the course of our weekly publication we regularly point out the influencing factors that are responsible for the restrained momentum on the covered bond primary market. We never fail to refer to the monetary policy of the Eurosystem. After all, the monetary policy instruments in use largely dictate what happens on the covered bond market. On the demand side, the ECB intervenes in the mechanism of both the primary and secondary markets, especially via the CBPP3, while the supply on the primary market has been and apparently will continue to be well and truly restricted by the TLTRO programmes. At least, this is what the figures reported last week on the volume issued in the course of the seventh TLTRO III tender suggest. At EUR 330.5bn from 425 bidders, this is the second-largest figure ever under the TLTRO III programme (see table below). In this article, we would like to briefly discuss the implications for the covered bond market resulting from the surprisingly high new uptake under TLTRO III and provide an outlook for the rest of the year.

TLTRO III timetable and allocations

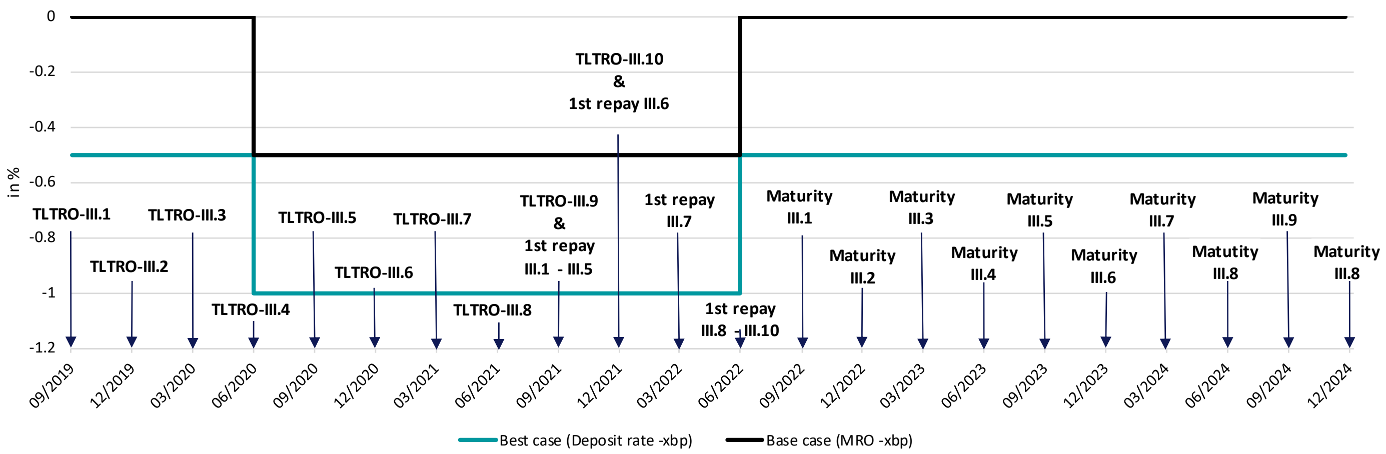
Tender	Announcement	Allotment	Settlement	Maturity date	Settlement of first voluntary early repayment	Allotted amount (EUR bn)
TLTRO-III.1	17 Sept 2019	19 Sept 2019	25 Sept 2019	28 Sept 2022	29 Sept 2021	3.40
TLTRO-III.2	10 Dec 2019	12 Dec 2019	18 Dec 2019	21 Dec 2022	29 Sept 2021	97.72
TLTRO-III.3	17 March 2020	19 March 2020	25 March 2020	29 March 2020	29 Sept 2021	114.98
TLTRO-III.4	16 June 2020	18 June 2020	24 June 2020	28 June 2023	29 Sept 2021	1,308.43
TLTRO-III.5	22 Sept 2020	24 Sept 2020	30 Sept 2020	27 Sept 2023	29 Sept 2021	174.46
TLTRO-III.6	8 Dec 2020	10 Dec 2020	16 Dec 2020	20 Dec 2023	21 Dec 2021	50.41
TLTRO-III.7	**16 March 2021**	**18 March 2021**	**24 March 2021**	**27 March 2024**	**29 March 2022**	**330.50**
TLTRO-III.8	15 June 2021	17 June 2021	24 June 2021	26 June 2024	29 June 2022	
TLTRO-III.9	21 Sept 2021	23 Sept 2021	29 Sept 2021	25 Sept 2024	29 June 2022	
TLTRO-III.10	14 Dec 2021	16 Dec 2021	22 Dec 2021	18 Dec 2024	29 June 2022	

Source: ECB, NORD/LB Markets Strategy & Floor Research

TLTRO III timetable: repayments at the end of September 2021 at the earliest

Overall, commercial banks have now raised TLTRO III funds totalling EUR 2,079bn within the framework of the tenders since September 2019, while the TLTRO II tenders have now been repaid in full or, under certain circumstances, transferred to the "new" TLTRO III tenders. The next funding deadline (TLTRO III.8) is June 2021. As regards the outstanding volumes, it is also important to note that the earliest possible (premature) repayments are possible from September 2021 (TLTRO III.1 to III.5). Theoretically, it would therefore be possible to roll over the funds from TLTRO III.4 (EUR 1,308bn), for example.

Timeline of TLTRO III tenders



Source: ECB, NORD/LB Markets Strategy & Floor Research

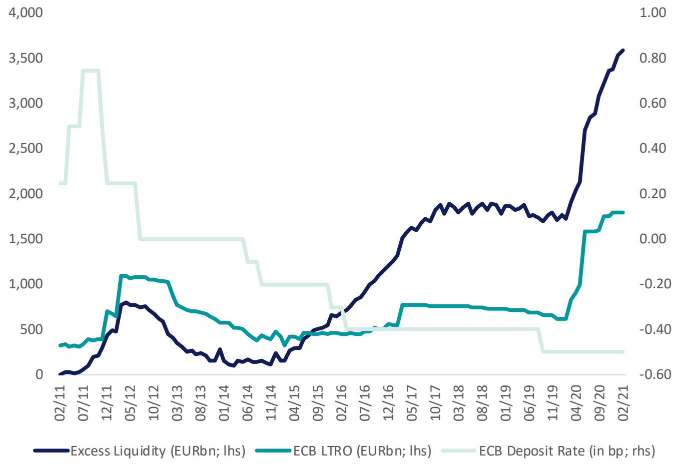
Interdependencies with the covered bond market

There are at least two major implications for the covered bond market from the recently reported figures. For example, a higher percentage of TLTRO III funds as a proportion of the funding of credit institutions will curb the issuance volume of both secured and unsecured bonds. In this context, it is also important to consider the lower funding requirements in some cases – due to high customer deposits and system-wide abundant excess liquidity triggered by the APP and PEPP. Besides the lower issuance volume of covered bonds, borrowing from the ECB requires a sufficiently large universe of eligible collateral. Covered bonds are among the most important securities that are both eligible in principle and actually used as collateral. This applies to both publicly placed issuances and private placements as well as retained bonds. The second main implication of the ECB's longer-term targeted refinancing operations is therefore the issuance of retained covered bonds, which from our perspective primarily serve the purpose of being deposited with the Eurosystem as eligible collateral in order to be able to raise TLTRO III funds.

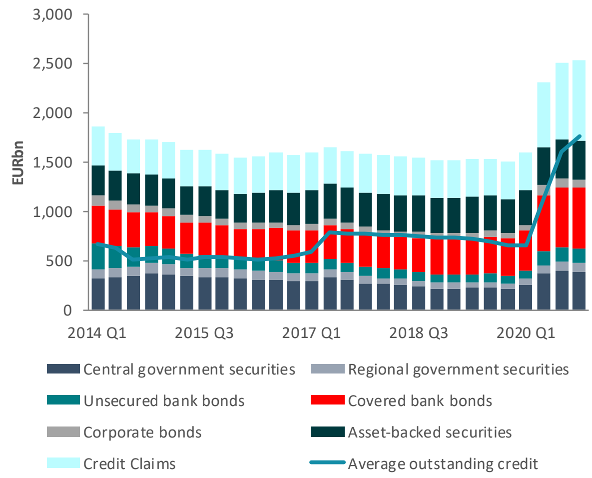
Leading or lagging dampening effect?

The following paragraphs will show that the issuance of retained covered bonds often takes place shortly before the actual need for collateral. In terms of the TLTRO III effect on public placements in the benchmark or sub-benchmark segment, a temporal link is less clear. Thus, we would also assume that the surprisingly high issuance of liquidity in the context of TLTRO III.7 must be both an explanation for the weak start to the year so far in the covered bond primary market and – at least to some extent – an indication that there will not be a rapid reversal during the remainder of the year. We should also point out here that the TLTRO III funds are only one of many influencing factors, but the ECB can be identified as the main culprit for several factors. For example, the current spread level in the unsecured segment, which is also a consequence of the ECB's monetary policy via second-round effects, is increasingly leading to the issue of senior unsecured bonds.

ECB: Deposit rate, excess liquidity and LTRO



ECB: Use of collateral

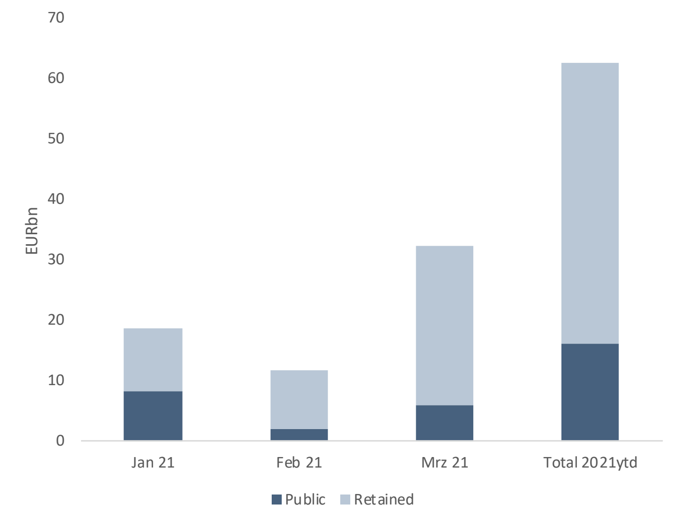


Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

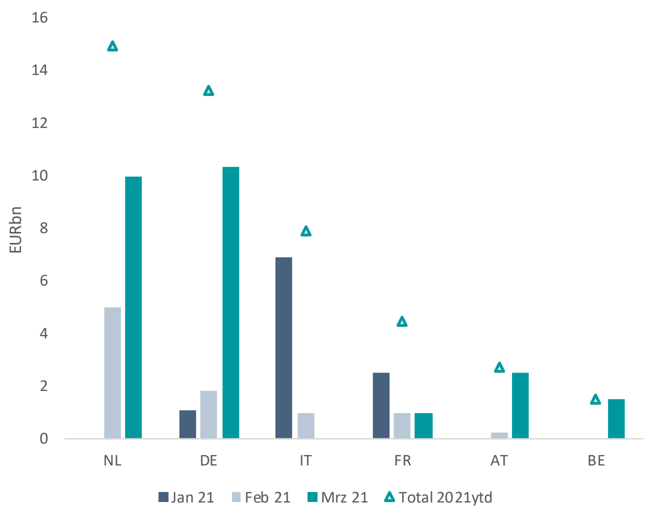
Renewed momentum for retained issues in 2021

The issuance of retained covered bonds also follows a seasonal pattern and has recently been linked to the ECB's TLTRO tenders – even though retained covered bonds are also used in the interbank repo market. And in the current year, a dominance of retained covered bonds over public placements is indicated, especially in the current month of March (see figures below). While BMK and SBMK issues from EMU countries total EUR 16.2bn in the current year, retained deals (based on Bloomberg data) amount to EUR 46.5bn, with the largest shares here attributable to the Netherlands (EUR 15bn) and Germany (EUR 13.28bn), followed by Italy (EUR 7.9bn) and France (EUR 4.5bn). Especially in the Netherlands and Germany, March has been a particularly dynamic month in terms of retained issues.

Retained deals vs. publicly placed BMK/SBMK



Retained deals by jurisdiction



Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

General implications for cover pools and spread development

Assuming that public issues are replaced by retained covered bonds as a result of the TLTRO III take-up, a decline in covered bonds compared with the respective cover pools is not to be expected. In fact, in some jurisdictions there will probably even be a disproportionate increase in “outstanding volume”, since – as the example of the Netherlands shows – issues are in many cases large in size. This also has an impact on the cover calculation of the covered bond programmes and can lead to falling OC ratios and/or an increasing need for cover assets to be brought in. We would by no means consider these developments to be an acute burden on the programmes concerned. However, we believe it is important to consider that the retained issues – if they are deposited with the ECB as collateral in order to be able to raise TLTRO III funds – will remain in use as collateral for a significant period of time or will be replaced by other eligible assets. In this respect, we would certainly assume certain lock-in effects with regard to the retained issues. In terms of spread developments over the further course of the year, we see hardly any potential for widening, also given the latest TLTRO III figures, and would rather expect further subtle narrowing. Indeed, the tightened lock or shut-down requirements in some jurisdictions point towards a somewhat slower recovery process, which is likely to have an impact on issuance behaviour – for example, via the refinancing requirement route. Actually, bearing in mind the interest rate on TLTRO III funds, we would expect that the “most preferential rate” or the current best case of “deposit rate minus 50bp” will not be achieved for all commercial banks concerned.

Conclusion

Although the latest adjustments to TLTRO III conditions indicated a higher take-up by commercial banks, the figure reported last week significantly exceeded market expectations. The retained deals observed should be assessed in direct correlation with the surprisingly high allocation in the TLTRO III.7 tender. In regard to the covered bond primary market, TLTRO III continues to slow down the momentum; the figure of EUR 330.5bn has both a lagging character and, to some extent, foreshadowing properties and could thus result in further subdued issuance activity. The timetable for the next few tenders is in place and we are gradually moving towards the earliest possible repayment periods (September 2021). In view of the current market conditions, we do not yet see any indication that the commercial banks will make increased use of this. In fact, we consider it likely that with a slight time lag after the last TLTRO III tender in December 2021, the focus of the ECB could turn to a possible “TLTRO IV”. If necessary, however, a corresponding announcement would probably not be expected until the middle of 2022.

Covered Bonds
German Pfandbrief savings banks in Q4 2020

Author: Henning Walten, CIIA

44 savings banks with outstanding Pfandbriefe

Following the end of the fourth quarter of 2020, the 44 German savings banks that issue Pfandbriefe published their cover stock reports. The aggregate volume of outstanding mortgage Pfandbriefe and public sector Pfandbriefe came to EUR 25.37bn at the end of the fourth quarter (previous quarter: EUR 25.74bn) and therefore fell slightly (-1.4%). While there is still only one bank that has issued nothing but public sector Pfandbriefe (Stadtsparkasse Mönchengladbach), the number of issuers that only issue mortgage Pfandbriefe increased to 30, having been joined by the Sparkasse Dortmund. We are therefore left with 13 banks that have both mortgage and public sector Pfandbriefe outstanding. More detailed information on their cover pools can be found in our special report Transparency Requirement §28 PfandBG Q4/2020 Sparkassen (German only).

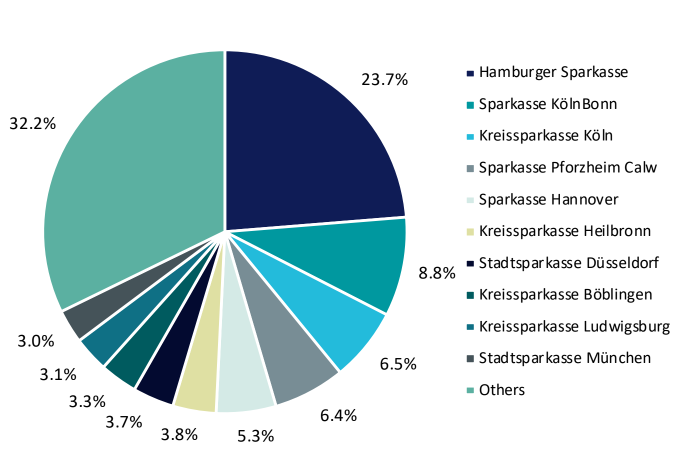
EUR 23.7bn in outstanding mortgage Pfandbriefe

The total of 43 savings banks that issue mortgage Pfandbriefe had an outstanding total volume of EUR 23.7bn at the end of the last quarter. The volume therefore decreased slightly on the previous quarter (EUR 24.0bn). With EUR 46.1bn (previous quarter: EUR 45.7bn) of cover assets, the mortgage Pfandbriefe issued were matched by sufficient assets, giving an average overcollateralisation of 94.8% (previous quarter: 90.0%).

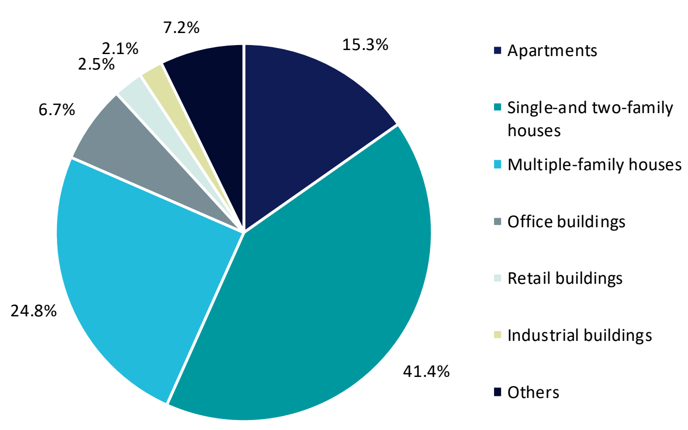
Majority of residential cover assets

A more precise examination of the composition of mortgage cover pools shows that original cover assets account for 95.9% on average (previous quarter: 94.9%) of the cover pool. Of this figure, 81.5% is attributable to residential assets, whereas commercial assets account for 18.5% of primary cover. There are therefore only marginal deviations compared with the previous quarter.

Top 10 mortgage Pfandbrief issuers



Type of use – cover assets



Source: Issuers, vdp, NORD/LB Markets Strategy & Floor Research

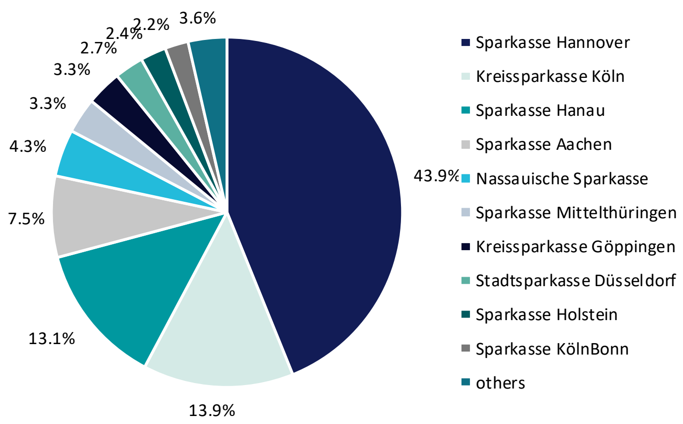
Single family houses and apartment buildings account for the majority of primary cover
Looking at the type of use of primary cover, it is clear that residential financing predominates. Besides the 41.4% attributable to single- and two-family houses, mortgage loans used to finance Multiple-family houses follow in second place (24.8%). The proportion attributable to apartments is also 15.3%. Commercial cover assets follow in positions four to six, with office buildings (6.7%) predominating. A total of 2.5% and 2.1% respectively are also attributable to retail and industrial buildings. Here too, the changes in percentages compared with the previous quarter are only in the decimal places.

Hamburger Sparkasse is by far the largest mortgage Pfandbrief issuer
With a market share of 23.7% and an outstanding volume of around EUR 5.6bn, Hamburger Sparkasse is the largest mortgage Pfandbrief issuer among the German savings banks. It is still followed by Sparkasse KölnBonn in second place with a share of 8.8%. The two banks are also the only German savings banks with outstanding EUR benchmarks, which are also listed in the iBoxx EUR Covered. While the ten largest Pfandbrief savings banks have a market share of 67.8%, the share of the largest five issuers remains unchanged at around 50%.

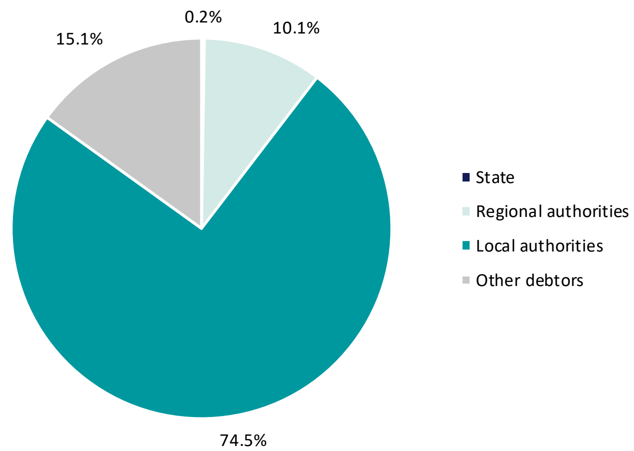
EUR 1.68bn in outstanding public sector Pfandbriefe
In the German savings bank sector, public sector Pfandbriefe lag well behind mortgage Pfandbriefe not just in terms of the volume outstanding but also in terms of the number of issuers. The 14 issuers of public sector Pfandbriefe in total account for an outstanding volume of EUR 1.68bn, meaning that the volume fell slightly quarter on quarter (EUR 1.71bn).

Around 75% of debtors are local authorities
At 74.5%, most of the primary cover assets covering Pfandbriefe are attributable to debtors from the local authorities segment. These are followed by claims against other debtors (15.1%) and those against regional authorities (10.1%). The proportion of primary cover assets (97.6%) is again higher compared with the mortgage Pfandbriefe segment.

Top-10 public sector Pfandbrief issuers



Cover assets debtor type



Source: Issuers, vdp, NORD/LB Markets Strategy & Floor Research

Sparkasse Hannover is the largest issuer of public sector Pfandbriefe among the savings banks

Given that only 14 savings banks in Germany have outstanding public sector Pfandbriefe, market share is far more concentrated than in the mortgage Pfandbriefe segment. With a market share of 43.9%, Sparkasse Hannover is the undisputed market leader in terms of the largest public sector Pfandbrief volume. It is followed in second place by Kreissparkasse Köln (13.9%), meaning that those placed first and second account for a market share of more than 50%. If Sparkasse Hanau and Sparkasse Aachen are added, the market share increases to 78.3%. Kreissparkasse Köln, Sparkasse KölnBonn, Stadtsparkasse Düsseldorf and Sparkasse Hannover are among the top 10 issuers for both mortgage Pfandbriefe and public sector Pfandbriefe.

Conclusion

Having already published information on cover pool reporting for the purposes of section §28 PfandBG in NORD/LB Covered Bond Special – Transparency Requirements §28 PfandBG Q4/2020, this is followed by a special report NORD/LB Covered Bond Special – Transparency Requirements §28 PfandBG Q4/2020 Sparkassen (German only), which provides an overview of the Pfandbrief landscape in the German savings bank sector. There have been only minor changes compared with the third quarter of 2020. Looking at the Pfandbrief landscape in the savings bank sector, it is clear that in addition to the major EUR benchmark and EUR sub-benchmark institutions, a variety of smaller savings banks are involved in Pfandbrief business, making for a heterogeneous market. At an aggregate level, the characteristics of cover pools are markedly stable and change only marginally quarter on quarter.

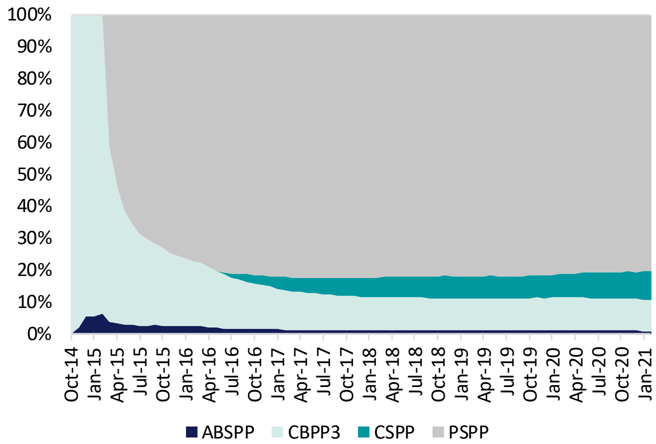
ECB tracker

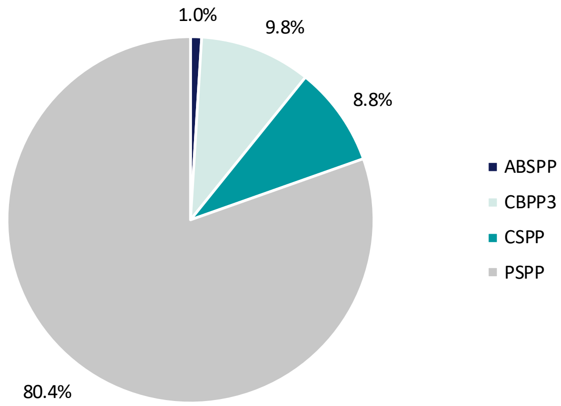
Asset Purchase Programme (APP)

Holdings (in EURm)

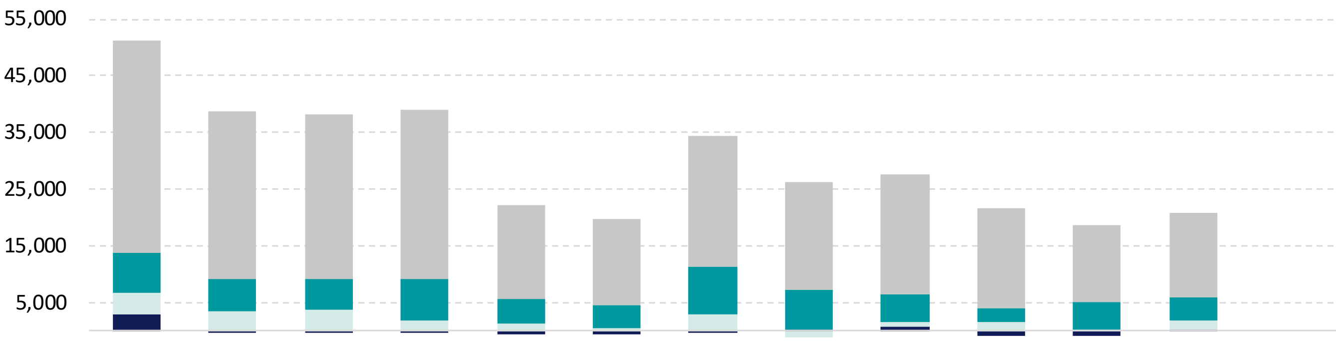
	ABSPP	CBPP3	CSPP	PSPP	APP
Jan-21	28,545	287,619	255,327	2,355,262	2,926,754
Feb-21	28,762	289,158	259,391	2,370,392	2,947,703
Δ	+217	+1,539	+4,064	+15,129	+20,949

Portfolio structure





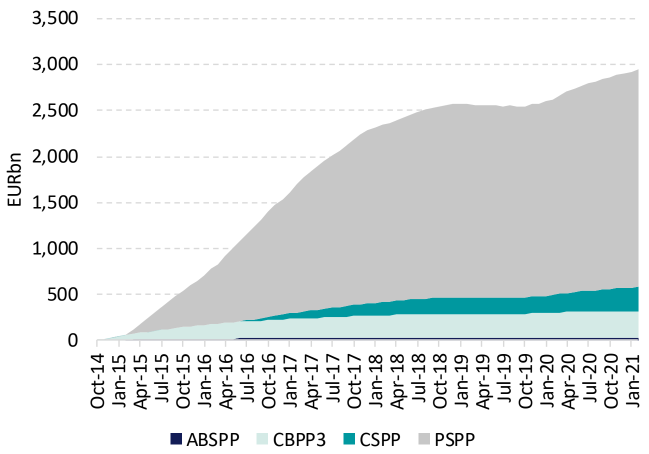
Monthly net purchases (in EURm)



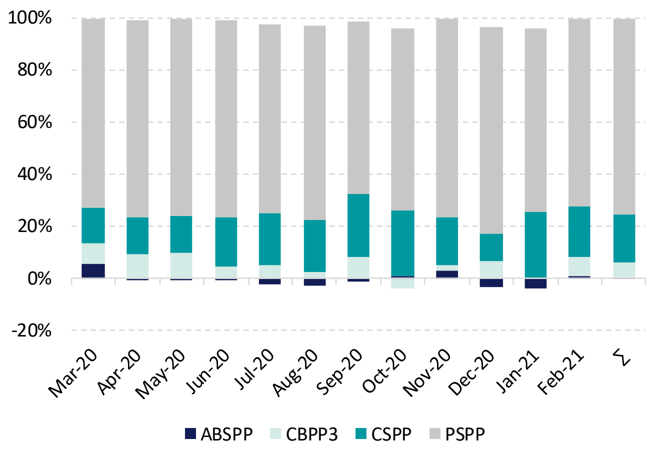
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	∑
APP	51,142	38,441	38,170	38,770	21,529	19,127	34,014	25,349	27,720	20,929	17,846	20,949	353,986
PSPP	37,323	29,624	28,961	29,779	16,370	15,150	23,102	19,182	21,241	17,822	13,655	15,129	267,338
CSPP	6,965	5,560	5,438	7,515	4,502	4,004	8,496	6,983	5,009	2,378	4,924	4,064	65,838
CBPP3	3,931	3,582	3,785	1,731	1,198	500	2,839	-1,041	646	1,529	74	1,539	20,313
ABSPP	2,923	-325	-14	-255	-541	-527	-423	225	824	-800	-807	217	497

Source: ECB, NORD/LB Markets Strategy & Floor Research

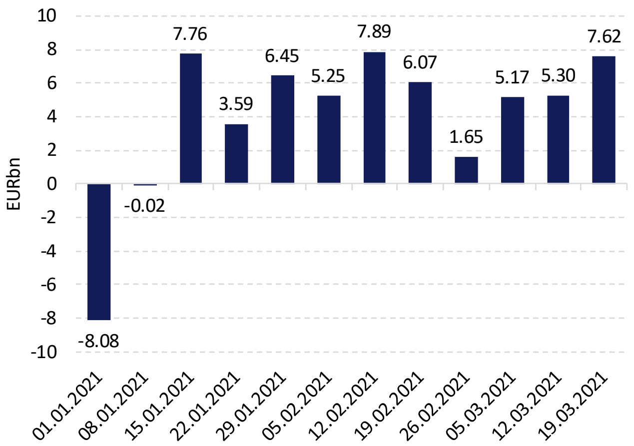
Portfolio development



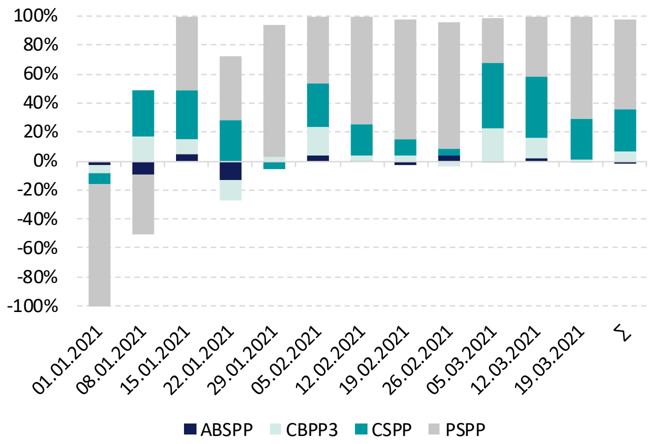
Distribution of monthly purchases



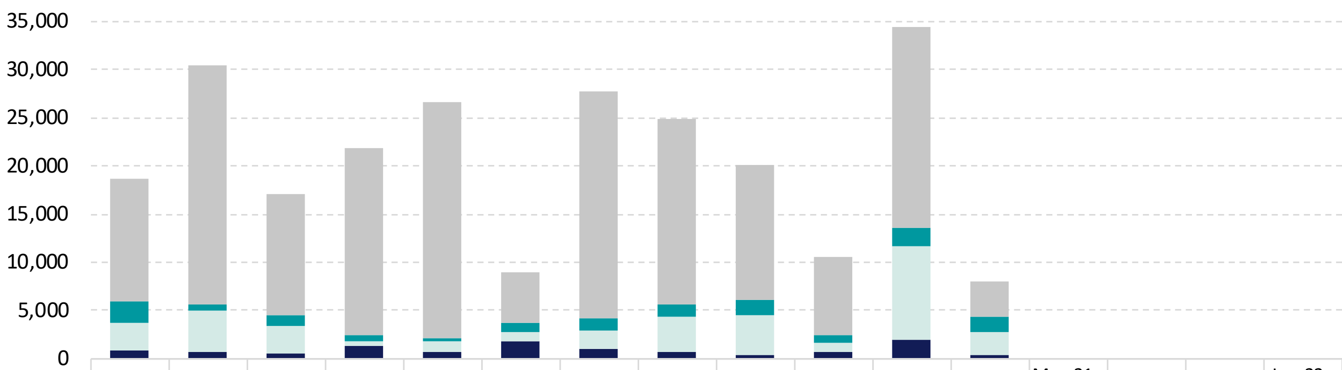
Weekly purchases



Distribution of weekly purchases



Expected monthly redemptions (in EURm)

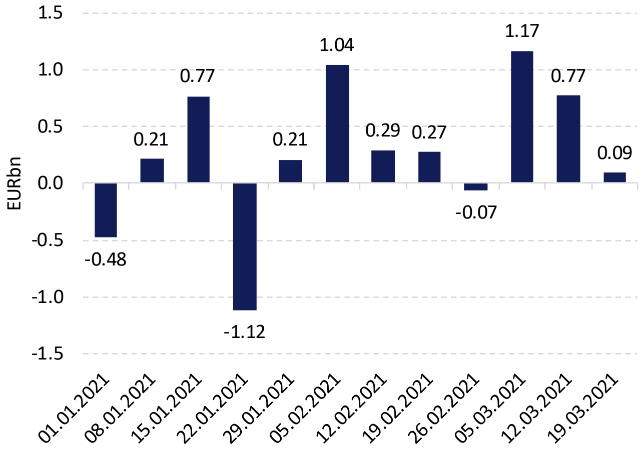


	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-21 - Feb-22	2020	2021	Jan-22 - Feb-22
APP	18,607	30,466	17,144	21,892	26,593	8,882	27,775	24,846	20,120	10,584	34,430	7,966	249,305	262,253	246,111	42,396
PSPP	12,674	24,919	12,637	19,519	24,532	5,118	23,640	19,227	13,991	8,177	20,906	3,625	188,965	201,482	189,743	24,531
CSPP	2,265	607	1,144	631	334	966	1,272	1,280	1,673	826	1,915	1,544	14,457	18,267	15,943	3,459
CBPP3	2,818	4,278	2,894	367	1,132	1,002	1,902	3,716	4,039	937	9,639	2,433	35,157	33,236	30,057	12,072
ABSPP	850	662	469	1,375	595	1,796	961	623	417	644	1,970	364	10,726	9,268	10,368	2,334

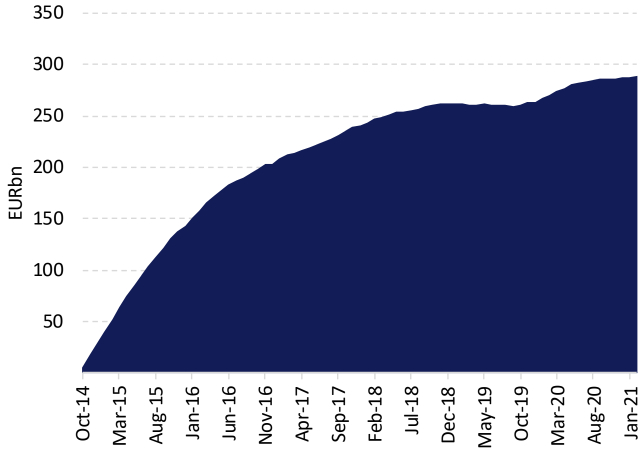
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

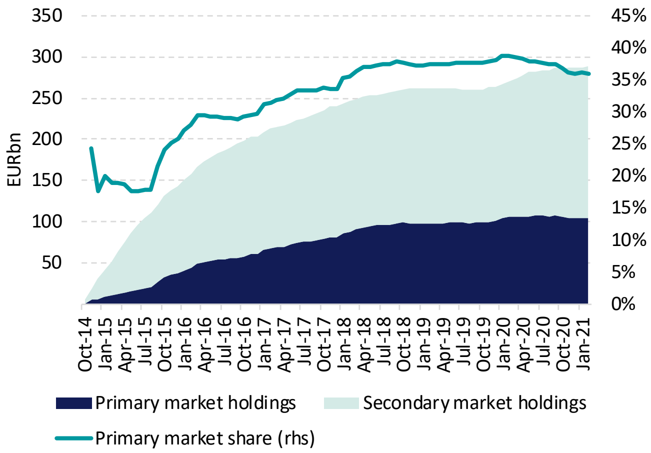
Weekly purchases



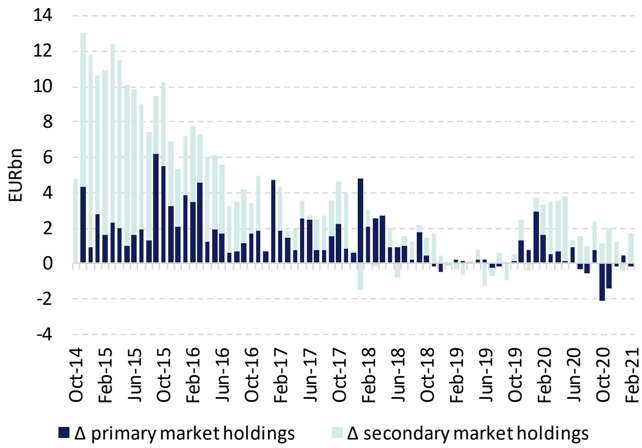
Development of CBPP3 volume



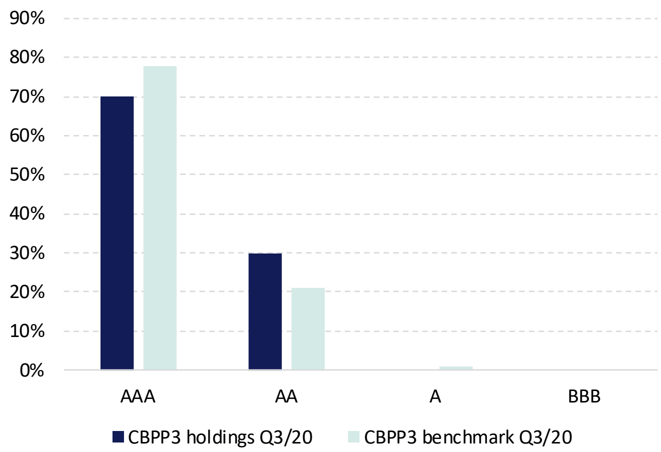
Primary and secondary market holdings



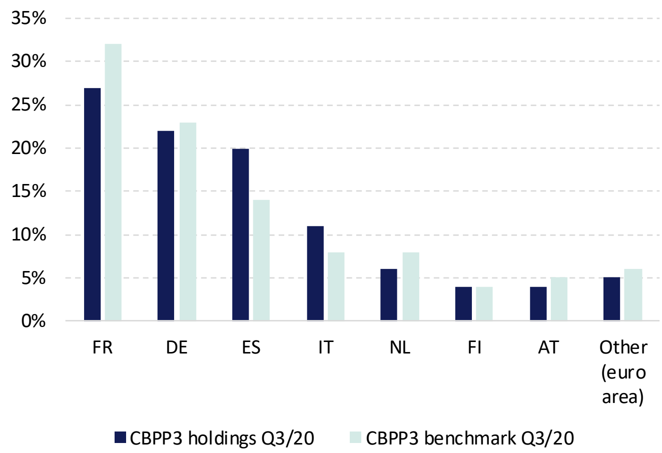
Change of primary and secondary market holdings



Distribution of CBPP3 by credit rating



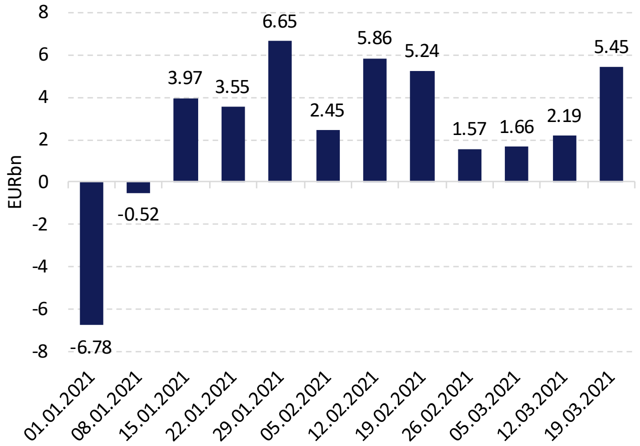
Distribution of CBPP3 by country of risk



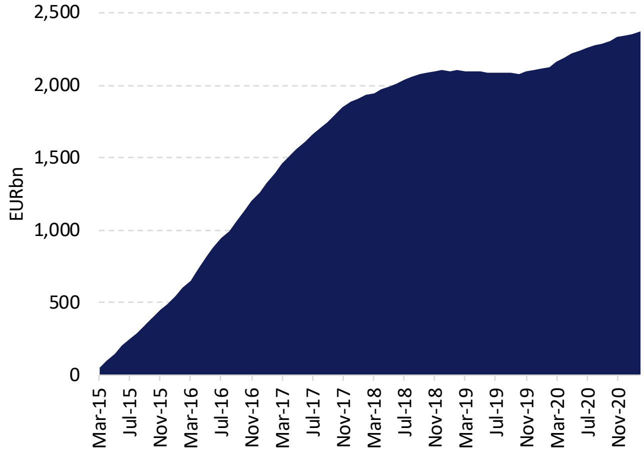
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Public Sector Purchase Programme (PSPP)

Weekly purchases



Development of PSPP volume



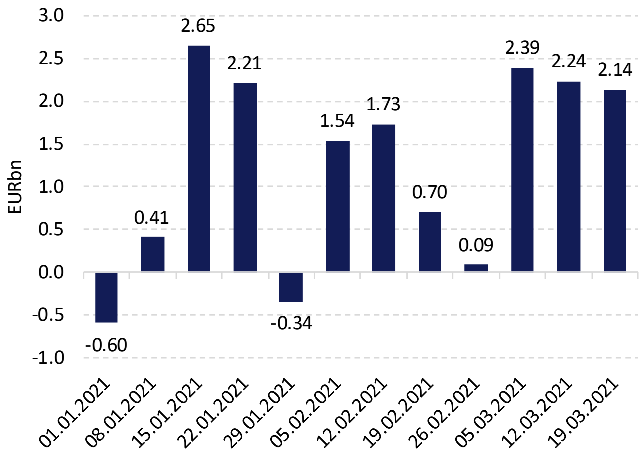
Overall distribution of PSPP buying at month-end

Jurisdiction	Adjusted distribution key[1]	Purchases (EURm)	Expected purchases (EURm)[2]	Difference (EURm)	Avg. time to maturity[3] (in years)	Market average[3] (in years)[3]	Difference (in years)
AT	2.7%	69,357	67,307	2,050	7.8	7.8	0.0
BE	3.4%	87,627	83,780	3,847	8.4	10.2	-1.8
CY	0.2%	3,427	4,948	-1,521	10.0	9.3	0.7
DE	24.3%	588,192	606,206	-18,014	6.5	7.6	-1.1
EE	0.3%	324	6,478	-6,154	9.7	9.7	0.0
ES	11.0%	292,369	274,217	18,152	8.2	8.5	-0.3
FI	1.7%	36,772	42,241	-5,469	7.2	7.9	-0.7
FR	18.8%	492,681	469,676	23,005	7.0	8.1	-1.1
GR	0.0%	0	0	0	0.0	0.0	0.0
IE	1.6%	38,171	38,941	-770	8.6	9.9	-1.3
IT	15.7%	418,790	390,666	28,124	7.1	7.8	-0.7
LT	0.5%	4,683	13,309	-8,626	9.5	11.3	-1.8
LU	0.3%	3,164	7,575	-4,411	5.0	6.5	-1.5
LV	0.4%	2,599	8,960	-6,361	10.1	10.5	-0.4
MT	0.1%	1,222	2,412	-1,190	10.1	9.2	0.9
NL	5.4%	119,658	134,766	-15,108	7.5	8.4	-0.9
PT	2.2%	46,884	53,822	-6,938	7.2	7.6	-0.4
SI	0.4%	9,041	11,073	-2,032	9.4	9.3	0.1
SK	1.1%	15,130	26,336	-11,206	8.4	8.6	-0.2
SNAT	10.0%	261,812	249,190	12,622	7.2	8.3	-1.1
Total / Avg.	**100.0%**	**2,491,902**	**2,491,902**	**0**	**7.2**	**8.1**	**-0.9**

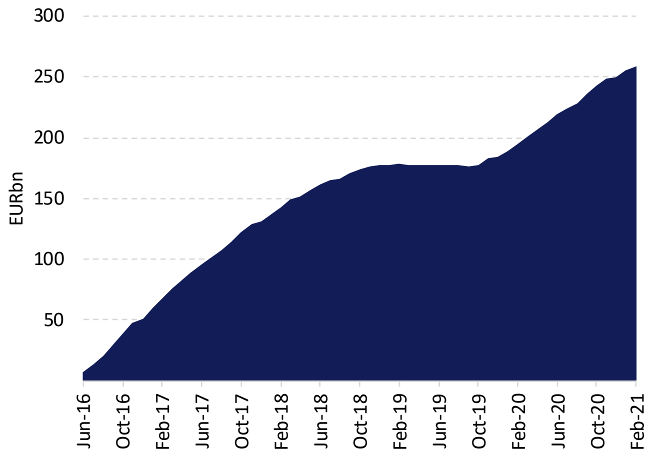
[1] Based on the ECB capital key, adjusted to include supras and the disqualification of Greece
[2] Based on the adjusted distribution key
[3] Weighted average time to maturity of the bonds eligible for purchasing under the PSPP (semi-annual data, Q3/2020)
Source: ECB, NORD/LB Markets Strategy & Floor Research

Corporate Sector Purchase Programme (CSPP)

Weekly purchases

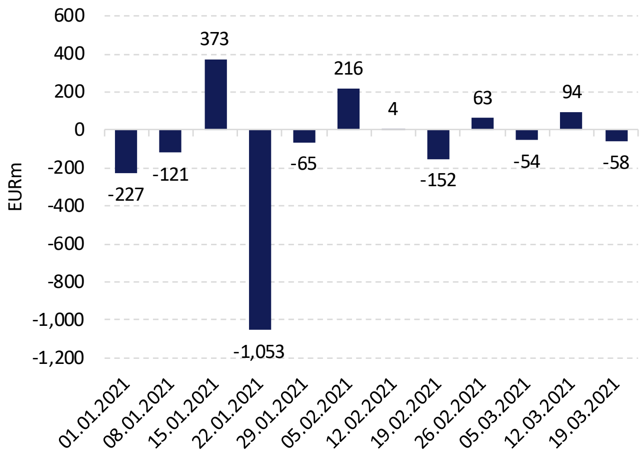


Development of CSPP volume

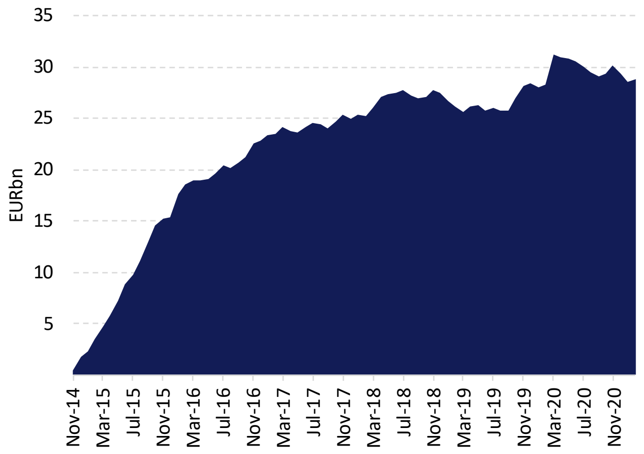


Asset-Backed Securities Purchase Programme (ABSPP)

Weekly purchases



Development of ABSPP volume



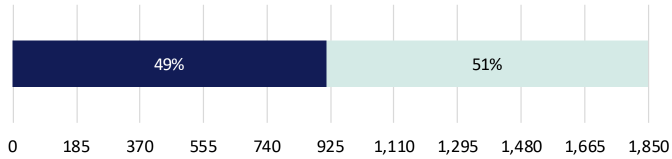
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Holdings (in EURm)

	PEPP
Jan-21	810,212
Feb-21	870,126
Δ	+59,914

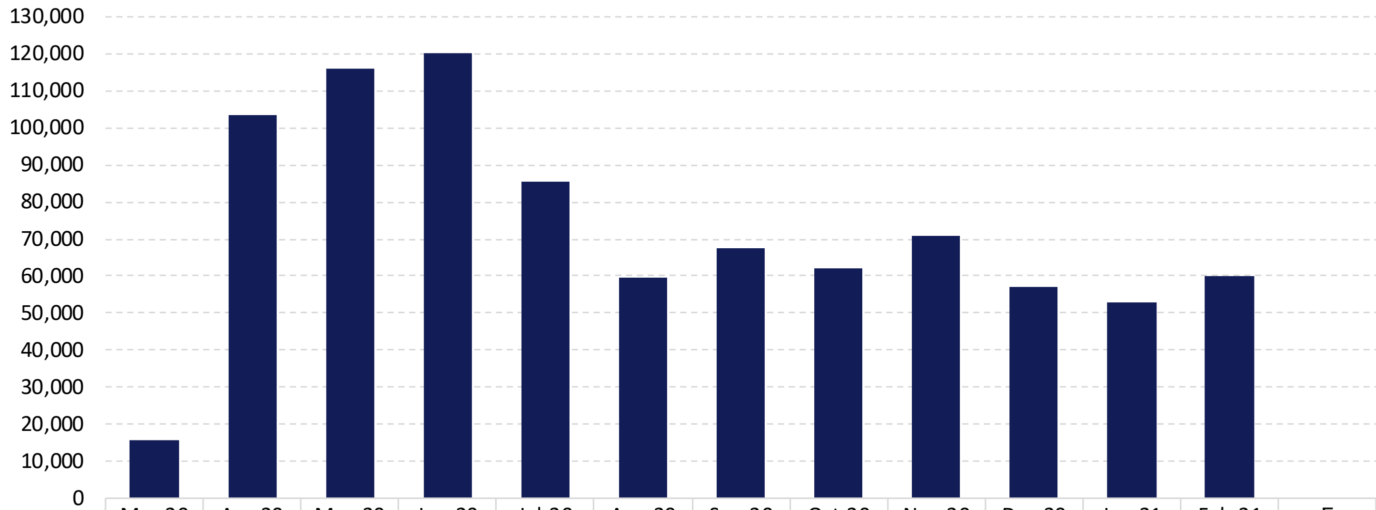
Volume already invested (in EURbn)



Estimated portfolio development

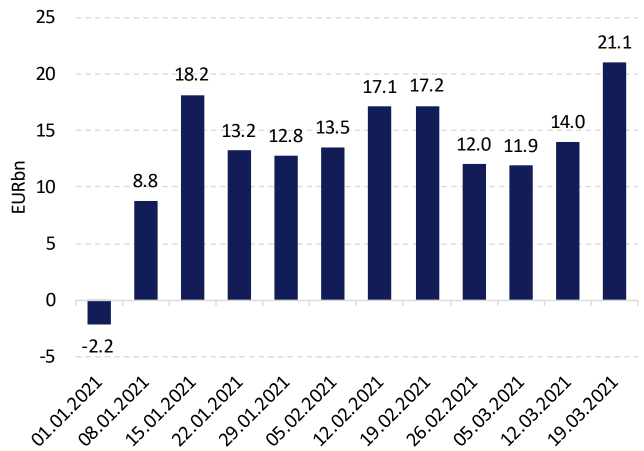
Assumed pace of purchases	Weekly net purchase volume	PEPP limit hit in …
Average weekly net purchase volume so far	EUR 17.9bn	52 weeks (18.03.2022)

Monthly net purchases (in EURm)

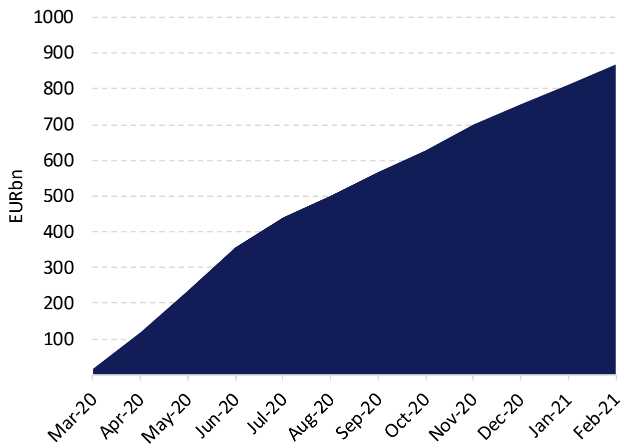


	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	∑
PEPP	15,444	103,366	115,855	120,321	85,423	59,466	67,308	61,985	70,835	57,163	53,046	59,914	870,126

Weekly purchases



Development of PEPP volume

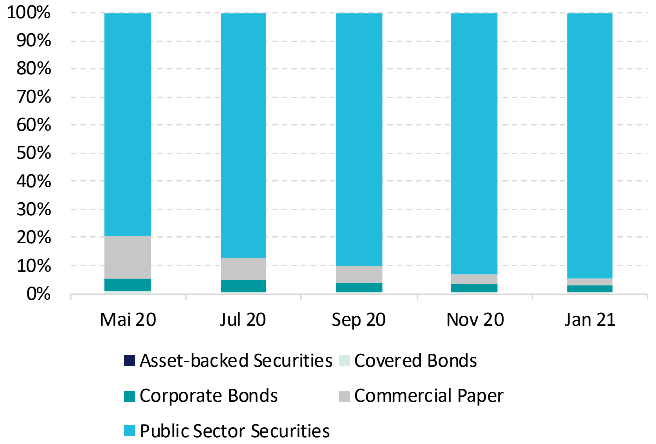


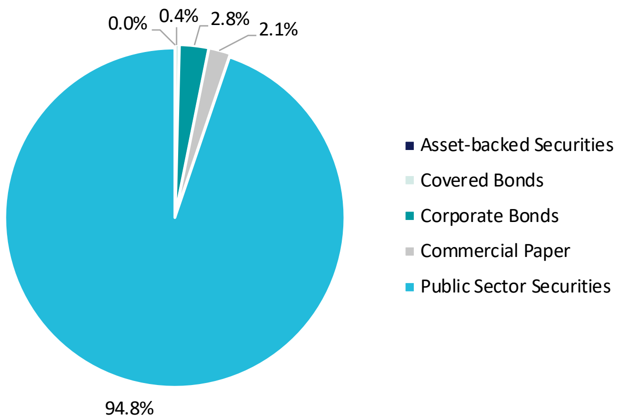
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Holdings under the PEPP (in EURm)

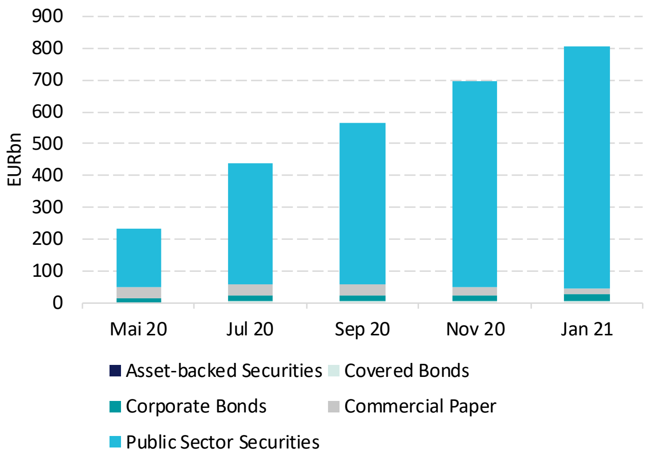
	Asset-backed Securities	Covered Bonds	Corporate Bonds	Commercial Paper	Public Sector Securities	PEPP
Nov-20	0	3,123	20,760	24,306	650,272	698,461
Jan-21	0	3,120	22,315	16,611	764,710	806,756
Δ	0	-3	+1,555	-7,695	+114,438	+108,295

Portfolio structure

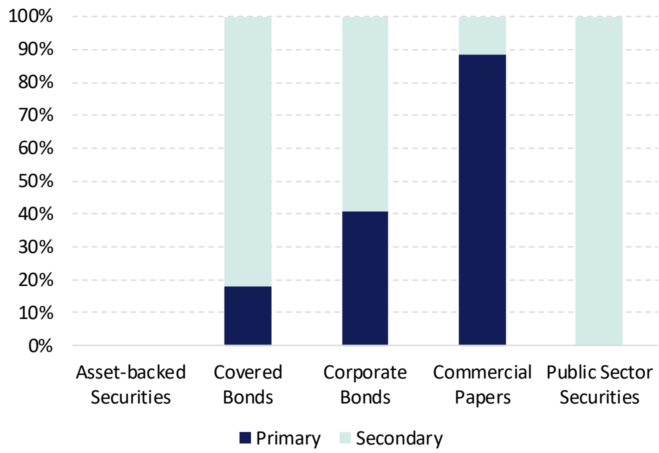




Portfolio development



Share of primary and secondary market holdings



Breakdown of private sector securities under the PEPP as of January 2021

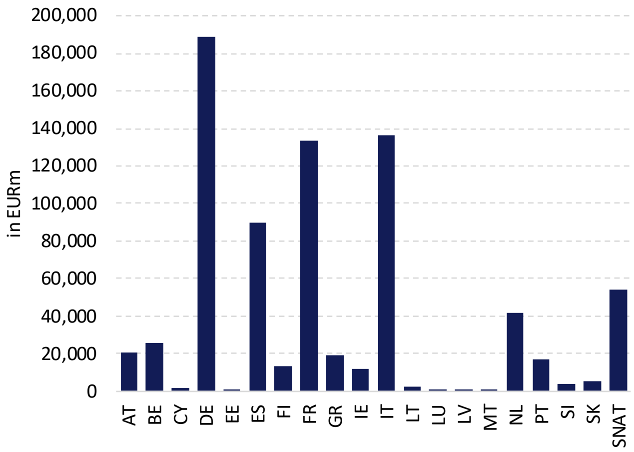
	Asset-backed securities		Covered bonds		Corporate bonds		Commercial papers	
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
Holdings in EURm	0	0	557	2,563	9,092	13,223	14,663	1,948
Share	0.0%	0.0%	17.9%	82.2%	40.7%	59.3%	88.3%	11.7%

Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

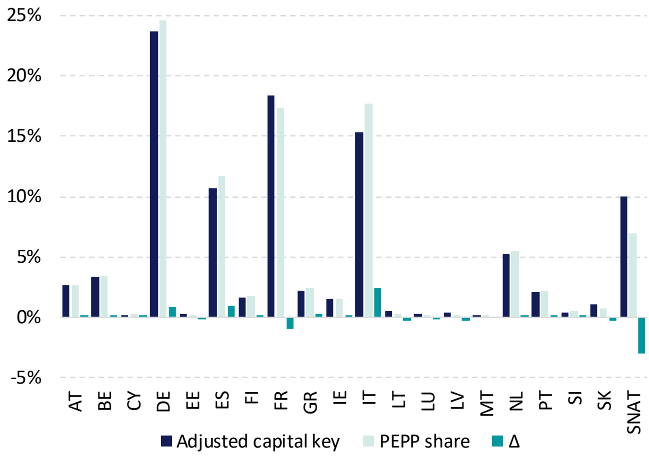
Breakdown of public sector securities under the PEPP

Jurisdiction	Holdings (in EURm)	Adj. distribution key[1]	PEPP share	Deviations from the adj. distribution key[2]	ø time to maturity (in years)	Market average[3] (in years)	Difference (in years)
AT	20,692	2.6%	2.7%	0.1%	10.0	7.1	3.0
BE	26,084	3.3%	3.4%	0.1%	6.5	9.3	-2.8
CY	1,712	0.2%	0.2%	0.0%	10.4	8.2	2.3
DE	188,751	23.7%	24.6%	0.8%	5.1	6.7	-1.6
EE	211	0.3%	0.0%	-0.2%	8.9	8.2	0.8
ES	89,846	10.7%	11.7%	1.0%	8.5	7.4	1.0
FI	13,103	1.7%	1.7%	0.1%	7.1	6.9	0.2
FR	133,594	18.4%	17.4%	-1.0%	8.4	7.3	1.1
GR	18,950	2.2%	2.5%	0.2%	8.6	9.5	-0.8
IE	12,123	1.5%	1.6%	0.1%	9.0	9.4	-0.5
IT	136,310	15.3%	17.7%	2.5%	6.8	6.9	-0.1
LT	2,183	0.5%	0.3%	-0.2%	11.5	10.3	1.2
LU	1,301	0.3%	0.2%	-0.1%	6.9	6.2	0.6
LV	888	0.4%	0.1%	-0.2%	9.7	10.1	-0.4
MT	266	0.1%	0.0%	-0.1%	7.2	8.0	-0.8
NL	41,956	5.3%	5.5%	0.2%	4.4	7.8	-3.3
PT	17,304	2.1%	2.3%	0.1%	6.6	6.6	0.0
SI	3,644	0.4%	0.5%	0.0%	9.3	9.8	-0.5
SK	5,381	1.0%	0.7%	-0.3%	8.6	8.2	0.4
SNAT	53,849	10.0%	7.0%	-3.0%	9.8	7.9	1.9
Total / Avg.	**768,148**	**100.0%**	**100.0%**	**0.0%**	**7.1**	**7.3**	**-0.2**

Distribution of public sector assets by jurisdiction



Deviations from the adjusted distribution key



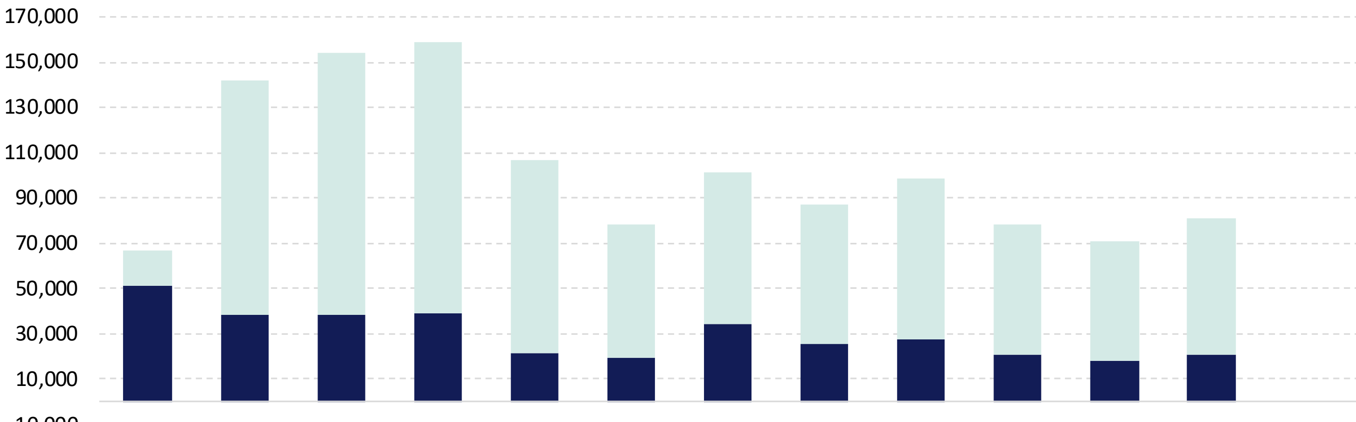
[1] Based on the ECB capital key, adjusted to include supras [2] Based on the adjusted distribution key
[3] Weighted average time to maturity of the bonds eligible for purchasing under the PEPP
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Aggregated purchase activity under APP and PEPP

Holdings (in EURm)

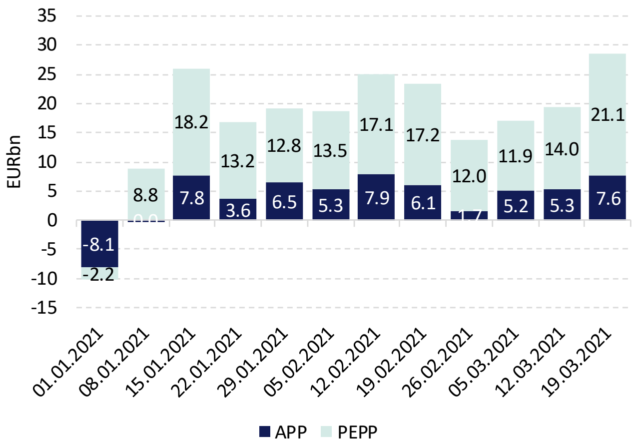
	APP	PEPP	APP & PEPP
Jan-21	2,926,754	810,212	3,736,966
Feb-21	2,947,703	870,126	3,817,829
Δ	+20,949	+59,914	80,863

Monthly net purchases (in EURm)

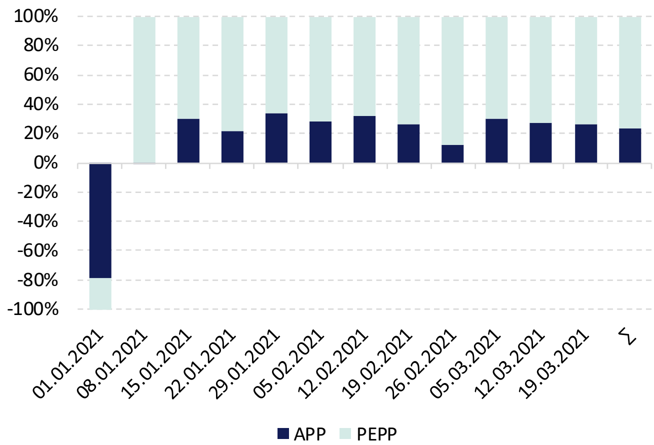


	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	∑
∑	66,586	141,807	154,025	159,091	106,952	78,593	101,322	87,334	98,555	78,092	70,892	80,863	1,224,11
PEPP	15,444	103,366	115,855	120,321	85,423	59,466	67,308	61,985	70,835	57,163	53,046	59,914	870,126
APP	51,142	38,441	38,170	38,770	21,529	19,127	34,014	25,349	27,720	20,929	17,846	20,949	353,986

Weekly purchases



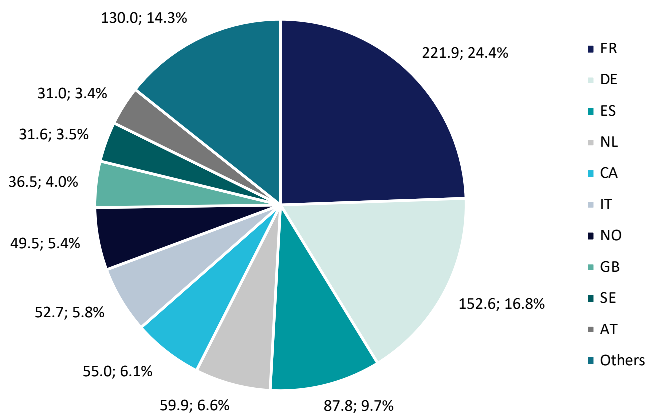
Distribution of weekly purchases



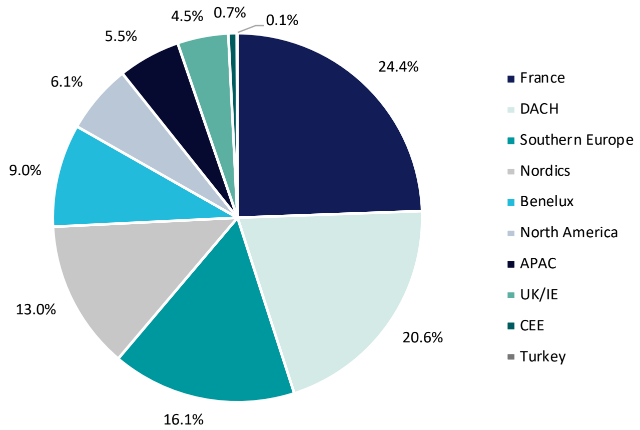
Source: ECB, Bloomberg, NORD/LB Markets Strategy & Floor Research

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



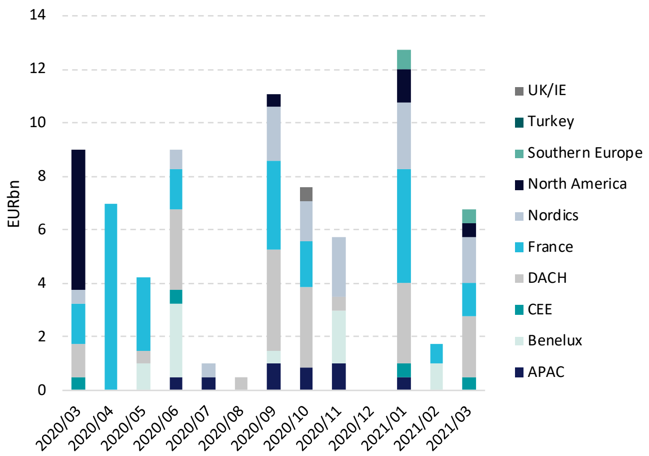
EUR benchmark volume by region (in EURbn)



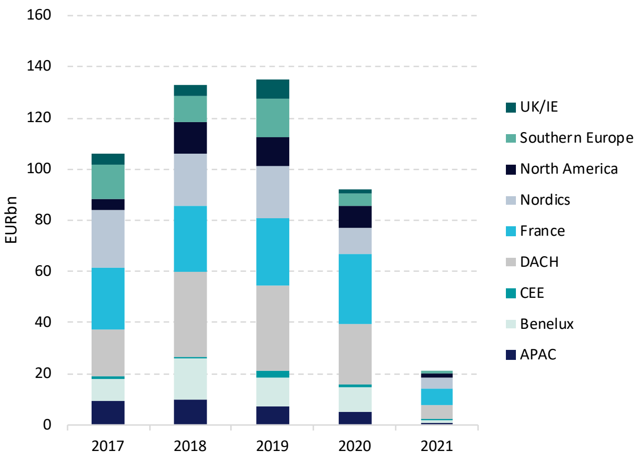
Top-10 jurisdictions

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	221.9	205	7	0.95	10.2	5.6	1.15
2	DE	152.6	228	13	0.60	8.3	4.7	0.47
3	ES	87.8	71	3	1.13	11.3	3.9	1.83
4	NL	59.9	59	0	0.96	11.2	7.3	0.97
5	CA	55.0	47	0	1.14	6.1	3.0	0.30
6	IT	52.7	61	1	0.83	9.1	4.3	1.43
7	NO	49.5	55	7	0.90	7.3	4.0	0.53
8	GB	36.5	41	0	0.90	8.4	3.1	1.12
9	SE	31.6	37	0	0.85	7.5	3.5	0.57
10	AT	31.0	57	1	0.54	9.6	6.2	0.66

EUR benchmark issue volume by month

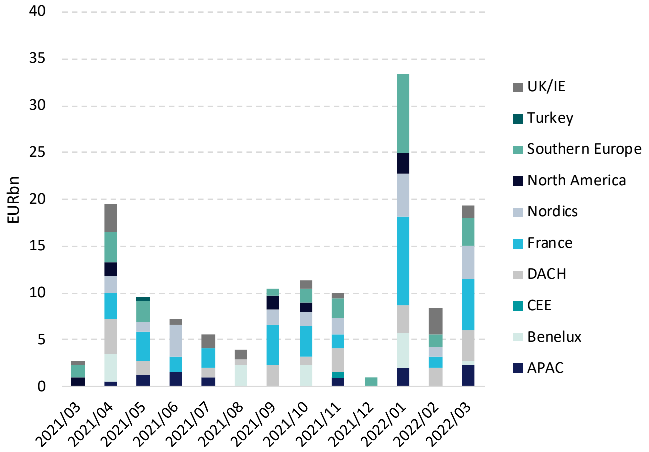


EUR benchmark issue volume by year

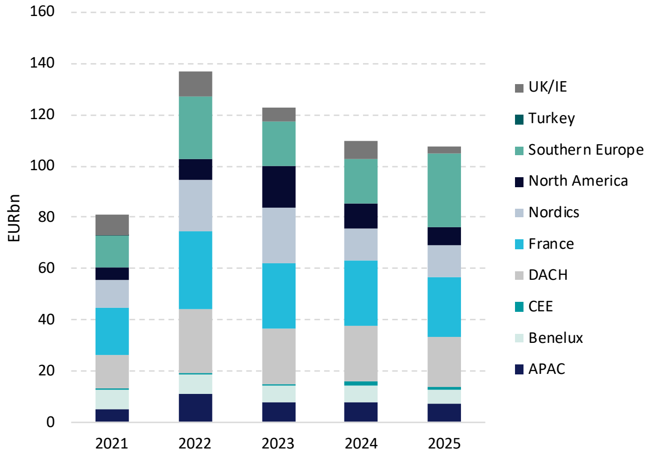


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

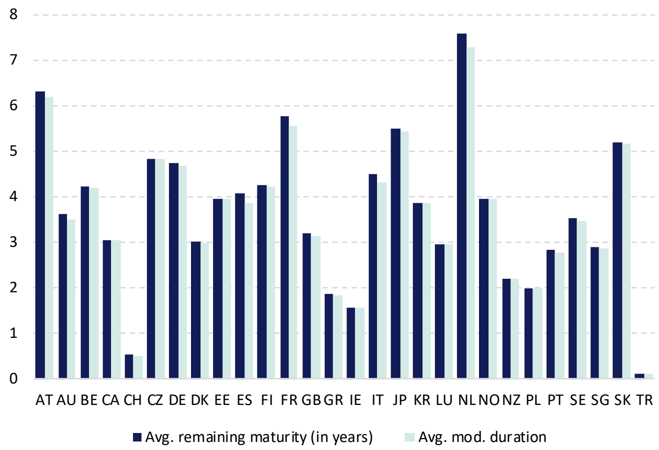
EUR benchmark maturities by month



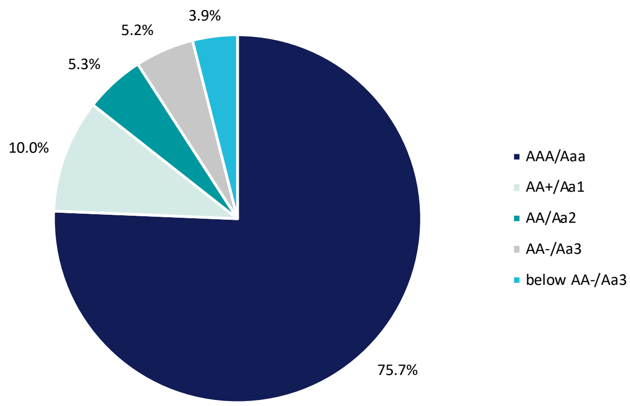
EUR benchmark maturities by year



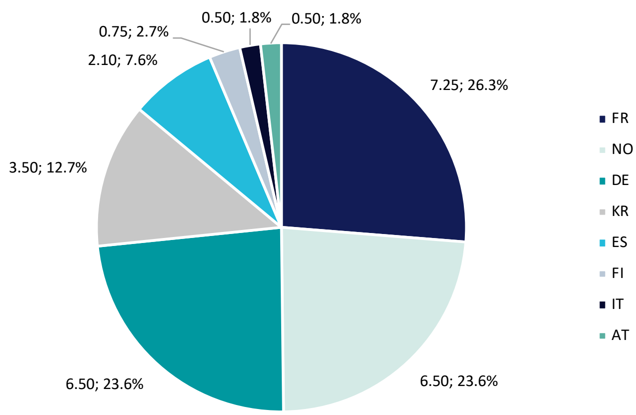
Modified duration and time to maturity by country



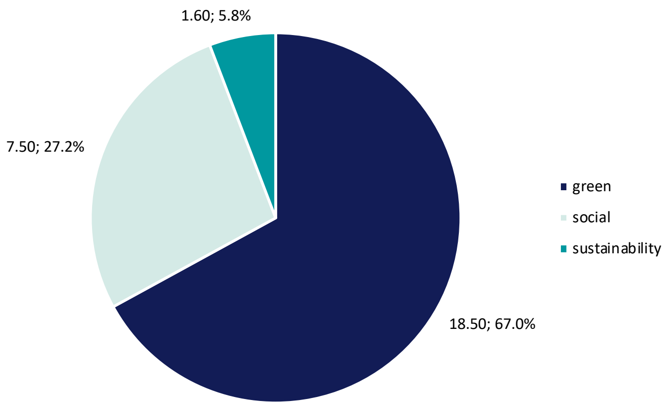
Rating distribution (volume weighted)



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

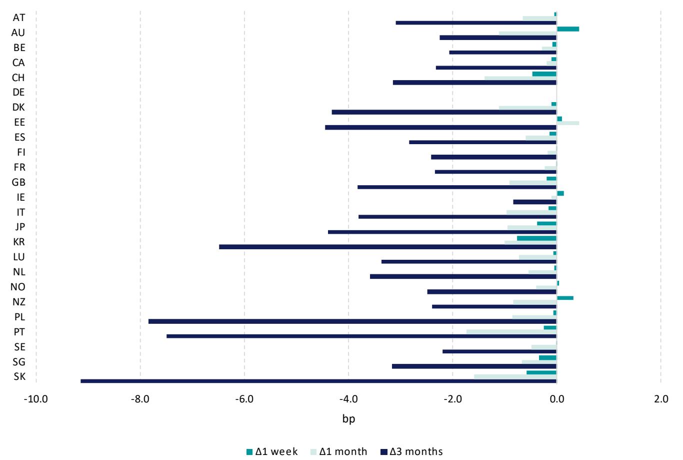


EUR benchmark volume (ESG) by type (in EURbn)

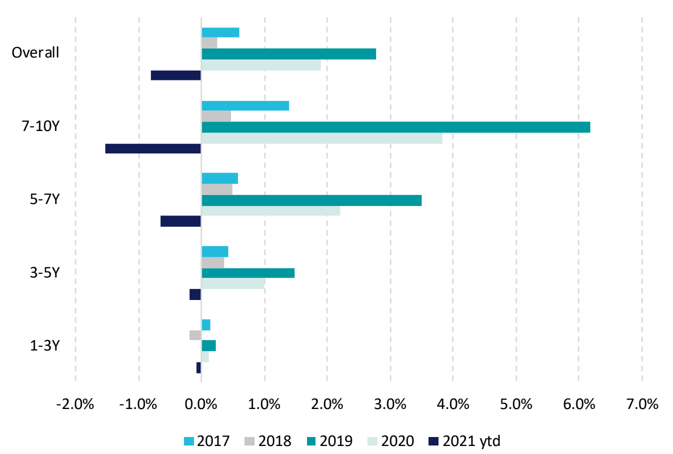


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

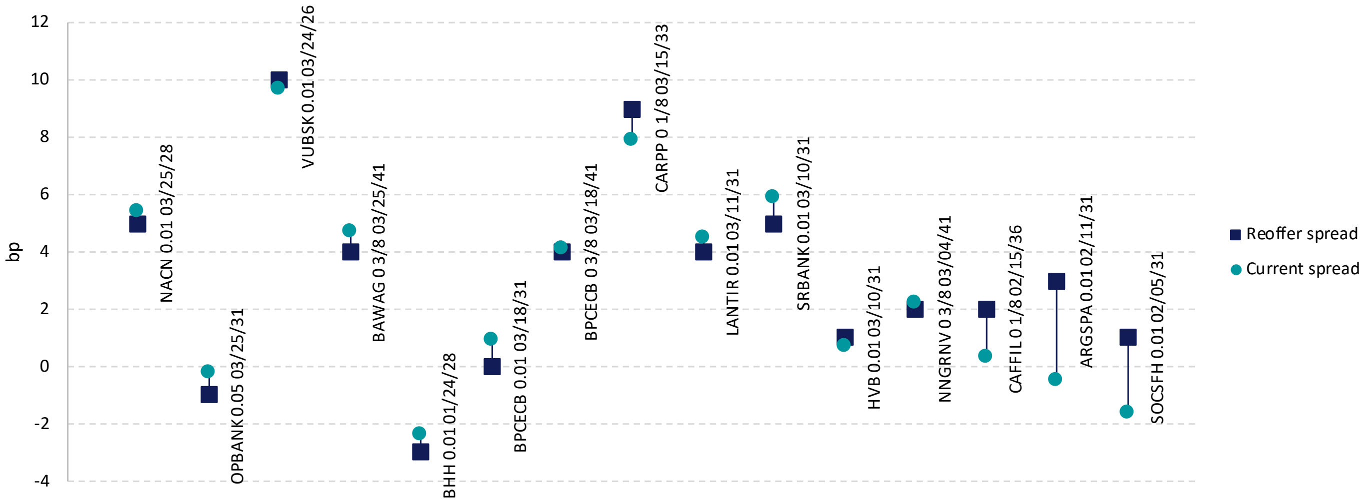
Spread development by country



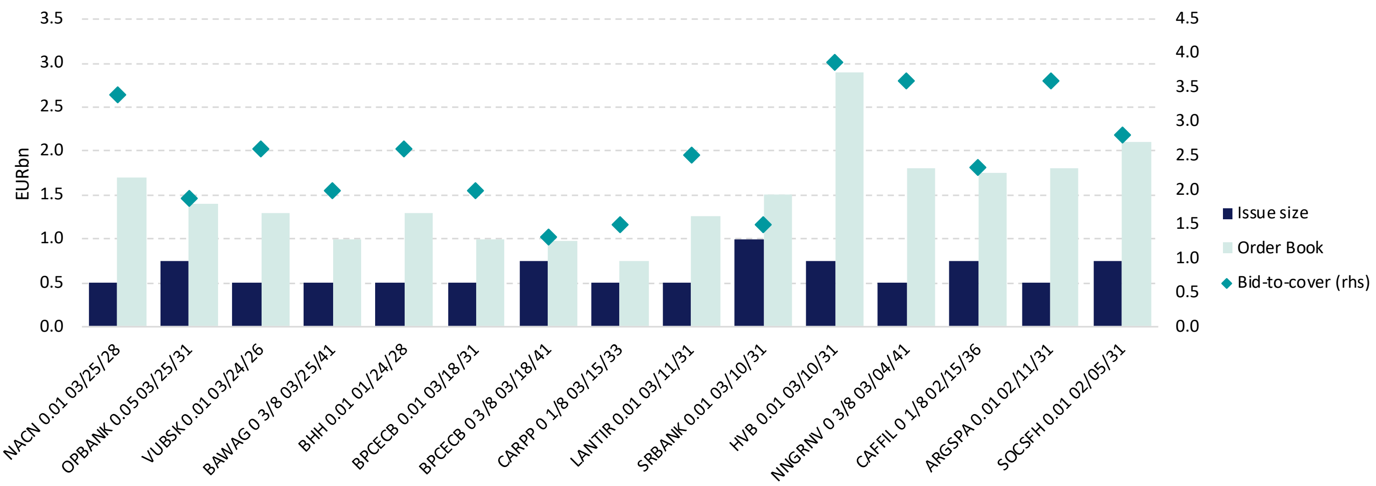
Covered bond performance (Total return)



Spread development (last 15 issues)



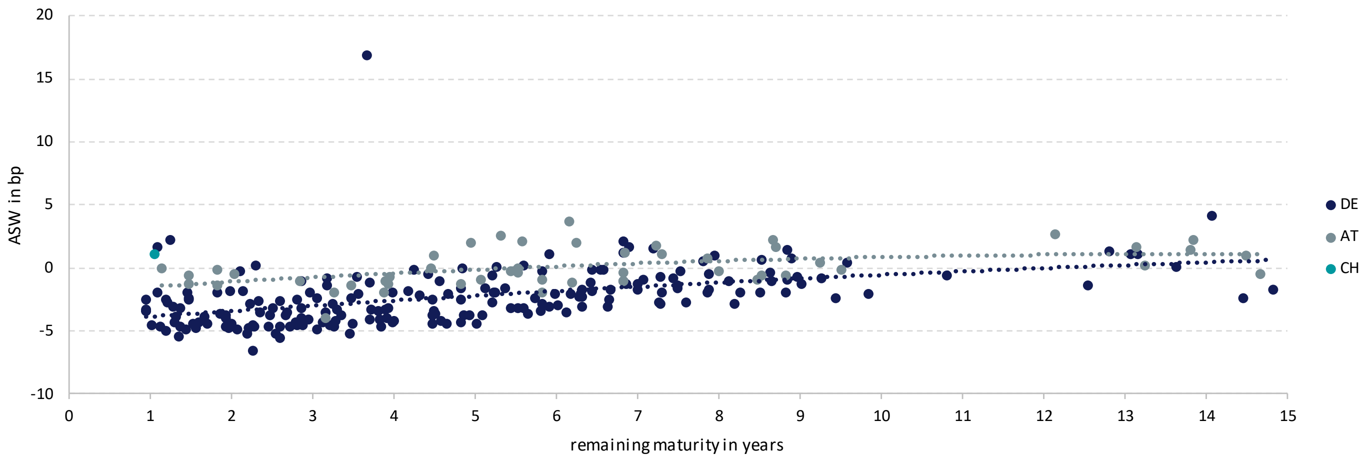
Order books (last 15 issues)



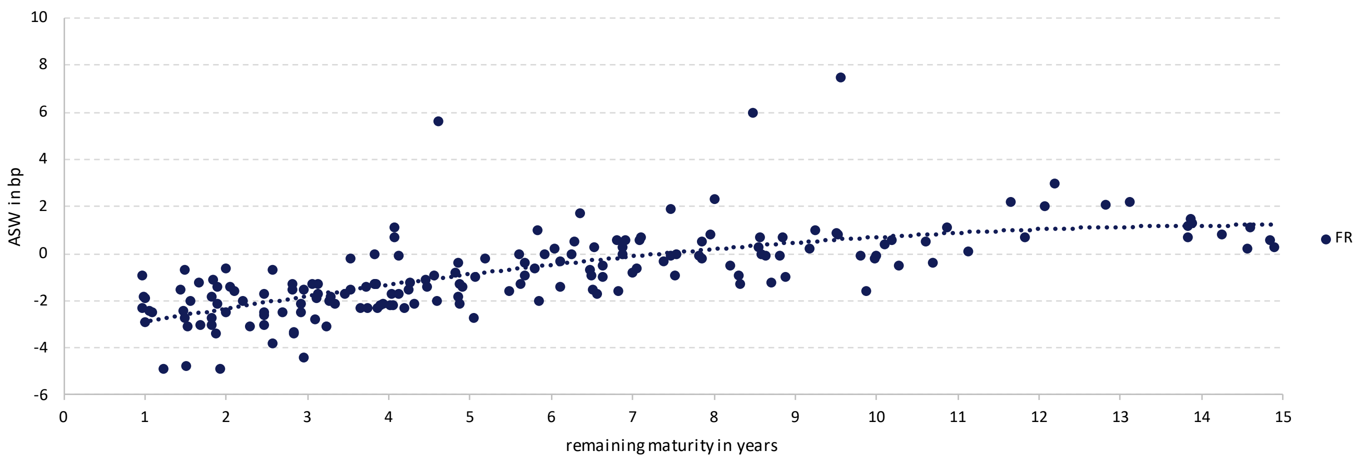
Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview[1]

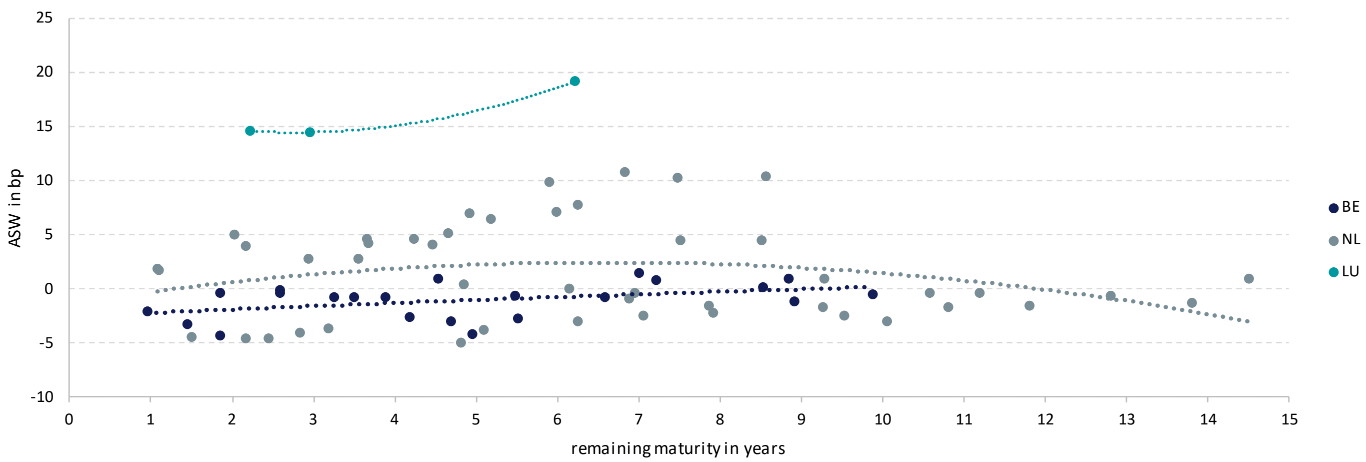
DACH



France

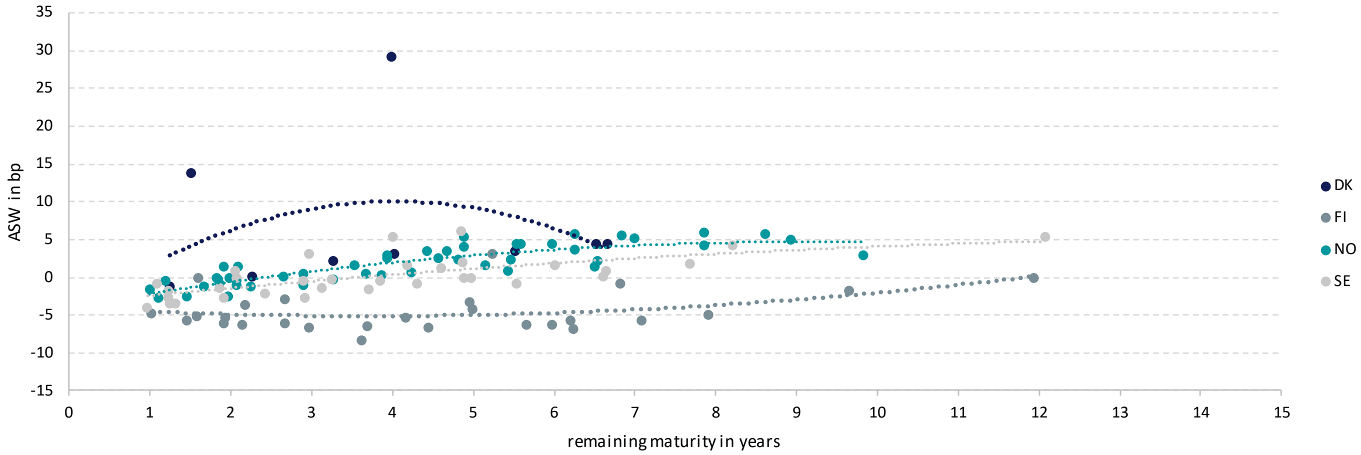


Benelux

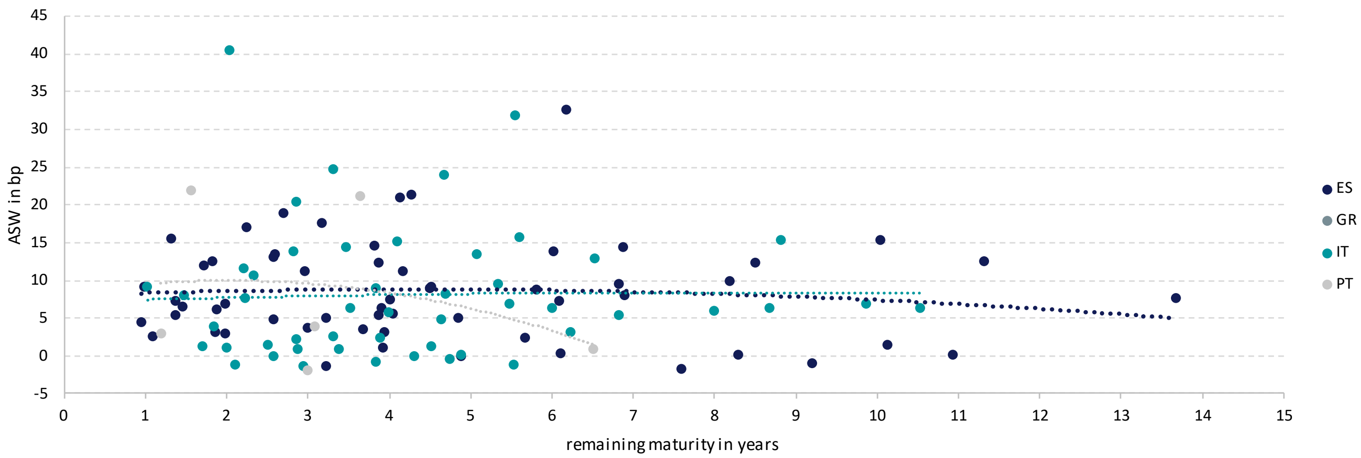


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research [1]Time to maturity 1 ≤ y ≤ 15

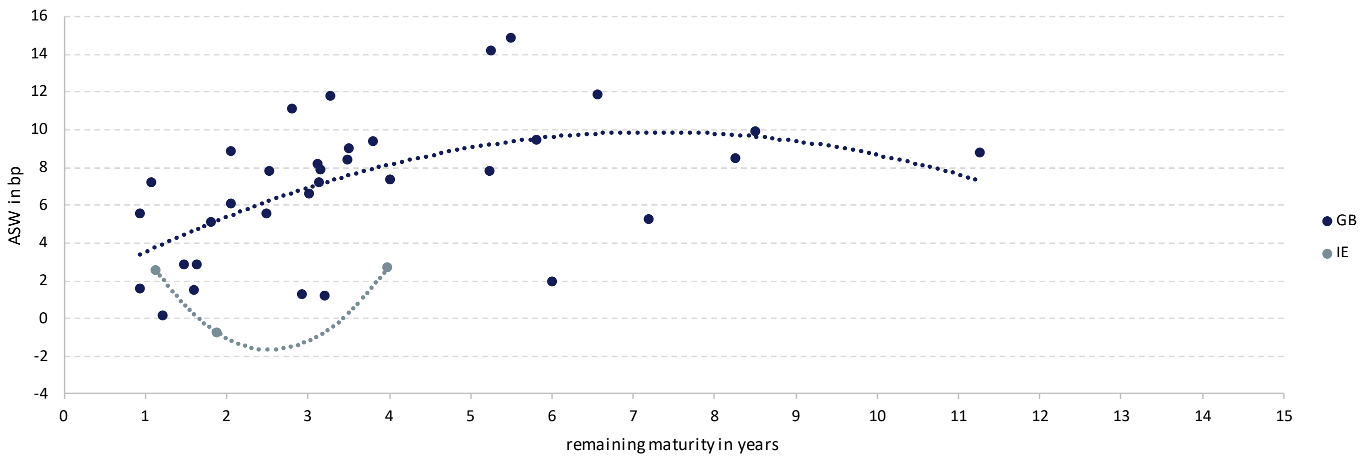
Nordics



Southern Europe

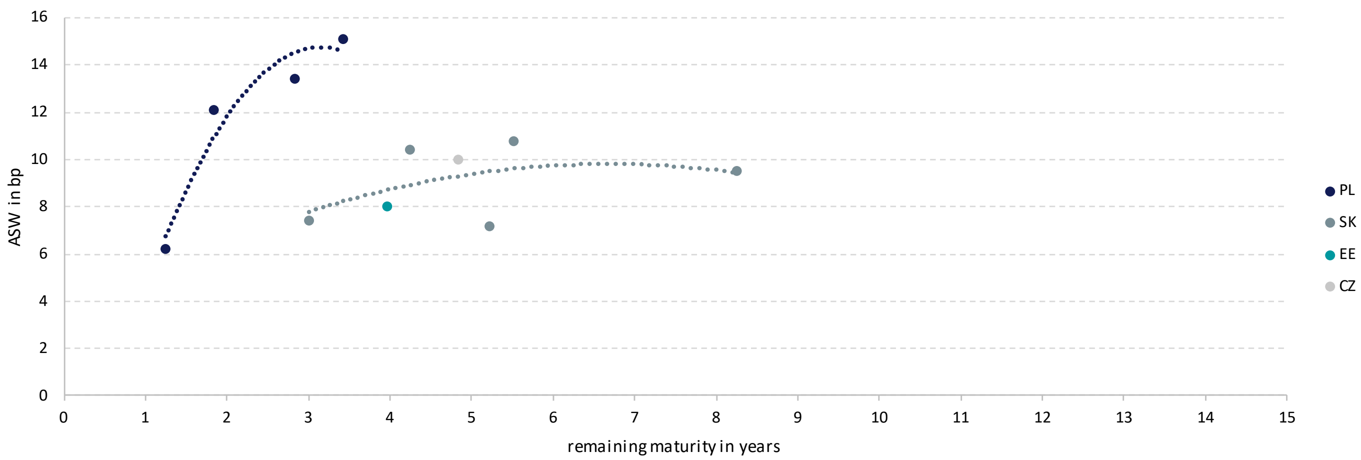


UK/IE

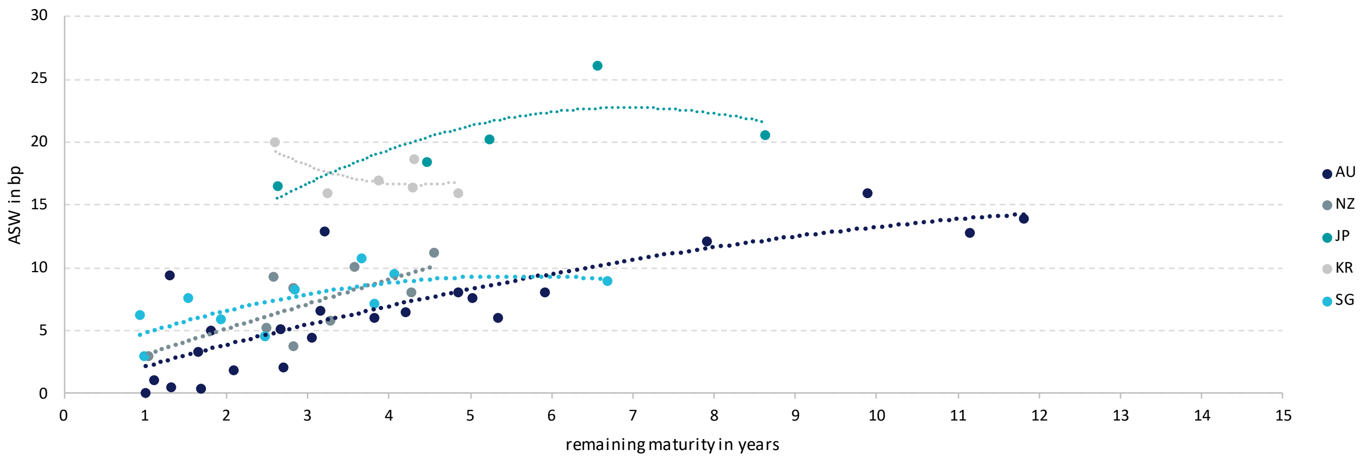


Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

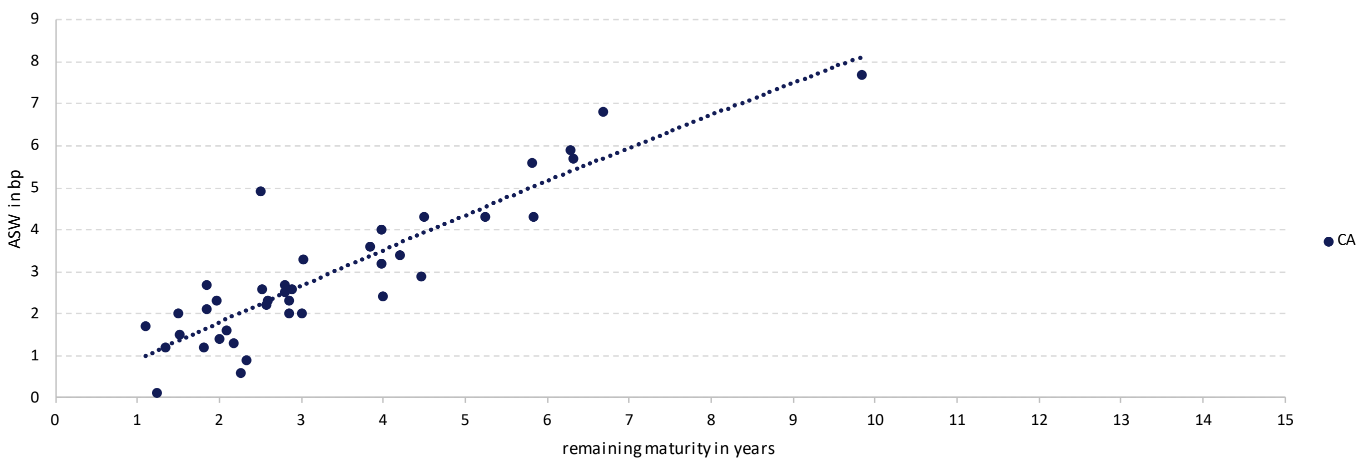
CEE



APAC



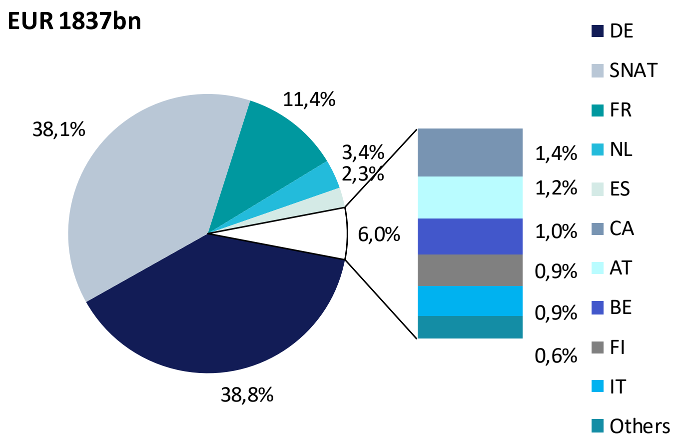
North America



Source: Market data, Bloomberg, NORD/LB Markets Strategy & Floor Research

Charts & Figures
SSA/Public Issuers

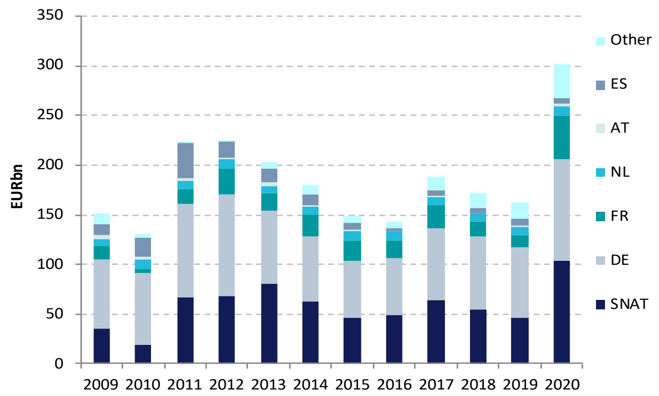
Outstanding volume (bmk)



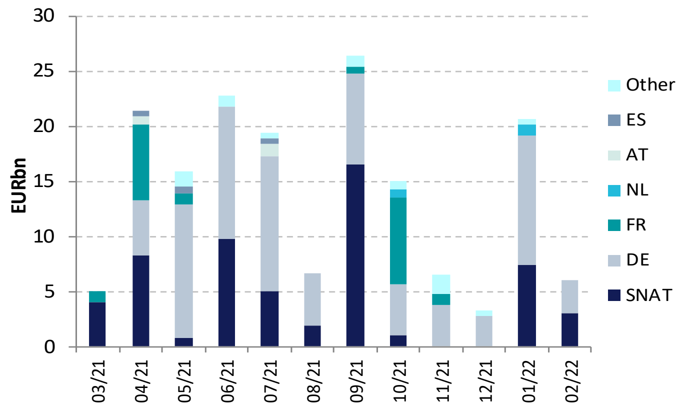
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
DE	713,7	558	1,3	6,7
SNAT	699,4	183	3,8	8,1
FR	209,1	142	1,5	5,3
NL	61,8	63	1,0	6,5
ES	42,8	53	0,8	5,2
CA	25,0	18	1,4	5,4
AT	22,5	24	0,9	5,1
BE	18,7	22	0,9	15,1
FI	16,5	21	0,8	6,0
IT	15,8	20	0,8	5,9

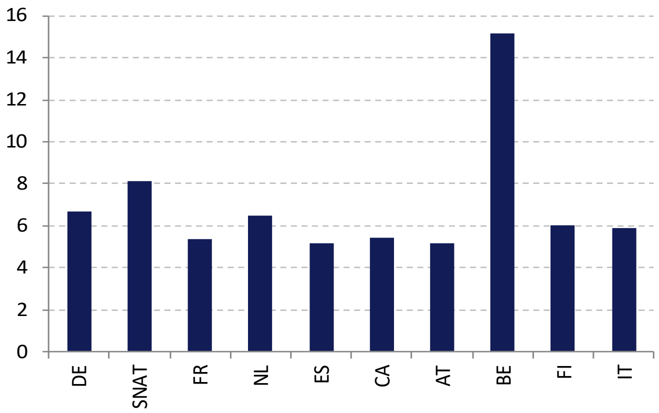
Issue volume by year (bmk)



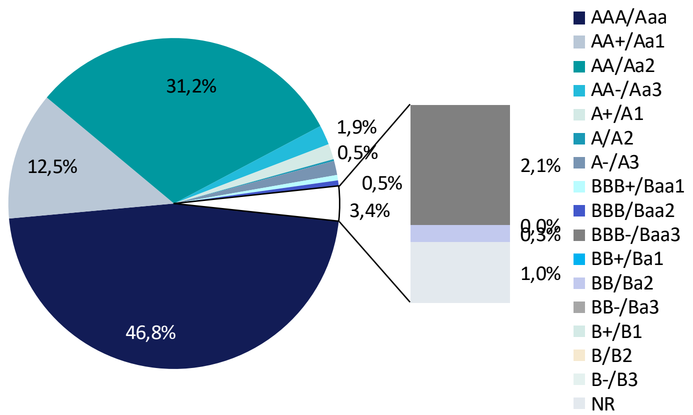
Maturities next 12 months (bmk)



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

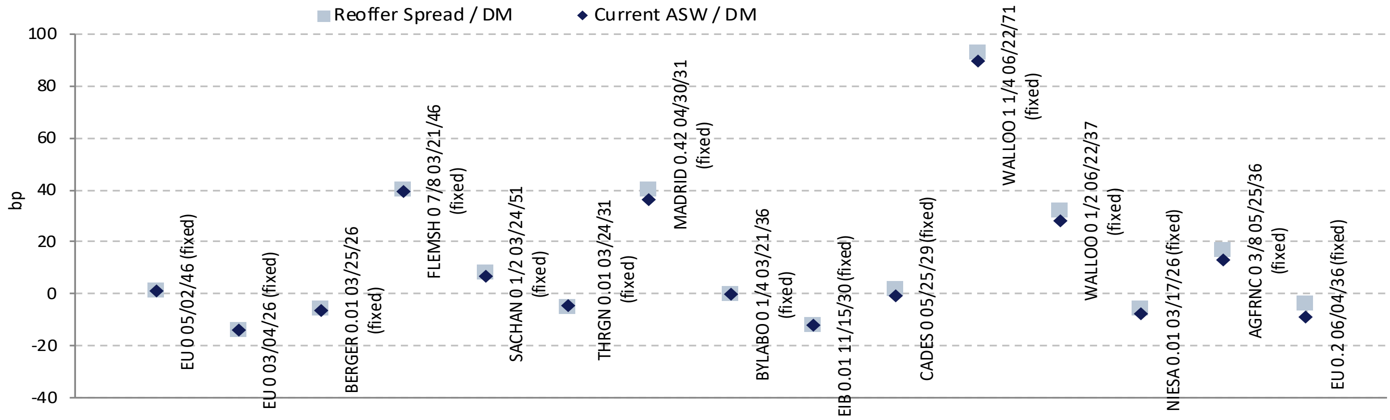


Rating distribution (vol. weighted)

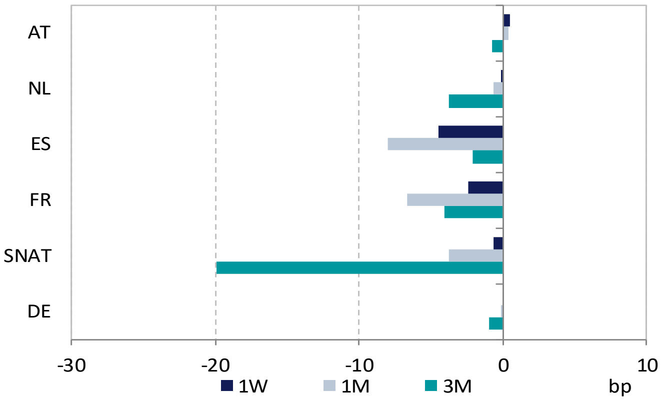


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

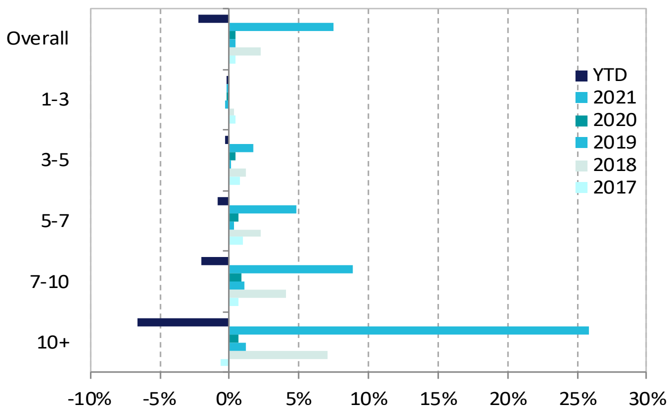
Spread development (last 15 issues)



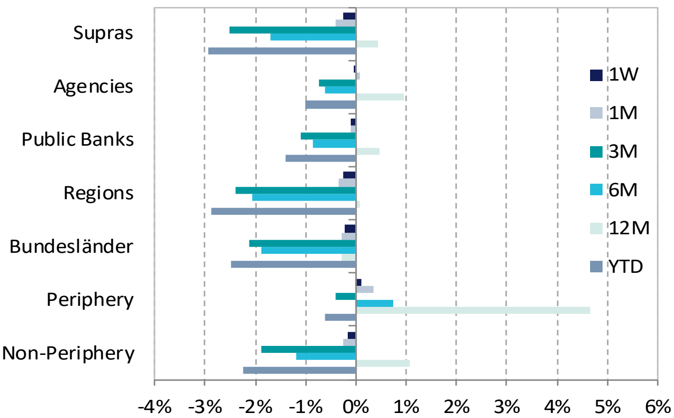
Spread development by country



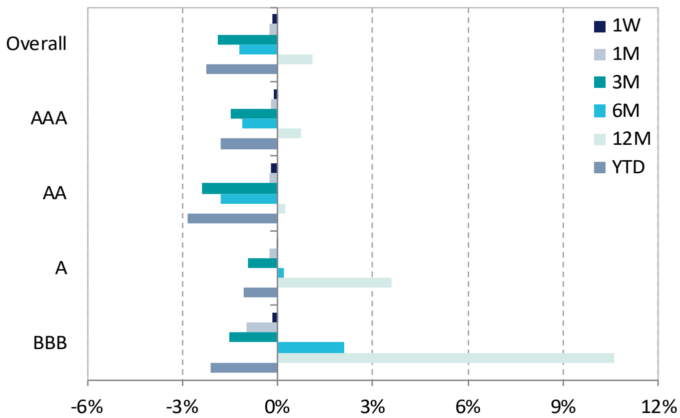
Performance (total return)



Performance (total return) by regions

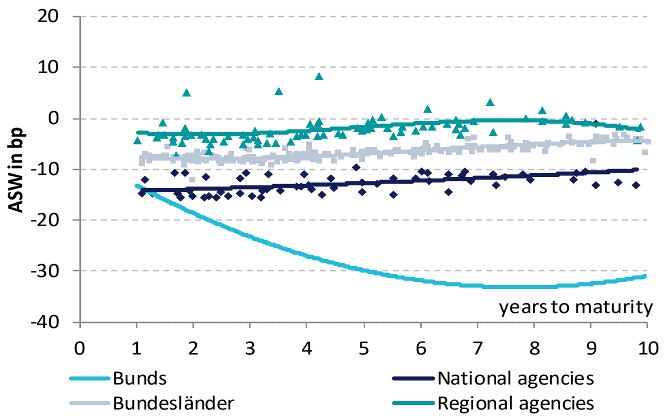


Performance (total return) by rating

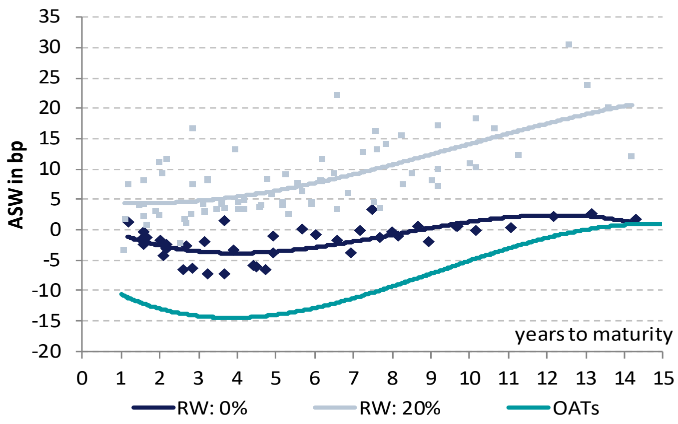


Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

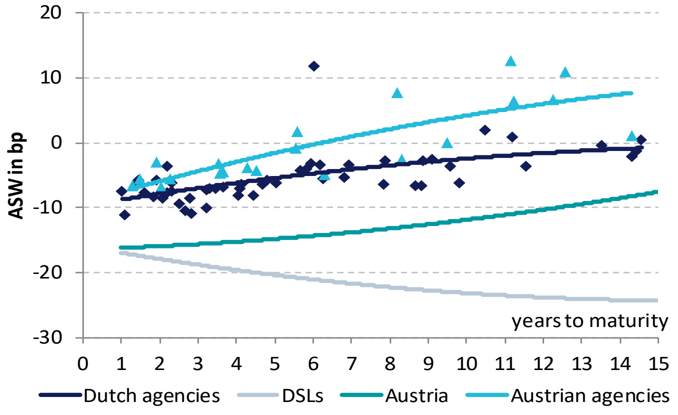
Germany (by segments)



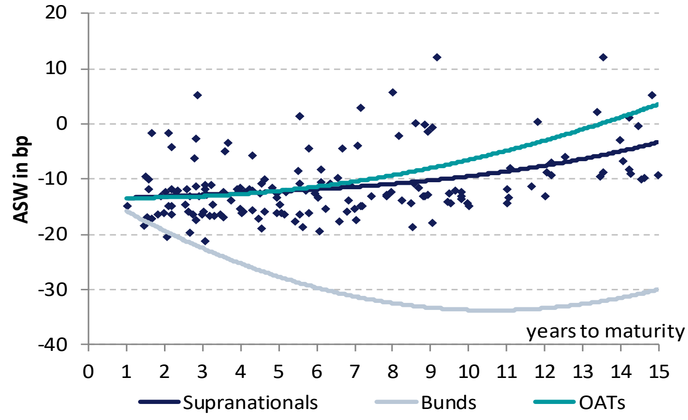
France (by risk weight)



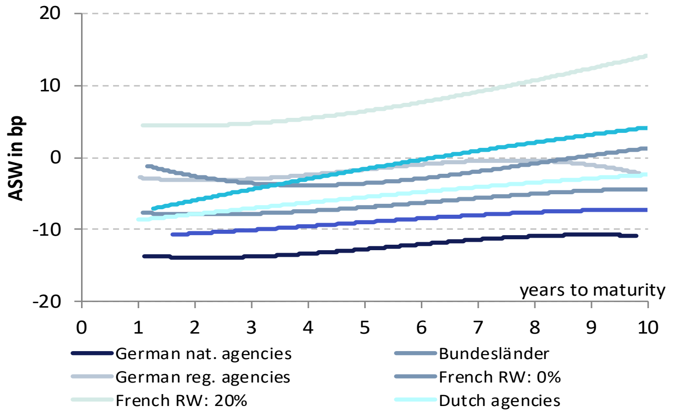
Netherlands & Austria



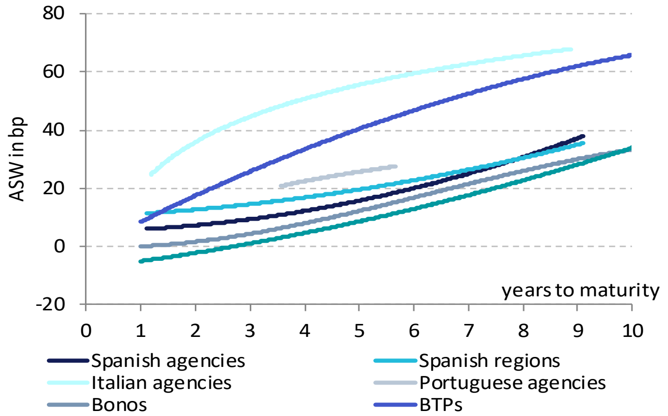
Supranationals



Core



Periphery



Source: Bloomberg, NORD/LB Markets Strategy & Floor Research

NORD/LB

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
10/2021 ♦ 17 March	▪ Transparency requirements §28 PfandBG Q4/2020 ▪ Credit authorisations for German Bundeslaender in 2021
09/2021 ♦ 10 March	▪ Moody's covered bond universe – an overview ▪ Oldenburgische Landesbank expands sub-benchmark segment
08/2021 ♦ 03 March	▪ Repayment structures on the covered bond market ▪ ECB in a tight spot: litmus test for PEPP flexibility and preview of the second interest rate meeting of the year
07/2021 ♦ 24 February	▪ An overview of the EUR sub-benchmark segment ▪ ECB: crowding-out effects take hold ▪ PEPP vs. PSPP: Similarities and differences
06/2021 ♦ 17 February	▪ Insights into the iBoxx EUR Covered ▪ Development of the German property market
05/2021 ♦ 10 February	▪ PEPP reporting: upswing in public sector assets continues; covered bonds inconsequential
04/2021 ♦ 03 February	▪ Argenta Spaarbank expands Belgian market for EUR benchmarks ▪ An overview of the Fitch covered bond universe ▪ January 2021 packs a punch to kick off the new year
03/2021 ♦ 27 January	▪ An unusual – albeit expected – start to the year? ▪ A look at USD benchmarks ▪ ESM reform – restructuring continues
02/2021 ♦ 20 January	▪ Spread considerations – APAC covered bonds riding the wave of ECB purchase programmes? ▪ Return of the Danish market for EUR benchmark bond issues ▪ 22nd meeting of the Stability Council (Dec. 2020)
01/2021 ♦ 13 January	▪ EUR benchmark from the Czech Republic: Komerční Banka launches a new covered bond programme ▪ New covered bond programme from South Korea: Hana Bank ▪ Annual review of 2020 – covered bonds ▪ Annual review of 2020 – SSA
48/2020 ♦ 16 December	▪ TLTRO III: ECB extends tender and also raises the threshold
47/2020 ♦ 09 December	▪ Fourth and final round of PEPP reporting in 2020 ▪ Investment alternative: Paris metropolitan area (IDF and VDP)
46/2020 ♦ 02 December	▪ The ECB ahead of its course-setting meeting for 2021 ▪ Covered Bonds – Outlook 2021: Waiting for the game changer? ▪ SSA – Outlook 2021: Coronavirus and ECB dominate public-sector segment
45/2020 ♦ 25 November	▪ UOB ends the state of hibernation on Singapore's primary market ▪ The covered bond universe of Moody's: an overview ▪ Update: Belgium regions as investment alternatives
44/2020 ♦ 18 November	▪ Primary market 2021: real prospect of Hungarian EUR benchmarks? ▪ German Pfandbrief savings banks in Q3 2020 ▪ Development of the German property market

Appendix
Publication overview

Covered Bonds:

Issuer Guide Covered Bonds 2020

Risk weights and LCR levels of covered bonds

Transparency requirements §28 PfandBG

Transparenzvorschrift §28 PfandBG Sparkassen **(German only)**

SSA/Public Issuers:

Issuer Guide – Supranationals & Agencies 2019

Issuer Guide – Canadian Provinces & Territories 2020

Issuer Guide – German Bundeslaender 2020

Issuer Guide – Down Under 2019

Fixed Income:

ESG update

Analysis of ESG reporting

ECB holds course, but ups the ante – PEPP running until 2022

ECB launches corona pandemic emergency

ECB responds to corona risks

Appendix
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Sales

Institutional Sales	+49 511 9818-9440
Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

Trading

Covereds/SSA	+49 511 9818-8040
Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Laender/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

Origination & Syndicate

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

Sales Wholesale Customers

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

Treasury

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

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Additional information
Time of going to press: 24 March 2021 08:56h (CET)

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Issuer / security	Date	Recommendation	Bond type	Cause