NORD/LB
Creating true value.

May Day, May Day
Labour Day ahead!
The next edition of the CSV
will be published on **08 May 2024**

Covered Bond & SSA View

NORD/LB Floor Research

24 April 2024 ♦ 15/2024
Marketing communication (see disclaimer on the last pages)

Agenda

Floor analysts:

Covered Bonds/Banks

Dr Frederik Kunze
frederik.kunze@nordlb.de

Lukas Kühne
lukas.kuehne@nordlb.de

SSA/Public Issuers

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

Christian Ilchmann
christian.ilchmann@nordlb.de

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

NORD/LB:
Floor Research

NORD/LB:
Covered Bond Research

NORD/LB:
SSA/Public Issuers Research

Bloomberg:
RESP NRDR <GO>

Market overview Covered Bonds

Authors: Dr Frederik Kunze // Lukas Kühne

Primary market: Pause for breath rather than general sentiment

It is regularly said that the covered bond market was also created with uncertain times and moments of crisis in mind. We do not believe that the comparatively low number of new deals recently placed in the EUR benchmark segment contradicts this view. Rather, we would put the slightly reserved dynamics on the primary market down to saturation effects or compare it to either a short break or pause for breath. In addition, the senior and AT1 or Tier2 sub-markets are quite active, which would not be consistent with an unfavourable market sentiment. The open market for seniors in particular may also be coming at the expense of the covered bond segment. Some institutions are also operating in the midst of their "blackout periods" or have already fulfilled their funding plans to a significant extent. Irrespective of this, we continue to expect gross new supply of EUR benchmarks in the order of EUR 168bn. Over the past five trading days, two Pfandbrief issuers approached investors in the EUR benchmark segment. On Wednesday of the previous week, UniCredit Bank made the first move by opening the books for a mortgage Pfandbrief (3.8y; guidance: ms +30bp area). The final pricing came in at ms +25bp, which firstly represents a significant narrowing in comparison with the initial pricing thoughts and secondly resulted in a premium of four basis points above fair value (new issue premium: +4bp). The category of Banks (67%) accounted for the majority of the allocation, followed by Asset Managers (12%) and Funds (11%). Yesterday, on Tuesday, DZ HYP launched a fresh deal worth EUR 500m (WNG; 8.1y), which started out in the marketing phase at ms +37bp area. The final spread (ms +29bp) reflects, in our view, pricing on or just within the issuer's own curve. By the end of the book-building process, the order books amounted to EUR 2.6bn (bid-to-cover ratio: 5.2x). Last Wednesday, Sparkasse Bremen placed an inaugural sub-benchmark (EUR 250m; 7.0y) at ms +43bp. The final order book volume (EUR 1.2bn; bid-to-cover ratio: 4.8x) indicates that demand for the deal was more than robust.

Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
DZ HYP	DE	23.04.	DE000A351XW3	8.1y	0.50bn	ms +29bp	- / Aaa / AAA	-
UniCredit Bank	DE	17.04.	DE000HV2A0A3	3.8y	0.75bn	ms +25bp	- / Aaa / -	-

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

Secondary market: Spreads stable with limited issuance potential

At this point, we could basically repeat our view of the secondary market from the previous week without any changes. For example, we have once again observed that fresh supply is being well received and is performing well on the secondary market. Although there is consistent investor interest on the demand side, the amounts requested have not been huge. The demand side also predominates in the interbank market, with both outright purchases and swaps being the order of the day here. All things considered, the investor side is building up holdings or at least maintaining the respective level of exposure. On balance, however, the potential for narrowing has decreased somewhat, which could slightly dampen demand, particularly in the case of high beta names.

Scope Covered Bond Quarterly: Ratings remain stable

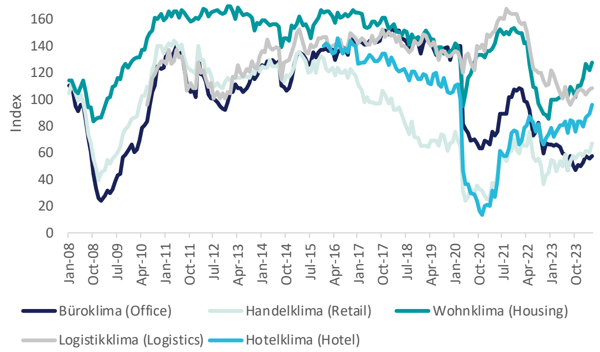
A few days ago, the risk experts from Scope Ratings published the current edition of their Covered Bond Quarterly and in the process also looked at developments in the market for commercial real estate (CRE) financing. According to the data, in Germany, the share of CRE loans in the total outstanding loan volume of German banks amounted to 20%, which can certainly be regarded as being on the high side in a European comparison. However, with regard to Pfandbriefe the relative share in cover pool volumes has tended to decline on average (47% in 2014 compared with 37% at present). Scope interprets the challenging situation with regard to office properties as a correction in the direction of more sustainable price points and compares this with the price declines observed in connection with shopping centres over the past decade, for example. In terms of risks, the rating experts note that the Pfandbrief side benefits from the stringent collateral requirements. Unsurprisingly, in this context Scope opts to focus on determining LTV ratios based on the mortgage lending values achievable over the long term. The rating agency signals rating stability across its entire covered bond rating universe, which includes a total of 41 programmes from 11 different jurisdictions. All programmes are rated “AAA” with a stable outlook. On average, the covered bond ratings are able to withstand issuer downgrades of up to three notches without resulting in a downgrade of the “triple A” rating. These unused uplifts are highest in France (4.5 notches; seven programmes) and in the Netherlands (4.3 notches; four programmes). The two programmes from Austria enjoy the dubious honour of having the lowest buffer at just 1.5 notches, which is due not least to the comparatively low initial ratings of the banks in this jurisdiction.

Deutsche Hypo Real Estate Economic Index: Brightened mood for April

A few days ago, the German Hypo Real Estate Climate painted an improved picture in terms of the mood within the real estate sector. In April 2024, the index value climbed to a total of 80.2 points, meaning that it now stands at a level of more than 80 points for the first time since August 2022. For Peter Kleinhütten (head of the Düsseldorf office), the positive survey results offer grounds for optimism that “the real estate industry is gradually waking up from the long ice age”. In fact, it should be highlighted that the latest data reflects a positive development across all asset classes. For example, the increase in the trading climate amounted to +11.5% against the previous month. The hotel climate increased to 96.9 points (+7.6% M/M), while the office climate increased by +4.3% in comparison with March.

Real Estate Climate Index

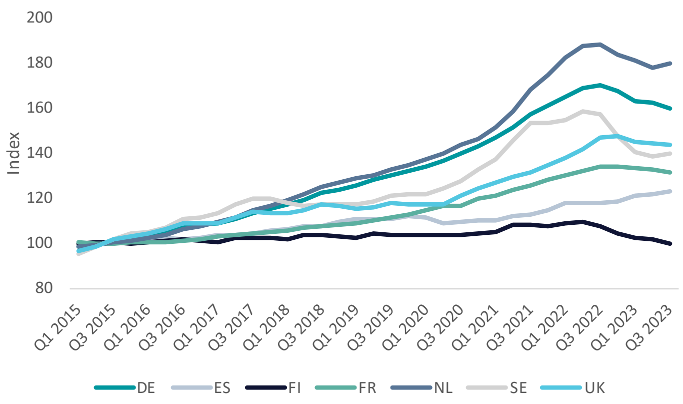
Real Estate Climate Index by segment



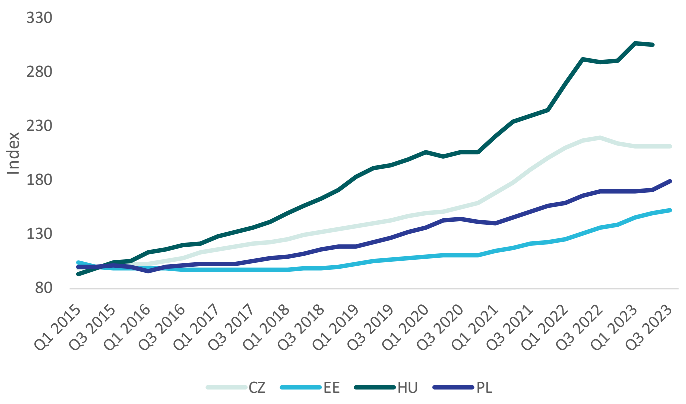
Quelle: bulwiengesa, Deutsche Hypo, NORD/LB Floor Research

European Mortgage Federation (EMF) publishes review of European real estate markets
In its recently published "Quarterly Review of European Mortgages", the European Mortgage Federation (EMF) takes a look back at a rather turbulent period for real estate markets in Europe during the fourth quarter of 2023. According to the EMF, its database covers at least 95% of the mortgage market in Europe (EU27 plus the UK). One of the key takeaways from the current report is that the slowdown in mortgage lending across Europe is coming to an end, which is reflected not least in the data on gross lending. Nevertheless, influential market influences such as inflation developments continued to be a factor in the fourth quarter of 2023. However, we certainly believe the time is right to look at the trend in house prices. The EMF database consolidates the national real estate indices with a focus on residential assets, thereby facilitating a comparison of the sub-markets relevant to the covered bond segment on a cross-jurisdiction basis. While lending generally allows conclusions to be drawn about the availability of (new) cover assets, real estate price indices can indicate possible exaggerations that may also be of relevance to cover pools. Turning points in the housing markets can also be identified (retroactively).

EMF: House Price Indices (DE, ES, FI, FR, NL, SE, UK)



EMF: House Price Indices (CZ, EE, HU, PL)



Source: EMF/ECBC, NORD/LB Floor Research

DBRS: Dutch market for residential mortgages in the spotlight
The rating experts at DBRS have taken a look at the market for residential mortgages in the Netherlands. In this comment piece, DBRS highlights the price correction caused, among other factors, by the increase in the cost of living and financing costs in the first half of 2023. DBRS expects the incipient recovery to continue in 2024. Factors that support both the rising prices on the Dutch housing market and the performance of mortgage financing are the still limited supply of residential property and the high employment rate. In terms of the characteristics of the Dutch mortgage market, the DBRS risk experts also emphasise that the new interest rate environment has played a part in borrowers opting to increasingly focus on shorter interest rate lock-in periods. Looking at ESG considerations, DBRS estimates that the proportion of residential properties with an Energy Performance Certificate (EPC) label stands at 60% (with roughly 15% having a label of A or better). Specific EPC-contextual relaxations of current lending restrictions will also create additional incentives in the Netherlands to reduce the carbon footprint of the residential real estate sector, including through renovations.

Fitch: Outlook for UK covered bond ratings remains stable

The risk experts at Fitch expect residential property prices to remain stable in 2024, before growth in the region of 2% to 4% sets in across 2025. In addition, Fitch anticipates that the Bank of England will initiate its first round of interest rate cuts from the third quarter of 2024. In terms of the 12 UK covered bond programmes rated by Fitch, the current peer reviews for major banks and UK medium-sized covered bond programmes suggest that the buffers against issuer downgrades stand at between three and six notches. Together with the high quality of the cover assets and sufficient OC ratios, Fitch sees a high level of protection against unfavourable influencing factors, such as higher refinancing costs, persistently high core inflation rates and housing market developments that can still be characterised as cautious. Fitch awards its top rating (AAA) not only to the six programmes of the major banks (Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Nationwide Building Society and Santander UK), but also to those pertaining to medium-sized institutions (Coventry Building Society, Clydesdale Bank, Leeds Building Society, Skipton Building Society and Yorkshire Building Society). All 12 programmes consist 100% of first-lien residential mortgage financing, with the sub-category of buy-to-let accounting for marginal shares in most cases. An exception here is one of the two programmes operated by Coventry Building Society, which comprises buy-to-let financing in its entirety. However, this programme is not relevant with regard to the EUR benchmark segment, as the EUR benchmarks are issued exclusively on the basis of the other programme, the cover assets of which are exclusively assigned to the "owner-occupied" category.

vdp annual press conference: "Pfandbrief banks prove resilient in difficult market setting"...

During its annual press conference, the Association of German Pfandbrief Banks (vdp) not only commented on the business development of Pfandbrief banks in 2023, but also offered a glimpse into the future. As vdp President Gero Bergmann summarised at the press conference held on Monday earlier this week (22.04.): "The 2023 financial year put a strain on the entire economy. The concurrence of higher building costs, inflation, rising interest rates and the political zigzag course surrounding the heating law and support programmes presented the real estate sector in particular with major challenges". He also made clear that the German office property market was far more resilient than general perceptions might suggest, before warning against assuming that the situation on the US property is a mirror image of developments in Europe. Looking ahead, the vdp believes that the actions of the ECB will in particular have a strong influence on real estate prices. Working on the assumption that the ECB will begin cutting interest rates at some point in 2024, prices on the German real estate market should also stabilise in the current year. However, this is initially only expected for the residential real estate sub-segment in the second half of 2024, while commercial real estate prices are only likely to bottom out towards the end of the year.

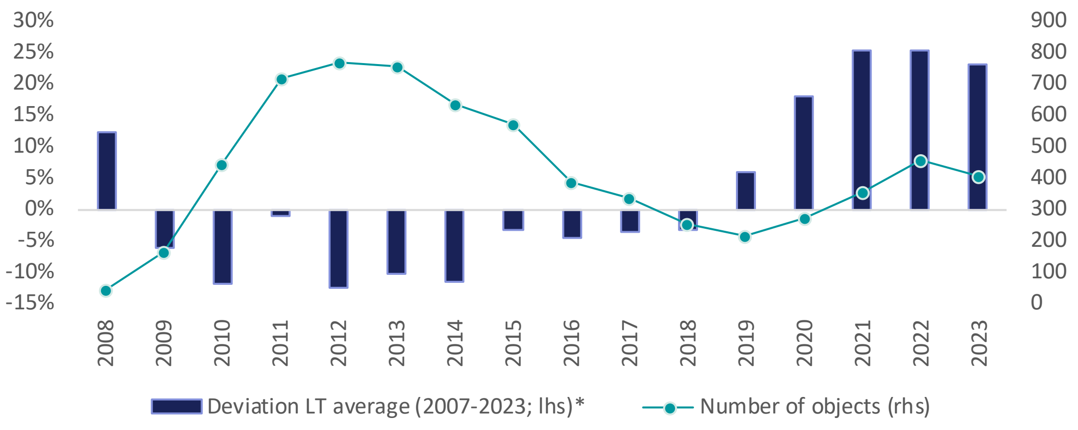
...with criticism reserved for "banking regulations"

The vdp also used its annual press conference to direct criticism towards the obstacles presented by banking regulations in view of the potential recovery of the financing market. As Jens Tolckmitt, Chief Executive of the vdp, put it: "The balance between sensible and excessive regulation was lost long ago". In Tolckmitt's view, the current banking regulations are effective, but "new rules are being implemented without a pause", which ultimately inhibits lending and plays right into the hands of the shadow banking sector.

vdpExpertise: recovery rates on the market for US office properties

Developments on the market for US office properties have also influenced sentiment with regard to outstanding Pfandbriefe with underlying cover pools featuring a comparatively high proportion of commercial real estate assets in the USA. In this context, in the past we have repeatedly referred to the requirements of the Pfandbrief Act (PfandBG), which mitigate the risks for Pfandbrief investors arising from this exposure to a significant extent. In our opinion, the analysis of recovery rates on the office property market in the USA published just a few days ago by vdpExpertise GmbH (a subsidiary of vdp) offers additional valuable insights into risk-relevant parameters – and not only for assets included in cover pools. First of all, the extensive history of the database, which goes back to 2007 and therefore reflects several interest rate and economic cycles, is noteworthy. Non-performing commercial properties increased by 50% in 2023 (to approximately USD 86bn), with office properties accounting for a 41% share of this. However, the authors of the analysis also note that defaults – particularly in the office property segment – fell slightly in the final quarter of 2023. From the perspective of the banks, the key question is what actual losses they stand to incur in the event of a borrower defaulting. The recovery rates – i.e. the selling price under duress in relation to the market value under duress – play an important role in this context. According to the analysis, this rate markedly fluctuates in the USA and slips below the long-term average, especially in times of economic crisis. For office properties, the authors refer to a maximum fall below the average of 13 percentage points (in 2012). According to the data, the average recovery rate for office properties secured by real estate in the period between 2007 and 2023 stands at 89%. Looking towards the future, the authors of the report expect a recovery to set in on the office property market in the USA as well as increased demand for office space from 2025. Moreover, recovery rates are not expected to collapse in 2024.

USA: Deviation of recovery rates from the long-term average



Source: vdpExpertise GmbH, NORD/LB Floor Research; * Deviation in percentage points

Market overview
SSA/Public Issuers

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

Bremen: Senate finalises draft budgets for 2024/25 and declares an emergency

The Senate of the Free Hanseatic City of Bremen (ticker: BREMEN) finalised its draft budgets for 2024 and 2025 at the beginning of April. The budgets make clear that Bremen has not escaped the repercussions of the various overlapping crises unscathed either. The economy has been weakened as a consequence of a fall in gross domestic product, higher energy costs, tax reliefs from the German federal government as well as the absorption and integration of refugees. However, further investment in combating climate change and transforming the economy is also needed to maintain and strengthen the federal state's future viability. At the same time, the fact that Bremen is obliged to present a restructuring programme to the Stability Council this year, which should aim for sustainable structural improvements in Bremen's budget and will, as a result, initially reduce any financial leeway in subsequent years still further, must be taken into account at all times. We last reported on this situation in our Covered Bond & SSA View of 24 January. The city state now plans expenditure of EUR 5.6bn and EUR 5.8bn, respectively, for 2024 and 2025. According to the draft budgets, tax revenues will come to EUR 4.2bn and EUR 4.4bn, respectively. Withdrawals from reserves will therefore be needed to be able to present a balanced financial framework. According to the draft, they will amount to EUR 79.6m (net) for 2024 and EUR 48.8m (net) for the following year. Investment expenditure in the city state is estimated at EUR 380m and EUR 409m, respectively, for 2024/25. The draft budgets allocate investment in climate protection in the amount of EUR 119.7m and EUR 121.2m. Despite the difficult income situation, Bremen would meet its obligations under the restructuring agreement with the German federal government in 2024/25 and repay loans of EUR 80m each year. As part of the budget allocation process in 2024, the Senate examined how it would deal with its ongoing crisis-related funding requirements. Having looked at the situation in depth, the Senate finally declared a continuing emergency at its meeting on 16 April. The financial requirements needed to mitigate the consequences of the crises are substantial and cannot be found from the regular budgets. All in all, additional crisis-related requirements of EUR 715.5m would have to be financed via emergency loans in 2024. A special fund is to be established to help with the climate-neutral transformation of the economy. Emergency funding totalling EUR 308.5m is required for the existing "Climate-Neutral Transformation of the Economy" special fund in 2024. "The effects of the crises in recent years are unfortunately far from over and we experience them every day. The pandemic and war have afflicted people, the economy and public institutions. On top of this, we have the climate emergency and the social and environmental changes this will require, to which there is no alternative. We will assume responsibility for the city state in order to shape the future. Our task is to mitigate the consequences of the crises and at the same time to provide a viable basis for Bremen's future. For this purpose, we must act now and make the requisite investments, as each delay will otherwise cost us more, both in terms of money and jobs", said Kristina Vogt, Senator for Economics, Labour and Europe.

German winding-up agencies enjoy a successful year in 2023

The German winding-up vehicles FMS Wertmanagement (FMS-WM, ticker: FMSWER) and Erste Abwicklungsanstalt (ticker: EAA) have published their annual reports for 2023. FMS-WM, which is owned by the German government, closed the 2023 financial year with a positive result from its ordinary business activities of EUR 96m. As a reminder: FMS-WM was established in 2010 with the aim of resolving the risk exposure and business segments acquired from the Hypo Real Estate Group. In 2023, the nominal value of the portfolio was reduced to EUR 44.4bn (EUR -5.0bn Y/Y). As a result, the target for reducing the portfolio was achieved despite a multitude of macroeconomic challenges. Christopher Müller, CEO and Spokesman for the Executive Board, commented as follows: “FMS-WM succeeded in reducing the portfolio in all segments in the 2023 financial year, which further reduced the risks and complexity in the portfolio. As a result, we were able to implement further measures to simply processes and optimise the organisational structure.” The portfolio has therefore been reduced by approximately 75% since 01 October 2010. As of the reporting date, the balance sheet total decreased by -11% year on year to EUR 88.4bn. The reduction in risk exposures and derivatives plus the fall in cash and cash equivalents played a significant role here. At EUR 528m, net interest income has risen significantly compared with the previous year (EUR 391m) due to the rise in interest rates for the currencies of relevance to FMS-WM. The winding-up agency also worked on improving funding further in 2023. The scope via the Financial Market Stabilisation Fund (FMS) of EUR 60bn was exhausted as far as possible in this connection. FMS-WM also uses the funding in EUR raised via the Fund in conjunction with currency derivatives to refinance selected foreign currencies. In turn FMS-WM has scaled back its own activities on the capital market, thereby saving the associated costs. “Overall, this funding strategy is making a material contribution to the positive trend in net interest income and consequently to the success of FMS-WM”, explains Carola Falkner, Executive Board member with responsibility for Treasury and Asset Management. FMS-WM was last active on the market with an EUR benchmark in November 2018. In addition to FMS-WM, EAA is also looking back on a successful year in 2023. EAA acts as a winding-up vehicle for the risk exposures and non-strategically necessary business segments acquired from the former WestLB AG and its German or foreign subsidiaries. As previously, its resolution activities focused on measures to reduce the portfolio ahead of schedule and active participation management. The portfolio of loans and securities was reduced by UR -1.3bn year on year to EUR 6.3bn up to 31 December 2023 and the nominal volume in the trading portfolio decreased by EUR -6.7bn year on year to EUR 49.9bn. The balance sheet total reduced by EUR -1.9bn year on year to EUR 13.8bn. EAA reported a negative result after taxes of EUR -500m. This reflects the fact that earnings in the far-advanced stage of portfolio reduction inevitably decline, and the administrative expenses can no longer be offset. EAA can still fall back on a solid risk buffer for the reduction of the remaining portfolio. At the end of 2023, equity totalled EUR 653m. The buffer consisting of equity, the equity drawing framework and loan loss provisions increased in relation to the remaining portfolio by 3.3 percentage points to 21.0% compared with the end of 2022. In the year under review, EAA successfully defended itself in a legal dispute associated with dividend arbitrage transactions conducted by the former WestLB AG before the German Federal Supreme Court. The greatest individual risk facing EAA was averted with the rejection of the legal action. For further information about the German resolution agencies, please refer to our [Issuer Guide – German Agencies 2023].

MDBs publish reports on the usage of callable capital

A group of multilateral development banks (MDBs) from the supranationals segment has heeded a request from the G20 following an independent expert evaluation of MDBs' capital adequacy frameworks and provided detailed information about the processes that lead to the banks utilising their callable capital. From our coverage, this select group includes the World Bank, represented by the International Bank for Reconstruction and Development (ticker: IBRD), the African Development Bank (ticker: AFDB), the Asian Development Bank (ticker: ASIA), the Inter-American Development Bank (ticker: IADB) and the European Bank for Reconstruction and Development (ticker: EBRD). Callable capital refers to the part of the bank's capital that is subscribed by the shareholders ("subscribed capital"), but not immediately paid in unless certain conditions are met. It constitutes an obligation on the part of shareholders to make additional capital available to the bank, should it not be able to meet its obligations from debts or guarantees. Callable capital is an essential liability mechanism for MDBs. The reports from the above-mentioned issuers, each published under their own responsibility, give an insight into the individual processes that lead to utilisation and how the shareholders might react to this. The MDBs also carried out stress tests to calculate the corresponding probabilities of a call. The aim of this reporting is to allow more clarity and transparency in relation to callable capital, which is expected to facilitate a more accurate assessment of value by rating agencies in particular. "We are proud of what we have accomplished working together with Shareholders and other MDBs to clarify the process around such a relevant feature in MDBs capital structure", said Gustavo De Rosa, Chief Financial Officer and General Manager of the Finance Department of IADB. For further information about the liability mechanisms and regulatory treatment of MDBs, please refer to our Issuer Guide – Non-European Supranationals (MDBs) 2024.

Municipal finances in Rhineland-Palatinate

At the end of March, the Statistical Office of Rhineland-Palatinate (ticker: RHIPAL) provided information about municipal net lending/borrowing at the end of 2023, which showed a deficit of EUR -565m. However, this result was largely attributable to non-recurring effects caused by a collapse in trade tax revenues in the cities of Mainz and Idar-Oberstein. The Mainz city treasurers, in particular, benefited from lavish inflows in the past thanks to BioNTech, which produced buoyant tax revenues in addition to a reliable COVID-19 vaccine. Falling sales and lower trade tax assessment rates resulted in lower revenues in 2023 (please refer to our Covered Bond & SSA View of 27 September 2023). The reformed municipal financial equalisation system (KFA), which started on 01 January 2023, is said to be having a stabilising effect on municipalities' financial situations. For the current year, support payments by Rhineland-Palatinate of just under EUR 500m are envisaged. Added to this is the pact to reduce municipalities' debts in the amount of EUR 3.0bn in 2024. For the next two years, Rhineland-Palatinate is budgeting for an upward trend in the KFA. This is expected to take account of increasing burdens in municipal budgets. The precise amount of the increase rate will be defined in the double budget 2025/26 to be adopted by the State Parliament. Increases in the minimum funding of EUR 199m (+6.4%) and EUR 261m (+8.4%) each compared with 2024 are being budgeted for.

NORD/LB

IBB: Lower haircuts for the promotional bank's bonds

Under its articles of incorporation, access to ECB liquidity is only possible on a secured basis. The ECB defines the assets that can be used as collateral via its General and Temporary framework. ECB-eligible securities (marketable) are divided into five haircut categories, which differ with regard to the issuer classification and the type of security. The haircut category is critical to the valuation discounts that certain debt securities are subject to. For their part, the discounts differ depending on their residual maturity and coupon structure. All agencies recognised by the ECB, which – in addition to being eligible for purchase under the PSPP and PEPP – are potentially possible for category II if they meet both quantitative criteria, are listed on the ECB website: outstanding volume of marketable assets EUR ≥10bn and nominal value of the EUR benchmarks on average ≥50% of outstanding volume. Investitionsbank Berlin (ticker: IBB) was recently classified by the ECB as a "preferred" agency of this kind, which means that IBB has switched from haircut category IV to II. This results in far lower valuation discounts in all maturities. According to IBB, the new classification by the ECB is an acknowledgement of its increased capital market presence and the establishment of a liquid EUR benchmark curve for the promotional bank. We last focused on ECB repo collateral rules and their implications for supranationals and agencies as part of our Covered Bond & SSA View of 15 November 2023.

Primary market

We start our review with a green EUR benchmark issued by the Spanish rail network operator ADIF-AV (ticker: ADIFAL), whose mandate we drew attention to last week. The agency successfully raised new funding of EUR 600m (8y) at SPGB +44bp (equivalent to circa ms +70bp). It was followed by further new issues in the ESG segment: the Norwegian municipal financier Kommunalbanken (ticker: KBN) approached investors for the first time with a green bond in EUR benchmark format, finally raising EUR 500m (5y) at ms +11bp (guidance: ms +14bp area). From the German Laender segment, Berlin (ticker: BERGER) ventured onto the market last Monday and issued EUR 1.25bn (3y) at ms +7bp (guidance: ms +8bp area). This was the German capital's fourth new issue this year. As the second German federal state in our coverage this week, the Free and Hanseatic City of Hamburg (ticker: HAMBRG) ventured onto the EUR primary market yesterday (Tuesday) for the first time since November 2021 with a benchmark: EUR 500m (8y) was snapped up by investors at ms +12bp. Last week, as previously announced, the European Union (ticker: EU) held its fourth syndicated transaction (see funding plan for H1/2024). In this context, the EU opted for a dual tranche consisting of a bond and a tap. The new bond amounting to EUR 4.0bn (3.6y) was issued at a final price of ms -6bp. The EU 4% 04/04/2044 was also increased by EUR 4.0bn at ms +66bp. The EU's next bond auction is already scheduled for next Monday. Finally, mandates were issued by: EIB (7y, EARN) and UNEDIC (EUR 1.0bn, WNG, 10y, Social) and RHIPAL (10y).

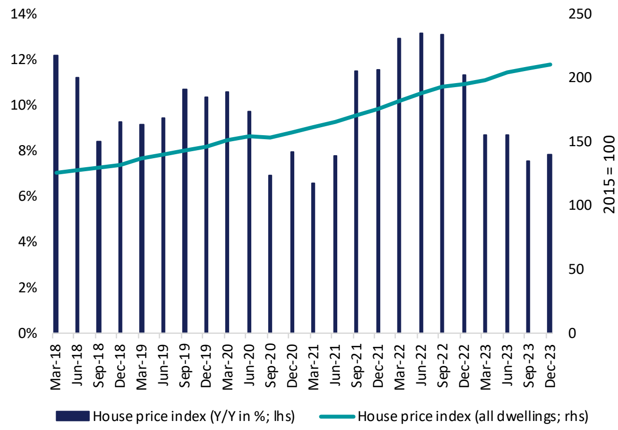
Issuer	Country	Timing	ISIN	Maturity	Size	Spread	Rating	ESG
HAMBRG	DE	23.04.	DE000A2LQPQ1	8.0y	0.50bn	ms +12bp	AAA / - / -	-
EU	SNAT	23.04.	EU000A3K4EW6	3.6y	4.00bn	ms -6bp	AAA / Aaa / AA+	-
BERGER	DE	22.04.	DE000A351PN8	5.0y	1.25bn	ms +7bp	AAA / Aa1 / -	-
KBN	Nordics	18.04.	XS2809676294	5.0y	0.50bn	ms +11bp	- / Aaa / AAA	X
ADIFAL	ES	17.04.	ES0200002121	8.0y	0.60bn	ms +70bp	A- / Baa2 / -	X

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

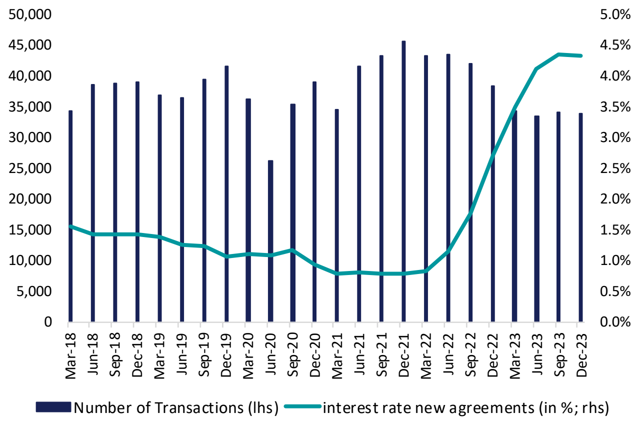
Covered Bonds
A covered bond view of Portugal: Welcome back!
Authors: Dr Frederik Kunze // Lukas Kühne

The Portuguese covered bond market: Traditional niche market with potential
At the start of 2024, some southern European jurisdictions were surprisingly active on the primary market. In this issue of Covered Bond & SSA View, we would like to take a closer look at the Portuguese covered bond market. In terms of the outstanding volume of covered bonds (2022: EUR 36.5bn), Portugal is one of the smaller jurisdictions from a global perspective and, according to ECBC data, ranks 15th in an international comparison, ahead of the Czech Republic (EUR 17.9bn) and behind Belgium (EUR 47.4bn). However, we would still classify Portugal as a traditional market – not least because the country has had covered bond legislation in place for more than 15 years. Around 98% of all covered bonds from Portugal in 2022 were issued on the basis of mortgage-backed programmes. Accordingly, the developments on the Portuguese property market are likewise relevant. Contrary to the general trend, there have still been no signs of a weak phase. The property price index rose by a total of 7.8% year on year in 2023. In terms of absolute transaction figures, the rise in interest rates has also led to a slight decline in property sales, although they remain at a high level. The positive development of the Portuguese property market can be seen as one of several factors as to why we have seen an increase in EUR benchmark issues from Portugal over the past two years. This year, three issuers in this segment have already approached investors and placed almost the same volume (EUR 2.0bn) of covered bonds in the first quarter of 2024 as in the entire previous year (EUR 2.1bn). The new deals issued in Portugal this year were characterised by impressive demand, meaning that spread tightening of more than 10bp compared with the original guidance was realised in the marketing process. Further activities from Portugal can be expected after this impressive start to the year.

Portugal: Property price trend



Portugal: Property market



Source: Instituto Nacional de Estadistica, NORD/LB Floor Research

Adjustments to covered bond legislation in Portugal

Covered bond legislation in Portugal was also adjusted following the implementation of the European Covered Bond Directive (CBD). Significant changes included the legal definition of triggers for maturity deferrals. This requirement was considered mandatory for national legislators if covered bonds were to be given the option to defer maturity. Equally important were the introduction of a liquidity buffer of 180 days and the expansion of cover pool assets to include the asset classes defined in the CRR. The rating experts at Moody's highlight, for example, the exclusion of NPLs (90 days in arrears) from the cover pool as a strength of the legislation, while the statutory overcollateralisation ratio is seen as rather weaker by international standards.

Legislation overview: Portugal and Germany

	Portugal	Germany
Designation	Obrigacoes Cobertas Europeia (Premium), Obrigacao Coberta Europeia	Mortgage Pfandbriefe,Public-, Ship- & Aircraft Pfandbriefe
Special bank principle	No	No
Owner of assets	Issuer	Issuer
Public supervision / Regulator	Comissao do Mercado de Valores Mobiliarios (CMVM)	Federal Financial Supervisory Authority (BaFin)
Cover assets (if applicable incl. substitute cover)	Mortgage loans, Public sector loans, Ships, Bank loans	Mortgage, ship and aircraft loans, public sector loans, bank loans
Substitute assets	Yes	Yes
Limit of substitute assets	15%	CQS1; 15% Öpfe, 20% Hypfe, Schipfe, Flupfe
Derivatives as cover assets	Yes	Yes
Geographical scope – Mortgage loans	EU/EEA	EEA, CH, US, CA, JP, AU, NZ, SG, UK[1], Schipfe and Flupfe worldwide
Geographical scope – Public sector loans	EU/EEA	EEA, CH, US, CA, JP, UK[1]
Loan to value – Mortgage loans	Residential: 80%, Commercial: 60%/70%, Ships: 60%	60% of the mortgage lending value
LTV calculation	Market value	Mortgage lending value pursuant to Mortgage Lending Value Regulation
Minimum OC	5% (OCE Premium, 10% if Commercial LTV above 70%); 10% OCE (Non-Premium)	Hypfe/Öpfe: 2% (nominal + stressed present value), Schipfe/Flupfe: 5% (nom. val.)
Cover pool register	Yes	Yes
Asset encumbrance: * Issue limit; ** Cover pool limit	-	-
Deferral of maturity	Yes, optional	Yes, mandatory
Trigger Deferral of maturity	Inability to pay, Withdrawal of banking licence	Insolvency, Resolution

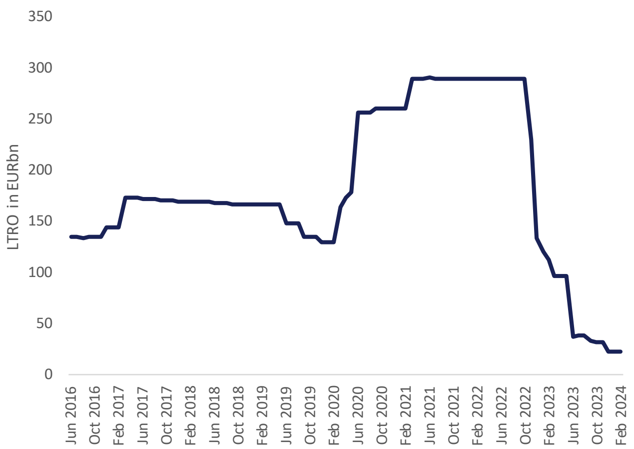
Source: National legislation, ECBC, NORD/LB Floor Research

[1] Non-EEA assets are limited to 10% unless security is assured

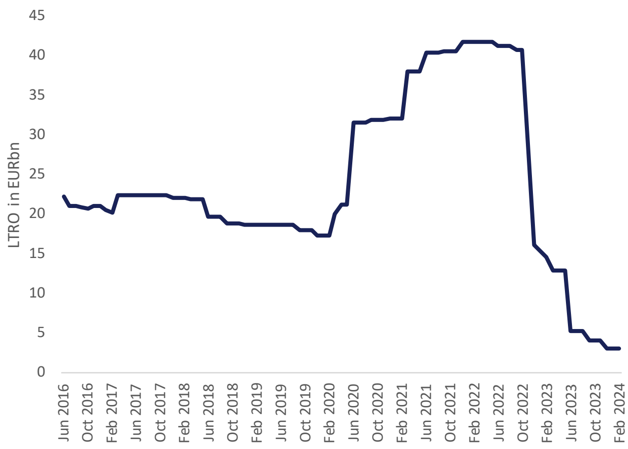
Rating update for Portuguese covered bonds

At the end of last year, Portugal's sovereign rating was upgraded by all three major rating agencies, which also led to an upgrade of the covered bond ratings. Previously, the sovereign rating was a limiting factor that prevented a top rating for covered bonds from Portugal. As a result of the sovereign rating upgrade, Moody's has rated all covered bond programmes of Portuguese issuers at “Aaa”. The rating experts at Fitch also adjusted the rating of the covered bond programmes, but only awarded its top rating (“AAA”) to one covered bond programme. Based on the ratings, a risk weight of 10% would be applicable for the issuer's covered bonds in accordance with CRR. In addition, we believe that the EUR benchmark transactions of all the institutions analysed here are eligible as Level 1 assets for LCR management purposes. Moreover, the issuers' covered bonds are suitable as collateral in transactions with the ECB and new placements can be marketed under the European Covered Bond (Premium) label.

ECB LTRO: Spain



ECB LTRO: Portugal

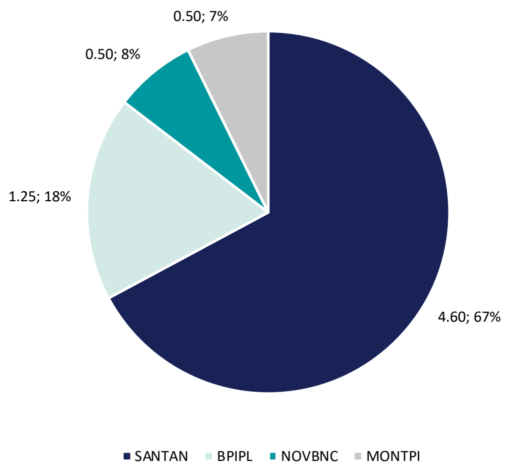


Source: ECB, NORD/LB Floor Research

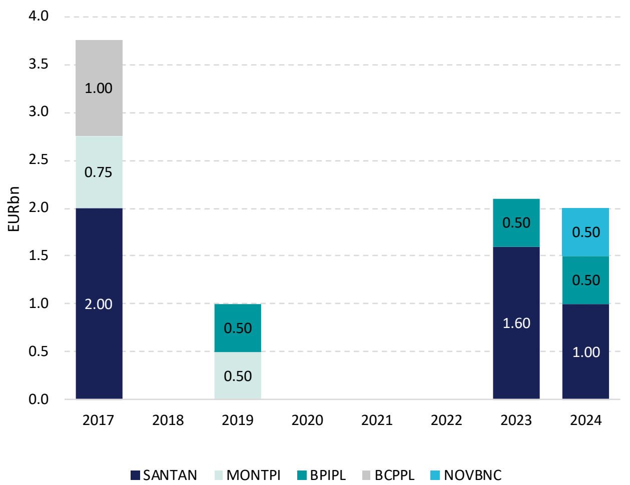
"Comeback" of covered bonds in the post-TLTRO III era: Also an issue in Portugal

In our weekly publication, we have often had to deal with the distorting impact of the ECB's monetary policy with regard to issuance behaviour on the covered bond market. After all, the central bankers not only siphoned off supply in the EUR benchmark segment, but also triggered significant shifts in the commercial banks' funding mix. The targeted longer-term refinancing operations provided banks with an attractive alternative to placing covered bonds. Spain and Italy were repeatedly in the spotlight here, which was due in particular to the high absolute TLTRO III volumes. However, Portuguese banks also made extensive use of the ECB's TLTRO III offering. We believe that the reduction in these holdings (approximated by the total LTRO positions at jurisdiction level in the figures above) also favours the placement of EUR benchmarks in Portugal and can (in retrospect) be used as an explanation for the issuance pause from 2020 to 2022.

EUR benchmark segment: Portugal (EURbn)



Issues from Portugal (EUR benchmarks)



Source: Market data, NORD/LB Floor Research

EUR benchmark issuers in Portugal: Exclusively residential assets

Before we look at the "comeback" of the Portuguese EUR benchmark segment, we would like to take a look at the market as a whole. The following table summarises the Portuguese covered bond programmes with EUR benchmark placements. The current EUR benchmark volume for Portugal amounts to EUR 6.9bn spread over nine bonds. With a share of around 67% (or EUR 4.6bn) of the outstanding volume, Banco Santander Totta accounts for the majority of issues in the EUR benchmark segment. The Portuguese primary market issuers only have mortgage-backed covered bonds in this market segment. While three of the four issuers place covered bonds as part of a soft bullet structure, Caixa Economica Montepio Geral (currently still) uses a CPT structure. The cover pools only contain residential assets that are geographically fully attributable to Portugal. The granularity of the EUR benchmark issuers' cover pools is reflected in the respective ratios for the average loan volume, the number of loans and the low concentrations. The same goes for the regional distribution. After there was zero EUR benchmark activity in Portugal from 2020 to 2022, as mentioned above, issuers have been much more active on the market again since 2023. Three issuers have already successfully placed covered bonds with a volume of EUR 2.0bn on the market this year, including Novo Banco with its first issue since 2009. Overall, we believe that all the signals are pointing to growth on the Portuguese covered bond market, as indicated by the comparatively high issuance volume this year and Novo Banco's return to the EUR benchmark segment.

Overview: Portuguese EUR benchmark issuers:

Issuer (*Link*) (*as of 31 December 2023*)	**Cover pool volume** (EURm)	**Total amount outstanding** (EURm)	**OC**	**EUR BMK volume** (EURbn)	**Maturity type** (BMK)	**Non-Performing Loans**	**LTV** (unindexed)	**Covered bond rating** (Fitch / Moody's/ S&P)	**Moody's Collateral Score**
Banco BPI	8,805	7,250	21.4%	1.25	SB	0.0%	53.9%	- / Aaa / -	4.0%
Banco Santander Totta	11,328	9,770	16.0%	4.60	SB	0.0%	53.8%	AA- / Aaa / -	4.0%
Caixa Economica Montepio	3,062	2,300	33.1%	0.50	CPT	0.0%	51.9%	AAA / Aaa / -	4.0%
Novo Banco	7,457	5,500	35.6%	0.50	SB	0.0%	49.9%	- / Aaa / -	4.0%

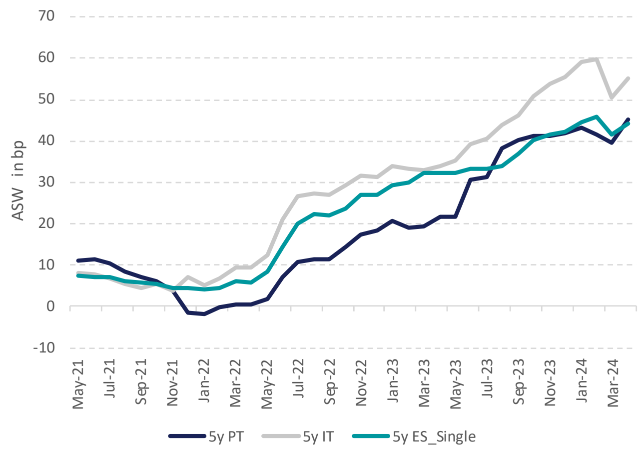
Source: Issuers, rating agencies, NORD/LB Floor Research

Spread development: Portugal and Spain at comparable levels

In our generic analysis, ASW spreads in Portugal have also widened significantly over the last two years. This trend did not continue in the same way in the first quarter of 2024; instead, a narrowing of the spread was observed in some cases. In comparison, the spread increase was more pronounced in the five-year maturity segment. There are currently no Portuguese covered bonds with a remaining term of more than seven years. Spread differences between Spain and Portugal are only marginal in the five-year maturity segment. In contrast, Italian covered bonds currently have a spread premium of around 10bp over covered bonds from Portugal with the same maturity. In Portugal – as is the case for almost all other jurisdictions – we are expecting at most a slight increase in spreads up to the middle of 2024. Based on the high levels, we also see significant tightening potential for Portuguese covered bonds in the second half of the year. The recent low supply combined with a higher spread in comparison with other jurisdictions could appear attractive to some investors from a relative value perspective.

ASW spreads: Portugal (generic)

ASW spreads: PT, IT and ES (5y generic)



Source: Bloomberg, NORD/LB Floor Research

Conclusion

The Portuguese covered bond market got off to a surprisingly lively start in the new year, giving rise to hopes of a much more active year ahead. Novo Banco, a former benchmark issuer, also made a comeback on the primary market, expanding the number of banks active in this sub-market to four. In our opinion, the positive situation on the Portuguese property market, the improved covered bond ratings and the amended covered bond law are three important elements favouring the growth of the covered bond market in Portugal. However, the reorganisation of the banks' funding mix also remains a key issue. Longer-term refinancing via the Eurosystem plays a much smaller role as a result of the TLTRO III repayments. Overall, we anticipate that secured refinancing will become increasingly important in a dynamic property market. The issuers' cover pools consist exclusively of residential assets and at present have quite adequate OC ratios. Overall, we expect new issuances from Portugal to total EUR 3.0bn in the current year as against maturities of EUR 2.0bn, which produces net new supply of EUR +1.0bn.

SSA/Public Issuers
Credit authorisations of the German Laender for 2024

Author: Dr Norman Rudschuck, CIIA

Distorted (gross) credit authorisations of over EUR 90bn expected

The German Laender have largely concluded their credit planning for the current year, although some Bundeslaender still need to finalise their figures for credit authorisations in 2024. The data, the gross numbers for which can be viewed in the broadest sense as funding targets, in the past mostly provided a comparatively good indicator of how active the Laender were likely to be in the capital markets during the year. This planning also includes Schuldscheindarlehen (SSD) and private placements – and does not have to be exhausted, as 2022 and 2023 emphatically demonstrated: The gross figure currently aggregated across 13 Laender stands at EUR 89.2bn for 2024, which naturally corresponds to a decline compared with the figures that were distorted upwards by COVID-19 (2020: EUR 156.6bn; 2021: EUR 119.4bn). Our presentation still does not include the approvals of the budgets for Saarland, Saxony and Thuringia for 2024. Here, we expect a further EUR 3bn in total as a minimum, which would again take the total amount for all 16 Laender above EUR 90bn. In the years before the pandemic, credit authorisations were still significantly lower at EUR 70.3bn (2020; pre-pandemic and as a result of the debt brake) and EUR 66.8bn (2019). The increasing focus of the Laender on the issue of budgetary consolidation was clearly reflected in this trend by March 2020. The majority of the Laender want to (and must) reduce their absolute debt levels steadily in the future. The year 2020 was marked by several supplementary budgets, sometimes two per sub-sovereign. The year 2021 was somewhat quieter on this front, while 2022/23 almost signalled a return to "normal" again despite the war. Moreover, the positive picture "suffers" from a distortion by Baden-Wuerttemberg.

German Laender credit authorisations 2024 (EURbn)*

	Net	Gross
Baden-Wuerttemberg	-0.19	32.36
Bavaria	-0.05	1.94
Berlin	0.38	8.43
Brandenburg	1.00	3.11
Bremen	0.00	2.65
Hamburg	0.20	2.30
Hesse	0.00	5.91
Mecklenburg-Western Pomerania	0.00	2.00
Lower Saxony	-0.12	7.06
North Rhine-Westphalia	-3.04	10.10
Rhineland-Palatinate	0.05	4.30
Saarland		
Saxony		
Saxony-Anhalt	0.00	2.10
Schleswig-Holstein	1.65	6.94
Thuringia		
Total	**-0.12**	**89.20**

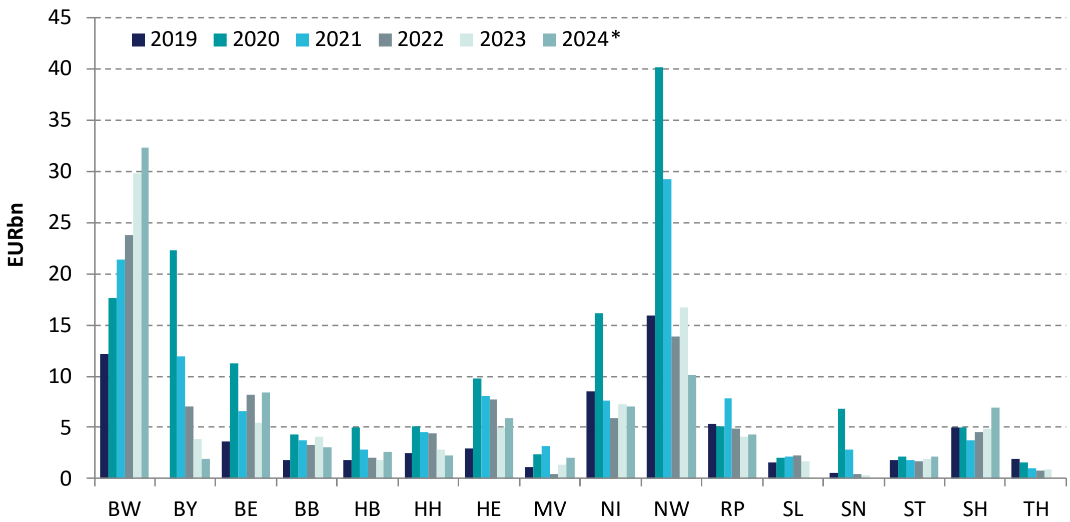
Source: Bloomberg, NORD/LB Floor Research

*Some figures may be rounded or preliminary figures

Shifts in funding requirements

The highest gross figure by far had previously always been reported by NRW. Things were a bit different in 2022 in terms of the presentation of the figures and the published credit authorisations: in the form in which they are presented, they can no longer be taken at face value for individual German states, above all Baden-Wuerttemberg: BADWUR planned for EUR 23.78bn in 2022 and did not issue a single benchmark bond. This was because the approved EUR 14.6bn in special loans to combat the pandemic was completely postponed and was not really needed to deal with the financial difficulties at the time. The Taxpayers' Association put the deferred borrowing at the end of 2022 at EUR 23.6bn. The study shows that the federal state is actually "hoarding" these authorisations for future financial years, thereby enabling its future budget management to formally comply with the debt brake. In reality, this budget management represents a breach of the debt brake. According to the reported figures, the federal state's deferred credit volume in 2024 has now risen to a historic high of EUR 32.36bn. In the spirit of the principle of budgetary clarity, these credit authorisations should be withdrawn as quickly as possible. But we should also remember that a debt repayment of around EUR 0.2bn is planned in the Baden-Wuerttemberg budget for 2024, which it says is in response to an expected economic recovery. BADWUR is also starting to repay the emergency loans taken out in 2020 and 2021 to cope with the pandemic. COVID-19 loans must also be steadily repaid in the coming years in accordance with the repayment schedule. In the past, it was a case of the higher the gross value, the more often the respective sub-sovereign made an appearance on the primary market. In any case, we should not be too trusting of the data, as credit authorisations can either not be (fully) utilised or can be adjusted during the year. According to the official list, NRW is in second place with EUR 10.10bn, followed by Berlin with EUR 8.43bn. We would not be surprised if, despite the table, BERGER would turn out to be most active on the capital market this year with around EUR 10bn due to the buyback of Vattenfall Wärme Berlin AG. Excluding the summer lull and December, that would be around EUR 1bn per month. These are followed by NIESA, HESSEN and SCHHOL. As we mentioned, data for SAARLD, SAXONY and THRGN is still missing here.

Credit authorisations of the German Laender over time



Source: Bloomberg, NORD/LB Floor Research; **partly rounded or provisional figures
BW = BADWUR, BY = BAYERN, BE = BERGER, BB = BRABUR, HB = BREMEN, HH = HAMBRG, HE = HESSEN, MV = MECVOR, NI = NIESA, NW = NRW, RP = RHIPAL, SL = SAARLD, SN = SAXONY, ST = SACHAN, SH = SCHHOL, TH = THRGN.

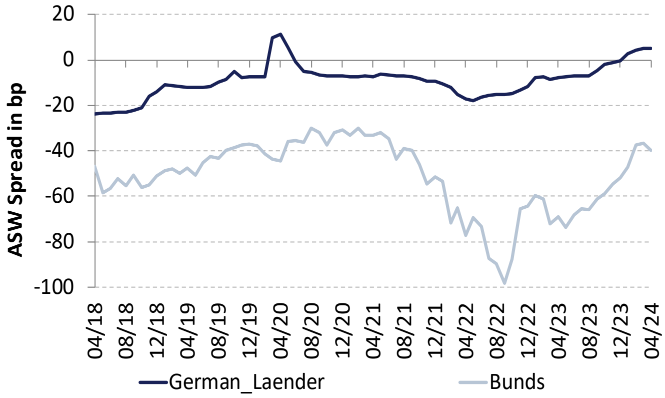
The federal debt brake celebrates its 15th anniversary - at least in theory

In 2024, the debt arrangement enshrined in the German Basic Law, known as the debt brake, will celebrate its 15th anniversary, despite having been suspended for several years. Since 2009, after a transitional period, the principle of a balanced budget has been jointly established at the level of both Bund and Laender. The aim of the debt brake is to ensure the sustainability of German public finances. The debt brake puts a stop to the “propensity to run a deficit” in politics. It ensures that good times are used to consolidate public finances and that there are limits on the present preference of politicians. There are now numerous myths surrounding the debt brake – the Federal Ministry of Finance has also recognised this and is attempting to dispel these myths as the anniversary approaches. Top of the list here is that the debt brake prevents innovation and investment, growth or tax cuts. It is true that developments from the introduction up to 2020 were very consistently for the better and since then have naturally headed diametrically in the “wrong” direction. On the one hand, it has taken huge efforts on the part of the Laender to maintain economic conditions as much as possible in the face of the pandemic. Due to the consequences of the war, this also applies to disrupted supply chains, inflation and coping with migration or streams of refugees. On the other, the debt brake also in force at Laender level since 2020 calls for (even) greater budgetary discipline. Some Laender had been managing without any new borrowing on a sustained basis before the debt brake officially started, and their development has in some cases now been set back several years. This led to downgrades for Baden-Wuerttemberg and Saxony-Anhalt, among others, although the ratings remained at a high level. It also resulted in changes to the rating outlook (i.e. to “negative”) for other Laender. In the meantime, those have been able to turn both of these things around. Analysis – willingly critical – of detailed regulations and considerations of modifications, if they protect the framework specified by the constitution, does not conflict with the commitment to the debt brake either. Local constitutions at the level of individual Laender have also contained a regulation about the debt brake since 2019, which entirely corresponds to the requirements in the Basic Law and specifies the requirements for borrowing clearly and, compared with other countries, strictly overall. This can legitimise a local suspension of the debt brake – but should always remain the exception. The Joint Economic Forecast Project Group is the “independent organisation” within the meaning of the Law on Economic Projections of the Federal Government (Forecasting Act). It reviews the macroeconomic forecasts on which the federal government's budget and financial planning is based. Instead of the (supposed) refutation of myths, we would have preferred a discussion to mark the 15th anniversary of the debt brake on how to make it more future-proof and growth-promoting. However, it is undisputed, as the authors explain, that: “Fiscal rules are an effective means of effectively limiting budget deficits and excessive debt, lowering risk premiums on government bonds and strengthening economic growth. In the past, it was easy to comply with the debt brake due to low interest rates and a simultaneously growing economy. However, the macroeconomic and structural situation now poses a greater challenge to compliance. Germany must rise to this challenge, as the debt brake is the centrepiece of the federal government's financial policy. It is an expression of democratic responsibility and enables generation-appropriate responses to upcoming challenges.” This excerpt can be found in the monthly report of the German Federal Ministry of Finance, April 2024.

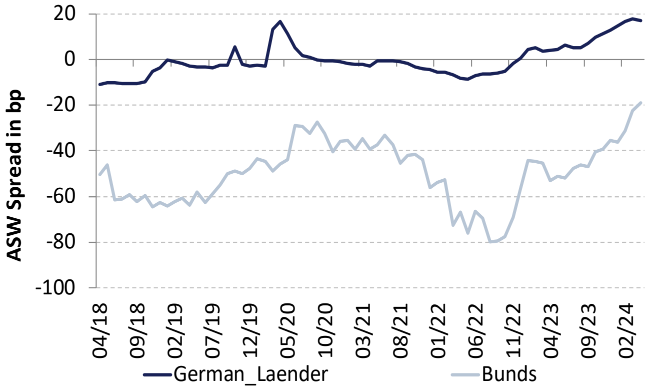
Fresh supply meets diminishing demand from the Eurosystem

This (supposedly) substantial supply outlined above is currently also being met with a further fall in demand, which is primarily determined by the now shrinking balance sheet of the Eurosystem (key phrase: quantitative tightening, due to a total lack of reinvestment in the APP and reduced reinvestment from H2/2024 onwards in the PEPP by EUR 7.5bn per month). In addition, we have seen repricing across the entire bond market since the interest rate turnaround, meaning that the "new normal" for spreads still needs to be slowly established before the expected interest rate cuts by the ECB could lead to renewed repricing.

Spread trend of selected Laender bonds – 5Y



Spread trend of selected Laender bonds – 10Y

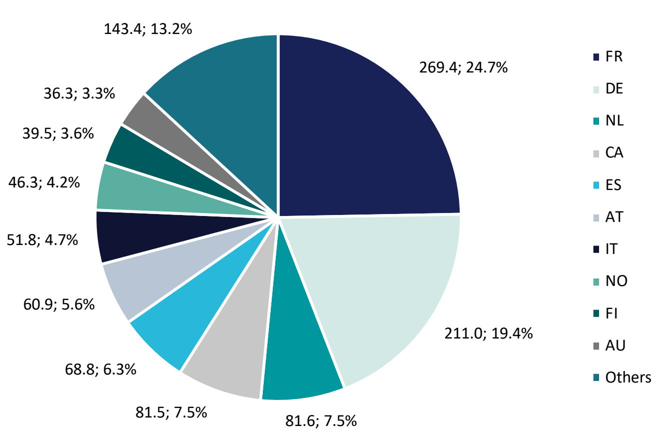


Comment and conclusion

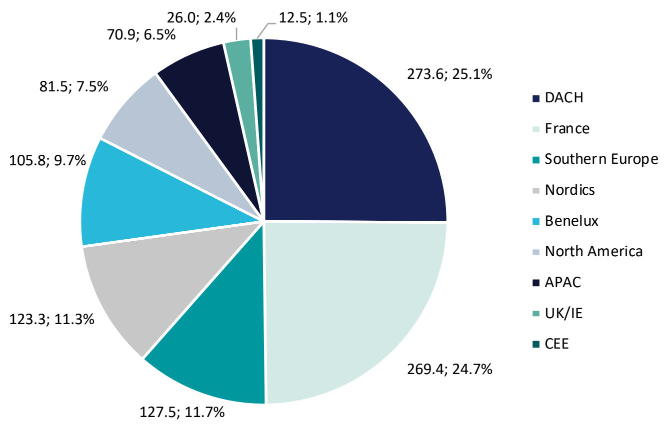
It is no coincidence that in today's article we are honouring the 15th anniversary of the debt brake and at the same time reporting on the 2024 credit authorisations now available for German Laender. In the years before the pandemic, a clearly declining trend was apparent for net and gross credit authorisations, which had or would have stabilised at around EUR 70bn for 2020 before the COVID-19 crisis. For the third time in succession, the net credit authorisations would have been negative according to the initial estimates – aggregated across all Laender – which would have equated to a repayment of some debt. As we all know, this did not happen at all. The majority of the data for the current year 2024 has now been published, with the credit authorisations for 13 of the 16 German Laender totalling EUR 89.2bn. Once all the figures are available, we expect to exceed EUR 90bn again. At the same time, however, we believe that these figures are heavily distorted by Baden-Wuerttemberg and therefore we provide more explanation than before. On the capital market side, this means that supply, which is no longer exactly tangible, is now meeting ever-decreasing demand from the ECB. On balance, the spread effects in this segment are likely to remain manageable, albeit of a widening nature. By this, we do not mean the up and down pattern of current yields, but rather the slowly rising ASW spread in the wake of monetary policy – before the new interest rate turnaround actually materialises.

Charts & Figures
Covered Bonds

EUR benchmark volume by country (in EURbn)



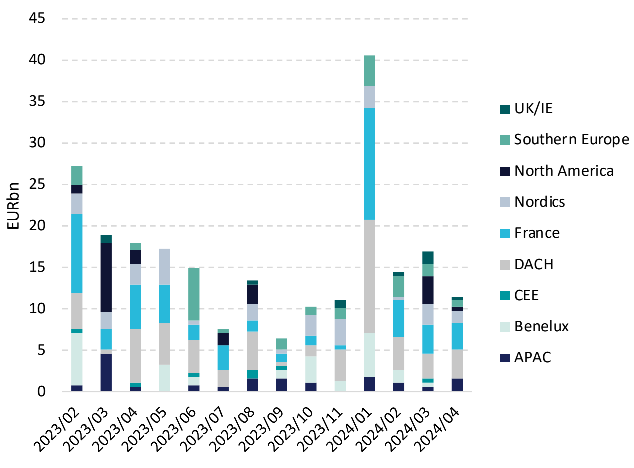
EUR benchmark volume by region (in EURbn)



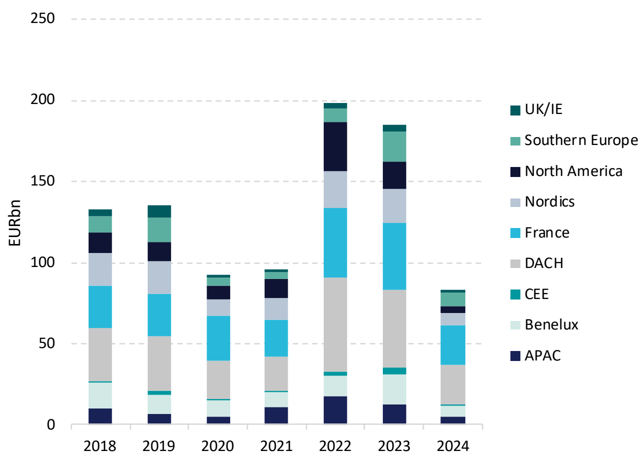
Top-10 jurisdictions

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	269.4	260	25	0.97	9.3	4.8	1.42
2	DE	211.0	300	41	0.65	7.8	4.0	1.39
3	NL	81.6	82	3	0.93	10.4	6.0	1.27
4	CA	81.5	60	1	1.33	5.6	2.8	1.31
5	ES	68.8	54	5	1.15	11.2	3.2	2.07
6	AT	60.9	102	5	0.59	8.1	4.4	1.50
7	IT	51.8	65	4	0.77	8.5	3.8	1.82
8	NO	46.3	56	12	0.83	7.3	3.5	0.91
9	FI	39.5	44	4	0.88	6.9	3.7	1.66
10	AU	36.3	34	0	1.07	7.2	3.3	1.68

EUR benchmark issue volume by month



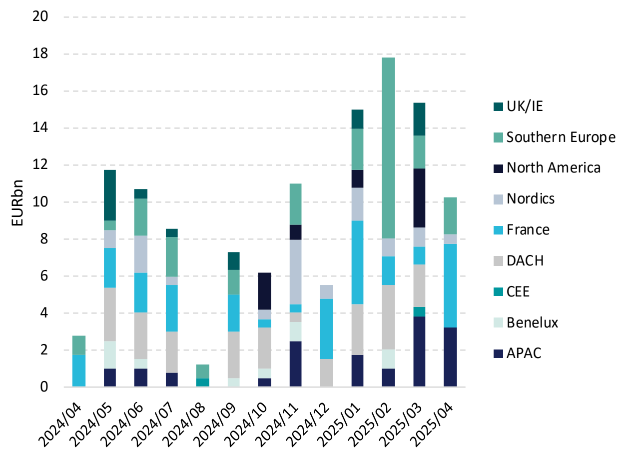
EUR benchmark issue volume by year



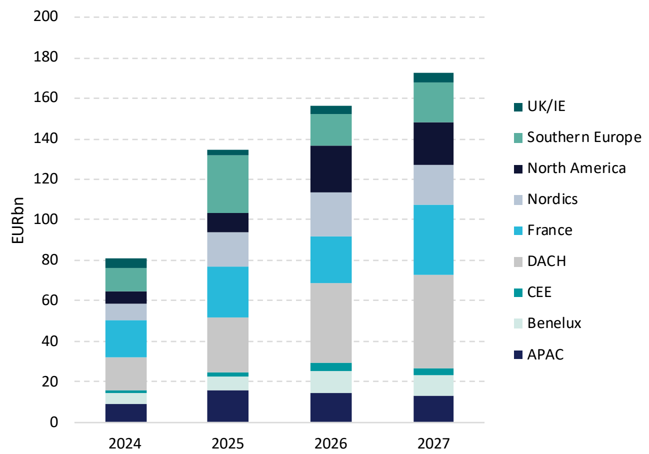
Source: market data, Bloomberg, NORD/LB Floor Research

NORD/LB

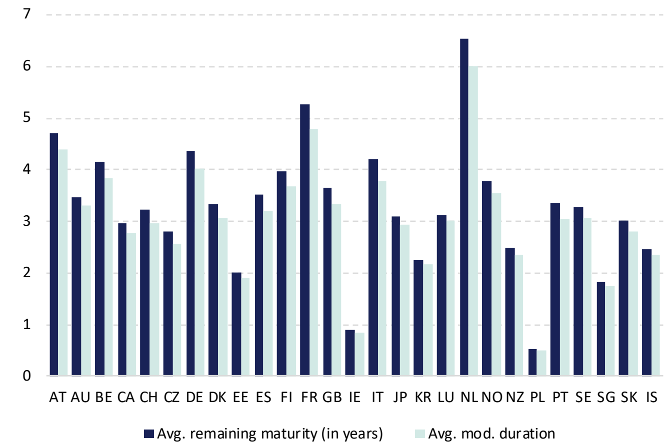
EUR benchmark maturities by month



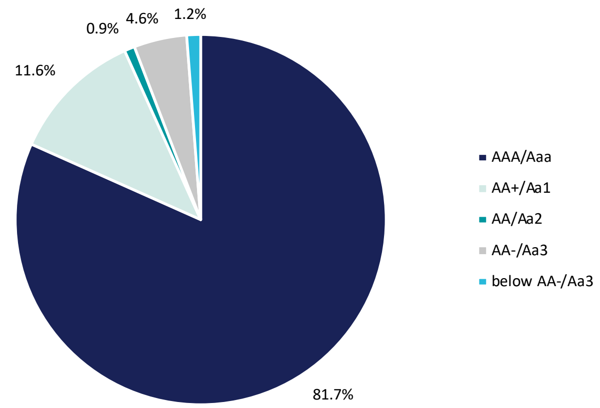
EUR benchmark maturities by year



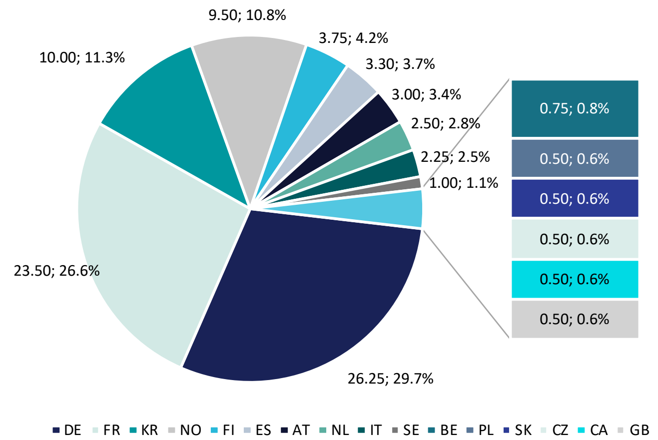
Modified duration and time to maturity by country



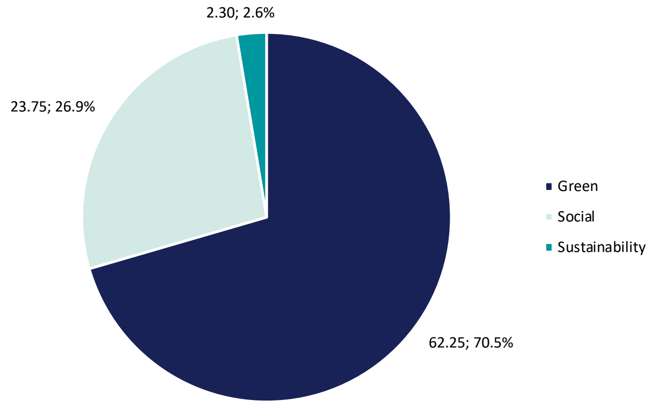
Rating distribution (volume weighted)



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



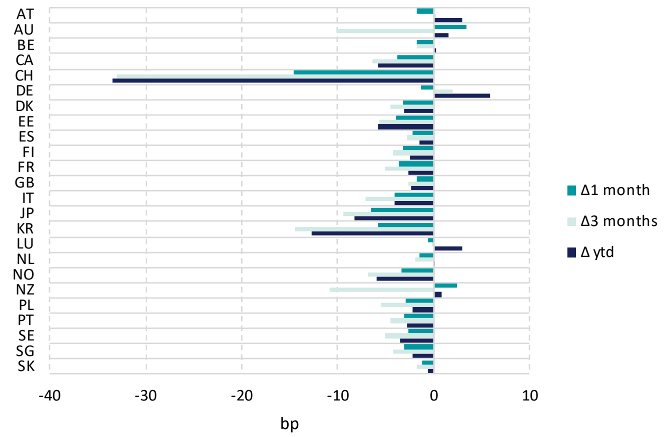
EUR benchmark volume (ESG) by type (in EURbn)



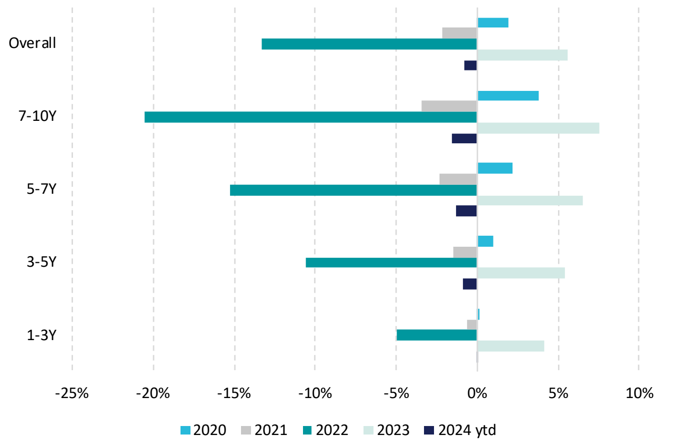
Source: market data, Bloomberg, NORD/LB Floor Research

NORD/LB

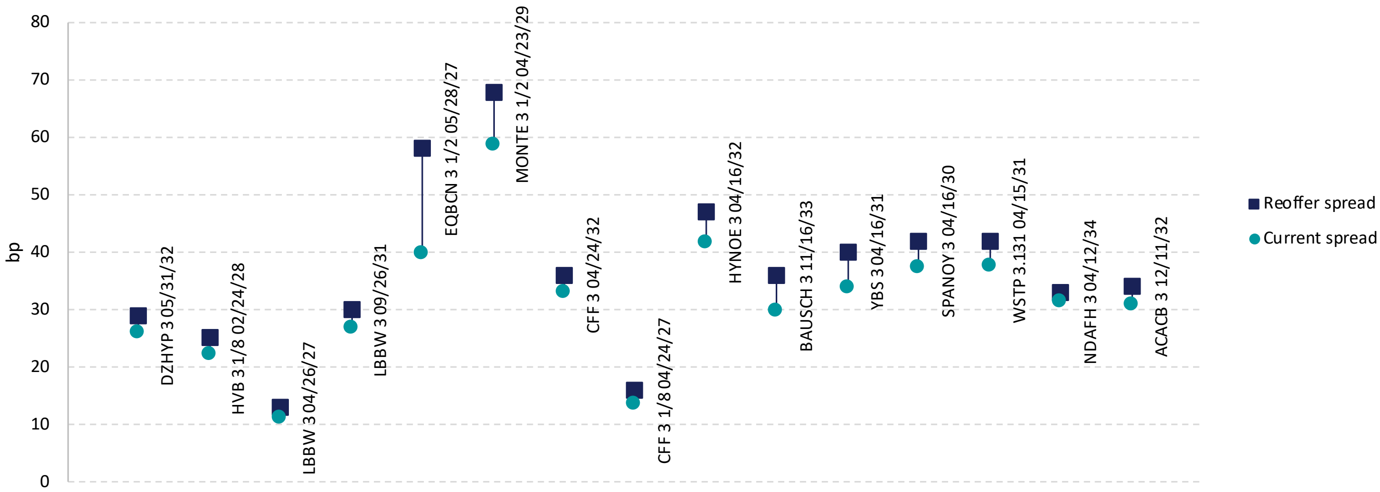
Spread development by country



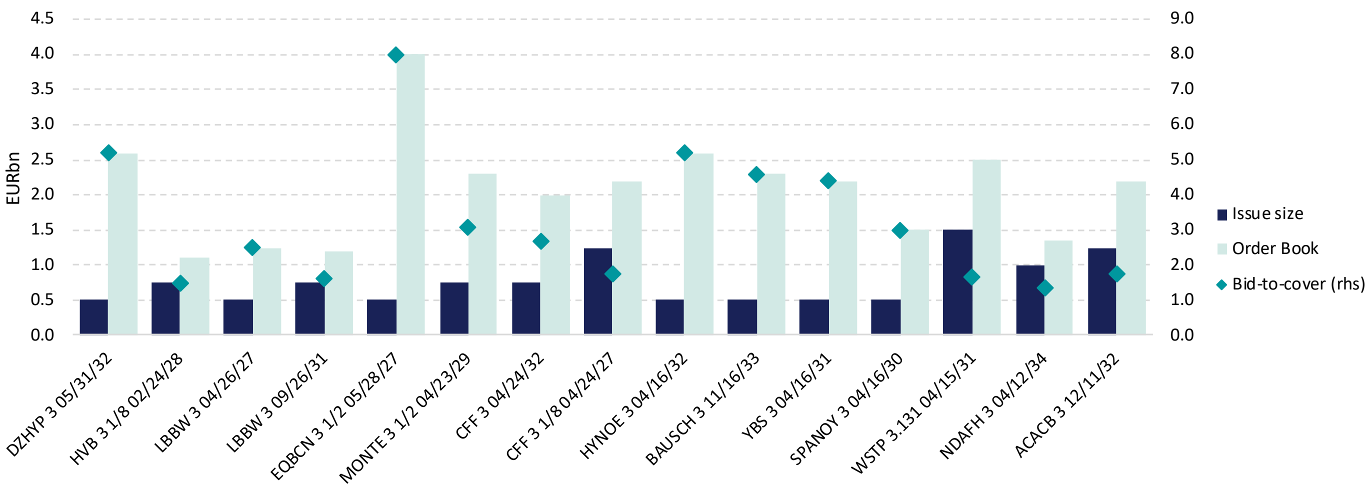
Covered bond performance (Total return)



Spread development (last 15 issues)



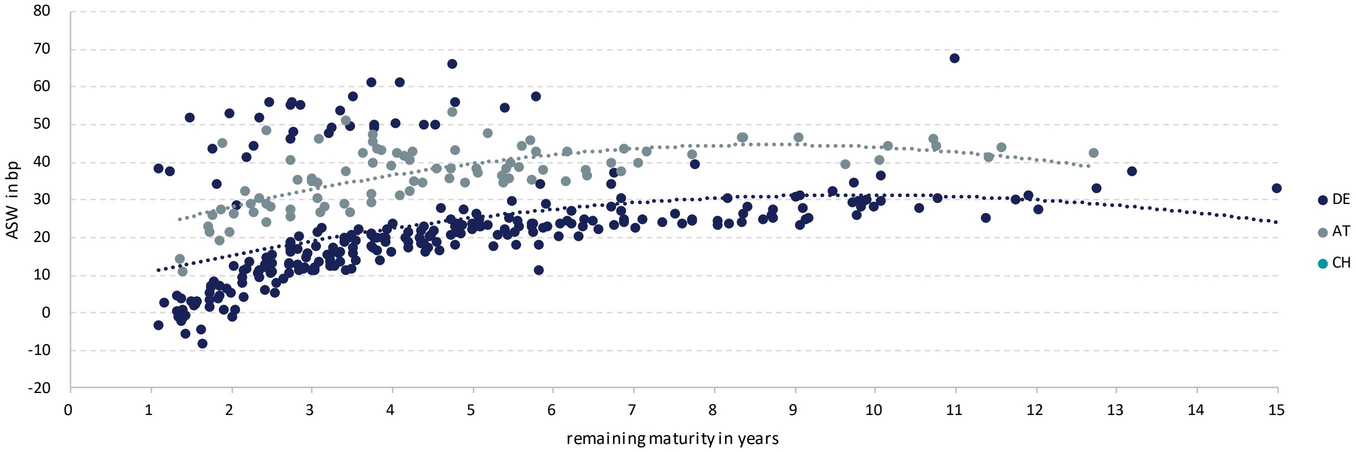
Order books (last 15 issues)



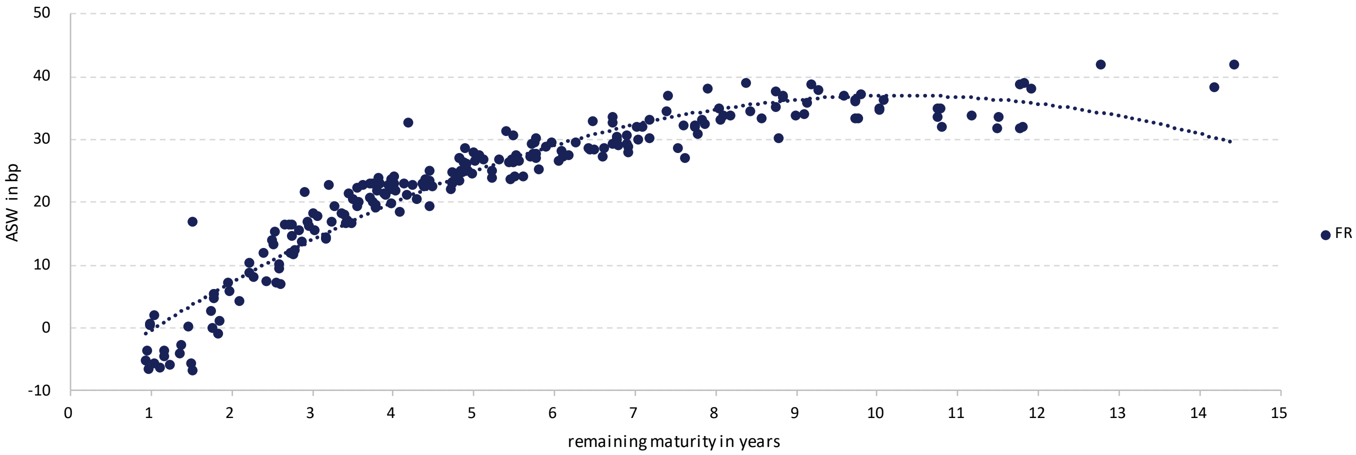
Source: market data, Bloomberg, NORD/LB Floor Research

Spread overview[1]

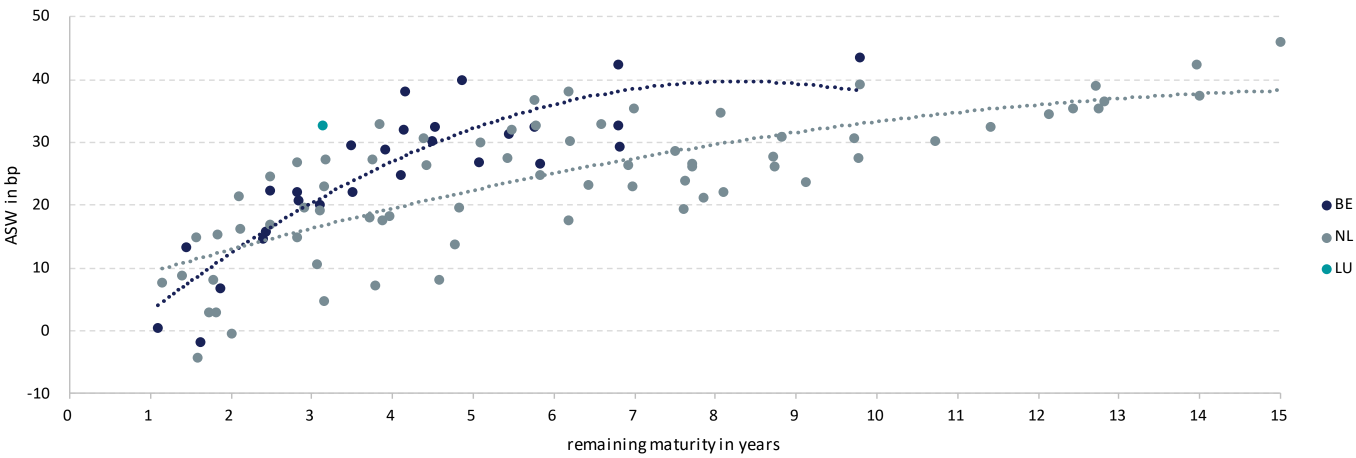
DACH



France

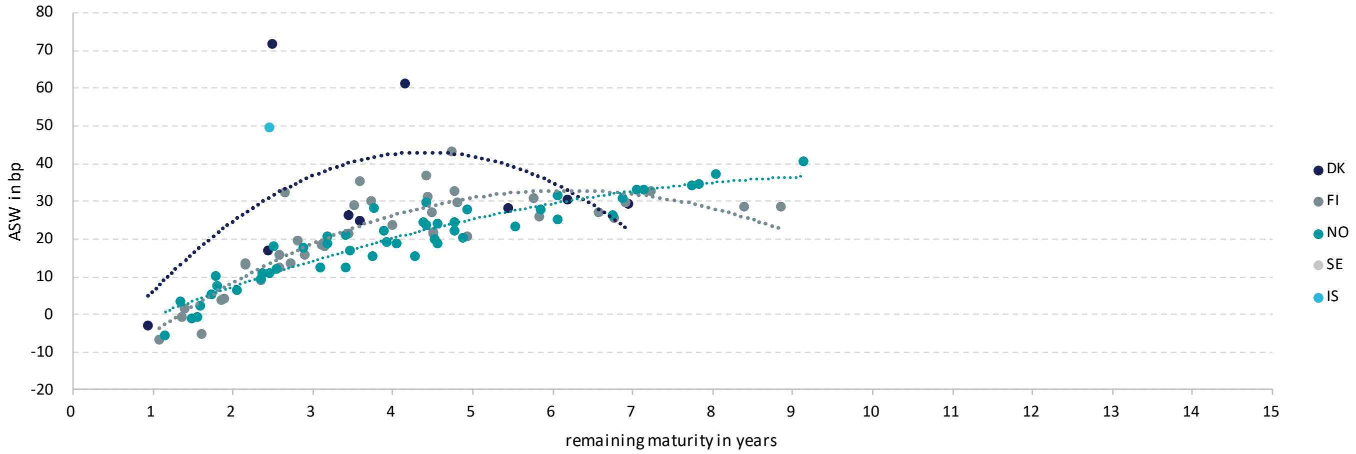


Benelux

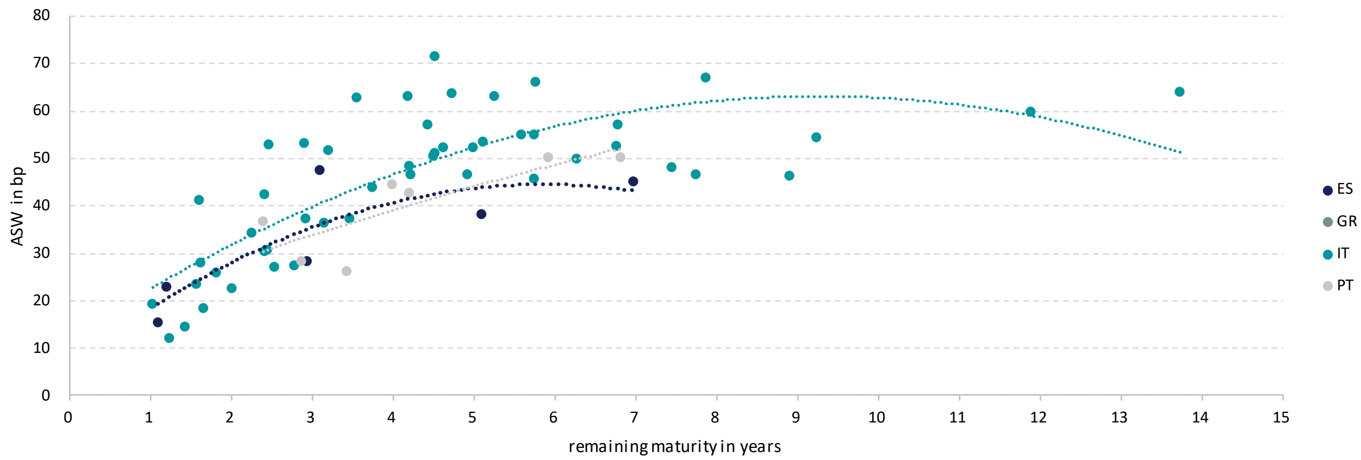


Source: market data, Bloomberg, NORD/LB Floor Research [1]Time to maturity 1 ≤ y ≤ 15

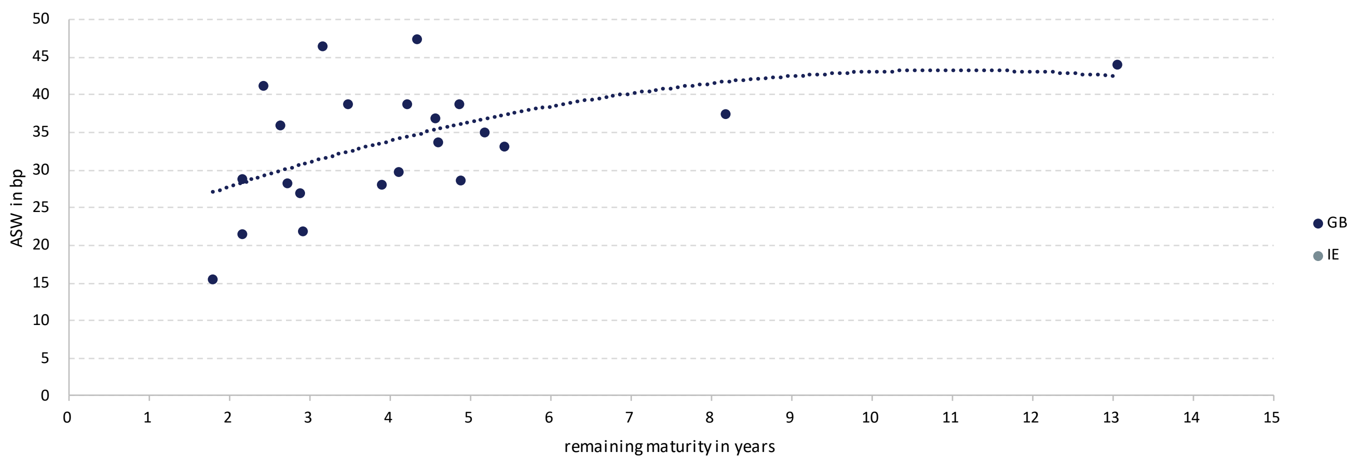
Nordics



Southern Europe

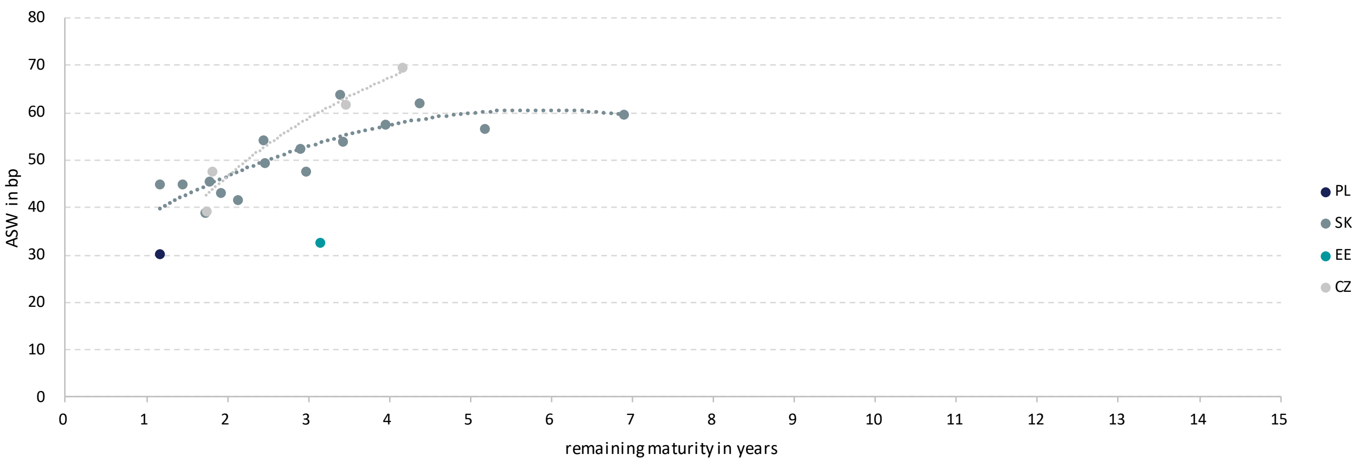


UK/IE

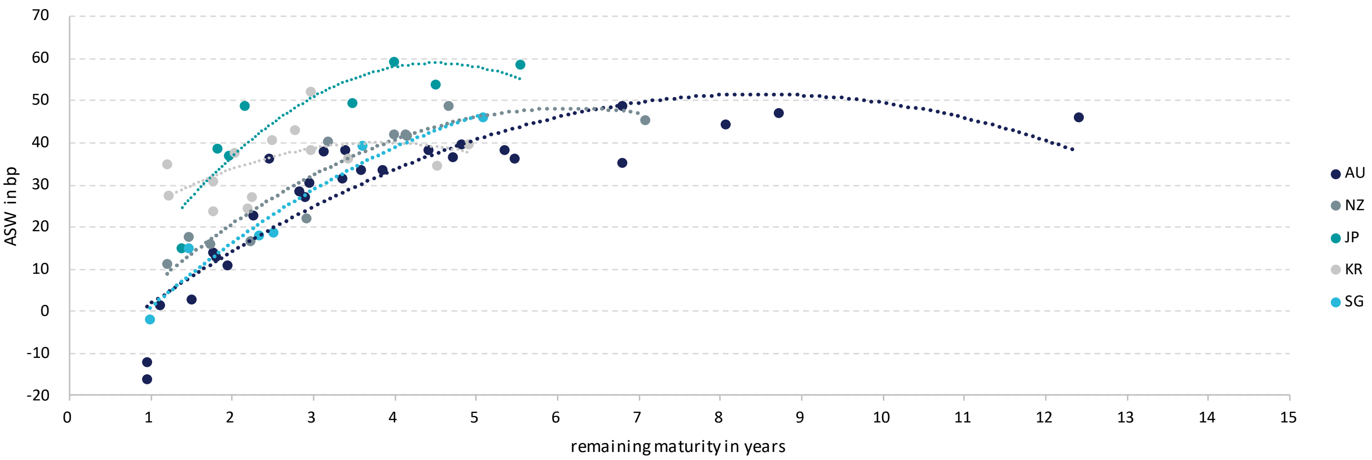


Source: market data, Bloomberg, NORD/LB Floor Research

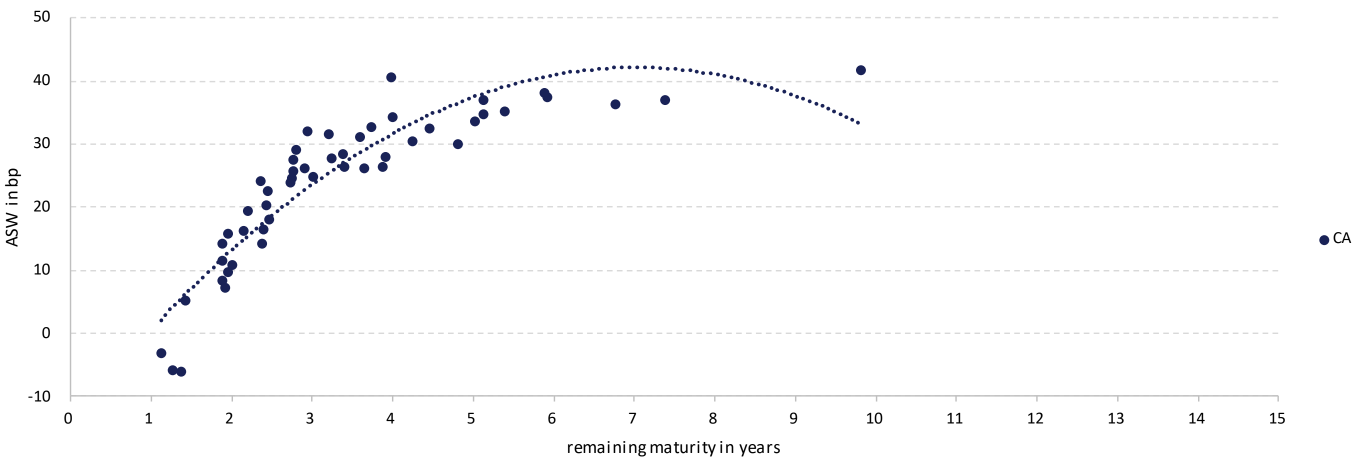
CEE



APAC



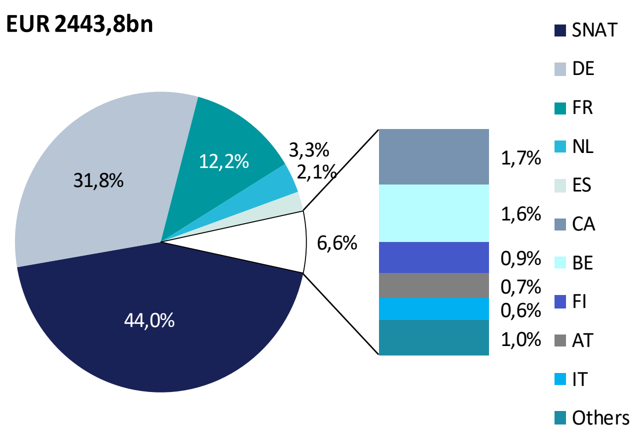
North America



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

Charts & Figures
SSA/Public Issuers

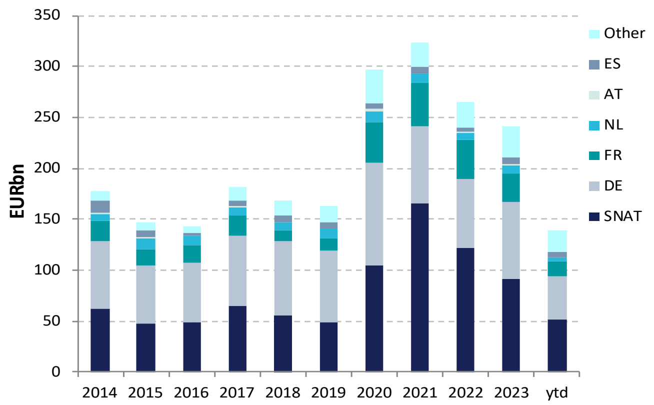
Outstanding volume (bmk)



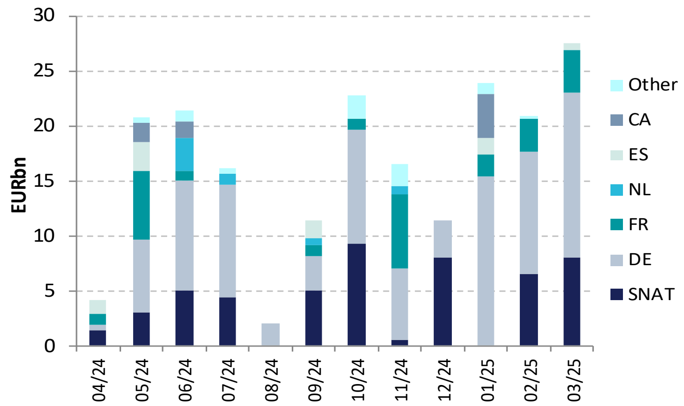
Top 10 countries (bmk)

Country	Vol. (€bn)	No. of bonds	ØVol. (€bn)	Vol. weight. ØMod. Dur.
SNAT	1.075,5	233	4,6	8,1
DE	777,6	580	1,3	6,2
FR	297,4	200	1,5	5,9
NL	79,7	68	1,2	6,5
ES	51,6	70	0,7	4,7
CA	40,3	28	1,4	4,6
BE	40,3	43	0,9	10,6
FI	22,9	24	1,0	4,7
AT	17,8	22	0,8	4,1
IT	15,2	19	0,8	4,3

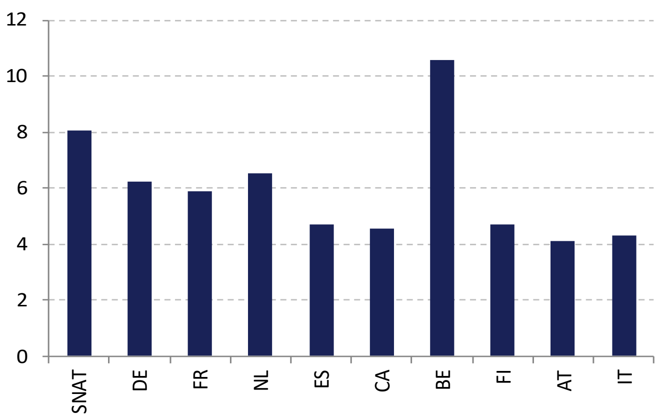
Issue volume by year (bmk)



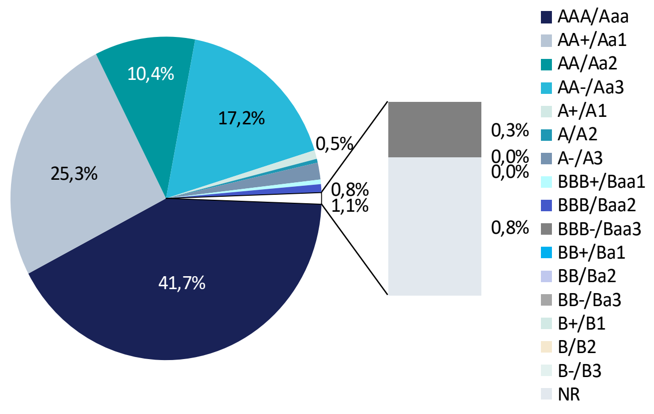
Maturities next 12 months (bmk)



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



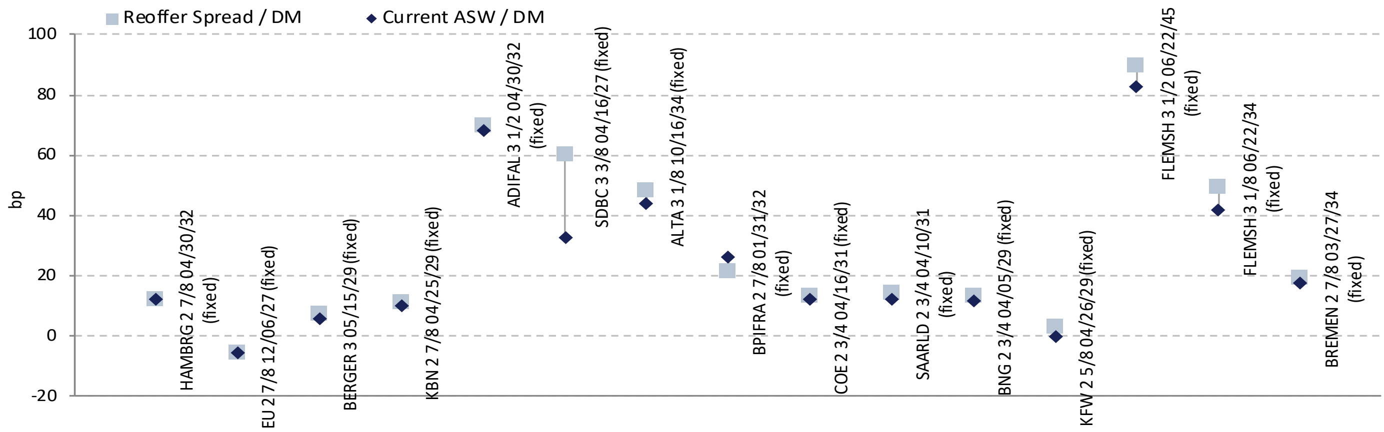
Rating distribution (vol. weighted)



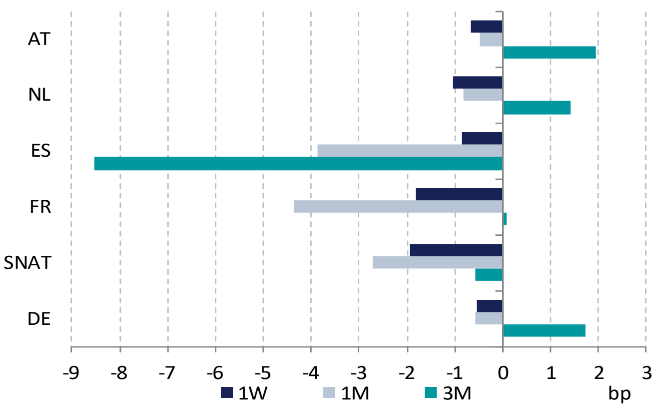
Source: Bloomberg, NORD/LB Floor Research

NORD/LB

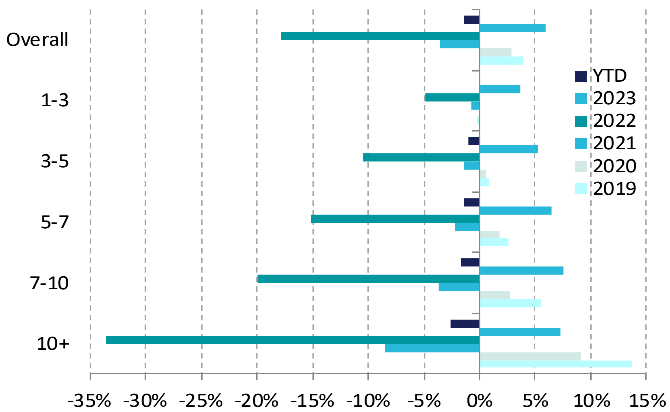
Spread development (last 15 issues)



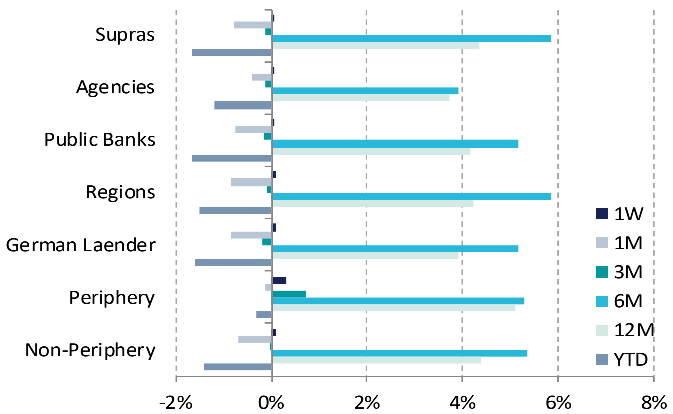
Spread development by country



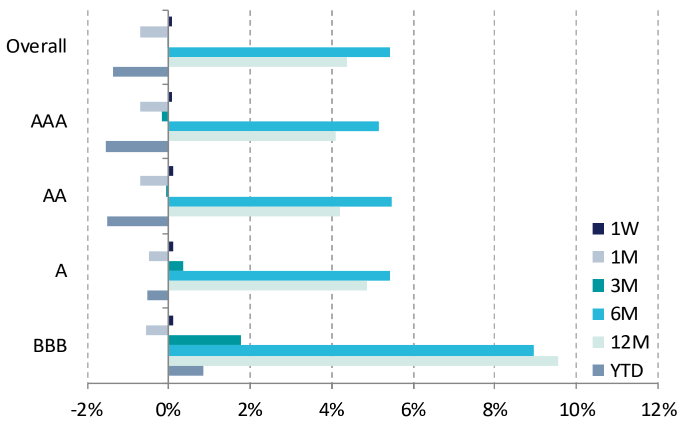
Performance (total return)



Performance (total return) by segments

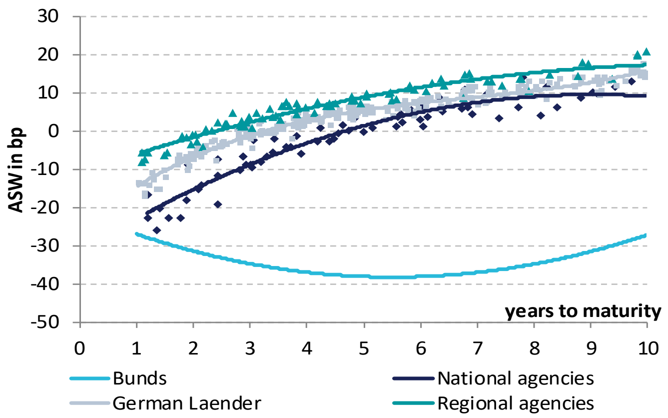


Performance (total return) by rating

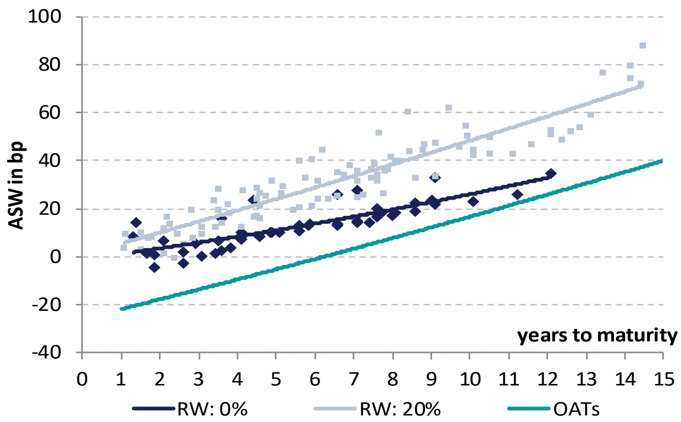


Source: Bloomberg, NORD/LB Floor Research

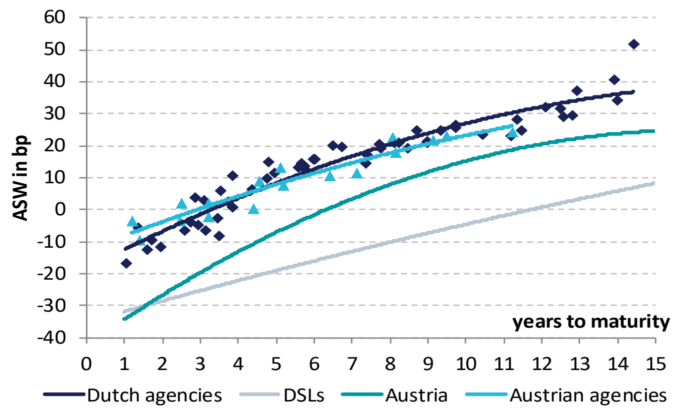
Germany (by segments)



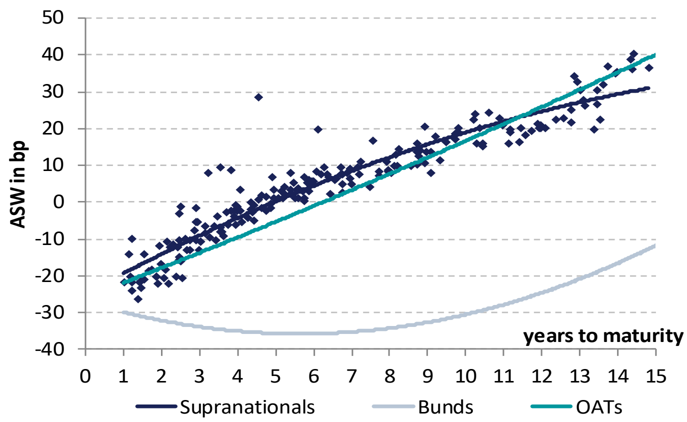
France (by risk weight)



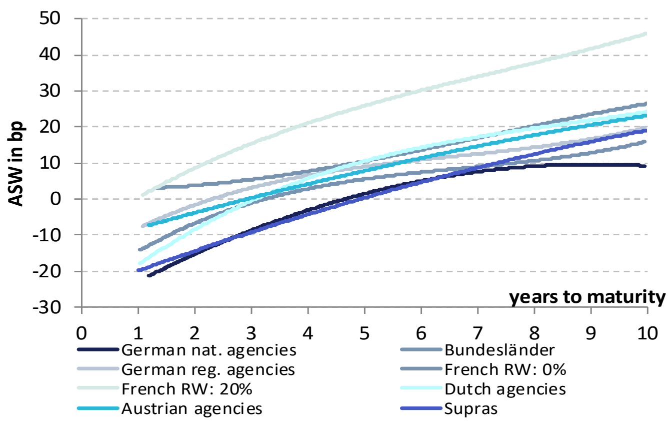
Netherlands & Austria



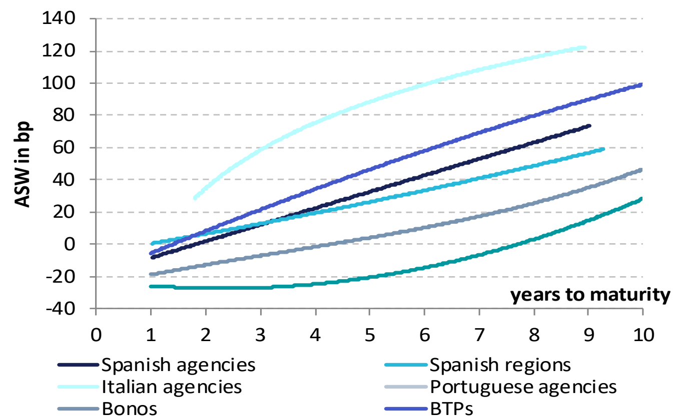
Supranationals



Core



Periphery



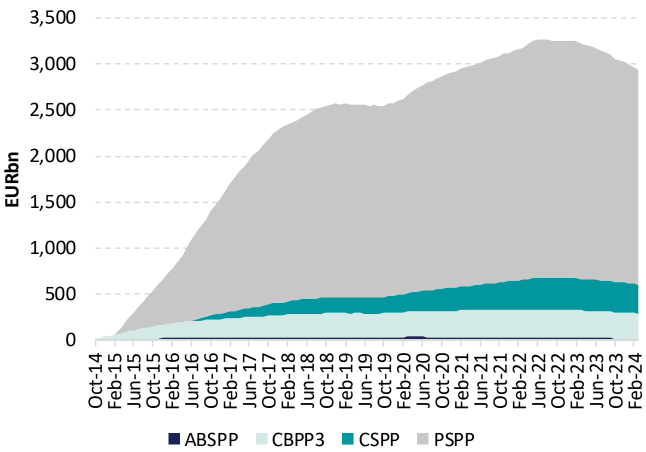
Source: Bloomberg, NORD/LB Floor Research

ECB tracker

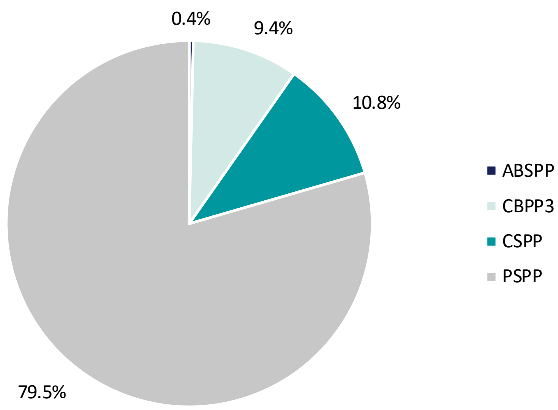
Asset Purchase Programme (APP)

	ABSPP	CBPP3	CSPP	PSPP	APP
Feb-24	12,546	279,061	318,688	2,356,971	2,967,266
Mar-24	10,539	274,499	316,207	2,330,298	2,931,543
Δ	-1,978	-4,434	-2,295	-22,455	-31,162

Portfolio development

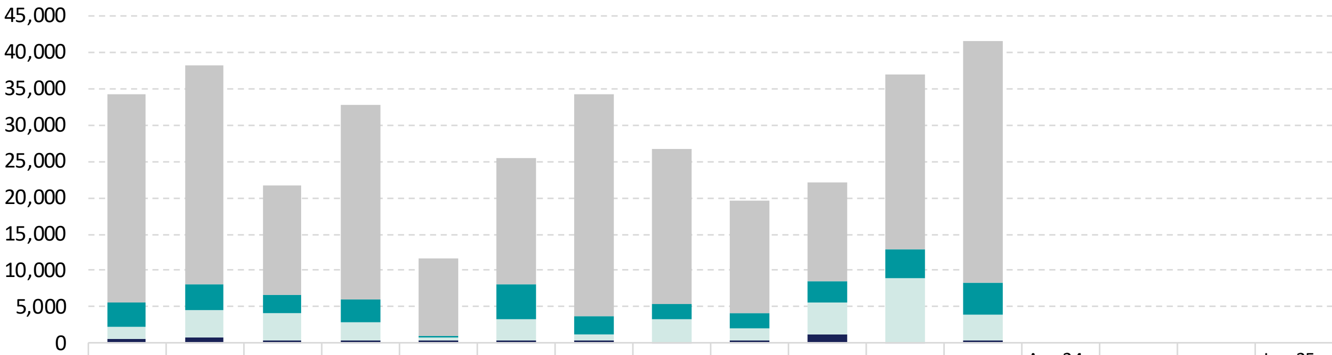


Portfolio structure



Source: ECB, NORD/LB Floor Research

Expected monthly redemptions (in EURm)

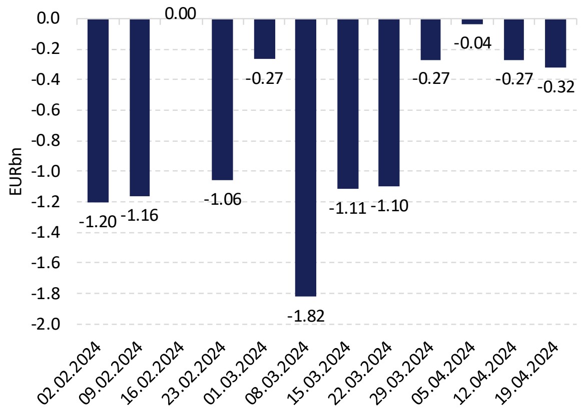


	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-24 - Mar-25	2023	2024	Jan-25 - Mar-25
APP	34,344	38,232	21,640	32,719	11,595	25,488	34,347	26,692	19,621	22,055	36,947	41,601	345,281	331,565	334,123	59,002
PSPP	28,712	30,194	14,974	26,608	10,533	17,407	30,578	21,298	15,548	13,463	24,021	33,313	266,649	255,025	264,161	37,484
CSPP	3,316	3,463	2,462	3,204	244	4,738	2,613	2,031	1,944	2,973	4,076	4,279	35,343	31,251	31,379	7,049
CBPP3	1,814	3,836	3,777	2,558	541	2,993	736	3,136	1,790	4,335	8,635	3,709	37,860	35,147	32,173	12,970
ABSPP	502	739	427	349	277	350	420	227	339	1,284	215	300	5,429	10,142	6,410	1,499

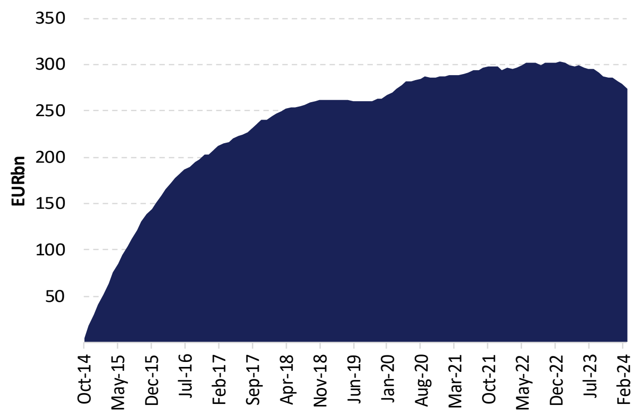
Source: ECB, Bloomberg, NORD/LB Floor Research

Covered Bond Purchase Programme 3 (CBPP3)

Weekly purchases

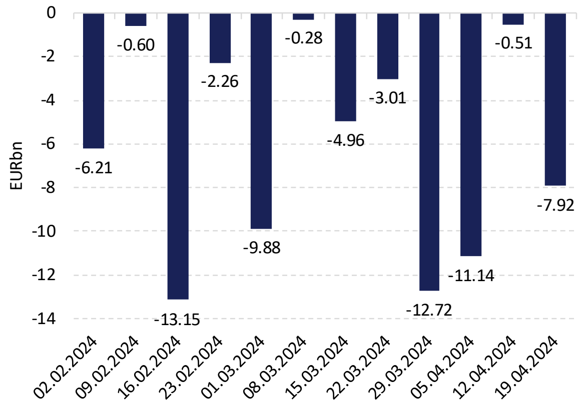


Development of CBPP3 volume

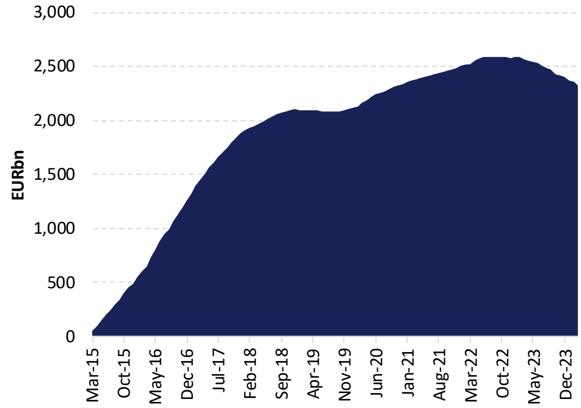


Public Sector Purchase Programme (PSPP)

Weekly purchases



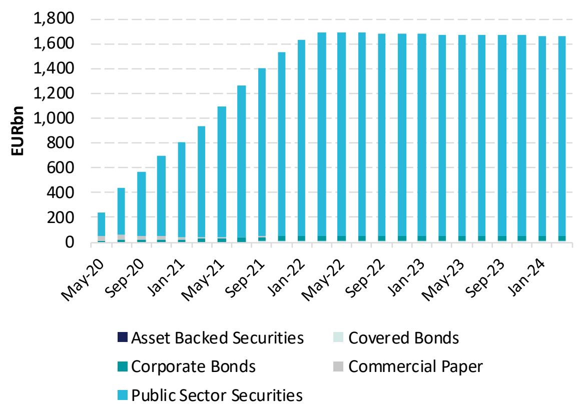
Development of PSPP volume



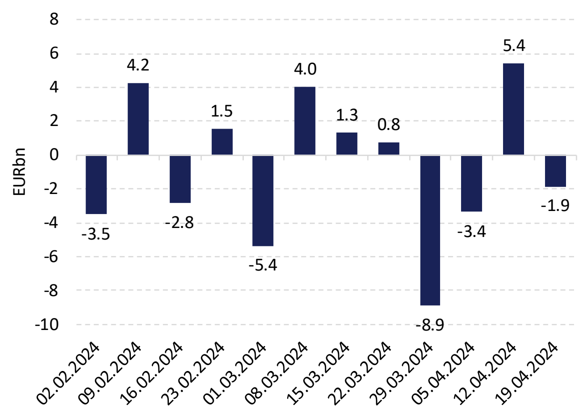
Source: ECB, Bloomberg, NORD/LB Floor Research

Pandemic Emergency Purchase Programme (PEPP)

Portfolio development



Weekly purchases



Source: ECB, Bloomberg, NORD/LB Floor Research

NORD/LB

Appendix
Overview of latest Covered Bond & SSA View editions

Publication	Topics
14/2024 ♦ 17 April	▪ Moody's covered bond universe: An overview ▪ SSA review: EUR-ESG benchmarks in Q1/2024
13/2024 ♦ 10 April	▪ A review of Q1 in the Covered Bond segment ▪ A review of Q1 in the SSA segment
12/2024 ♦ 27 March	▪ Maybank: New covered bond issuer from Singapore ▪ A closer look at Export Development Canada (Ticker: EDC)
11/2024 ♦ 20 March	▪ Covered bond jurisdictions “Down Under” in the spotlight ▪ Collective Action Clauses (CACs) – An (Italian) update
10/2024 ♦ 13 March	▪ Spotlight on Pfandbrief issuers in the savings bank sector ▪ NGEU: Green Bond Dashboard
09/2024 ♦ 06 March	▪ Transparency requirements §28 PfandBG Q4/2023 ▪ Current LCR classification for our SSA coverage
08/2024 ♦ 28 February	▪ New UK player on the EUR covered bond market ▪ Teaser: Issuer Guide – Non-European supras (MDBs) 2024
07/2024 ♦ 21 February	▪ Covered bond jurisdictions in the spotlight: A look at Austria ▪ Hope for hybrids? New SSA sub-asset class for MDBs
06/2024 ♦ 14 February	▪ Development of the German property market (vdp Index) ▪ Update: Joint Laender (Ticker: LANDER)
05/2024 ♦ 07 February	▪ January 2024: Record start to the new covered bond year ▪ SSA January recap: issuance volume at record level
04/2024 ♦ 31 January	▪ The Pfandbrief market at the start of 2024: caution thrown to the wind ▪ Teaser: Issuer Guide – Other European Agencies 2024
03/2024 ♦ 24 January	▪ The “V” in the LTV calculation: Differing approaches persist despite EU Directive ▪ 28th meeting of the Stability Council (December 2023)
02/2024 ♦ 17 January	▪ Pfandbrief market: potential newcomer Evangelische Bank ▪ Review: EUR-ESG benchmarks 2023 in the SSA segment
01/2024 ♦ 10 January	▪ ECB: Annual review of 2023 – no end to high rates? ▪ Covered Bonds: Annual review of 2023 ▪ SSA: Annual review of 2023
37/2023 ♦ 13 December	▪ Our view of the covered bond market heading into 2024 ▪ SSA outlook 2024: ECB, NGEU and the debt brake in Germany
36/2023 ♦ 06 December	▪ The covered bond universe of Moodys: an overview ▪ Teaser: Issuer Guide – Nordic Agencies 2023
35/2023 ♦ 29 November	▪ ESG covered bonds: a look at the supply side ▪ Current risk weight of supranationals & agencies

NORD/LB: Floor Research

NORD/LB: Covered Bond Research

NORD/LB: SSA/Public Issuers Research

Bloomberg: RESP NRDR <GO>

Appendix
Publication overview

Covered Bonds:

Issuer Guide – Covered Bonds 2023

Covered Bond Laws

Covered Bond Directive: Impact on risk weights and LCR levels

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

Transparency requirements §28 PfandBG Q4/2023 (quarterly update)

Transparency requirements §28 PfandBG Q4/2023 Sparkassen (quarterly update)

SSA/Public Issuers:

Issuer Guide – German Laender 2023

Issuer Guide – German Agencies 2023

Issuer Guide – Canadian Provinces & Territories 2024

Issuer Guide – European Supranationals 2023

Issuer Guide – French Agencies 2023

Issuer Guide – Dutch Agencies 2023

Issuer Guide – Non-European Supranationals (MDBs) 2024

Beyond Bundeslaender: Belgium

Beyond Bundeslaender: Greater Paris (IDF/VDP)

Beyond Bundeslaender: Spanish regions

Fixed Income Specials:

ESG-Update 2023

ECB decision: Between interest rate-Scylla and inflation-Charybdis

Appendix
Contacts at NORD/LB

Floor Research

Dr Frederik Kunze
Covered Bonds/Banks

+49 172 354 8977
frederik.kunze@nordlb.de

Lukas Kühne
Covered Bonds/Banks

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

Dr Norman Rudschuck, CIIA
SSA/Public Issuers

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

Christian Ilchmann
SSA/Public Issuers

+49 157 851 64976
christian.ilchmann@nordlb.de

Lukas-Finn Frese
SSA/Public Issuers

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

Sales

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

Trading

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

Origination & Syndicate

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

Sales Wholesale Customers

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

Treasury

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

Relationship Management

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

Disclaimer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Time of going to press: 24 April 2024 (08:49)