6.1 INTRODUCTION AND METHODOLOGY

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The ECBC Statistics and Data Working Group has been collecting statistics on the outstanding volume and annual gross supply of covered bonds since 2003. The aim is to provide a complete and consistent set of numbers that can serve as a reliable source of data for interested parties, ranging from issuers to investors and regulators.

The collection of statistics is a significant undertaking each year, which is only possible thanks to the cooperation of the Working Group members, in close cooperation with covered bond issuers and banking associations. One representative per country (the list of country representatives can be found in the list of author section at the beginning of the Fact Book) undertakes the initial data collection by approaching each issuer separately in most countries. These figures are then cross checked on the basis of publicly available data by a small number of Working Group members. The 2024 numbers were cross checked by Florian Eichert and Lewis Elliott from Crédit Agricole, Karsten Rühlmann from LBBW, Guglielmo Castiglioni, Charlie Harvey, Etienne Maille and Anastasia Ivanciuc from ABN AMRO, as well as myself. A special thanks also goes to the ECBC team (Eva Dervaux in particular) for all their support during the exercise.

GENERAL REMARKS ON THE 2024 STATISTICS

The aim of the ECBC statistics is to provide the most reliable data on the size and issuance of covered bonds globally. As such, it paints as realistic a picture of developments and trends in the covered bond market. In 2016, a breakdown by maturity structures was added to the statistics, while in 2019, we started to collect statistics on sustainable covered bonds. Sustainable covered bonds include a formal commitment by the issuer to use the bonds' proceeds to (re)finance loans in clearly defined environmental, social, governance (ESG) or a combination of these (sustainable) or similar criteria. The data is based on self-certification by issuers.

As always, we continue to try to improve the quality of the data even for previous years. It is always possible that we miss a bond or still include a bond that has been repaid early (just think of retained covered bonds). Wherever we realize that there was a mistake in last year's data we amend the numbers. As a result of this, there could be some slight differences between this year's numbers and those published in previous years.

Before going into the actual statistics, please find below some general remarks about the figures, which should help to interpret them correctly:

> Covered bonds are divided into those denominated in euro, those in domestic currency (if not the euro), and those in a currency other than the euro and the domestic currency. The tables are all in euro, with the end-of-year exchange rates published by the European Central Bank used to convert all non-euro denominated figures into euro for the respective year. This adds an exchange rate component to the volumes of non-euro covered bond markets. However, the aim is to show volumes that allow a potential investor to get a feel for the relative size of the various countries rather than the funding volumes obtained by issuers, which typically are swapped back into their domestic currency at issuance.

> Another breakdown is the public placement of covered bonds, which splits the bonds by their size (EUR1bn and above, EUR500m - below 1bn, below EUR 500m). This is to provide a feeling for how large liquid benchmark markets are relative to the overall market size. For non-euro issuance we have introduced waivers, as for example USD500m is a benchmark size in USD markets but when converting it to EUR would fall into the EUR<500m bucket. The amounts relevant for the three buckets are as follows:

AUD: AUD1bn, AUD500m, AUD<500m
USD: USD1bn, USD500m, USD<500m
GBP: GBP500m, GBP250m, GBP<250m

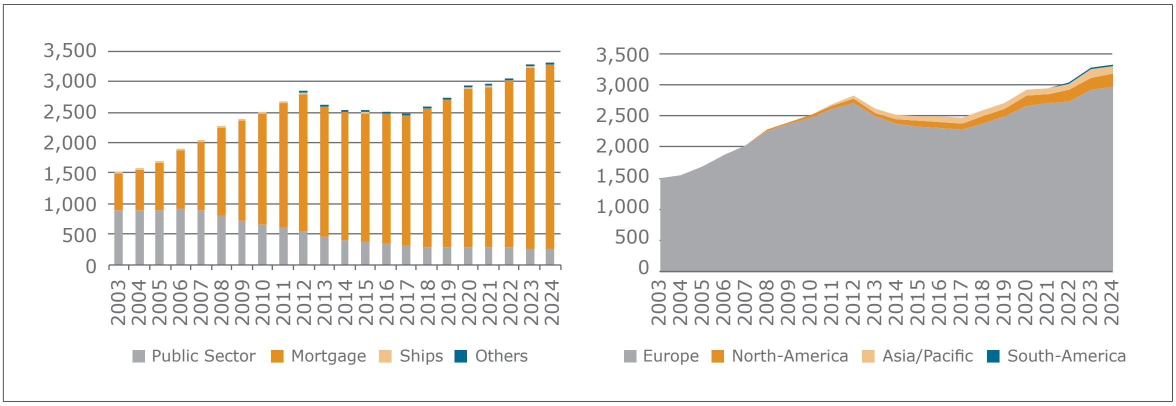
> For the purpose of counting the number of issuers and of new issuers the following applies: 1) Issuers are entities with at least one outstanding covered bond at year-end. 2) Issuers with multiple programmes still only count as one. The only exception to this rule is French covered bonds. In case of France, the actual issuer is a specialised bank rather than the mother company. As a result, one mother company with two covered bond programmes also counts as two issuers as the issuance actually comes from two separate legal entities. 3) New issuers are entities with at least one outstanding covered bond at year-end, but with no outstanding covered bond at the prior year-end.

FACT BOOK VERSUS LABEL STATISTICS

We also like to highlight the relation between the Fact Book statistics and those published by the ECBC Covered Bond Label. The Label has become a widely used tool with 130 issuers disclosing information on 170 cover pools across 24 countries by mid August 2025 and covers roughly EUR 2.1tn of covered bonds, i.e. around 70% of the total outstanding market. When comparing the Covered Bonds listed in the Label statistics to those presented in the Fact Book there might be some discrepancies, especially regarding public-private classification in Denmark and Sweden.

The reason for these discrepancies is the different market structure those two countries have where bonds are frequently tapped, repurchased and then tapped again. The Label as well, as the ECBC statistics definitions requires a bond to be listed and syndicated to be classified as public. Although Danish and Swedish covered bonds are listed, the way they are issued does not comply with the syndication requirement. In the ECBC statistics presented below, we try to capture the "liquid" part of the market with our classifications and in justified cases can be more flexible than the Covered Bond Label database. We have therefore tried to eliminate the differences between both data sets wherever possible. But we have granted Denmark and Sweden an exception and consider bonds that for the ECBC label database are classified as private as public as long as we are talking about liquid benchmarks by these two countries' standards.

> FIGURES 1-2: TOTAL OUTSTANDING COVERED BONDS PER TYPE (LEFT) AS WELL AS REGION (RIGHT), EUR BN



Source: ECBC, ABN AMRO

OUTSTANDING AMOUNT OF COVERED BONDS INCREASED FOR SEVENTH CONSECUTIVE YEAR

The outstanding amount of covered bonds reached another record in 2024, reflecting the large volume of new supply more than compensating for covered bonds that matured in 2024. The volume of outstanding covered bonds increased by EUR 53bn, reaching EUR 3.31trn by the end of 2024 (compared to EUR 3.26trn at the end of 2023). This marked the seventh consecutive year of growth, although the growth rate slowed to 1.6%, down from 7.6% in 2023, which had been the fastest growth rate since 2008. Moreover, it was the third year in a row that the outstanding amount of covered bonds rose further above the EUR 3trn mark. A breakdown by covered bond type showed that the increase in 2024 was largely due to a rise in outstanding amounts of mortgage covered bonds, as outstanding volumes of public sector and ship covered bonds declined slightly in 2024.

Indeed, the nominal amount of mortgage covered bonds rose by EUR 56bn to EUR 3trn (+1.9%), which was the first time since the start of the series that the amount breached the EUR 3trn mark. In contrast, the volume of outstanding public sector covered bonds dropped by EUR 4bn to EUR 254bn (-1.6%), while that of ship covered bonds dropped by EUR 0.7bn to EUR 7bn. Finally, the outstanding amount of the 'other' category, which largely includes export finance covered bonds in Spain, increased by EUR 1.6bn to EUR 12bn. At the end of 2024, the share of mortgage covered bonds in the total amount of outstanding covered bonds was 91.8%, only slightly higher than the share in 2023, but up from 90% in 2020 and even 83% ten years ago. The latter reflects the ever increasing importance of covered bonds as a financing instrument for housing. Meanwhile, the share of public sector covered bonds slowed down to 7.7%, while the share of covered bonds backed by ships/other assets remained at around 0.6%. Finally, the share of sustainable covered bonds continued to rise to almost 4%, up from 3.3% last year and 1.8% in 2021.

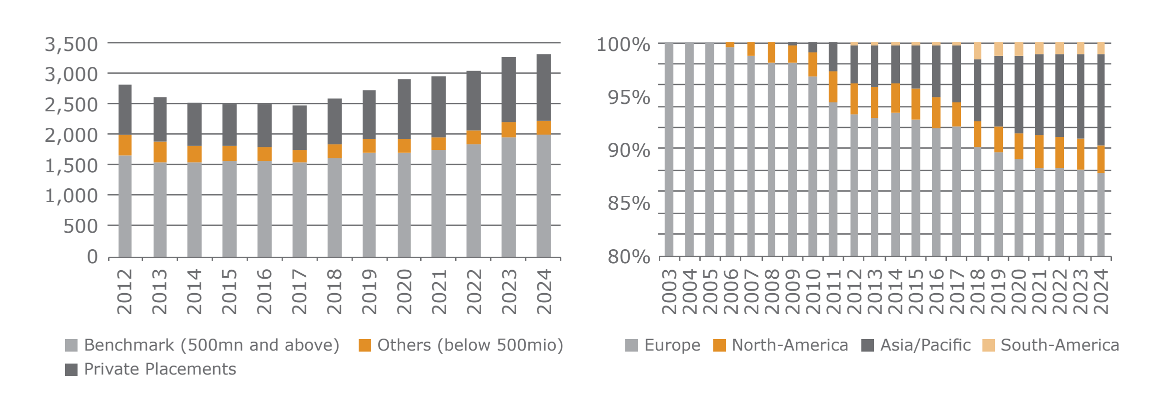
INCREASE IN PUBLICLY PLACED COVERED BOND POSITIVE SIGN FOR LIQUIDITY

The breakdown between privately placed covered bonds (which includes retained covered bonds) and publicly placed covered bonds showed that the volume of outstanding covered bonds with a benchmark size (i.e., publicly sold to investors and having a minimum size of EUR 500mn) increased by EUR 55bn to EUR 2trn, with the largest increase in covered bonds with a size between EUR 500mn and EUR 1bn (+ 41bn). Meanwhile, the volume of covered bonds with a sub-benchmark size declined by EUR 22bn to EUR 229bn, while privately placed covered bonds increased by EUR 19bn to EUR 1.1trn. These covered bonds are mainly used by banks as collateral in liquidity operations with central banks. The increase in publicly placed benchmark covered bonds is a positive sign for liquidity in the covered bond market, particularly since these bonds have been predominantly acquired by end-investors rather than the Eurosystem, which concluded its purchase program in 2023. Still, covered bonds also continue to play a key role in banks' liquidity management.

COVERED BONDS CONTINUED BROADENING GLOBAL FOOTPRINT

Another observation (see also below) is that covered bonds continued to broaden their global footprint, as the share of outstanding covered bonds outside Europe increased further in 2024. Their share rose to almost 11%, up from 6% ten years ago. This underlines the growing importance of covered bonds as bank funding tool, not only in Europe but across the globe. At the end of 2024, 333 covered bond issuers were active around the globe, of which 82 also issue sustainable covered bonds. The number of issuers dropped slightly last year, which is the balance between issuers leaving the market (mainly due to mergers and take-overs) and new issuers joining the market. Last year, four new issuers entered the covered bond market, while the number of sustainable covered bond issuers increased by eight. Meanwhile, the total number of countries with outstanding covered bonds stood at 31 at the end of 2024, slightly lower than in previous years, but more than double the number of 20 years ago. The regional breakdown shows that the majority (87.7%) of all issuers are located in Europe, but that this share is gradually declining. Indeed, the share of issuers from Asia/Pacific rose to 8.4% last year, while that of North America remained at around 3% in 2023, with those from South America remaining at 1.2%. Finally, there were 436 covered bond programmes at the end of the year, as some issuers have public sector as well as mortgage covered bond programmes while some are using multiple mortgage backed ones.

> Figures 3-4: Breakdown between public and privately placed covered bonds (left) and Share of covered bond issuers by region (right)



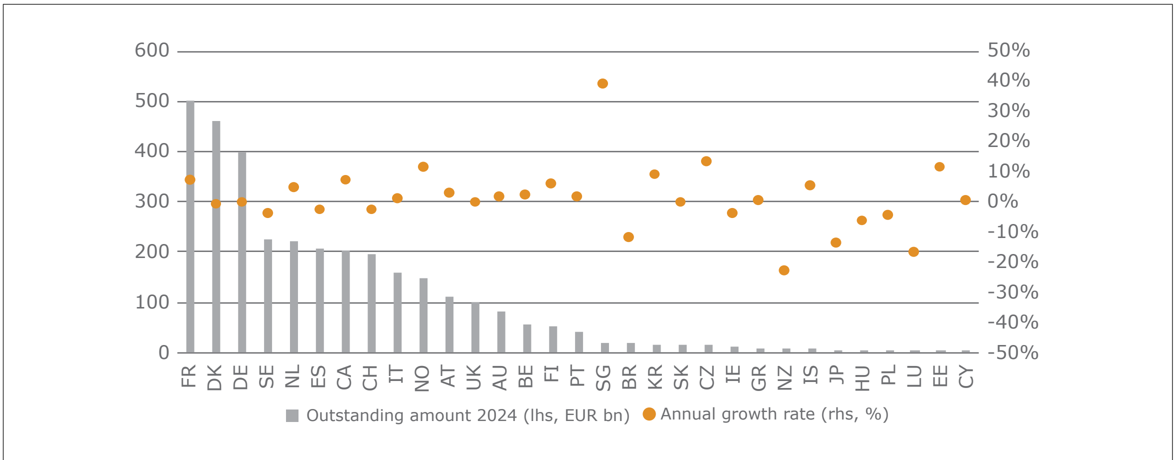
Source: ECBC, ABN AMRO

FRANCE KEEPS THE LEAD

Last year, France took over the league tables from Denmark and at the end of 2024, it continued to lead as country with the largest volume of outstanding covered bonds. The EUR 502bn of outstanding covered bonds, a solid 7% increase compared to 2023, was also the highest volume outstanding it ever had. It is followed by Denmark at the second place (EUR 460bn) and Germany completes the top three (EUR 399bn). After the three largest covered bond jurisdictions, Sweden comes at fourth place with EUR 225bn outstanding at the end of 2024. The high rankings for Denmark and Sweden reflects their large domestic covered bond markets.

Within the top ten, the Netherlands moved up one spot to rank 5, swapping places with Spain. Once one of the largest covered bond markets, Spain has experienced a decline of over 50% since 2012. Meanwhile, Canada (nr. 7) swapped places with Switzerland. Interesting to note is that the rankings from positions 9 to 16 remained unchanged last year. Singapore, however, made a significant leap, securing 17th place and marking the largest upward movement in the rankings.

> Figure 5: Total amount of outstanding covered bonds by country and annual change

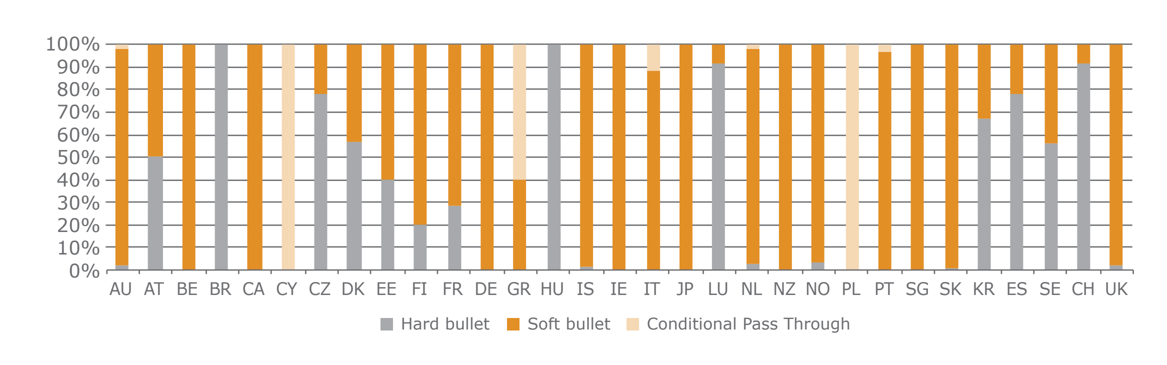


Source: ECBC, ABN AMRO

SOFT BULLET SHARE RISES TO 75%

One of the biggest changes in the statistics in the past few years was the increasing dominance of soft bullet covered bonds, a trend that was further supported by the implementation of the Covered Bond Directive, which has resulted in more and more countries allowing (and issuers using) the structure. In terms of amounts outstanding, soft bullet covered bonds recorded an increase by EUR 130bn in 2024, while hard bullet covered bonds and conditional pass-through covered bonds posted declines of EUR 71bn and EUR 7bn, respectively. Consequently, the share of soft bullets rose to 75% of all outstanding covered bonds (up from 71% in 2023). The share of hard bullet covered bonds dropped to 33% (was 36% in 2023 and even 54% in 2020) and that of conditional pass-through covered bonds to 1.2% (which is half the share in 2020, largely reflecting issuers shifting to soft bullet covered bonds). The graph below shows that in four countries, hard bullet structures are still at least 90% of the outstanding amount of covered bonds, while this is in 14 countries the case for soft bullet covered bonds. As in many countries, maturing hard bullet covered bonds are being replaced with soft bullet covered bonds, its share is likely to rise further in the coming years.

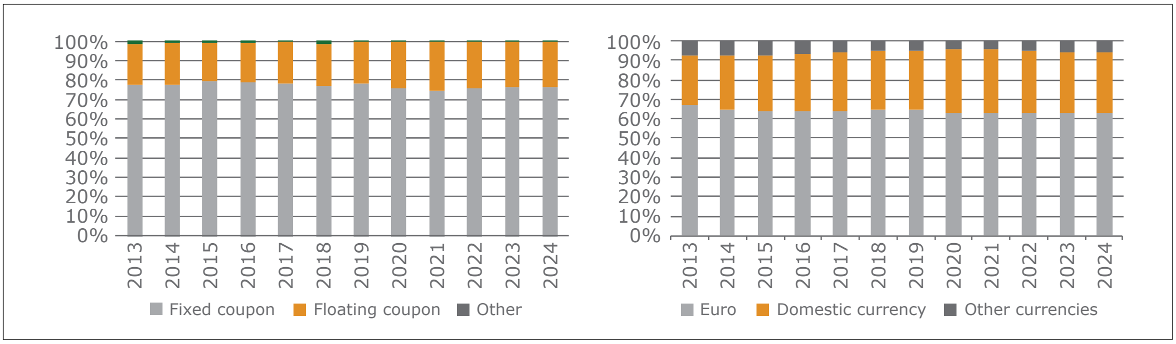
> FIGURE 6: OUTSTANDING COVERED BONDS BY MATURITY AND COUNTRY (%)



Source: ECBC, ABN AMRO

The breakdown of outstanding covered bonds by coupon type as well as by currency type remained fairly stable in 2024, although the euro gained market share at the expense of the volume of outstanding covered bond in domestic currencies. Overall, euro denominated covered bonds account 63% in the total, followed by domestic currencies (31%), which leaves 6% for outstanding covered bonds denominated in other currencies (so not in euro or in an issuer's domestic currency if not the euro). The latter category rose strongly in previous years but seems now stabilising. Still, it means that issuers use covered bonds to fund themselves in currencies other than euro's nor their domestic currency, implying that the covered bond market has increasingly become a more global market. Meanwhile, fixed rate covered bonds remain dominant (having a share of 76% in the total amount outstanding), which is largely related to the fact that most covered bonds are publicly placed (mostly paying a fixed coupon).

> Figures 7-8: Outstanding covered bonds by coupon type (left) and currency (right), EUR bn



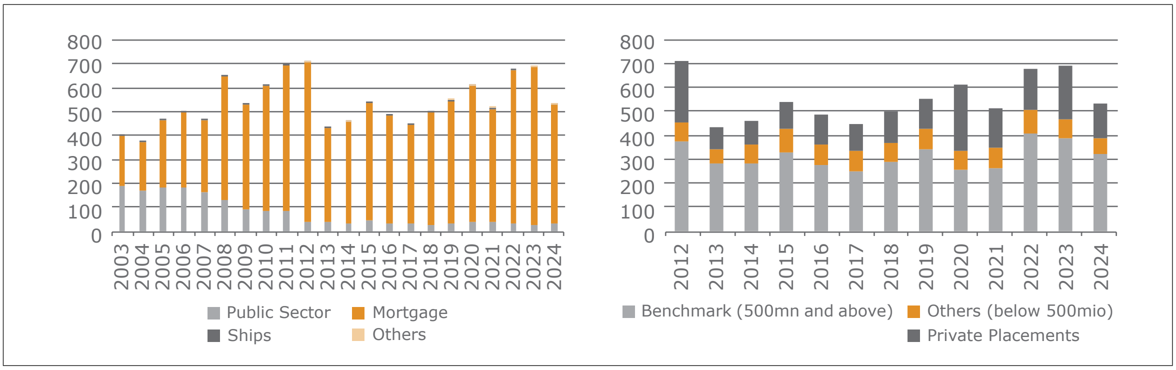
Source: ECBC, ABN AMRO

ISSUANCE STILL ROBUST DESPITE SLOW DOWN

New issuance of covered bonds slowed down in 2024, following two years of very large volumes of new supply. Although issuance dropped by EUR 156bn, it still amounted to EUR 533bn in 2024, which remained relatively large, following a jump in new issuance in 2022. The decline in the volume of new issuance was probably related to the fact that most banks repaid already large amounts of loans that they borrowed at central banks during the pandemic. Furthermore, additional funding needs were likely relatively subdued given only modest growth in mortgage lending, if any, in most covered bond jurisdictions. Still, new supply was more than sufficient to compensate for maturing covered bonds, as the market continued to grow in 2024. Conditions in the covered bond market also remained relatively good last year, despite ongoing geopolitical tensions and pressure stemming from some government bond markets.

A breakdown by types of covered bonds shows that issuance of mortgage covered bonds dropped the most compared to 2023. The EUR 497bn of new issuance in 2024 was EUR 158bn lower than issuance in the prior year, while issuance of public sector covered bonds actually rose slightly, by EUR 3bn to EUR 32bn. Despite this, the share of mortgage covered bonds was still 93% of total issuance, while that of public sector covered bonds was 5%. The share of ship covered bonds and ‘other’ covered bonds stood at almost 1%.

> Figures 9-10: New issuance of covered bonds by type (left) and size (right), EUR bn



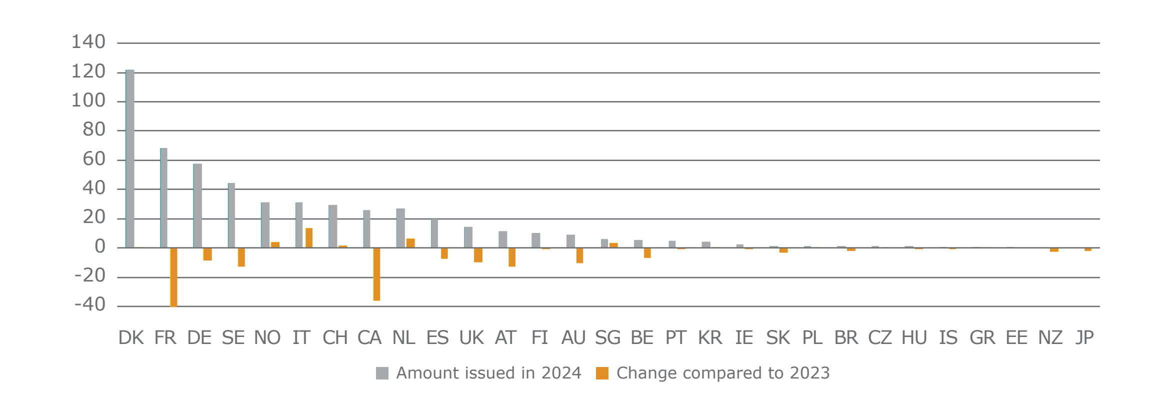
Source: ECBC, ABN AMRO

A breakdown of issuance by public and private placements showed that the large majority of covered bonds is placed with investors in benchmark size. Issuance of publicly placed covered bonds with a minimum size of EUR 500mn was EUR 322bn in 2024, followed by EUR 140bn of privately placed covered bonds. The latter was almost

EUR 80bn below the figure in 2023, which is mainly related to a large amount of retained covered bond issuance in 2023 by a French bank, which was much less active in the retained market in 2024.

A breakdown by country shows that Danish banks led covered bond issuance in 2024, contributing EUR 122 billion in new supply, which represented 22% of the total. It took over again from France, which ranked second with EUR 68 billion, followed closely by Germany at EUR 57 billion. Combined, these three countries accounted for approximately half of the total issuance, highlighting their dominant role in the covered bond market. The Netherlands (EUR 27bn) and Italy(EUR 31bn) (re)entered the top ten, with the latter even climbing seven places. In contrast, Canada dropped some 5 places, as it issued EUR 36bn less in 2024 than in 2023 when Canadian banks were very active in the covered bond market.

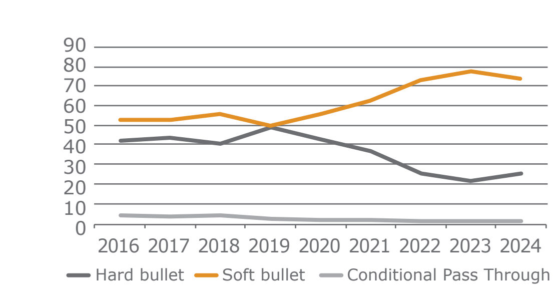
> Figure 11: Covered bond new issuance by country as well as change versus 2023 EUR bn

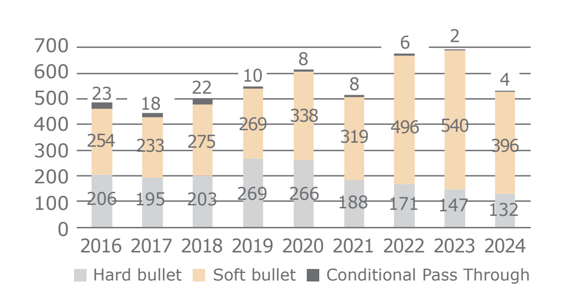


Source: ECBC, ABN AMRO

New issuance data also confirm the dominance of soft bullet covered bond issuance. They had a share of 74% in total new issuance, which was slightly below the 78% share in 2023 but still well above the 55% in 2020. Meanwhile, the share of hard bullet covered bonds and conditional pass-through covered bonds in total issuance rose slightly in 2024, reaching 25% and 0.8%, respectively. However, given that their share is well below that of soft bullet covered bonds, the dominance of the soft bullet structure is set to continue to increase. Nevertheless, issuance of hard bullet covered bonds in particular will also remain solid given that some large covered bond issuers stick to the structure. Finally, CPT covered bonds are likely to remain , given that issuance has dropped below 1% for some years now.

> Figures 12-13: Share of covered bonds issuance by maturity type (left, % in total; right, EUR bn)

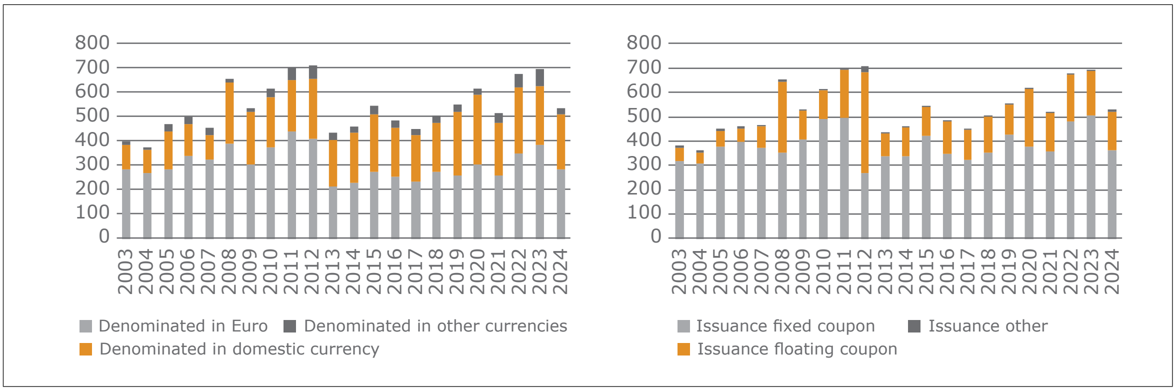




Source: ECBC, ABN AMRO

Unsurprisingly, the majority of new issuance in denominated in euro's (54%), followed by the domestic currency (42%) and other currencies not being euro's or the domestic currency (5%). In terms of annual growth, issuance in euro's dropped by 26%, while issuance in domestic currency declined by 7%. Finally, issuance in currencies not being the euro nor the domestic currency dropped by 61%, which mainly reflects the relatively low nominal figures, as its share in total outstanding amount remained roughly stable. Meanwhile, the share of issuance of floating rate covered bonds rose slightly to 29% in 2024, up from 27% in 2023. Still, most covered bonds are issued with a fixed coupon payment, having a 68% share in 2024, which was down from 73% in 2023.

> FIGURES 14-15: ISSUANCE OF COVERED BONDS BY CURRENCY (LEFT) AND COUPON TYPE (RIGHT), EUR BN



Source: ECBC, ABN AMRO

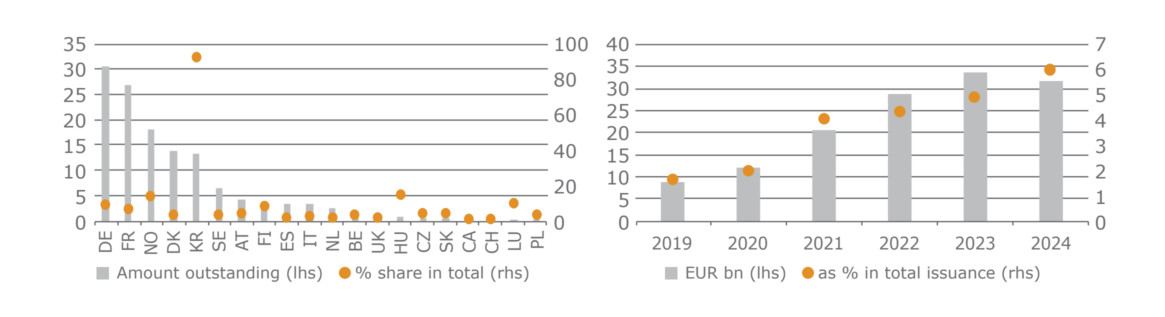
SUSTAINABLE COVERED BONDS INCREASED THEIR FOOTPRINT

The market for sustainable covered bonds, i.e. covered bonds that have a green or social angle, has been steadily growing since the first sustainable covered bond was issued in 2014. As a result of their increasing relevance and the role that they can play in financing part of the energy transition, we decided to start collecting data about sustainable covered bonds in 2019. The volume of outstanding sustainable covered bonds was at the end of 2024 almost seven times larger than in 2019. Indeed, the total amount of sustainable covered bonds increased by EUR 23bn to EUR 131bn in 2024. This translates into an annual growth rate of 22%, which is below the growth rates in previous years, which to a large part is due to an ongoing rise in the denominator. Still, the share of sustainable covered bond in the total volume of outstanding covered bonds is now almost 4%, double that in 2021. Although still relatively small, the market is growing solidly.

In 2024, more issuers started to issue sustainable covered bonds, as the number of new sustainable issuers grew by eight to 82. Overall, issuers from 20 countries were active in the sustainable covered bond market by the end of 2024. In terms of amounts outstanding, Germany, France, and Norway remained the countries with the largest volumes of sustainable covered bonds, while Korea had the highest share of sustainable covered bonds versus the total market size.

Issuance of sustainable covered bonds remained roughly stable in 2024, which can be seen as positive given that total issuance declined. EUR 32bn of sustainable covered bonds were issued in 2024 compared to EUR 34bn in 2023 and EUR 9bn in 2019. The share of sustainable covered bond in total issuance grew to 5.9% last year, up from 4.9% in 2023 and 1.6% in 2019. The trend seems promising and looking forward, we expect this market to continue to grow, as financial markets will likely play an increasingly important role in financing the energy transition.

> FIGURES 16-17: BREAKDOWN OF SUSTAINABLE COVERED BONDS OUTSTANDING (LEFT) AND NEW ISSUANCE (RIGHT) (EUR BN AND % MARKET SHARE)



Source: ECBC, ABN AMRO

DEVELOPMENTS IN 2025: ISSUANCE HELD UP WELL SO FAR

Activity in the covered bond market picked up during Q2 of 2025, following a slow start to the year in terms of new issuance. But favourable new issue conditions and uncertainty about whether this will remain the case supported issuers to come to the market. In the first half of 2025, the covered bond market continued to grew wit issuance exceeding redemptions. However, it remains to be seen what the second half will bring in terms of net supply, although it seems fair to assume that the market will continue to grow modestly. This could result in another record in next year's exercise although it will become increasingly challenging to beat the numbers every year. But more importantly, developments in the covered bond market continue to underline the importance of covered bonds as bank funding tool across the globe.