

# Chances of central and eastern European issuers of covered bonds in the international capital markets

**Ted Packmohr**

ted.packmohr@drkw.com

+49 (0)69 7131 5086

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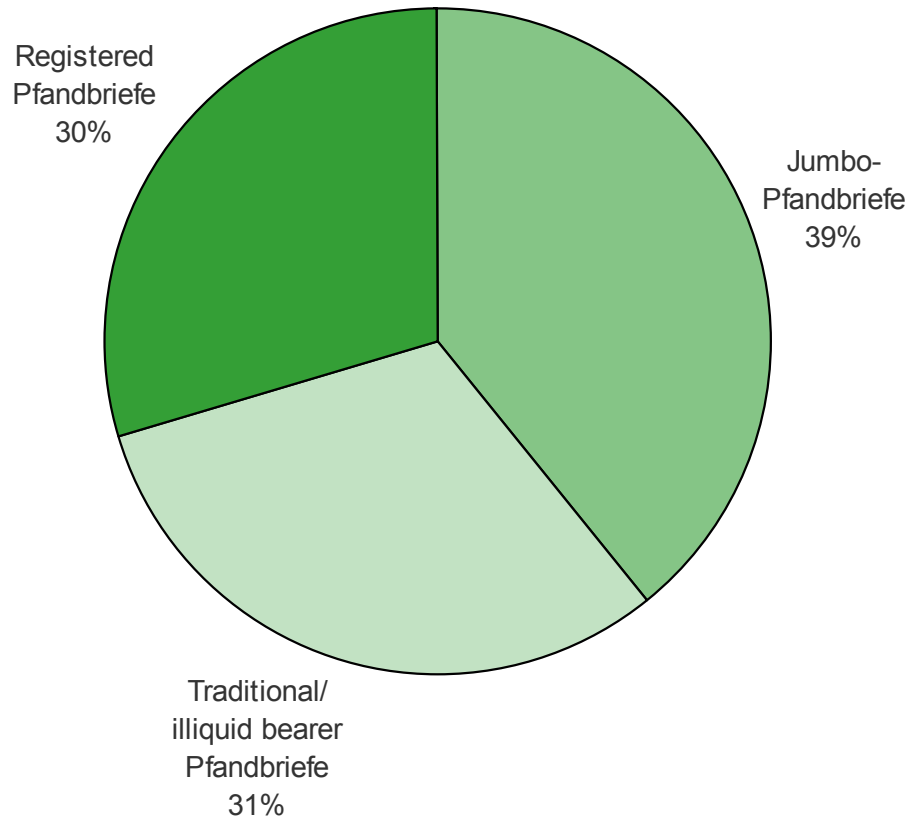
Dresdner Kleinwort Wasserstein Research GmbH, Theodor-Heuss-Allee 44-46,  
60486 Frankfurt am Main, Telephone: +49 69/713-0, Fax: +49 69/713-19815.  
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# The importance of a domestic foothold: The German example

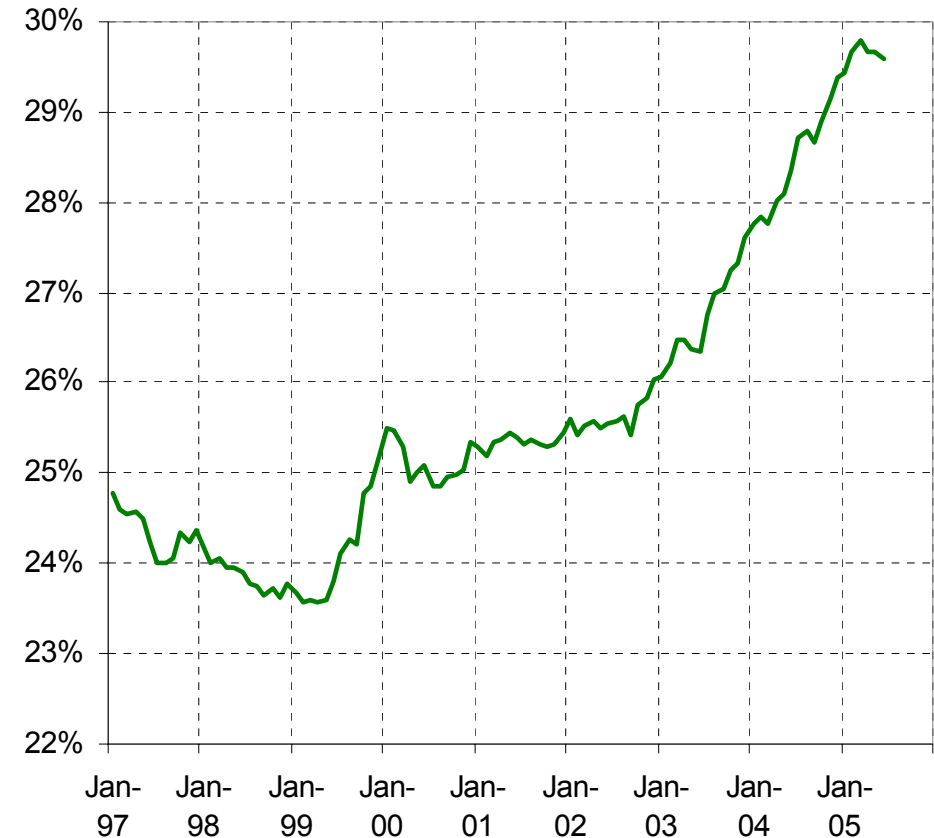
## Product mix

**Total Pfandbrief volume outstanding by product**



## A successful domestic market

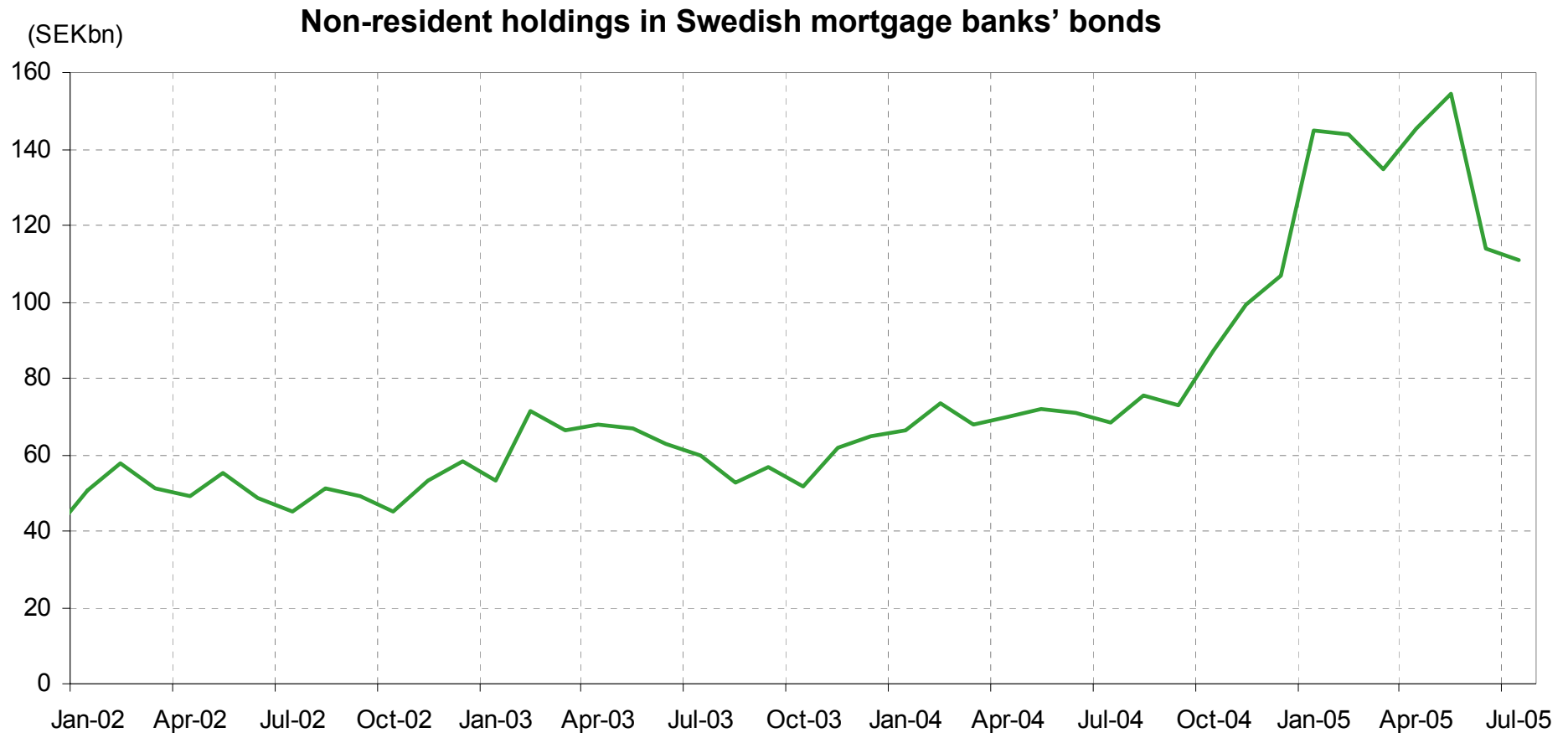
**Share of registered Pfandbriefe in total Pfandbrief volume outstanding**



Source: DrKW Debt Research, Deutsche Bundesbank

# Sweden going international

## Introduction of new law already leaving its footprints?



Source: Riksbank

There must be something to it...

Numerous Jumbo newcomers give evidence of advantages of international placement

2003

- ▶  DEPFA ACS
- ▶  BCL
- ▶  Sabadell
- ▶  TdA
- ▶  HBOS
- ▶  Kommunalkredit
- ▶  WestLB CBB

2004

- ▶  HBOS Social Hous.  
(no Jumbo)
- ▶  WestImmo
- ▶  Bank of Ireland
- ▶  Bradford & Bingley
- ▶  Northern Rock
- ▶  BAWAG
- ▶  IM Cedulas

2005

- ▶  Banco Pastor
- ▶  CDP
- ▶  Abbey National
- ▶  Sampo
- ▶  ABN AMRO
- ▶  Banco Popular
- ▶  Aareal
- ▶  Nationwide

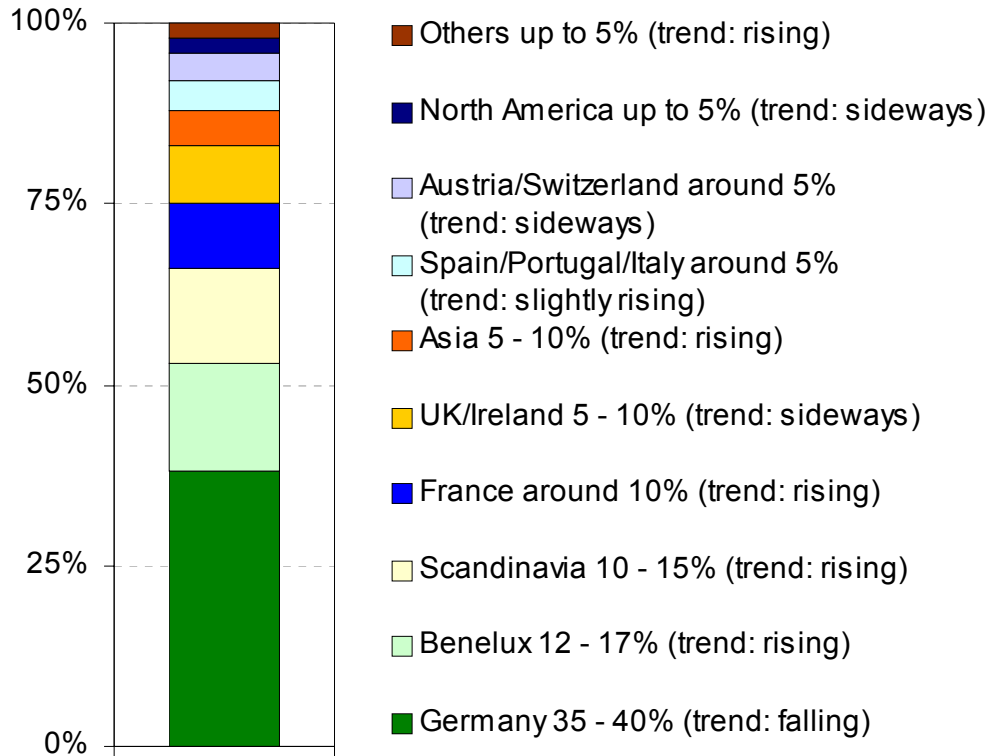
to be continued...



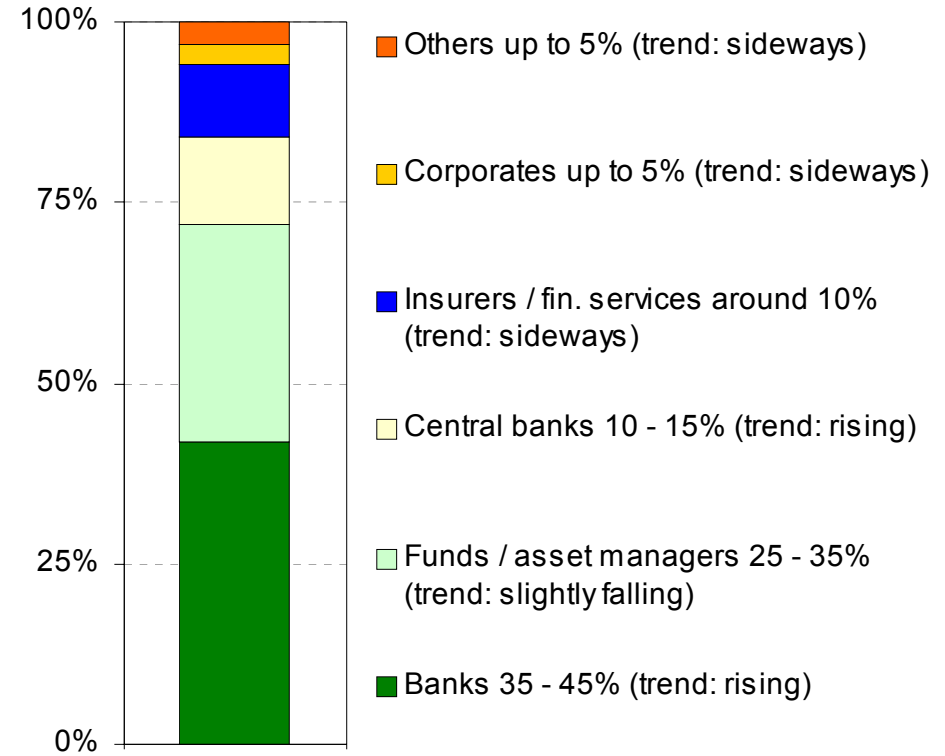
Source: DrKW Debt research

# Who buys covered bonds?

## Jumbo placement by investor country



## Jumbo placement by investor type



Source: DrKW Debt research

# What do international investor look for?

## FAQs

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**Credit quality:**

- High and stable issue rating?
- Good issuer rating?
- Conservative stable framework?

**Strategic fit:**

- Currency?
- Macro risks?
- Index?
- Maturities?

**Liquidity:**

- Critical mass: Issue size?
- Regular market appearances?
- Bid-offer?

**Added value:**

- Diversification?
- Pick-up?
- Performance potential?

## Disclosure appendix

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