



Panel 2: Investing in covered bonds

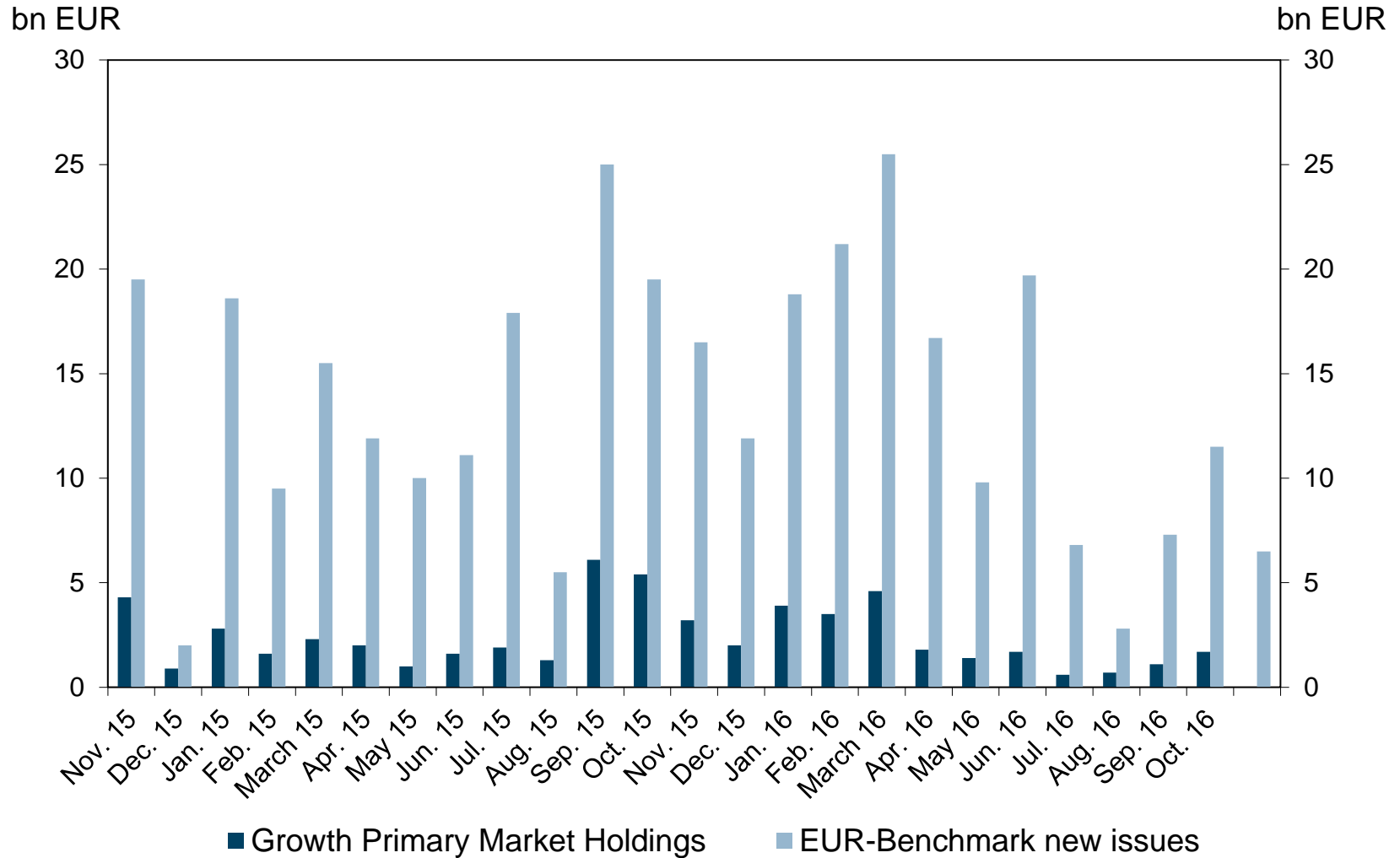
Covered Bond Charts

AFME's 4th Annual Covered Bonds Market Conference

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Covered Bond Analyst, Volkswirtschaft/Research

Berlin, December 2nd, 2016

ECB's share of monthly primary market purchases of new issues averages 18% per month



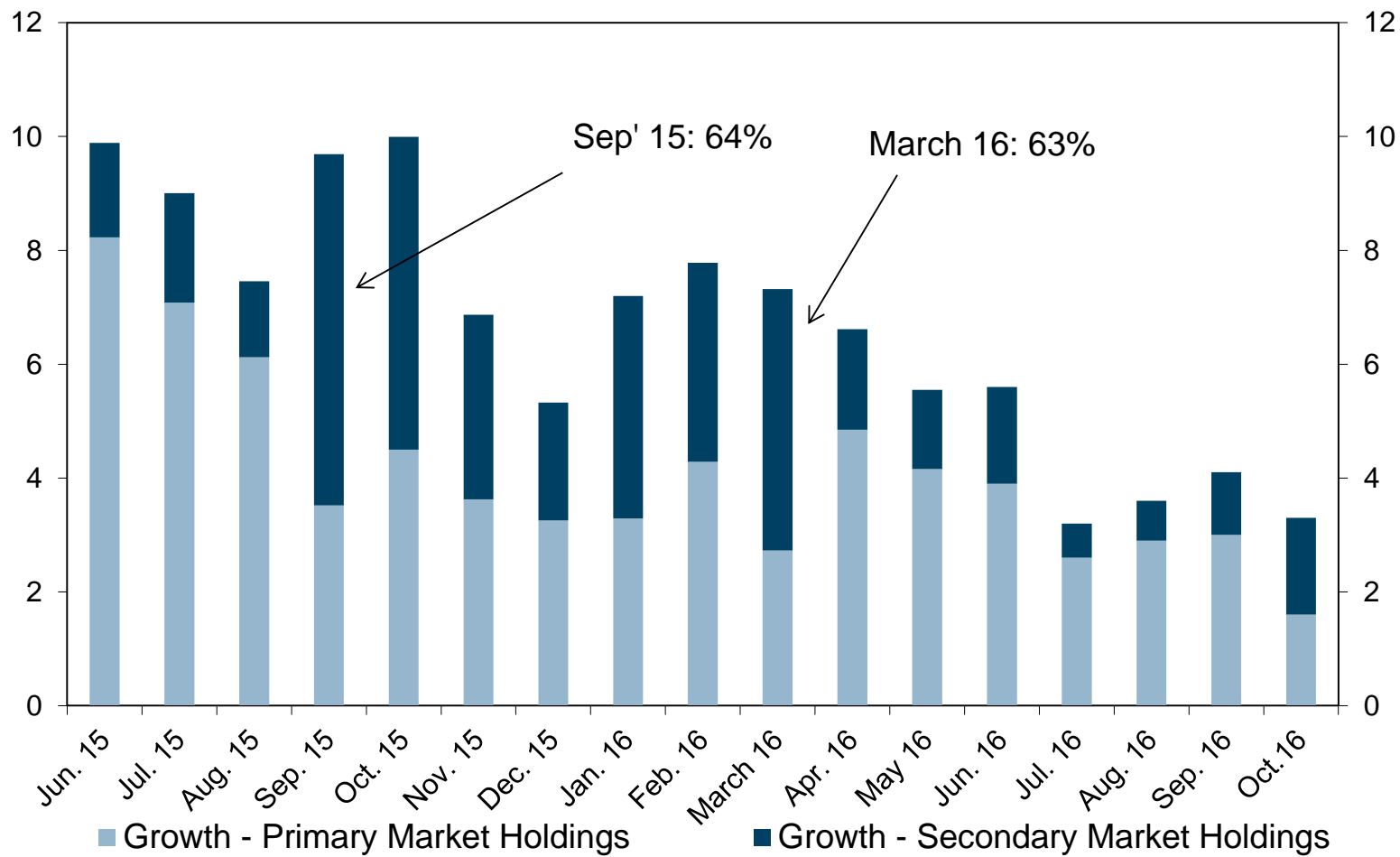
Sources: ECB, Helaba Research



In months with strong issuances, share of monthly primary market purchases amounts to over 60% of total purchases

bn EUR

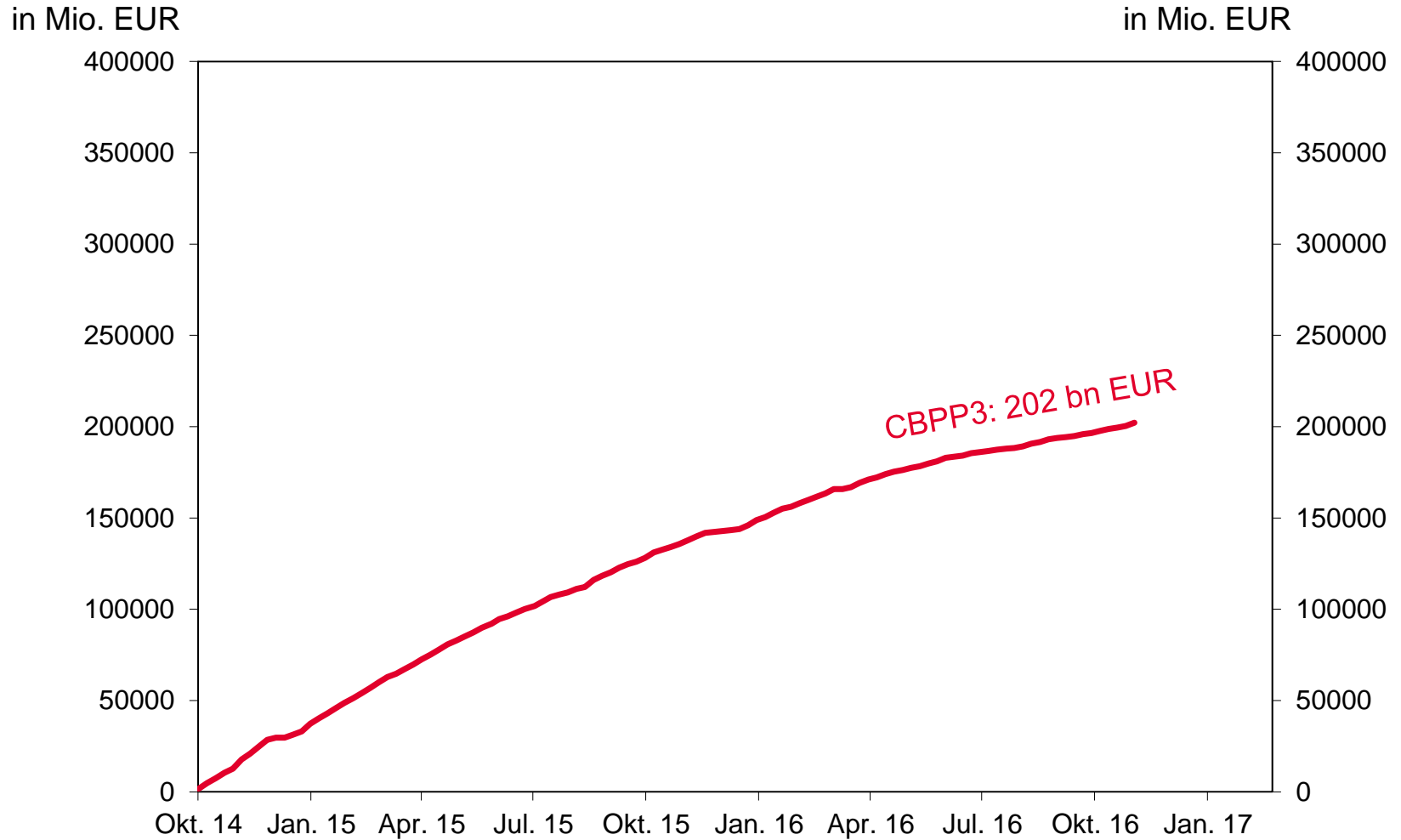
bn EUR



Sources: ECB, Helaba Research



Has the ECB reached a level of CB holdings which marks the end of CBPP3?



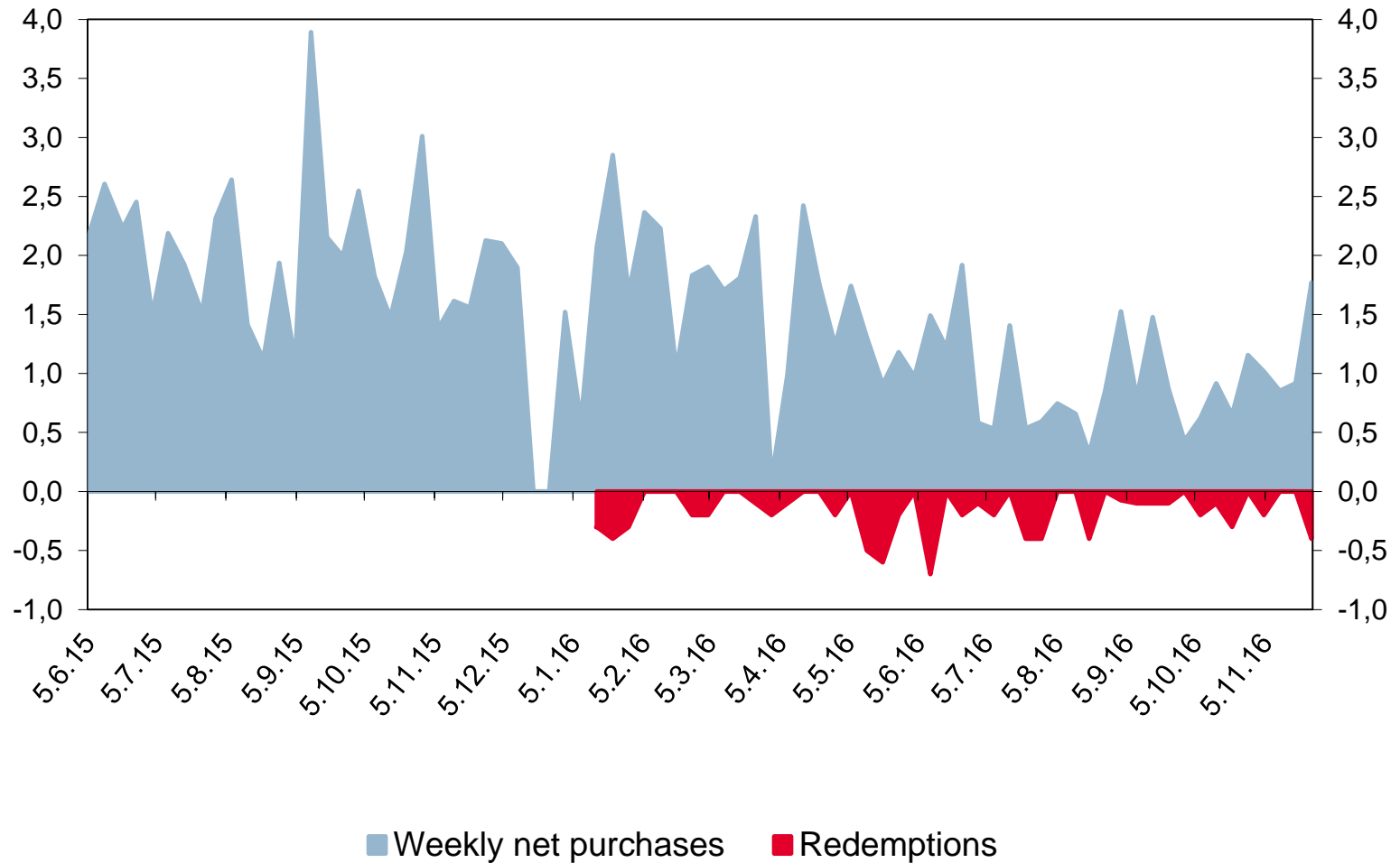
Sources: ECB, Helaba Research



Redemptions of ECB covered bonds holdings could reach 20bn a year

in Mio. EUR

in Mio. EUR



Sources: ECB, Helaba Research



Political trend-setting decisions in the next 12 months

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USA

8. November 2016
Presidential elections



Great Britain

From March on?
Start of Brexit-
negotiations



France

7. May 2017
If necessary, run-off



Italy

4. Dec. 2016
Constitutional
referendum



France

23. April 2017
Presidential elections



Austria

4. Dec. 2016
Presidential elections



Netherlands

17. March 2017
Parliamentary elections



Germany

September 2017
Parliamentary elections

Sept
2016

Dec
2016

March
2017

June
2017

Sep
2017



Northrhine-Westfalia

14. May 2017
State election (Landtag)

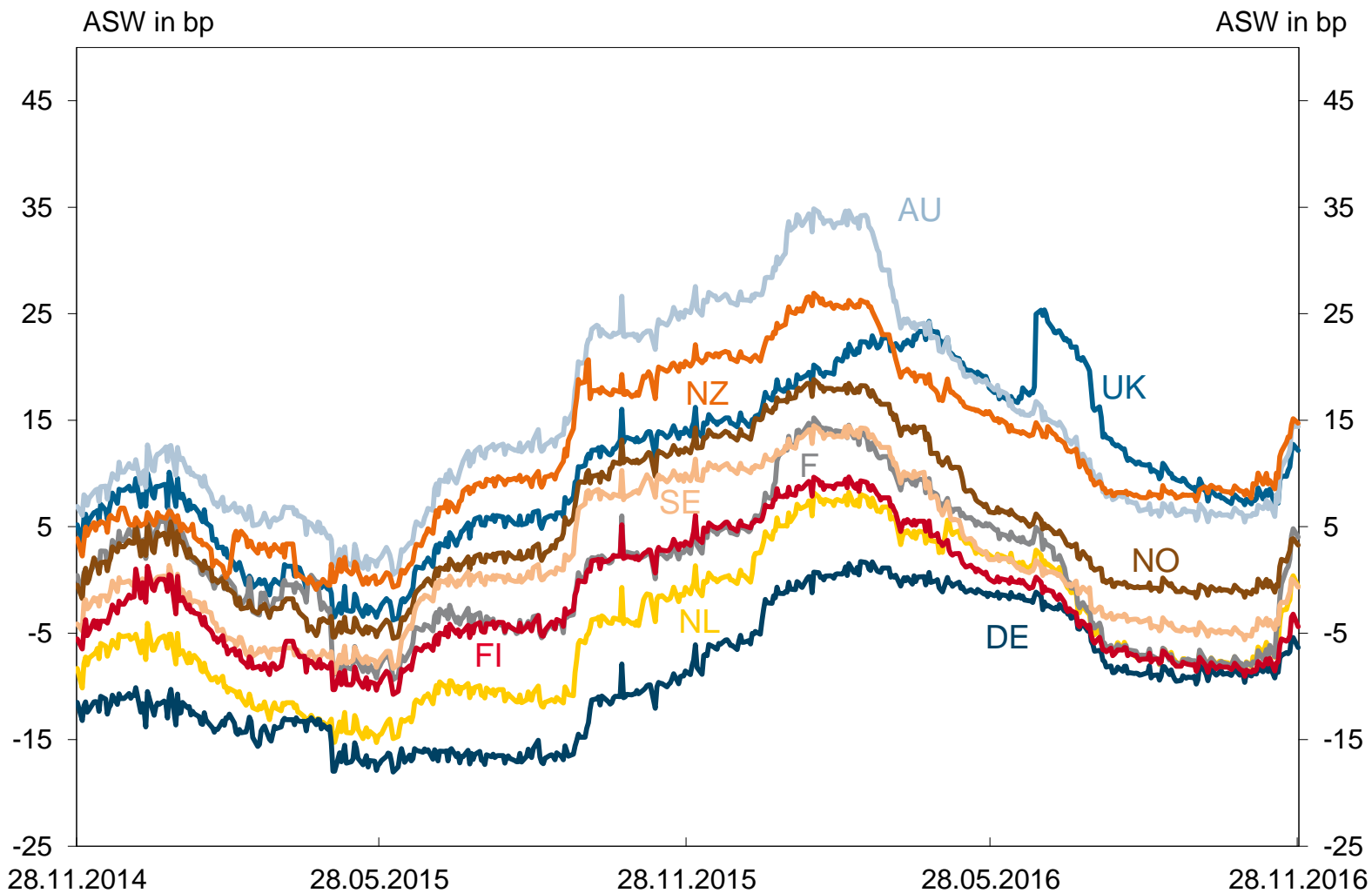
Elections in Germany:

26.03.17 Saarland (Landtag, state election)

07.05.17 Schleswig-Holstein (Landtag, state election)



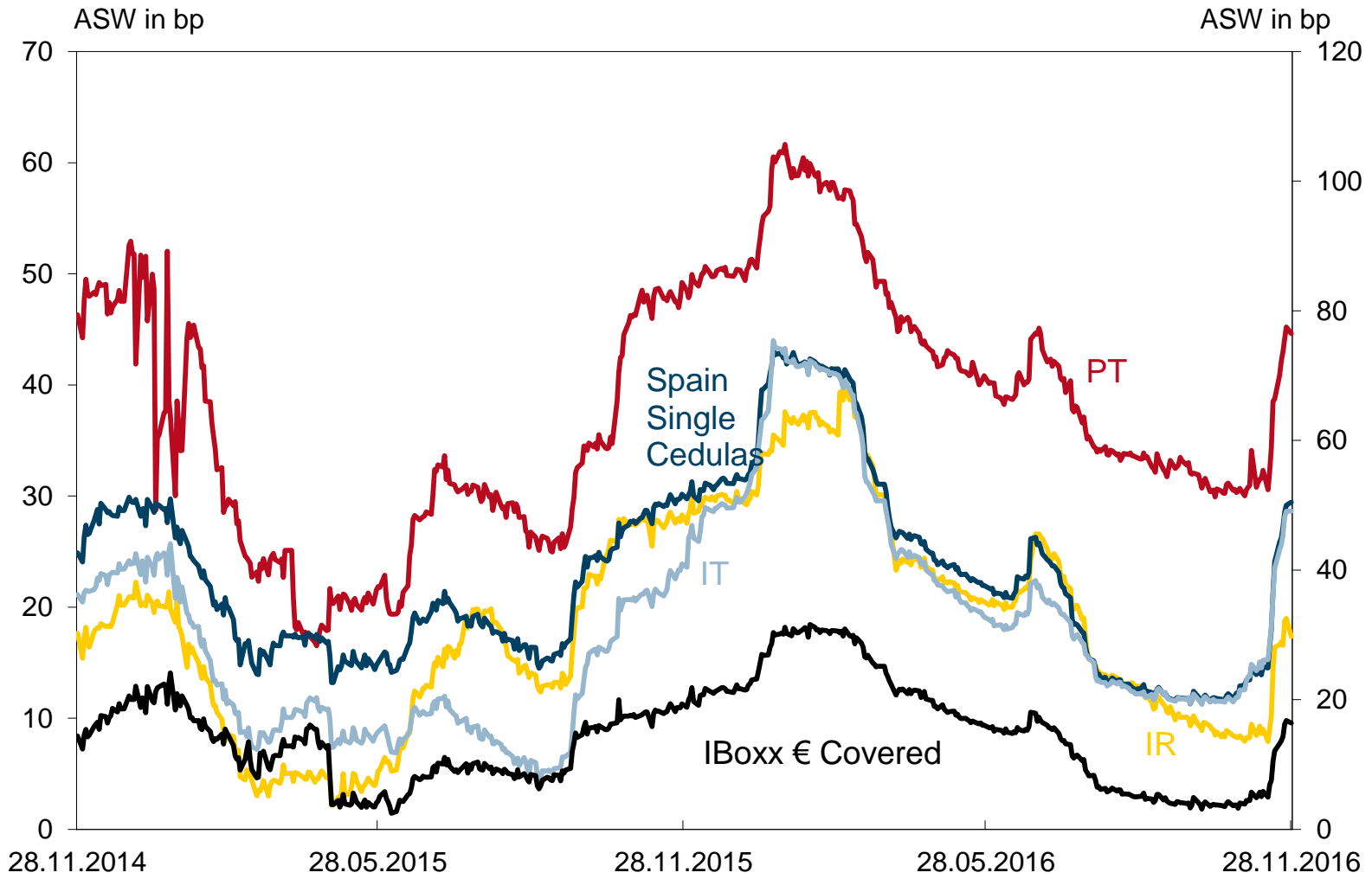
Sea with light swell : Spread development of core countries



Sources: markit, Helaba Research



Spreads of peripheral covered bonds with some setback potential



Sources: markit, Helaba Research

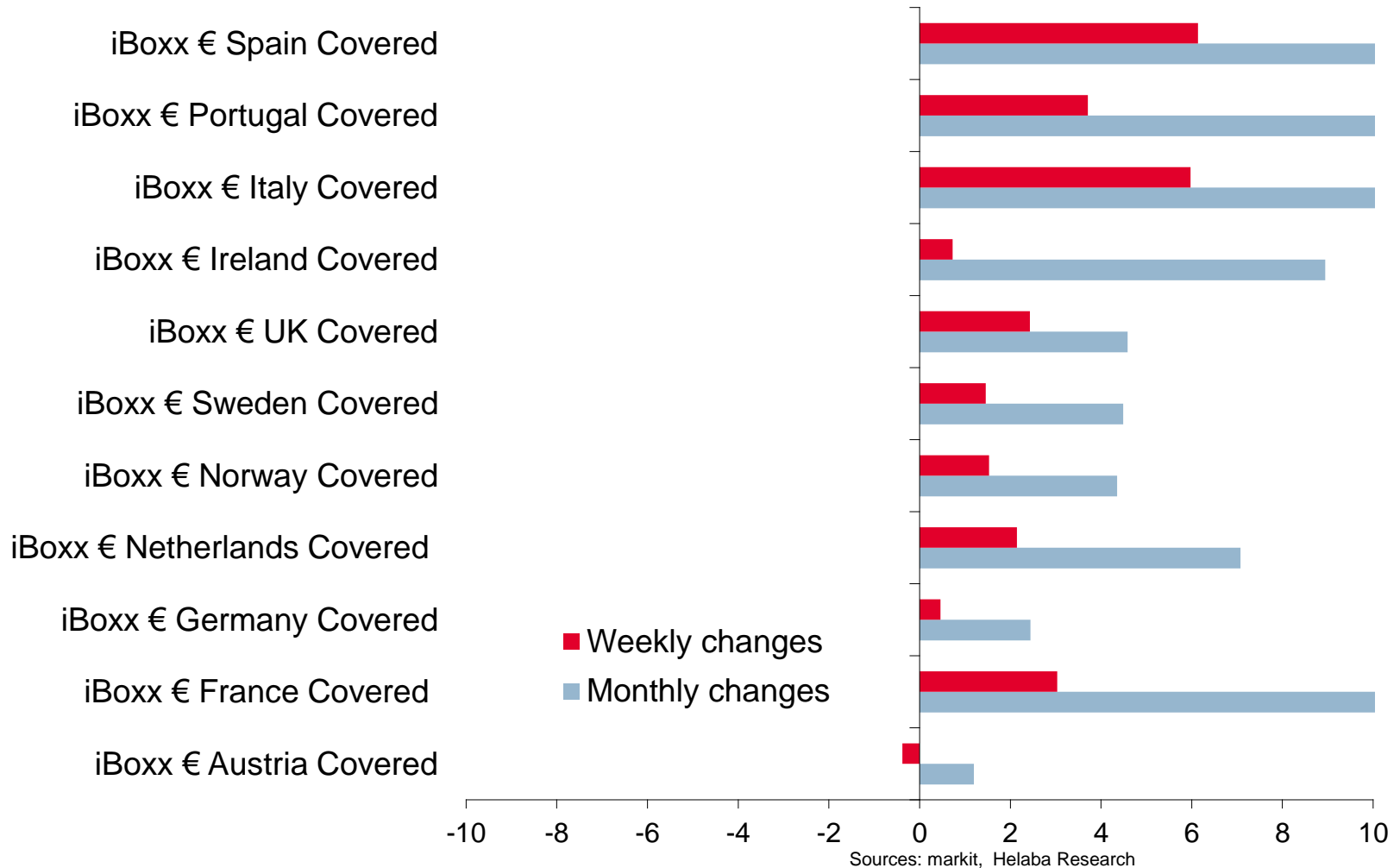


Spread widening recently the dominating trend, but....

9

29.11.2016

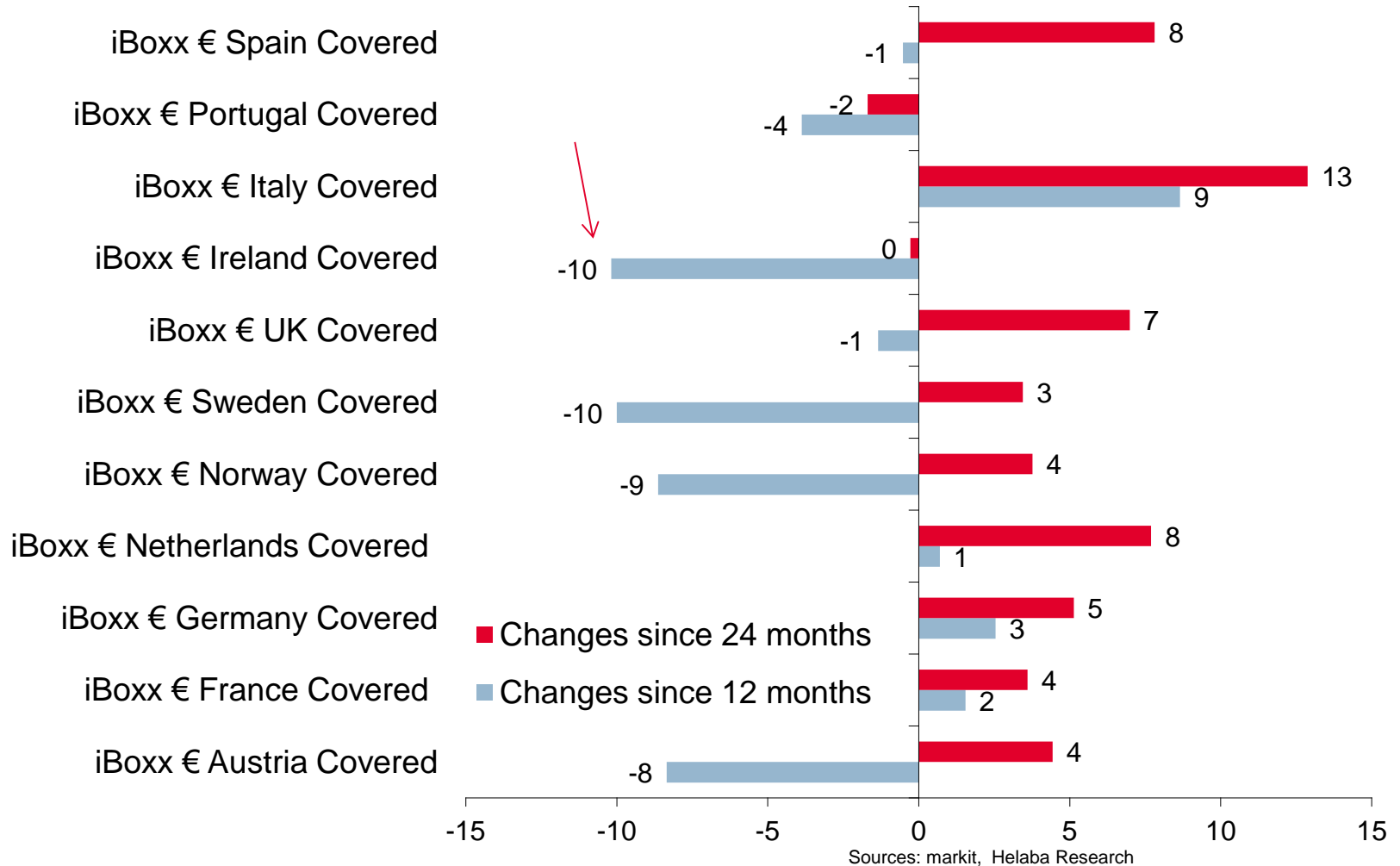
ASW in bp



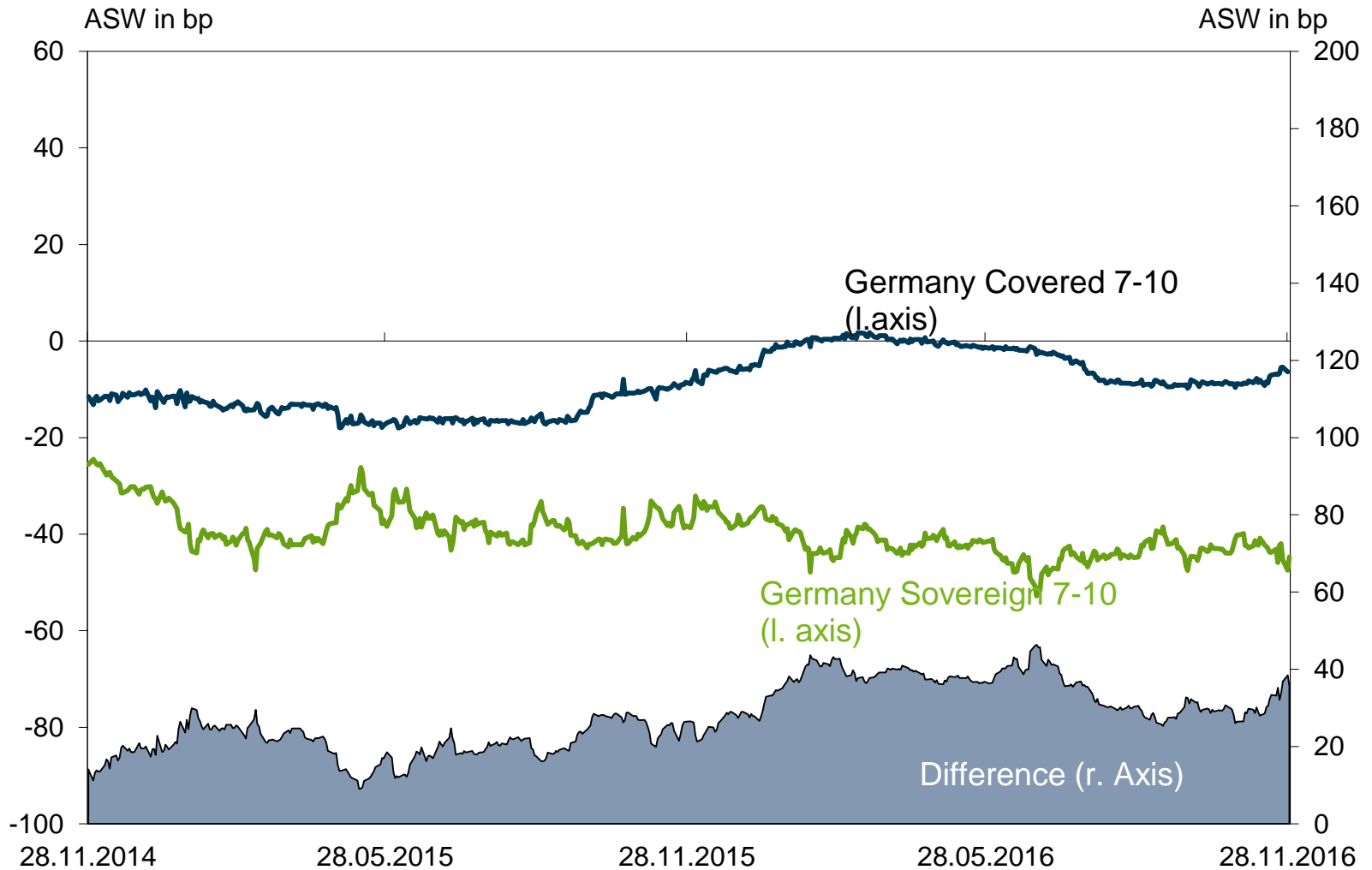
...we have seen other periods of spread widening since CBPP3 started

29.11.2016

ASW in bp



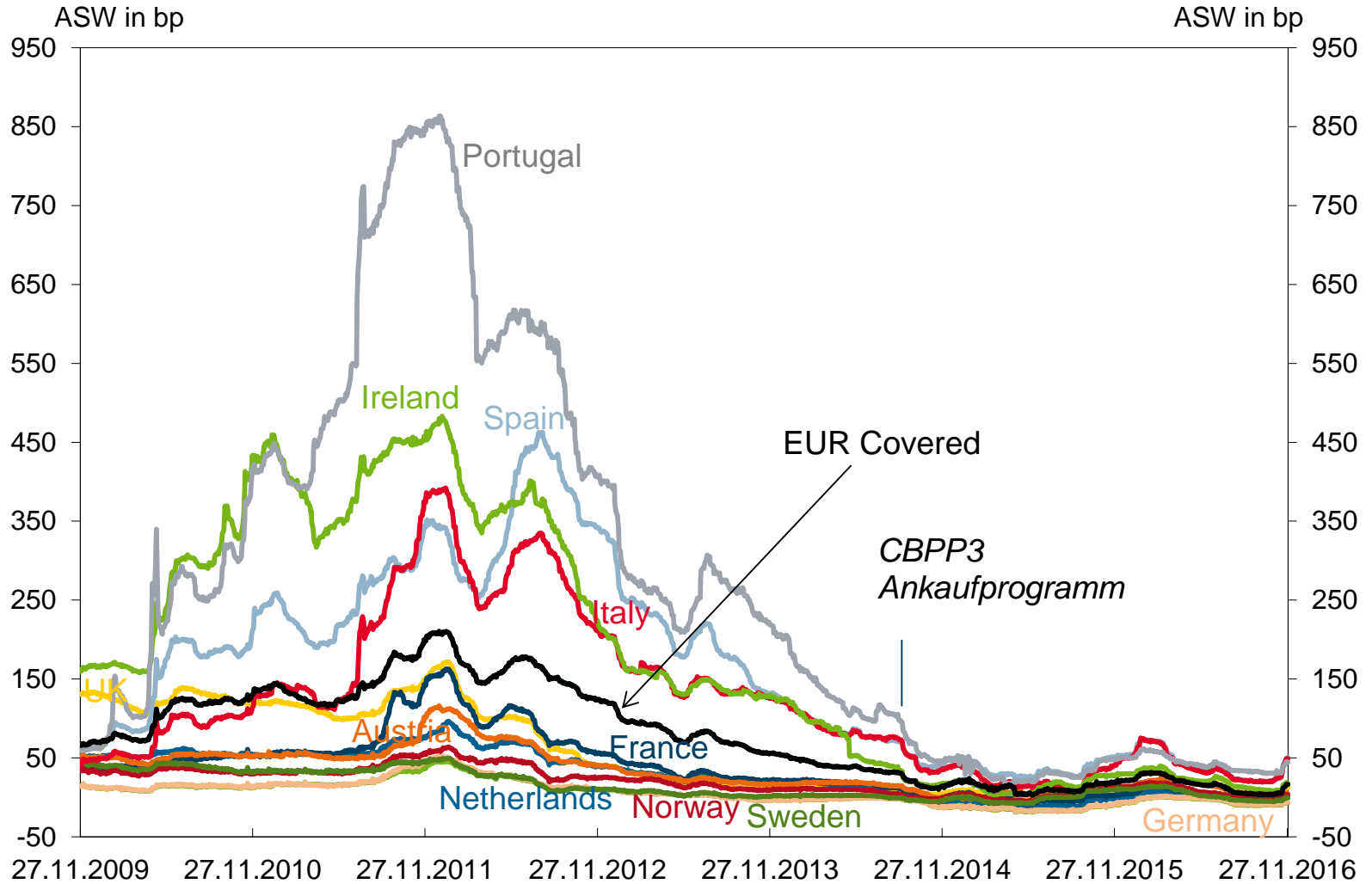
iBoxx Germany Covered versus Sovereign



Sources: markit, Helaba Research



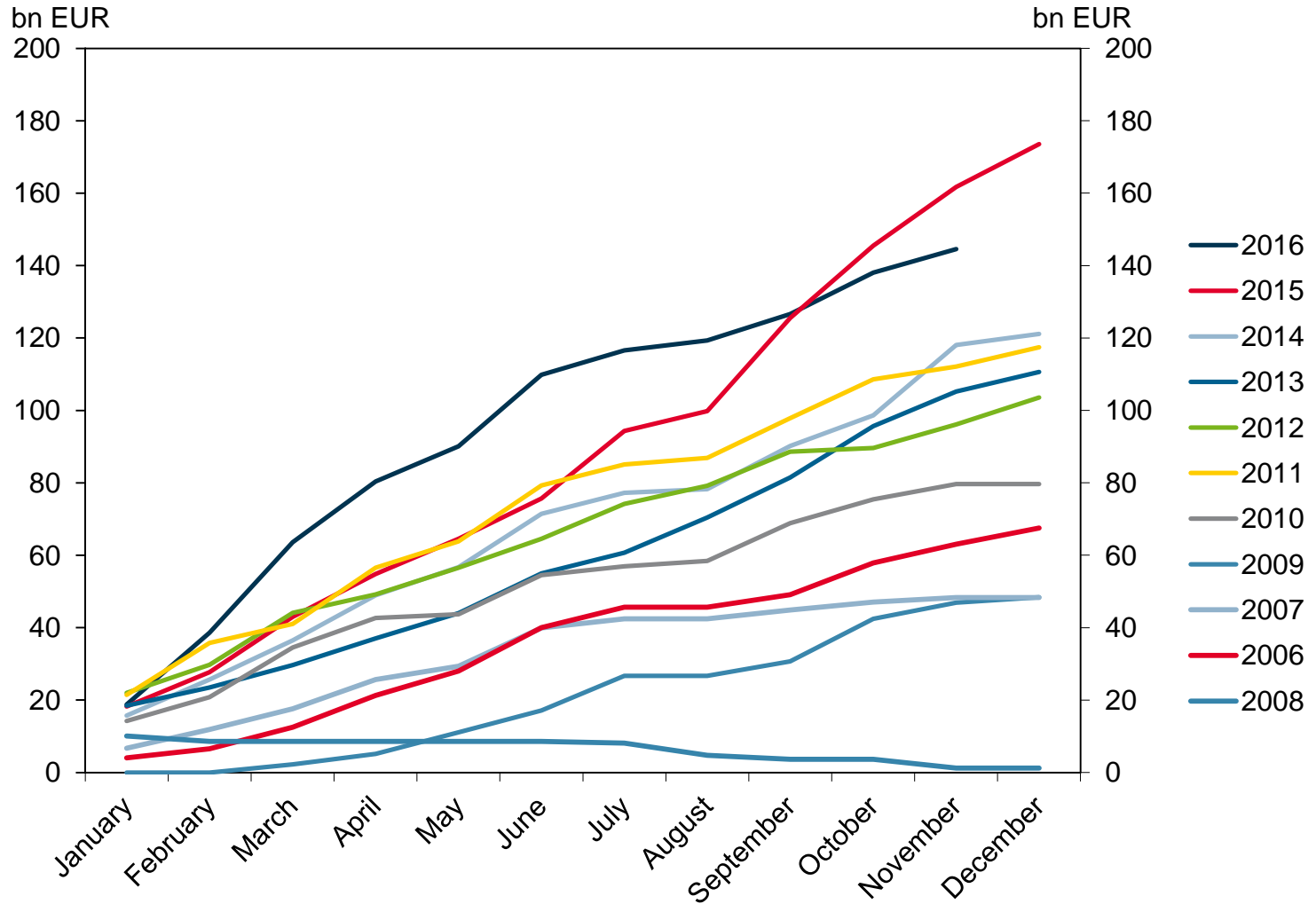
7-year-review of covered bond spreads: Little differentiation continues



Sources: markit, Helaba Research



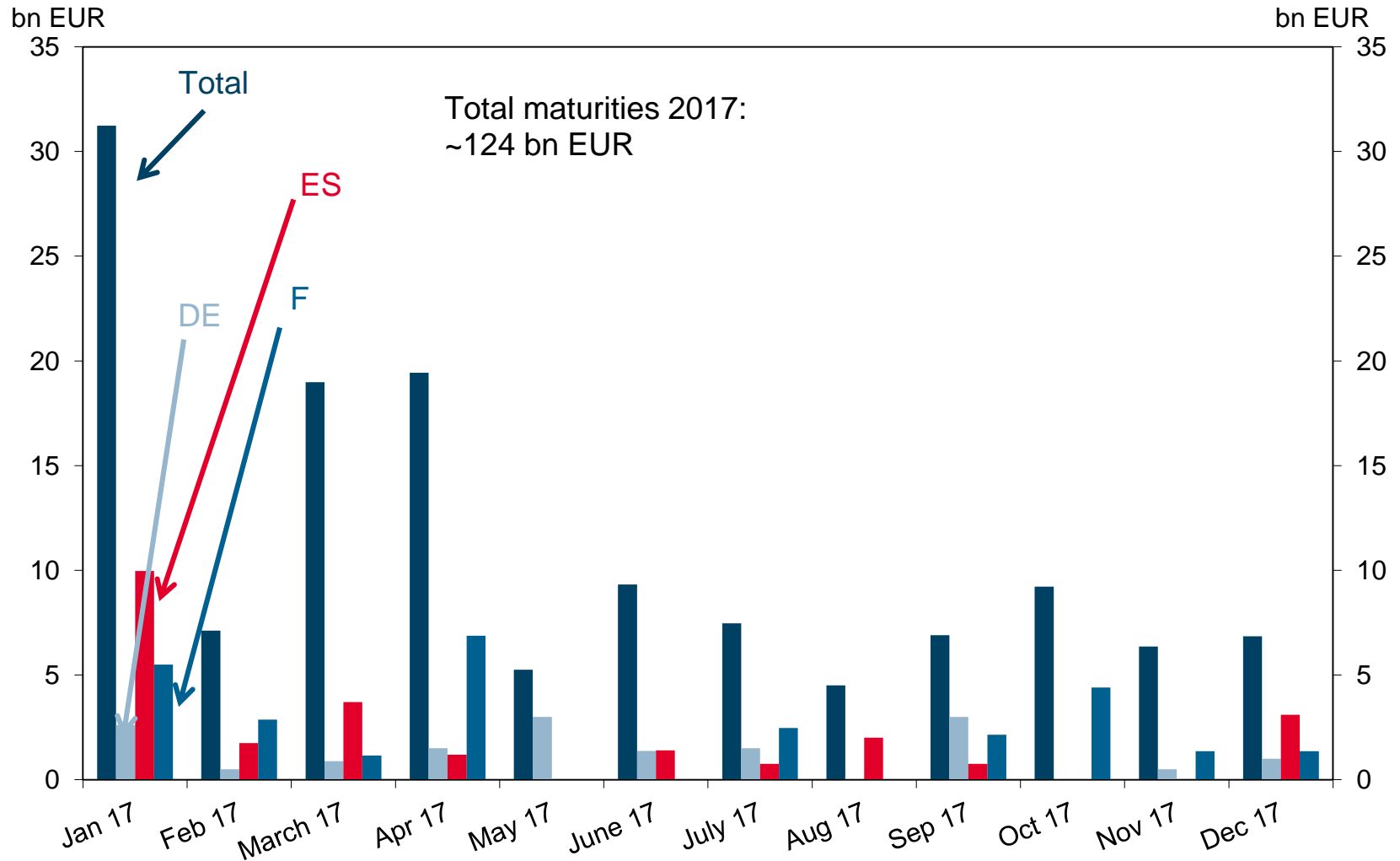
2016: Top 2 year in terms of issuance volumes



Sources: Bloomberg, Helaba Research



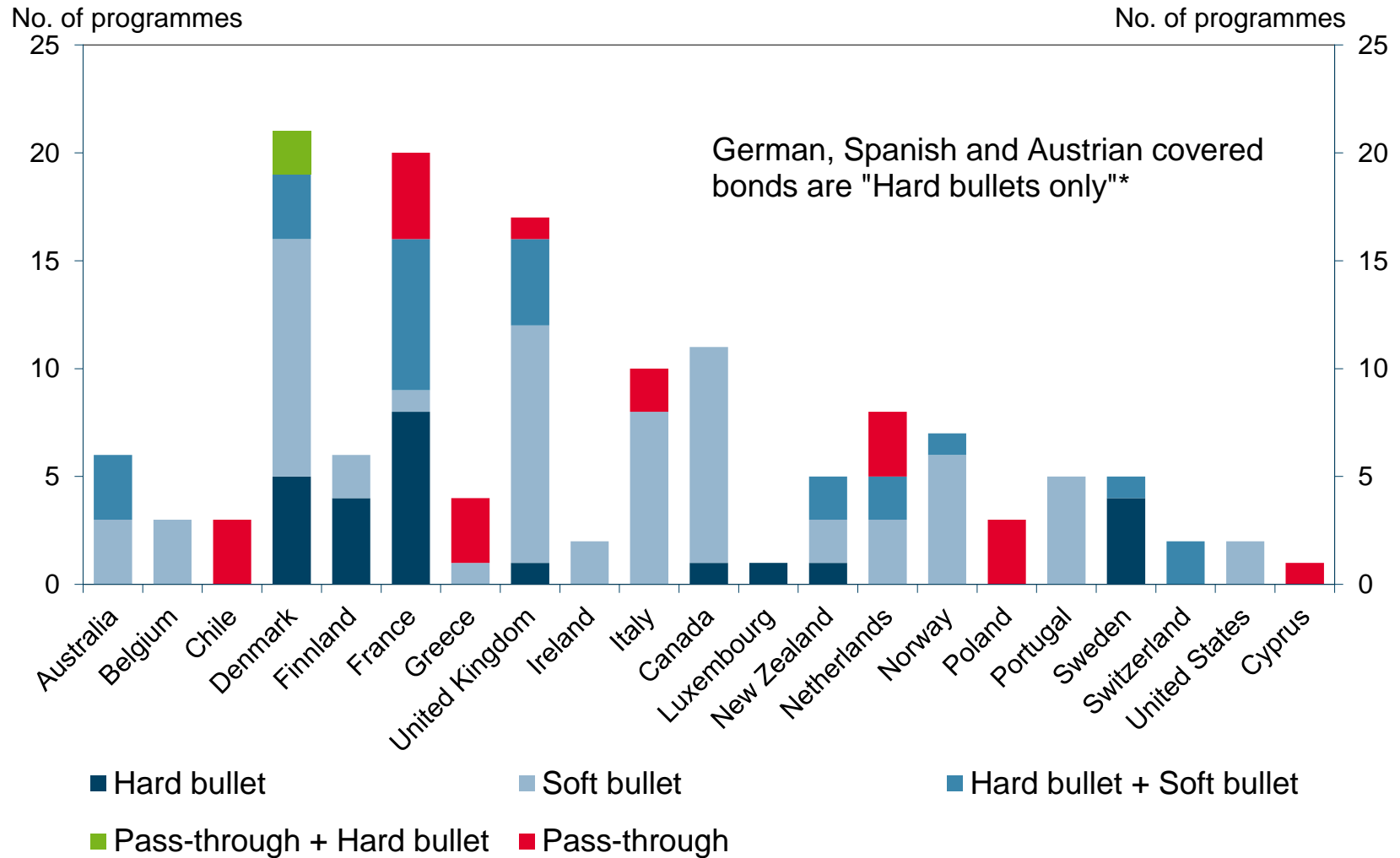
Spanish Covered Bonds maturing 2017 total 29bn EUR (incl. retained)



Sources: Bloomberg, Helaba Research



More than 110 Covered Bond Programmes with Soft Bullet or Pass-Through element



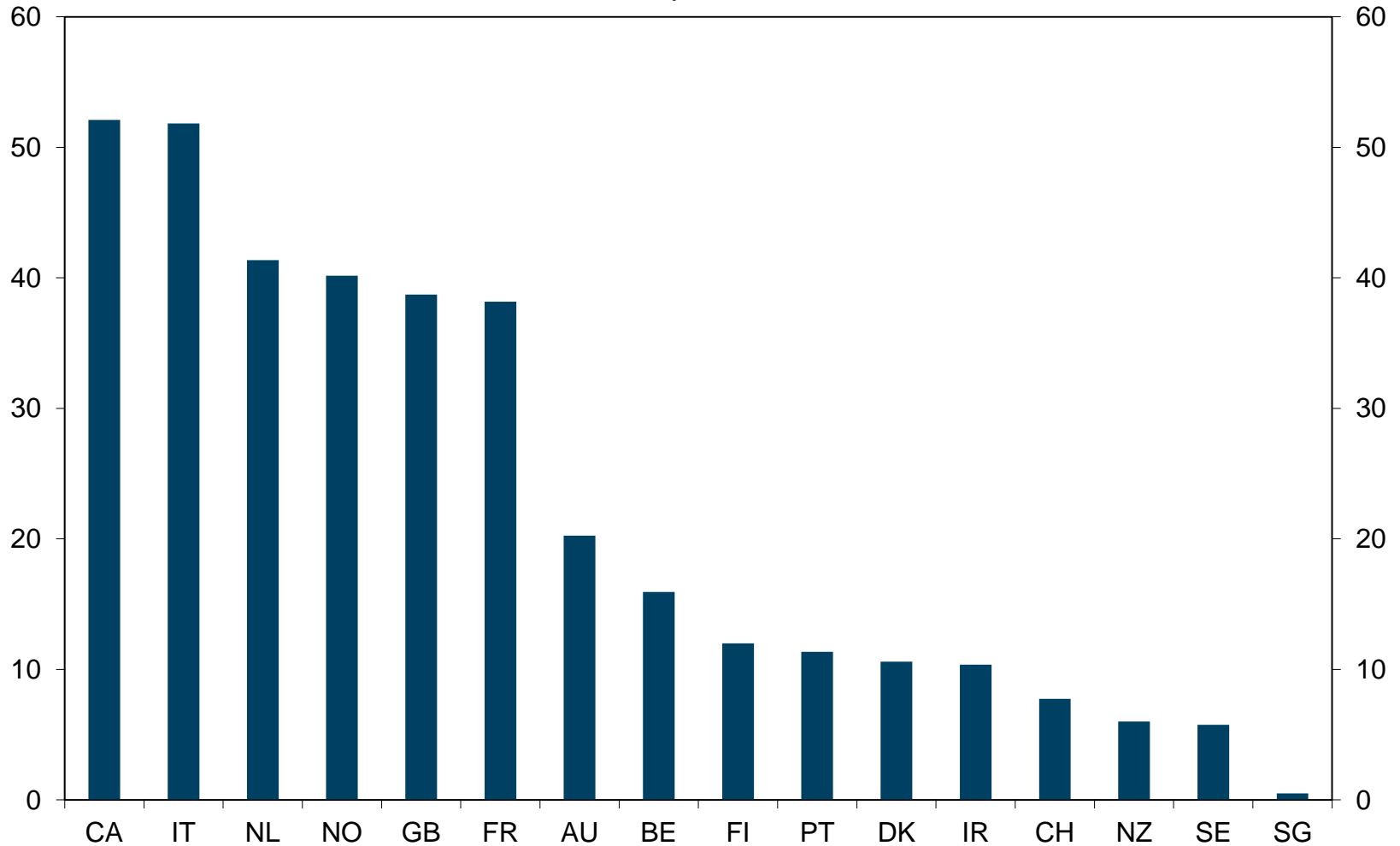
*except Commerzbank SME Covered Bonds

Sources: Fitch Ratings, S&P, Helaba Research



Soft Bullet covered bonds make up almost 40% of the EUR-Benchmark bonds

EUR-Benchmark Covered Bonds with extendible maturity in bn EUR



Sources: Bloomberg, Helaba Research



Disclaimer

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