

OTHER KEY REPORTS AVAILABLE:

EUROPEAN REAL ESTATE: A NEW ASSET CLASS COMES OF AGE

BY VARIOUS LEADING EXECUTIVES



This state-of-the-industry report is a collection of highly informed, in-depth articles on all aspects of real estate markets in Europe, written by some of the most experienced players in the business. It offers fantastic insight into the full range of Europe's fast-developing real estate capital markets:

- How will capital markets products help the real estate sector?
- What are the macro drivers and prospects for real estate per country?
- What are the market trends across the continent?

- What are the latest developments in commercial and residential MBS?
- How are the UK, Germany and European-wide REIT markets likely to develop?
- Which emerging markets and products offer the best prospects?

Unlike any other report, **European Real Estate: A new asset class comes of age** focuses on the importance of real estate and real estate solutions as drivers of capital and financial market activity. It offers unique guidance on how to gain exposure to this asset class.

This report combines the expertise of leading players in Europe's real estate capital markets, providing formidable analysis of the key issues from some of the best minds in the business.

By reading this report you will be best-placed to take advantage of financing and investment opportunities in European real estate.

Every financial professional involved or interested in European real estate should read this report.

CREDIT DERIVATIVES: STRUCTURES, TECHNOLOGY AND PROSPECTS

BY REOCH CREDIT



Despite a decade of poor predictions, the credit derivatives market has overcome major global events and transformed the capital markets. The growth has been phenomenal – with notional principal outstanding volume of CDS standing at \$34.5 trillion, compared to \$2.15 trillion just 4 years ago.

Credit Derivatives: Structures, technology and prospects, a definitive intelligence report from IFR, offers seasoned players and newcomers alike an expert insight into this

dynamic market and its instruments, examining:

- structures of all current credit instruments, from the basic CDS through to more recent developments like CDO2, CDO3, CPPI, CPDO, CDPC and more
- quantitative aspects of the products, from single name to portfolio credit derivative
- the technology required to support existing credit instruments as well as the new technologies that will be key in developing new products

- challenges and obstacles facing both front and back offices as they work together to exploit ever more complex and diverse markets.

Written by a team of some of the most experienced market participants in the world, this report gives a unique, timely and highly informed viewpoint that should make essential reading for anyone with a stake in the credit market.

OPPORTUNITIES IN: HYBRID CAPITAL – DEFINITIVE GUIDE FOR ISSUERS AND INVESTORS

BY STEVE SAHARA, CALYON



Issuers and investors worldwide have embraced hybrid securities as an exciting new debt capital markets opportunity. For issuers, hybrids are a flexible tool for managing the capital structure, and for investors, the hybrid asset class offers incremental investment yield opportunities.

The global hybrid capital market has grown dramatically and has continued to evolve over the past 15 years. Precisely because of the "hybrid" nature of the asset class, it continues to evolve and defy attempts to create a simple universal explanation.

The product developments within the hybrid market are often in response to changes in legal, accounting, tax, regulatory or rating agency frameworks, which impact the form and applicability of hybrid instruments. For a newcomer to the hybrid market, the current tapestry of structuring nuances can seem arcane and even non-sensical without a timeline of the historical layering of regulatory requirements and financial engineering responses.

Opportunities in Hybrid Capital contains the key hybrid capital security developmental

milestones which have occurred over time and puts them in context, so that issuers and investors can form a better appreciation of the rationale for typical contemporary hybrid securities today and glean what the future may bring.

Written by one of the most experienced market practitioners in the world, **Opportunities in Hybrid Capital** is a must read for anyone with an interest in this complex, growing market.

RETHINKING SYNDICATED LENDING: THE EUROPEAN LOAN MARKET 2015

BY NACHUM KAPLAN



In just five years the European syndicated loan market has grown threefold, with a staggering US\$1.5 trillion worth of loans booked in the EMEA region in 2006.

It is ironic that what was once perhaps among the sleepest of capital markets – European syndicated loans – should now be at the forefront of one of the most dramatic capital market changes in history.

Rethinking Syndicated Lending: The European loan market 2015 is a definitive analysis of this fast-evolving and complex market, addressing all its key elements:

- Flaws at the heart of relationship lending
- Challenges in relationship modelling
- Impact of the single European currency

- Strategies in the search for yield
- Rise and rise of leveraged finance
- Emergence of structured lending
- Innovation in subordinated debt instruments
- New risk management strategies
- Profiting from a downward credit cycle
- Proliferation of new players in the market
- Evolution of M&A financing.

Exclusive interviews

IFR's associate editor of Loans and High Yield, Nachum Kaplan, supplemented his own expertise and market knowledge with views from the world's top executives in lending from leading banks: Barclays Capital, BNP Paribas, Citigroup, Commerzbank, Deutsche

Bank, Dresdner Kleinwort, JPMorgan, Mizuho Corporate Bank, Morgan Stanley, Royal Bank of Scotland and SG CIB.

Extensive Data

More than 60 invaluable charts and tables are integrated in the report, providing a wealth of exclusive year-on-year data from the past six years, such as league tables on refinancing and structured loans, loan markets by country and type in Europe, the US and emerging markets.

No senior executive in lending, borrowing or investing can afford to be without this invaluable report.

THE FUTURE OF **THE GLOBAL COVERED BOND MARKET**

BY MICHAEL MARRAY

Report now available



The last five years have seen resounding success for covered bonds, with new jurisdictions coming into play, a steadily broadening investor base, and a relentless tightening of spreads for issuers.

But during the second half of 2007 the unstoppable forward momentum at last began to encounter some resistance. After a long period of high liquidity which has seen too much cash chasing too few assets, the global credit markets hit turbulence in August, scaring some investors away from any product related to mortgages. But in addition to the broader market conditions, covered bonds are also facing their own specific challenges, with investors becoming far more critical about structures, and legal and political risk.

The Future of the Global Covered Bond Market, an in-depth report from IFR Market Intelligence offers a timely, highly insightful analysis of the market, its main participants, and its likely future direction.

Key subjects addressed include:

- Issuers' techniques
- The widening investor base
- Rating agency methodologies
- Factors driving supply and demand

...plus profiles of the most important covered bonds markets by country.

This report is based on extensive research, including interviews with:

Patrick Amat, Chief Financial Officer, Crédit Immobilier de France, Paris, and Vice Chairman of the European Covered Bond Council

Ralf Welge, Head of Public Sector & Covered Bond Origination, Commerzbank, Frankfurt

Ted Lord, Managing Director and Head of Covered Bonds, Barclays Capital, Frankfurt

Armin Peter, Head of Covered Bond Syndicate, UBS, London

Bernd Volk, Director, Deutsche Bank, Frankfurt

Dr Louis Hagen, Executive Director, Association of German Pfandbrief Banks, Berlin

Richard Kemmish, Director, Debt Capital Markets, Credit Suisse, London

Regina Koelsch, Director, High Grade Credit Research, UBS, London

Mauricio Noé, Managing Director, Fixed Income Capital Markets, ABN AMRO, London

Tim Skeet, Managing Director, EMEA Debt Capital Markets and Head of Covered Bonds, Merrill Lynch, London

Karen Naylor, Head of European Covered Bonds, Standard & Poor's, London

Massimo Catizone, Vice President, Senior Analyst, Moody's Investors Service, London

Hélène Heberlein, Head of the Covered Bonds Analytical Team, Fitch Ratings, London

Federico Del Monte, Partner, Financial Practice, Simmons & Simmons, Milan

Géraldine Lamarque, Head of Medium and Long Term Funding, Crédit Immobilier de France, Paris

Ian Harjette, Head of Financial Institutions, Debt Capital Markets, Banc of America Securities, London

Robert W Hong, Managing Director, Debt Capital Markets, Banc of America Securities, New York

Tammo Diemer, Head of Capital Markets, Aareal Bank, Wiesbaden

Angela Clist, Partner, Securitisation Group, Allen & Overy, London

THE FUTURE OF THE GLOBAL COVERED BOND MARKET

BY MICHAEL MARRAY

After five years of sustained growth the global covered bond market has reached a pivotal moment. Following Washington Mutual's inaugural covered bond in 2006, 2007 was to be the big year for covered bonds in the US, but the debacle in the US sub-prime mortgage market, coupled with concerns about some European property markets, has made investors wary of products linked to mortgages. As a consequence it will be more difficult in 2008 to sell new structures (or new assets) to an investor base that in 2005 and 2006 ate up everything that was placed in front of them.

On the other hand, as a stable, Triple A rated product, covered bonds should be better placed to weather the volatility on financial markets than some other instruments, and may benefit from a flight to quality as investors re-discover their aversion to risk.

The challenge for the covered bond market in 2008 and 2009, with the addition of new jurisdictions, new structures and new underlying assets, will be to strike a balance between letting the market evolve, while trying to preserve the integrity of the product.

The Future of the Global Covered Bond Market, a definitive report from IFR Intelligence, is an essential read for issuers, arrangers and investors. It examines all the factors driving the market, answering key questions facing issuers and investors alike:

- How will trends in supply and demand affect pricing?
- In view of the sub-prime crisis, what are the prospects for covered bonds in the US and how will US interest affect the markets in Europe?
- What are the legal frameworks in the main covered bond markets and what new regulations are in the pipeline?
- Are investors doing enough to look at the differences between the various underlying property markets, deal structures and legal systems?

- How can issuers and arrangers increase market liquidity?
- How are covered bond structures likely to evolve?

PRACTICAL ADVICE FOR ISSUERS

The Future of the Global Covered Bond Market offers expert advice, drawn from some of the market's most experienced issuers, bankers and investors on:

- how best to build a yield curve
- managing the deal pipeline to avoid clashing with other issuers
- allocation of bonds
- satisfying different investor bases
- issuing in foreign currencies
- optimising the mix between covered bond and RMBS issuance.

It also examines the impact Basel II regulations will have on the market.

EVOLUTION OF STRUCTURES

The report looks at a variety of structures being used by issuers, and addresses the growing concerns among investors that what was once a simple asset class is evolving into a complex one: widely varying legal systems; contractual covered bonds done outside of covered bond laws; diverging asset quality in the underlying cover pools, and a range of structural add-ons for investors to analyse.

Looking further ahead, **The Future of the Global Covered Bond Market** examines the possibility of covered bonds backed by new assets such as auto loans, student loans, consumer loans, aircraft loans, and so called corporate covered bonds backed by a variety of receivables in industries such as the water sector. The report asks if these new assets should be allowed to use the covered bond brand name, or is it time to come up with alternatives?

SUPPLY

The report reviews underlying supply trends for covered bonds backed by public sector loans, residential mortgage loans, and commercial real estate loans, and how supply will impact pricing trends.

It also examines the importance of secondary market liquidity, and whether existing covered bond market making arrangements are adequate, especially in light of the performance of market makers during the August 2007 market turbulence.

DEMAND

On the demand side **The Future of the Global Covered Bond Market** looks at the trends from the main investor bases, including central banks, commercial banks, insurance companies and pension funds, asset managers and hedge funds, and the arrival of retail buying from private bank clients.

The report examines the likely impact of the arrival of a new wave of investors from the United States, assessing their interest sparked by the first issuance of US covered bonds by Washington Mutual and Bank of America.

RATING AGENCY METHODOLOGIES

The report looks at the basic methodologies used by the three main rating agencies, Standard & Poor's, Moody's Investors Service and Fitch Ratings, and the way in which they have made efforts to explain their rating processes to the market, in order to help investors do their own analysis. But are investors making enough use of these methodologies, or are they relying too heavily on the Triple A rating?

The report asks whether investors are demanding enough of a risk premium for contractual covered bonds, and whether the evolution of the covered bond market into an almost entirely Triple A rated product is justified. Will more split ratings characterise the market in 2008 and 2009?

COMPREHENSIVE DATA

The Future of the Global Covered Bond Market features a wealth of data on all covered bonds deals worldwide between 2000 and H2 2007. See the list of contents for full details on all the valuable tables and figures provided in this comprehensive report.

REPORT CONTENTS

COUNTRY-BY-COUNTRY ANALYSIS

The report looks at markets on a country by country basis, examining the passage of new covered bond laws in countries such as Italy, Denmark and the United Kingdom, as well as giving updates on new amendments to laws that came into effect during 2007 in jurisdictions such as Spain and Ireland.

In-depth country profiles include:

- Austria
- Denmark
- Finland
- Germany
- Hungary
- Iceland
- Ireland
- Italy
- Luxembourg
- The Netherlands
- Norway
- Poland
- Portugal
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- USA.

ABOUT THE AUTHOR

Michael Marray

Michael Marray has over twenty years experience as a financial journalist, and has worked as a foreign correspondent in Hong Kong, New York, Santiago de Chile, and Berlin.

He has worked for a number of British national newspapers, including stints with the Financial Times in Hong Kong, the Wall Street Bureau of The Independent, and The European in Berlin.

Marray has written extensively on the financial markets for some of the leading financial publications. He has closely followed the securitisation industry, charting the rapid development of the European market over the past decade, and is a regular contributor to International Securitisation Report, covering both the asset backed and covered bond markets.

Marray is a graduate of the London School of Economics, and is currently based in London.

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- MARKET OUTLOOK

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**ELECTRONIC
VERSION
AVAILABLE**

The Future of the Global Covered Bond Market is also available in PDF format, enabling you to share key information with colleagues across your company.

To discuss this option and pricing please email john.woodward@thomson.com

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