



# 11th Central European Covered Bond Conference, Istanbul (Turkey)

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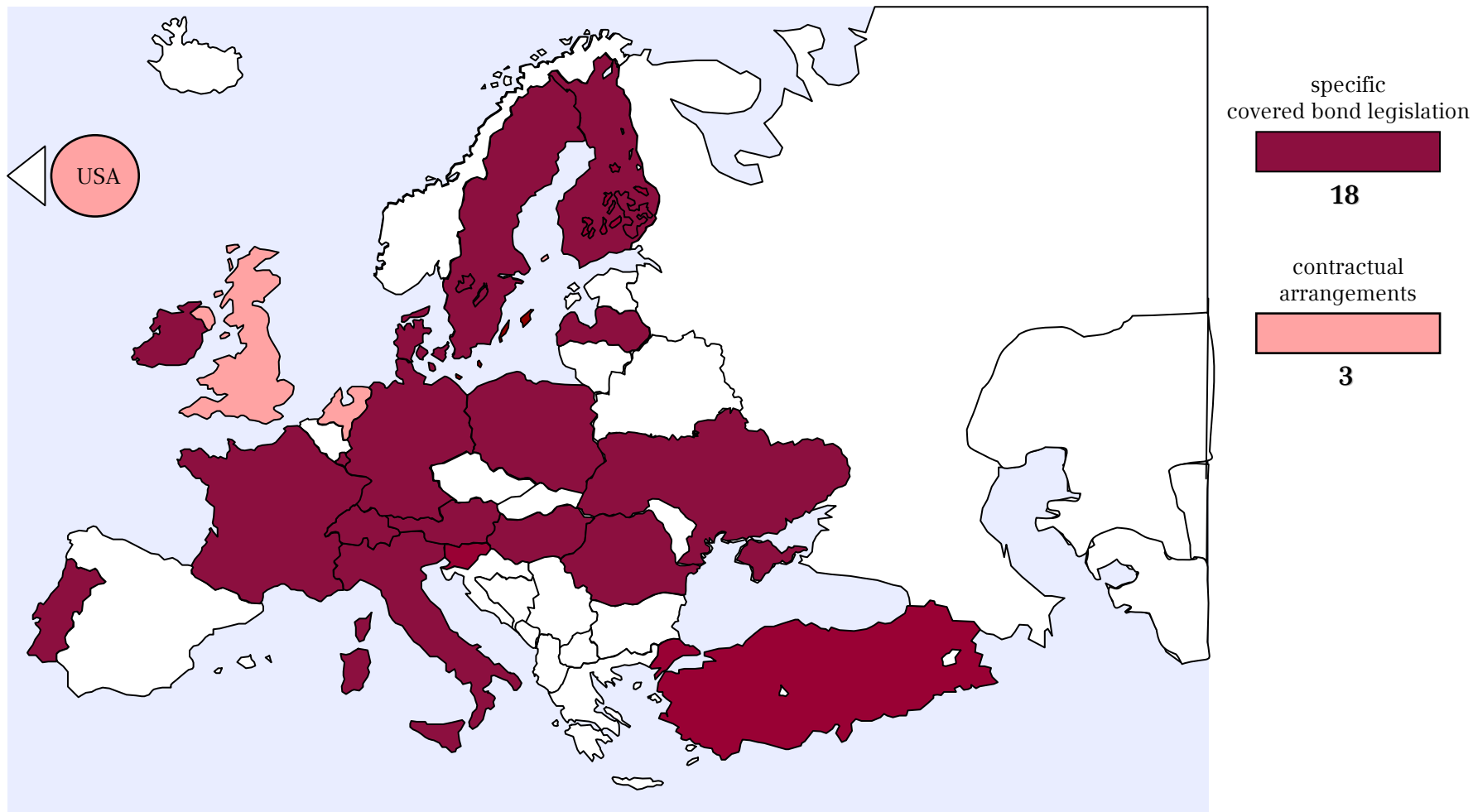
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## ***New legislation on covered bonds in Europe***

*November 8-9th, 2007*



# What governs CB issuance?





## I. Stand of legislation, structure of the issuer, legal framework

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- Are there still common standards or guidelines?
- Flexibility of funding vs. clear-cut regulation
- Does CB structure matter at all?
- Can the legal framework provide for an advance on the market?

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## II. Cover assets, valuation and LTV criteria

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- The range of eligible cover assets in European CB systems is listed in the new EU CRD
- Separated pools or single, dynamic ones
- Quality of the pool
- Complex refinancing techniques vs. transparency
- Expectations of investors

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### III. Asset-liability guidelines, Segregation of Assets and Bankruptcy Remoteness

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- Preferential treatment of bondholders claims
- Identifying cover assets in case of insolvency
- Risk management and cover matching principles
- Over-collateralisation
- Acceleration

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## IV. Risk weighing and Compliance with EU legislation

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- Compliance of CB's with UCITS and CRD
- Will EU legislation contribute to harmonisation?
- How does increasing complexity influence rating approaches?
- Is the risk weighting a driver of spreads?

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