

## What the industry is saying about EuroCatalyst

"Professional conferences are a blight on the schedule of senior executives in this industry. EuroCatalyst changed my view on the productive value of my time at an event."

— Matthew Wyles, Group Development Director, Portman Building Society

"The ideas and intellectual capital being shared at EuroCatalyst go far beyond recycled conference topics and touch at the heart of the most important issues driving the markets. It's also the only event that draws people who have stopped attending conferences altogether."

— Hoesli Labhart, Director, Citigroup Global Markets

"I've been back at the office for a week and cannot stop talking about EuroCatalyst. My colleagues are beginning to think that I've joined a cult."

— Fanny Borgström, Head of Group Funding, Nordea Treasury

"You really have your priorities in the right place, and it shows in your programme. Thanks for the ideas and the meetings. We'll always be back."

— Liam Coleman, Head of Funding, Nationwide Building Society

# EUROCATALYST 2005: LIVE FROM ROME

## Risk, relationships, and reward in European mortgage markets

### FINAL PROGRAM

26-28 SEPTEMBER 2005 / CAVALIERI HILTON ROME

For the fourth consecutive year, EuroCatalyst hits the ground running with a programme that features the strategic issues facing all players across the mortgage value chain in Europe in an increasingly competitive marketplace.

Continuing to study Europe's mortgage markets in the context of globalisation, we open EuroCatalyst 2005 with a day-long focus on Italy, covering topics and participants on both the primary and the secondary side of the market, with the assistance of the Italian Banking Association (ABI).

Days 2 and 3 cover pan-European issues, from the latest efforts by the European Commission to identify barriers to single-market integration

to new products to housing prices, covered bonds, funding efficiencies, and nonperforming loans.

National and regional markets in the spotlight include the UK, Germany, Spain, the Nordic region, the Netherlands, and Central and Eastern Europe.

As in the past, the audience at EuroCatalyst 2005 will be an important participant in our ongoing dialogue to explore all pieces of the mortgage value chain in Europe.



#### ITALY ON THE GLOBAL STAGE (DAY 1)

- Covered bond multi-originator scheme for mid-sized banks
- Funding optimisation strategies — from covered bonds to cash securitisation to senior debt
- Product development and innovation
- Maximising distribution, optimising administration
- New entrants and new business models
- ITALIAN CHAMPAGNE DEBATE: Specialist vs. Universal banking
- The CMBS market in Italy
- Funding innovation

#### PAN-EUROPEAN (DAY 2)

- Impact of globalisation on mortgage markets
- Cross-border lending and the commercial realities of European mortgage market integration
- Risks and rewards of new products to capture new market segments
- UK market session
- German market session
- Silver lining of sub-prime and non-performing loans
- 4th ANNUAL CHAMPAGNE DEBATE, a.k.a. WINE WARS: Europe rides shotgun down the credit curve as the U.S. pulls in the reins

#### PAN-EUROPEAN (DAY 3): PSYCHOLOGY OF RISK MANAGEMENT AND CAPITAL MARKETS

- Housing prices
- Covered bonds face an identity crisis
- Optimising funding efficiencies, risk transfer, and economic capital management
- Spanish market session
- Nordic regional session
- Dutch market session
- CEE regional session

FOUNDING  
CATALYST  
PARTNERS



FitchRatings



Genworth  
Financial

SUSTAINING  
CATALYST  
PARTNERS



citigroup

EUROPE



Moody's Investors Service

EUROCATALYST  
PARTNER

Deutsche Bank



ITALY IN FOCUS:  
LEAD PARTNER



CALYON  
CORPORATE AND INVESTMENT BANK  
CRÉDIT AGRICOLE GROUP

INDUSTRY  
CATALYST  
PARTNERS



EUROPACE



NIBCcapital

QUON

EUROCATALYST  
IN FOCUS

ITALY

26-09-2005  
MONDAY

With the assistance of the Italian Banking Association, EuroCatalyst 2005: Live from Rome opens with a full day of sessions analysing recent market developments in Italy and exploring ways in which to develop and maximise the market potential that has moved Italy onto the global stage.

After opening with three powerful keynotes providing an overview of the Italian mortgage credit market, the event turns its focus on the operationalisation of the funding continuum for Italian lenders and how best they can optimise and leverage their funding considerations to grow market share.

From there we examine the success of the latest products and look at even more product options in the Italian market with "The Dating Game," where prospective borrower types are lined up with lenders (the audience). In an increasingly competitive market, distribution is another crucial element to enhancing growth, thus we will shift our attention to maximising distribution and optimising administration in the Italian market.

What impact have cross-border entrants had on the Italian market? The next session answers that question, focusing on how innovation and exploitation of market inefficiencies have helped foreign and new market entrants gain a foothold in Italy. Finally, we conclude the day with a Champagne Debate, pitting universal banks against smaller, more specialized lenders in a fun-spirited toast to the increasing strength and potential of the Italian mortgage market.



ITALY'S MORTGAGE MARKET STEPS ONTO THE GLOBAL STAGE

0830-0930 REGISTRATION DESK OPEN

SESSION 1 THE ITALIAN MARKET STEPS ONTO THE GLOBAL STAGE: OPENING KEYNOTES

0930-1015

- Francesco Maria Frasca, Central Manager for Banking and Financial Supervision, Banca d'Italia
- Giuseppe Zadra, General Manager, Associazione Bancaria Italiana

1015-1030 BREAK

SESSION 2 OPTIMISING MORTGAGE FUNDING BY LEVERAGING THE FULL FUNDING CONTINUUM OF THE ITALIAN MARKET

1030-1200

This EuroCatalyst session examines the complete spectrum of funding alternatives for Italian lenders and features a cross-section of market players with differing strategies based on size, goals, and portfolio mix. EuroCatalyst presents a capital markets matrix to illustrate options to optimise portfolio funding considerations between cash securitisation, covered bonds, and senior debt. The matrix contemplates wholesale and retail markets, on- and off-balance sheet funding, and incorporating risk transfer and Basel II, creating a template to examine how to structure, fund, and leverage mortgage assets in the Italian market from the perspective of return on equity, return on assets, and return on economic capital vs. straight equity.

- HOSTS
- Mario Cortesi, Managing Director, Citigroup
  - Francesco Cilloni, Senior Advisory Board Member, Italian Treasury, Ministry of Economy and Finance (Consiglio degli Esperti)

- PANEL
- Paolo Cancellaro, Treasurer, SanPaolo IMI
  - Sandro Cocco, Head of Treasury and Finance, Banca Intesa
  - Michele Cuneo, Director, FitchRatings
  - Giuliano Giovannetti, Head of Sales and Market Development, PMI Mortgage Insurance Europe
  - Massimo Molinari, Head of ALM, Gruppo MPS
  - Monica Sommariva, Head of Securitisation, UCI

1200-1300 LUNCH (sponsored by Barclays Capital)



SESSION 3 THE DATING GAME: THE CHALLENGE OF PRODUCT DEVELOPMENT TO CAPTURE NEW MARKET SEGMENTS

1300-1415

Which borrower would you date? This session looks at the introduction and success of the latest products in the Italian market (high LTV, sub-prime and debt consolidation, equity release, buy-to-let, and reverse mortgages). We open with a 15-minute version of "The Dating Game," to get the audience thinking about how underwriting criteria is applied to new products, how risk relates to mortgage products, and how product development can be viewed in the same way that individuals apply standards and criteria to personal relationships. The panel discussion focuses on key aspects of new products on the market.

- High LTV
- Sub-prime and debt consolidation
- Temporary and immigrant workers
- Buy-to-let
- How will foreign lenders exploit underserved markets?
- How do new mortgage products impact administration and customer service?

- HOSTS
- Bruno de Gasperis, Head of Credit and International Department, ABI
  - Andrea Federico, Partner, Mercer Oliver Wyman

- PANEL
- Stefano Bellini, Marketing, Products and Remote Channels Director, Banca Woolwich
  - Stefano Curti, Responsabile Comparto Prodotti, Direzione Marketing, Unicredito Banca per la Casa
  - Dr. Massimo Macchitella Costantino, Responsabile Funzione Family, Banca di Roma
  - Valeria Picconi, Managing Director, Genworth Financial Italia
  - Gianfranco Ugo, Responsabile Funzione Coordinamento retail, SanPaolo IMI

1300-1430: INNOVATIVE MORTGAGE FUNDING OPTIONS FOR SMALL TO MEDIUM-SIZED BANKS: IS THE SPANISH SUCCESS REPLICABLE IN ITALY? THE COVERED BOND MULTI-ORIGINATOR SCHEME VS. RMBS

HOSTED AND PRESENTED BY



The availability of covered bonds as an alternative and competitive source of funding means that Italian banks now have at their disposal all of the tools necessary to optimise their funding. Even smaller financial institutions, taking a page from Spain's experience, can benefit. Indeed, the multi-originator scheme in Spain has allowed smaller financial institutions to approach the covered bond market, something that otherwise would not have been accessible to them due to the high capital market barriers on entry. Can this success be replicated in Italy?

- HOSTS
- Maurizio Gozzi, Head of Debt Capital Markets, Italy & Greece, Calyon
  - Fabio Stupazzini, Managing Director, Securitisation Deputy Head of Europe, Calyon

- PANEL
- Alfredo Magri, Responsabile Area Finanza, Banca Lombarda
  - Javier Moreno, Head of Capital and Funding Management, Banco Popular Español
  - Alessandro Portolano, Studio Chiomenti
  - Carlo Maria Scocclimarro, Deputy CFO, Banca Popolare Vicenza

**SESSION 4 STRATEGIES TO MAXIMISE DISTRIBUTION AND OPTIMISE ADMINISTRATION OF MORTGAGE PRODUCTS IN ITALY**  
**1415-1530**

The increase in new mortgage products will lead to an increase in mortgage administration as well as an increase in customers seeking additional mortgage advice. Although no exact figures exist for third-party intermediaries, it is estimated to vary between 20% and 30% of the market and growing. With the landscape for mortgage distribution becoming increasingly complex, lenders will need to evaluate channel performance continually. This session looks at optimising channel performance through direct, branch, and third-party channels (both independent and private sales networks).

- HOST** • **Marco Pescarmona**, CEO, MutuiOnline  
**PANEL** • **Damiano Castellì**, Vice President Mortgages, ING Direct  
 • **Giovanni Colucci**, Global Financial Services Industry, EDS  
 • **Piero Fattori**, General Manager, Banca Mediolanum  
 •  **Davide Meretti**, Pirelli Real Estate Franchising  
 •  **Flavio Ottaviani**, General Manager, Credito Fondiario e Industriale (Fonspa)

**1430-1545: WORKSHOP: THE NEW CMBS MARKET FOR ITALY**

- HOSTS** • **Alex Cataldo**, Moody's Investors Service  
 • **Anna Tavano**, Director, Citigroup  
**PANEL** • **Anna Bessant**, Partner, Clifford Chance  
 • **Michele Cibrario**, Managing Director, BNL Fondi Immobiliari SGR  
 • **Francesco Cilloni**, Senior Advisory Board Member, Italian Treasury, Ministry of Economy and Finance (Consiglio degli Esperti)  
 • **Federico Gronda**, Associate Director, FitchRatings  
 • **Patrizia Medvedich**, Director, Structured Finance, Lehman Brothers  
 • **Paola Ricciardi**, European Coordinating Manager, REAG

(IN-SESSION BREAK)

**1530-1545 BREAK**

**SESSION 5 THE IMPACT OF FOREIGN ENTRANTS AND NEW BUSINESS MODELS: BENCHMARKING LOCAL VS. WORLD-CLASS PRACTICES**  
**1545-1645**

A number of foreign players have entered the Italian mortgage-lending business. Successful cross-border lenders compete by introducing innovation into the market and exploiting current market inefficiencies to gain market share throughout the mortgage value chain. Although their market share is negligible, new market entrants have placed pressure on traditional lenders, resulting in the drive for reduced costs, tightening and standardising credit risk policies, and improving servicing and IT systems. Foreign lenders and new market players have the potential to introduce best products, processes, and practices that can raise the overall performance of lenders in the Italian market. This session surveys key new market players, introduces new business models, and highlights world-class practices that can transform the Italian market.

- HOST** • **Domenico Santecceca**, Direttore Centrale, ABI  
**PANEL** • **Dino Crivellar**, Managing Director, Unicredito Gestione Crediti  
 • **Bruno de Gasperis**, Managing Director, Asteimmobili.it SpA  
 • **Silvia Ghilmetti**, Director, CRIF Decision Solutions  
 • **Adrian Hill**, Managing Director, Macquarie Bank Italia  
 • **Giacomo Trovato**, Business Development Manager, Genworth Italia  
 • **Patrizia Zamblanchi**, CEO, GE Money Bank Italia

**SESSION 6 THE CHAMPAGNE DEBATE: SPECIALIST VS. UNIVERSAL BANKING**  
**1645-1800**

Economic globalisation has driven many changes in the Italian banking system. Before the Amato-Carli and Ciampi reforms, Italian banking, especially in the south, was characterised by small locally based banks catering to the needs of local clientele. Liberalisation and privatisation, along with the European integration process, have led to increasing product diversification and cost convergence and the creation of large banking groups and stronger competition. Reforms have also opened up the more autonomous southern Italian credit market to external banking groups, which have taken over a large number of southern banks. In the EuroCatalyst tradition of a fun and spirited debate, this session takes a look at the weaknesses and strengths and pros and cons of the direction in which the Italian banking system has been heading, with a focus on the issues of Specialist vs. Universal Bank approaches to mortgage lending.

- HOST** • **Giuliano Giovannetti**, Head of Sales and Market Development, PMI Mortgage Insurance Europe  
**PANEL** • **Gianluca Benatti**, Responsabile Servizio Family, MPS  
 • **Roberto Mazzotti**, Direttore Centrale, Responsabile Mercati, ICCREA HOLDING  
 • **Pierre Monnin**, General Manager, Micos Banca  
 • **Patrizia Monzeglio**, Responsabile Ufficio Marketing, Unicredit Banca per la Casa  
 • **Dr. Nocentini Tito**, Responsabile Retail, Banca di Roma  
 • **Collin Vincent**, Managing Director, Banca Woolwich  
 • **Gianfranco Ugo**, Responsabile Funzione Coordinamento Retail, SanPaolo IMI

Sponsored by



EUROPE

**2000- EUROCATALYST 2005: LIVE FROM ROME / GALA DINNER (SPONSORED BY PMI EUROPE)**

- **Terrazza MONTE MARIO (CAVALIERI HILTON) Main lobby level**
- **dress: Lounge or business cocktail**

ITALY: LEAD CATALYST PARTNER



ITALY: SUPPORTING CATALYST PARTNER



ITALY: INDUSTRY CATALYST PARTNER



ITALY: MEDIA PARTNER



EUROCATALYST  
2005

**DAY 2**

27-09-2005  
TUESDAY

The dialogue continues . . .

Sometimes, small inputs can cause large consequences, and the annual EuroCatalyst event was launched to do just that. Its purpose is to reposition the role and importance of European mortgage markets by examining the entire value chain. We named it "EuroCatalyst" for the role that it would play in creating a meaningful dialogue to improve the products, processes, and practices throughout all markets. We gave the ideas that came from that dialogue power by discussing the evolution of mortgage markets in the context of globalisation. "If housing is a local activity and funding is increasingly global," we asked, "which one was more likely to change?"

Today's sessions address mortgage market developments, starting with the larger picture of globalisation as the context for European single-market integration and cross-border and new market entry. From there we look at the best new products to grow market share and the associated risks that new products will inevitably bring—and the relationships required to exploit new market opportunities. Our regional market sessions feature a sharp contrast between the two largest markets in Europe. The United Kingdom continues to set the global pace as one of the most innovative markets in the world, whereas Germany continues to struggle with market transformation and consolidation. Where there is confusion, however, there is profit—leading us to feature the "silver lining" of non-performing loans and illustrate the lifecycle of mortgages. Finally, we are proud to feature servicing in this year's annual debate and would like to be the first to announce that servicing in Europe has finally reached centre stage.

**RISK, RELATIONSHIPS, AND REWARD IN EUROPEAN MORTGAGE LENDING**

HOSTED BY **MICHAEL COOGAN, Director General, Council of Mortgage Lenders (UK)**  
**STEPHEN KNIGHT, Executive Chairman, GMAC-RFC UK**

0845-0900 INTRO TONI MOSS

**SESSION 1 RETAIL MARKETS AT WHOLESALE PRICES? GAUGING THE IMPACT OF GLOBALISATION ON MORTGAGE MARKETS**

**0900-1015** This session continues our four-year dialogue on the impact of globalisation throughout the mortgage industry and European mortgage markets in particular and defines the context of the annual EuroCatalyst event. The session is intended to provoke further thoughts on the intensely local nature of mortgage markets in contrast to the increasingly global nature of their funding and the implications of that gap for players across the value chain.

- PANEL
- **Alan Boyce, Director, Soros Fund Management**
  - **Jaime Cortina, CFO, Sociedad Hipotecaria Federal**
  - **Keith Davies, WPP-Prudential & Accounting Standards Department, FSA**
  - **Todd Grooms, Division Chief, Financial Market Stability Division, IMF**
  - **Robert Parker, Vice Chairman, Credit Suisse Asset Management**
  - **Ganesh Rajendra, Managing Director and Head of European Securitisation Research, Deutsche Bank**

1015-1030 BREAK

**SESSION 2 CROSS-BORDER LENDING AND NEW MARKET ENTRY: COMMERCIAL REALITIES OF EUROPEAN MORTGAGE MARKET INTEGRATION**

**1030-1145** The previous discussion on globalisation of mortgage markets sets the stage for discussions on Europe and ongoing efforts to integrate European mortgage markets and what the integration process means in practice. In 2000, EU leaders identified financial integration as the cornerstone to building the single market and at the heart of the Lisbon Strategy to transform the EU into "the most competitive and dynamic knowledge-based economy in the world" by 2010. To this end, the European Commission has actively sought opinions and recommendations on integration of the mortgage market (in part to determine whether there is a clear case for commission intervention). It set up the Forum Group on Mortgage Credit, which in December 2004 published 48 recommendations for achieving an integrated European mortgage market in the areas of consumer confidence, legal issues, collateral issues, distribution issues and finance. In July 2005 the commission issued a Green Paper in response. In August a commission-funded study on the costs and benefits of further integration of residential mortgage markets was published. This session looks at the main recommendations of these reports, the commercial strategies that have been undertaken to date (and how they have fared), current incentives and market factors that have enabled new market entry, and the changes in markets or new business models that will facilitate cross-border activity in the future. We expect this session to generate dialogue that can ultimately be submitted as a response to the commission's Green Paper.

INTRODUCTORY PRESENTATION • **Harsha Shewaram, EU Internal Markets and Services DG, Financial Institutions**

- PANEL
- **Achim Dübél, Economist, Finpolconsult**
  - **Toni Moss, Founder, EuroCatalyst BV**
  - **Erik Urskov, Executive Vice President, Nykredit A/S**
  - **Ferdinand Veenman, Managing Director, Continental European Capital Markets Group, GMAC-RFC**
  - **Manfred Westphal, Head of Financial Services Department, Federation of German Consumer Organisations**

**SESSION 3 FROM MINDSHARE TO MARKET SHARE: RISKS & REWARDS OF NEW PRODUCTS TO CAPTURE NEW MARKET SEGMENTS**

**1145-1300** While globalisation is clearly having an impact on the funding side of European mortgage markets, "local" European lenders are looking at ways to compete effectively in home markets by reaching out to underserved segments through product innovation. In its April 2005 report, "Risk and Funding in European Residential Mortgages," Mercer Oliver Wyman identified a 15% market expansion of untapped opportunity equivalent to €500 billion of lending in Europe. This session discusses new market growth as lenders move down the credit curve and up the LTV curve in search of new borrowers and explores how sub-prime, high LTV, reverse mortgage, and non-conforming lending will expand across Europe. We also discuss ways in which to manage the associated risk that accompanies new market segments, the funding approaches that work best, and which players are most likely to exploit these options. Finally, we'll be taking a look at how lenders are branding new products to new market segments.

INTRODUCTORY PRESENTATION • **Matthew Sebago-Montefiore, Director, Mercer Oliver Wyman**

- PANEL
- **Ray Bouliger, Charcol Online**
  - **Darren Cook, Head of Mortgages, Moneyfacts Group plc**
  - **Willie Donald, European Consultant**
  - **Bill Keenan, Chairman, DeNovo Corp.**
  - **Eddie Register, Director, Servicer Ratings, FitchRatings**

**IN FOCUS: DIVERSIFYING FUNDING & PRICING AND SELLING RISK—THE 3RD ANNUAL EUROCATALYST WHOLE LOAN SALES AND TRADE EXCHANGE (PRESENTED BY STANDARD & POOR'S)**

While the majority of outstanding mortgage debt in the U.S. is financed through securitisation and agency debt, historically European lenders have relied largely upon retail deposits or the issuance of senior unsecured debt for funding. In the late '90s national markets began to alter legislation to enable the securitisation market to flourish. The newest alternative to securitisation is now whole loan sales and trades, a trend primarily driven by GMAC-RFC Securities. A whole loan transaction involves the sale of a pool of loans from one mortgage originator to another, benefiting sellers by providing an immediate risk transfer and flow of funds, and benefiting buyers by enabling the opportunity to securitise the pool. This forum examines the advantages of whole loan sales as a means of asset disposition and why it is increasingly popular for all lenders, large and small, in diversifying funding.

- HOST **Mike Culhane, Chairman and CEO, the Oakwood Group**  
CO-HOST **Craig Beresford, Head of Asset Sales - Capital Markets, GMAC-RFC**  
PANEL **Alain Carron, Managing Director, Standard & Poor's**  
**Patrick Currie, Managing Director, Hometrack Data Systems**  
**Steve Haggerty, Managing Director, Homeloan Management Ltd**  
**Trevor Pothecary, Executive Chairman, Mortgages plc**  
**Frank Roessig, Director, European Development, GMAC-RFC Securities**  
**Jeroen van Hessen, Managing Director, NIB Capital**

**1300-1400 LUNCH**

**SESSION 4 HELLO! HEADLINES IN A GOOD BUY MARKET: THE U.K. CONTINUES TO BLAZE THE TRAIL FOR EUROPEAN MARKETS**

**1400-1500**

One of the most competitive mortgage markets in the world, the United Kingdom continues to blaze the way in both primary and secondary market activities in Europe. As the CML aptly states in its Mortgage Market Manifesto (2004), the U.K. "has the most 'complete' mortgage market in Europe, taking account of the range of consumers served, the range of mortgages available, the accessibility of mortgage finance, and the availability of information and advice." This session explores the challenges facing the U.K. as it deals with concerns over house prices, home ownership, and funding as well as its position in the European context.

- How to raise share of first-time buyers in housing market (shared equity mortgage)
- Product development: saturation of mortgage market has pushed lenders to greater heights of creativity and innovation (HSBC "on sale" mortgage, Yorkshire Building Society 0% mortgage)
- Growth of sub-prime market: weak performing portfolios relative to the more-aged portfolios

**HOSTS • Michael Coogan and Stephen Knight**

**PANEL • Michael Bolton, Head of Lending, Birmingham Midshires**

- Angela Clist, Partner, Allen & Overy
- Steve Haggerty, Managing Director, HomeLoan Management Limited
- Stuart Jennings, Director European Structured Finance, FitchRatings
- Trevor Pothecary, Executive Chairman, Mortgages plc
- Ganesh Rajendra, Managing Director and Head of European Securitisation Research, Deutsche Bank

**SESSION 5 THE GLOVES ARE OFF: WILL GERMANY BECOME EUROPE'S COMEBACK KID?**

**1500-1600**

Germany is the world's third-largest economy (in terms of GDP) and Europe's second-largest mortgage market. Once heralded as a world-class model for national productivity and stability, the German economy continues to bear the unprecedented weight of economic integration between East and West. The three parallel banking systems (public, co-operative, and private) that previously defined the strength of and provided a balance for the German banking sector have evolved into a Darwinian struggle for survival. While the German political process manages the challenges of structural reforms, this session focuses on the diversity of strategies undertaken by major market players as they seek to streamline their balance sheets and find sustainable growth leveraging every possible opportunity throughout the mortgage value chain. Despite restrictive limits to entry, in the past two years Germany has seen several players establish operations, including GMAC-RFC, who recently issued the first true-sale securitisation issue since 1998. This session will discuss the operationalisation of Basel II, the elimination of the German mortgage bank monopoly on the issuance of Pfandbrief, the elimination of state guarantees for Landesbanken and subsequent downgrades, the current environment of mergers and acquisitions and the implications for the market moving forward, the disappearance of the KfW true-sale initiative, the recent changes in German lobby groups, and market strategies such as current overcapacities and poor margins, off-balance-sheet lending strategies and non-performing loans. The session is anticipated to be the most provocative discussion and the most accurate reflection of the current state of mortgage lending in Germany ever conducted in public.

**HOST • Helko Glander, Transformation Partners**

**PANEL • Hélène Heberlein, Managing Director and Head of Covered Bonds, FitchRatings**

- Professor Dr. Thomas Kretschmar, Chairman, HypoPort
- Markus Schaber, Director – German Securitisation, Deutsche Bank
- Franz Schmidpeter, Managing Director, GMAC-RFC Deutschland GmbH
- Dr. Bernhard Scholz, Member of the Board, Münchener Hypothekenbank

**1600-1615 BREAK**

**SESSION 6 IN SEARCH OF THE SILVER LINING IN NON-PERFORMING LOANS**

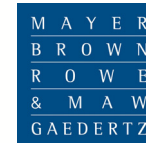
**1615-1715**

**HOSTS • Helko Glander, Transformation Partners, and Toni Moss, EuroCatalyst**

**PANEL • Asina Ajwani, Associate Director, FitchRatings**

- Gabriel Low, Managing Director, Fixed Income, Citigroup
- J. Kingsley Greenland II, President and CEO, DebtX (the Debt Exchange)
- Dr. Bernhard Scholz, Member of the Board, Münchener Hypothekenbank
- Dr. Jörg Wulfken, Partner, Mayer Brown Rowe & Maw

Our NPL session partner:



**SESSION 7 THE WINE WARS (U.S. VS. EUROPE): EUROPE RIDES SHOTGUN DOWN THE CREDIT CURVE AS THE U.S. PULLS IN THE REINS (SPONSORED BY PMI EUROPE)**

**1715-1830**

Sponsored by



EUROPE



Over the years, EuroCatalyst has established a tradition to conclude its opening day with a champagne toast to the differences between the United States and Europe followed by a fun-spirited but provocative debate between teams on both sides of an important industry issue. This year we switch to red and white wine as we debate the obstacles and opportunities in delivering new lending products to new market segments. Specifically, we'll be discussing the common goals and complexities of developing "a loan for every borrower" in the most cost-efficient and effective manner. The debate will centre around the rapid growth and expansion of sub-prime and non-conforming lending throughout Europe in comparison to the U.S. market, which appears to have taken sub-prime lending to an extreme. Is Europe under-leveraged while the U.S. is over-leveraged? Which consumers get a better deal? While sub-prime and non-conforming lending tend to be higher-risk, higher-reward products, what are the costs of managing the additional risk in terms of risk-pricing and servicing? Who is leading product development and which products are performing well throughout the value chain? Where has underwriting fallen short? Do sub-prime borrowers pay more than is warranted by the extra risk they present, or are borrowers too tempted to pay more than they can afford? Will the trend toward increased whole loan sales and trades in Europe drive a secondary market for servicing rights? To what extent will pressure on Fannie Mae and Freddie Mac in the U.S. cause further disruption in servicing scale and even a complete overhaul of the U.S. system? How are technology and servicing helping to manage the risk to offer a wider range of products to an increasing range of borrowers?

**TEAMS • EUROPE: Jean-Louis Bravard, Managing Director, Global Financial Services Industry, EDS; Johannes Luef, President and CEO, VP Denmark; Dominic Swan, Head of SIVs, HSBC**

**• U.S.: Dr. Michael Lea, Cardiff Consulting; Tony Porter, Managing Director & Chief Operating Officer, PMI Mortgage Insurance Company, Ltd; Stan Rhodes, Vice Chairman, ABN Amro Mortgage Group**

**DAY CONCLUDES WITH WINE-TASTING HOSTED BY EDS**

EUROCATALYST  
2005

**DAY 3**

28-09-2005  
WEDNESDAY

While EuroCatalyst has been steadfast in its determination to provide an independent and neutral platform to discuss funding issues by focusing on commercial realities—leaving politics to the politicians—our position has taken us through some interesting twists and turns over the years, subjecting us to varying degrees of respect, indifference, political cross-fire, and exclusion from the debate. Rather than speak for the industry, we once again provide a platform for the industry to speak for itself—and, boy, is the industry upset at the moment. Since 2001, EuroCatalyst has pointed to **globalisation as the context in which European mortgage markets would integrate, based on the inevitable convergence between structured finance and covered bonds and the resulting expansion of the funding continuum.** The acceleration of financial innovation will fuel the growth of European mortgage markets into the future, driving change from secondary markets throughout the value chain into primary markets. The title for the sessions, **“Leaving Home: The Psychology of Risk Management and Capital Markets,”** acknowledges departure from traditional market practices and maps out the journey to a new world of challenges and opportunities posed by capital market innovation, funding, and risk transfer. The title also serves as a reminder that, despite the increase in knowledge and tools to measure, price, and transfer risk, the human element remains central to all risks, the relationships required to manage those risks, and the rewards of profit and growth for those who have found the right balance. Day 3’s sessions bring us up to date on where we left off in Berlin and captures how market changes are impacting the thought process of leading players and how this new way of thinking is fundamentally changing the nature of the markets.

**LEAVING HOME: THE PSYCHOLOGY OF RISK MANAGEMENT AND CAPITAL MARKETS**

HOSTED BY **TIM SKEET, Managing Director/Debt Capital Markets, ABN Amro, and TONI MOSS, EuroCatalyst**

**SESSION 1 HOLDING OUR BREATH: HIGH ANXIETY OVER HOUSING PRICES**

**0845-0945**

According to estimates by *The Economist*, the total value of residential property in developed economies rose by more than \$30 trillion over the past five years to more than \$70 trillion - an increase equivalent to 100% of the combined GDPs of those countries. Not only does the current situation dwarf any previous house price booms, they argue, it is the most massive capital markets bubble in history. Feeling a little anxious? As lenders move up the LTV curve and down the credit curve in search of new borrowers, how will the possibility of a housing bubble impact markets in the near future? Bubbles are never identified until after they have burst, but the combination of rapidly increasing house prices and leveraged mortgage debt have raised serious concern for the industry. This session explores differing perspectives on the extent to which the industry hinges on the fundamental value of house prices, and where they will go next, with suggestions on how to improve the safety and security of housing markets in the future.

- PANEL**
- **Julian Callow, Chief European Economist, Barclays Capital**
  - **Tobias Just, Senior Economist, Deutsche Bank**
  - **Marco Terrones, Senior Economist, International Monetary Fund**
  - **Nick Tyrrell, Head of Research and Strategy, European Real Estate Group, JP Morgan Asset Management**

**SESSION 2 THE NORDIC COMBINED: WORLD-CLASS COMPETITION, INNOVATION AND EXPANSION IN THE NORDIC MARKETS**

**0945-1100**

This session discusses the diversity of the Finnish, Swedish, and Danish mortgage credit systems in contrast to the homogeneous nature of each society. We get into details of the "borrower's market" that describes the fierce competition among lenders, the innovation that enables the best of long-term, fixed-rate callable loans and adjustable-rate loans in the prevailing low-interest-rate regime and the latest developments from the funding side, where the panel will focus on the diversity of funding strategies within their respective countries. The session will also discuss how each of the Nordic markets is trying to position itself for the future. Denmark has a well established policy, Finland has reached out with two high-profile but very divergent funding strategies in the form of Sampo and Aktia, and Sweden continues to sit somewhere on the fence but is still expected to open to the international markets beyond the Kroner. What can we expect from some of the most creative nations in the world?

- HOST**
- **Tim Skeet, ABN Amro**
- PANEL**
- **Lotte Bomgaard, Senior Economist / Investor Relations Manager, Nykredit**
  - **Fanny Borgström, Head of Group Funding, Nordea Treasury**
  - **Martin Gregorson, Covered Bonds and Derivatives Strategy, Danske Bank**
  - **Lauri Ilonleml, Head of Asset and Liability Management, Sampo Bank plc**
  - **Johannes Luof, President and CEO, VP Denmark**
  - **Timo Pletilä, Managing Director, Aktia Mortgage Bank**

**1100-1115 BREAK**

**SESSION 3 WHO AM I? COVERED BONDS FACE AN IDENTITY CRISIS**

**1115-1215**

While covered bonds will remain king of the mortgage-funding jungle for mainstream products, the rapid convergence of funding has led to the most heated debate in the history of European mortgage markets with dramatic implications for the global industry. Today, covered bonds are facing an identity crisis, and the whole world is watching its outcome. An "identity crisis," a term coined by Danish psychologist Erik Erikson, happens "when one loses a sense of personal sameness and historical continuity." Of his Eight Stages of human development, Erikson believed the identity crisis is the single most important conflict human beings encounter, asking for the first time, "Who am I?" This session analyses (pun intended) the current identity crisis facing the covered bond community given that the oldest markets have lost historical continuity with the addition of new markets. Will this new community find sameness in a single asset class, or will the drive toward individuation and differentiation prevail? Has the rift over collateral definitions that can be used in covered bonds healed?

- PANEL**
- **Louis Hagen, Executive Director, Verband deutscher Pfandbriefbanken**
  - **Hélène Heberlein, Managing Director and Head of Covered Bonds, FitchRatings**
  - **Helko Langer, Senior Covered Bond Analyst, BNP Paribas**
  - **Claus Toft Nielsen, Senior Portfolio Manager, Norges Bank Investment Management**
  - **Rob Thomas, Senior Policy Advisor—Funding, Council of Mortgage Lenders**
  - **Bill Thornhill, Senior Reporter, Covered Bonds, IFR**

**CEE AND EMERGING MARKETS**

Where is the greatest opportunity in European markets? This session focuses on the fastest growing markets, including Hungary, Poland, the Czech Republic, Turkey, and Romania. Panellists will be discussing due diligence considerations when looking at CEE and emerging markets, including strategic considerations when buying a bank across borders, what it takes to get deals done in highly bureaucratic environments, the nature and characteristics of local mortgage portfolios, and where are the gaps and unfilled niches in the markets.

- HOSTS**
- **Yaron Ernst, Vice President / Senior Credit Officer, Moody's**
  - **Pam Lamoreaux**
- SPEAKER**
- **Achlm Dübel, Economist, Finpolconsult ("Opportunity in CEE and Emerging Markets")**
- PANEL**
- **Dr. Astrid Kratschmann, Chief of Department, Central European Housing Finance, Erste Bank**
  - **Carmen Rotegan, Executive Director and Acting CEO, Domenia Credit**
  - **Bahadır Teker**

**SESSION 4 LIFE IN THE FAST LANE: KEEPING PACE WITH THE SPANISH MARKET**  
1215-1330

- HOSTS**
- **Sandle Fernandez**, Moody's Investors Service
  - **Santiago Ruiz-Morales**, Executive Director, Securitisation, Calyon
- PANEL**
- **Baralides Alberdi**, Economist
  - **Gustavo Cell**, Associate Director, FitchRatings
  - **Fernando Cuesta**, Head of Securitisation, Caja Madrid
  - **Ana Delgado**, Manager of Servicing Operations, Ahorro y Titulización
  - **Fernando Durante**, Head of Capital Markets, Banco Pastor
  - **Eric Klesta**, Chief Operating Officer, UCI

**HIGH EXPECTATIONS UNDER A LOW SKY: THINKING TWICE ABOUT THE DUTCH MARKET**

- HOST**
- **Leo-Hendrik Greve**, Managing Director, Financial Institutions Capital Markets, Citigroup
- PANEL**
- **Hein G.M. Blocks**, Managing Director, Nederlandse Vereniging van Banken (Netherlands Bankers' Association)
  - **Jeroen Belt**, Structured Finance, SNS Finance Markets
  - **Peter Besuljen**, Director, Quion Groep BV
  - **Rob van den Berg**, Director, GMAC-RFC Nederland BV
  - **Lodewijk Van der Heijden**, Managing Director, De Hypotheekshop
  - **Cor Zwaan**, Director, Mortgage Finance and Asset Securitisation, NIB Capital

1330-1430 LUNCH

**SESSION 5 THE MATRIX: OPTIMISING FUNDING EFFICIENCIES, RISK TRANSFER, AND ECONOMIC CAPITAL MANAGEMENT**  
1430-1630

Like retail deposits, covered bonds will continue to provide the lowest cost of funding, but they do not provide a source of risk transference. This two-part session continues to break new ground in expanding the European capital market landscape by providing a matrix for optimising portfolio funding considerations between cash securitisation, structured covered bonds, Pfandbrief, and senior debt. Spanning wholesale and retail markets, on- and off-balance-sheet funding, and incorporating risk transfer and Basel II, we update last year's template to determine how lenders are currently thinking about how to structure, fund, and leverage mortgage assets from the perspective of return on equity, return on assets and return on economic capital vs. straight equity, showing how changes in the funding spectrum cause resulting changes throughout the entire mortgage value chain. The session is divided into two parts, starting with the larger picture of funding efficiencies on a pure borrowing basis and proceeds to the extent to which lenders are moving away from regulatory capital arbitrage and into risk transfer through whole loan sales and trades, funding, and synthetic instruments.

**THE MATRIX INTRODUCTION BY OUR HOSTS (10 MINUTES)**

- HOSTS**
- **Hoesli Labhart**, Director, Head of European Financial Institutions Securitisation, Citigroup
  - **Dominic Swan**, Director, Head of Structured Investments, HSBC

1440-1535 **THE MATRIX PART I: FUNDING EFFICIENCY ON A PURE BORROWING BASIS**

- PANEL**
- **Thierry Dufour**, Chief Executive, Compagnie de Financement Foncier
  - **Justin Fox**, Head of Funding, Nationwide Building Society
  - **Steve Lorimer**, Head of Syndicate, HBOS Treasury Services
  - **Gabriele Müller**, Capital Markets Director—Germany, Genworth Financial

1535-1630 **THE MATRIX PART II: FUNDING PRODUCT DEVELOPMENT AND RISK TRANSFER FROM THE PERSPECTIVE OF BASEL II AND ECONOMIC CAPITAL MANAGEMENT**

Current net interest margins have reached unsustainably low levels at many European banks, prompting the search for higher risk and higher return products to compensate. However, high growth strategies expose banks to higher levels of risk with increased possibilities of credit losses, which in turn drive the need to transfer risk. In the larger picture, the need for securitisation in a post-Basel II—CRD world has shifted from a form of regulatory capital relief to economic capital management through the transfer of risk. The session provides insight into how banks will operationalise the CRD by featuring firms with advanced risk transfer and economic capital management techniques to discuss how they are reducing their exposure as individual and group strategies, including:

- Synthetic securitisation
  - Insurance as credit-risk mitigation
  - Whole loan sales and trades
- PANEL**
- **Eugenio Carloni**, Head of Funding and Treasury, BNL (Banca Nazionale del Lavoro)
  - **William Davies**, Vice President, Structured Finance Research Team, Merrill Lynch International
  - **Peter Green**, Director of Treasury, Bradford & Bingley
  - **David Liu**, Vice President, International Markets, PMI Capital Corp.
  - **Gloria Hernández**, CFO, Banco Pastor
  - **Annabel Schaafsma**, Vice President / Senior Credit Officer, Moody's Investors Service

**EUROCATALYST 2005 CONCLUDES**



EUROCATALYST  
2005

**DAY 3**

28-09-2005  
WEDNESDAY

