

EUROCATALYST
IN FOCUS

ITALY

26-09-2005
LUNEDI

Per la prima volta, quest'anno, realizzata in collaborazione con l'Associazione Bancaria Italiana, si terrà a Roma (presso l'Hotel Cavalieri Hilton), nei giorni 26, 27 e 28 settembre, la conferenza internazionale sul mortgage credit e la finanza collegata, cui partecipano i rappresentanti di vertice delle principali banche operanti nel settore a livello mondiale (ed in particolare, provenienti da Europa e USA), nonché i rappresentanti delle istituzioni multilaterali (World Bank, EBRD, etc.) Per l'occasione il primo giorno (26 settembre) dei tre previsti per EuroCatalyst 2005 sarà dedicato ad uno specifico focus sul mercato italiano.



La giornata avrà presentazioni iniziali di stampo istituzionale per una panoramica complessiva degli sviluppi e delle potenzialità del mercato italiano, per poi articolarsi in quattro sessioni organizzate secondo il modello del "talk show" interattivo: (i) l'ottimizzazione della gamma di strumenti di funding oggi disponibili per le banche italiane anche alla luce della recente introduzione dei covered bond; (ii) l'innovazione di prodotto e i casi di successo che meglio nel mercato italiano hanno risposto alle nuove tendenze della domanda; (iii) le strategie di distribuzione dei prodotti ipotecari e la loro gestione; (iv) l'impatto dell'attività cross-border sul mercato italiano e delle best practice internazionali.

La partecipazione alla prima giornata – che sarà interamente in lingua italiana – potrà essere acquistata anche separatamente rispetto all'intero evento. In entrambi i casi per le banche associate all'ABI sono previste fee di particolare favore.

IL MERCATO ITALIANO DEI MUTUI ENTRA SUL PALCOSCENICO MONDIALE

0830-0930 REGISTRAZIONE

SESSION 1 IL MERCATO ITALIANO DEI MUTUI ENTRA SUL PALCOSCENICO MONDIALE: NOTE DI APERTURA

0930-1015

- **Francesco Maria Frasca**, Funzionario Generale – Area Vigilanza, Banca d'Italia
- **Giuseppe Zadra**, General Manager, Associazione Bancaria Italiana

1015-1030 BREAK

SESSION 2 OTTIMIZZARE IL FINANZIAMENTO DEI MUTUI FACENDO LEVA SULL'INTERO CONTINUUM DEL FUNDING IN ITALIA

1030-1200

Questa sessione di EuroCatalyst esamina l'insieme delle alternative di funding per il mercato italiano avvalendosi della presenza di players di mercato con diverse strategie di volumi e mix di portafoglio. EuroCatalyst presenterà un matrice dei mercati finanziari per la ottimizzazione delle opzioni di funding del portafoglio, dalla cartolarizzazione, ai covered bonds, al debito privilegiato etc.. La matrice considera i mercati wholesale e retail, il funding a bilancio e fuori bilancio, tenendo conto degli obiettivi di trasferimento del rischio e di Basilea II. Si crea così un modello per esaminare come strutturare, finanziare e fare leverage sul credito ipotecario nel mercato italiano, dal punto di vista del return on equity, del return on assets e del return on economic capital.

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

- PANEL**
- **Paolo Cancellaro**, Treasurer, SanPaolo IMI
 - **Sandro Cocco**, Head of Strategic 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
 - **Luclano Tuzzi**, Head of Finance, UCI

1200-1300 LUNCH (Sponsored by Barclays Capital)



SESSION 3 "THE DATING GAME": LA SFIDA DELLO SVILUPPO DI PRODOTTI PER CATTURARE NUOVI SEGMENTI DI MERCATO

1300-1415

Quale è il tuo mutuatario ideale? Questa sessione considera il successo di alcuni tra i prodotti più recenti nel mercato italiano (mutui ad alto LTV, a clientela sub-prime, per il consolidamento di passività plurime, equity release, buy-to-let and reverse mortgages). La sessione si apre con un approccio molto originale, ossia con una versione di 15 minuti del "gioco delle coppie" ("The Dating Game"), per stimolare la platea a considerare i criteri di scelta nell'offerta di nuovi prodotti, nella gestione del rischio per le nuove forme di mutuo e di come lo sviluppo di nuovi prodotti possa essere paragonato agli standard e ai criteri che gli individui applicano nello sviluppo delle proprie relazioni personali. La discussione si concentra sugli aspetti chiave dei nuovi prodotti presenti sul mercato:

- High LTV; Sub-prime and Debt consolidation
- Lavoratori a tempo determinato e immigrati
- La presenza di players stranieri sui mercati meno serviti: come risponderanno gli istituti di credito italiani?
- Quale è l'impatto dei nuovi mutui sulla gestione ed il servizio alla clientela?

- HOSTS**
- **Bruno de Gasperis**, Responsabile Settore Crediti e Internazionalizzazione, ABI

- PANEL**
- **Andrea Federico**, Partner, Mercer Oliver Wyman, Banca Woolwich
 - **Stefano Bellini**, Marketing, Products and Remote Channels Director, Unicredit Banca Per la Casa
 - **Stefano Curti**, Responsabile Comparto Prodotti, Direzione Marketing, Unicredit Banca Per la Casa
 - **Valeria Picconi**, Managing Director, Genworth Financial Italia
 - **Massimo Macchitella Costantino**, Responsabile Funzione Family, Banca di Roma
 - **Gianfranco Ugo**, Responsabile Funzione Coordinamento retail, SanPaolo IMI

1300-1430: L'INNOVAZIONE NEL FUNDING DEI MORTGAGES PER LE MEDIO-PICCOLE BANCHE ITALIANE: È REPLICABILE IN ITALIA L'ESPERIENZA DI SUCCESSO DELLA SPAGNA? MULTI-ORIGINATOR COVERED BONDS VS RMBS

HOSTED AND PRESENTED BY
A breve anche le Banche Italiane potranno fruire di costi di finanziamento competitivi tramite i Covered Bonds; l'esperienza della Spagna ci ha dimostrato come:



- i) la convivenza degli RMBS con i CB sia garantita dalle diverse risposte che tali strumenti assicurano all'ottimizzazione del finanziamento dei mortgages
- ii) lo schema "multi-originator" abbia esteso l'opportunità di emettere Covered Bonds anche agli Istituti di minori dimensioni, altrimenti esclusi dalle elevate barriere di ingresso imposte dal mercato dei capitali.

- 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 Funding, Banco Popular Espanol
 - **Alessandro Portolano**, Studio Chiomenti
 - **Giorgio Ricchebuono**, Responsabile Area Finanza, Vice Direttore Generale, BPU Banche Popolari Unite
 - **Carlo Maria Scocclmarro**, Deputy CFO, Banca Popolare Vicenza

SESSION 4 1415-1530 STRATEGIE PER MASSIMIZZARE LA DISTRIBUZIONE ED OTTIMIZZARE LA GESTIONE DEI MUTUI IN ITALIA

La crescita di nuovi prodotti fa nascere nuove esigenze nell'area gestionale ed aumenta il numero di clienti che richiedono maggiore consulenza nella scelta del credito. Benché non esistano dati precisi sull'intermediazione creditizia, le stime di mercato indicano una crescita del settore con una presenza odierna che va dal 20 al 30%. Davanti ad una sempre maggiore complessità nei processi di distribuzione, le banche avranno l'esigenza di rivalutare continuamente la performance dei canali di distribuzione. Questa sessione affronta il tema di come ottimizzare la tale performance attraverso strategie dirette, di sportello e di intermediazione (sia attraverso reti proprietarie che via dei network di vendita indipendenti).

HOST • **Marco Pescarmona**, CEO, MutuiOnline

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

1530-1545 BREAK

SESSION 5 1545-1645 L'IMPATTO DEI PLAYERS STRANIERI E NUOVI MODELLI DI BUSINESS: BENCHMARKING DELLE PRATICHE DI MERCATO LOCALI VS. LE BEST PRACTICES MONDIALI

Un certo numero di players stranieri è già entrato nel mercato italiano del credito ipotecario. Le banche internazionali competono introducendo prodotti e modelli innovativi e cercando di sfruttare eventuali inefficienze di mercato attraverso tutta la catena del valore. Benché le loro quote di mercato siano minime, i nuovi players hanno svolto un indubbio ruolo di stimolo, accelerando la riduzione di costi, il rafforzamento e la standardizzare delle metodologie di analisi del rischio di credito etc. In questa prospettiva le banche straniere possono dunque contribuire ad aumentare la performance globale del mercato italiano. Questa sessione esamina i nuovi modelli di business e mette in evidenza le best practices mondiali che possono essere adattate e introdotte nel mercato italiano.

HOST • **Domenico Santecceca**, Direttore Centrale, ABI

PANEL • **Dino Crivellari**, Managing Director, Unicredit Gestione Crediti
• **Bruno de Gasperis**, Managing Director, Asteimmobili.it SpA
• **Silvia Ghelmetti**, Director, CRIF Decision Solutions
• **Adrian Hill**, Managing Director, Macquarie Bank Italia
• **Giacomo Trovato**, Business Development Manager, Genworth Italia
• **Patrizia Zambianchi**, CEO, GE Money Bank Italia

SESSION 6 1645-1800 CHAMPAGNE CHALLENGE: SPECIALIST VS. UNIVERSAL BANKING

Prima delle riforme Amato-Carli e Ciampi, il sistema Italia, specialmente al sud, era caratterizzato da numerose banche locali. Successivamente la globalizzazione economica, la liberalizzazione e la privatizzazione, insieme al processo di integrazione europea, hanno portato molti cambiamenti nel sistema bancario italiano, tra i quali una crescente diversificazione dei prodotti, una concorrenza più elevata, una più sofisticata articolazione delle politiche di prezzo, la creazione di gruppi bancari di maggiori dimensioni economiche e a più estesa copertura territoriale. Nella tradizione EuroCatalyst di un dibattito divertente e vivace, questa sessione si propone di esaminare i punti di forza e di debolezza, i pro e contro della direzione presa dal mercato Italiano, con un'attenzione particolare alle problematiche degli approcci al credito ipotecario di tipo Specialist o Universal Bank

HOST • **Giuliano Giovannetti**, Head of Sales and Market Development, PMI Mortgage Insurance Europe

PANEL • **Gianluca Benatti**, Responsabile Servizio Family, MPS
• **Pierre Monnin**, General Manager, Micos Banca
• **Patrizia Monzeglio**, Responsabile Ufficio Marketing, Unicredit Banca per la Casa
• **Dr. Nocentini Tito**, Responsabile Retail, Banca di Roma
• **Colin Vincent**, Managing Director, Banca Woolwich
• **TO BE ANNOUNCED**, ICCREA Holding
• **Gianfranco Ugo**, Responsabile Funzione Coordinamento Retail, SanPaolo IMI

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

• Terrazza MONTE MARIO (CAVALIERI HILTON) Main lobby level
• all registered delegates invited to attend, dress code: lounge or business formal

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

HOSTS • **Alex Cataldo**, Moody's Investors Service
• **Anna Tavano**, Citigroup

PANEL • **Federico Gronda**, Associate Director, FitchRatings
• **Patrizia Medvedich**, Lehman Brothers

In-session break

ITALY: LEAD CATALYST PARTNER



ITALY: SUPPORTING CATALYST PARTNER



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ITALY: MEDIA PARTNER



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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 goes far beyond recycled conference topics and touches 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 program. 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, relationship and reward in European mortgage markets

PRELIMINARY PROGRAM V 3.5

26 -28 SEPTEMBER 2005 / CAVALIERI HILTON ROME

For the fourth consecutive year, EuroCatalyst hits the ground running with a programme that features 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 globalization, we open EuroCatalyst 2005 with a full day focus on Italy, covering topics and players on both the primary and 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 optimization 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 on new products to capture new market segments
- UK market session
- German market session
- Silver lining of sub and nonperforming 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



EUROPE



EUROCATALYST PARTNER

Deutsche Bank



ITALY IN FOCUS: LEAD PARTNER



CRÉDIT AGRICOLE GROUP



Moody's Investors Service

INDUSTRY CATALYST PARTNERS



NIBCcapital



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 center stage.

RISK, RELATIONSHIP 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 0900-1015 RETAIL MARKETS AT WHOLESALE PRICES? GAUGING THE IMPACT OF GLOBALISATION ON MORTGAGE MARKETS

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 Groom**, 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 1030-1145 CROSS-BORDER LENDING AND NEW MARKET ENTRY: COMMERCIAL REALITIES OF EUROPEAN MORTGAGE MARKET INTEGRATION

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 building block to 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 direct 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 which 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 DISCUSSION
- **Achim Dübél**, Economist, Finpolconsult
 - **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 1145-1300 FROM MINDSHARE TO MARKET SHARE: RISKS & REWARDS OF NEW PRODUCTS TO CAPTURE NEW MARKET SEGMENTS

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 on "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 Sebag-Montefiore**, Director, Mercer Oliver Wyman

- PANEL DISCUSSION
- **Ray Boulger**, Charcol Online
 - **Darren Cook**, Head of Mortgages, Moneyfacts Group plc
 - **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 US is financed through securitization 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 securitize the pool. This forum examines in detail the advantages of whole loan sales as a means of asset disposition and why it is increasingly popular for all lenders, large and small, to diversify funding.

HOST TO BE ANNOUNCED

- PANEL
- **Alain Carron**, Managing Director, Standard & Poor's
 - **Mike Culhane**, Chairman, The Oakwood Group
 - **Jon Katovsky**, Managing Director, Britannia Treasury Services
 - **Craig Beresford**, Head of Asset Sales - Capital Markets, GMAC-RFC

1300-1400 LUNCH

SESSION 4 HELLO! HEADLINES IN A GOOD BUY MARKET: THE UK REMAINS RESILIENT

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 UK "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 UK 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 subprime market: weak performance in UK non-conforming 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

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 securitization 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 including 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 accurate reflection of the current state of mortgage lending in Germany ever conducted in public.

HOST • Helko Glander, Transformation Partners

PANEL • Professor Dr. Thomas Kretschmar, Chairman, HypoPort

• Markus Schaber, Director – German Securitisation, Deutsche Bank

• Franz Schmlpeter, 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 NONPERFORMING 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

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 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 center around the rapid growth and expansion of sub-prime and non-conforming lending throughout Europe in comparison to the US market which appears to have taken sub-prime lending to an extreme. Is Europe under-leveraged while the US 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 US cause further disruption in servicing scale and even a complete overhaul of the US 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; (OTHERS TO BE ANNOUNCED)

• US / Dr. Michael Lea, Cardiff Consulting; Tony Porter, Managing Director & Chief Operating Officer, PMI Mortgage Insurance Company Ltd; Stan Rhodes, CEO, ABN Amro Mortgage Group;

(OTHERS TO BE ANNOUNCED)

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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 **globalization 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. Despite the increase in knowledge and tools to measure, price and transfer risk, the title also serves as a reminder of the human element that 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 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 0845-0945 HOLDING OUR BREATH: HIGH ANXIETY OVER HOUSING PRICES

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 over \$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? While bubbles are never identified until after they have burst, 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 0945-1100 LIFE IN THE FAST LANE: KEEPING PACE WITH THE SPANISH MARKET

- 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
 - **Angel Tello**, Capital Markets Division, Caixa Catalunya

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), and Chairman of the Executive Committee of the European Banking Federation
 - **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 Heljden**, Managing Director, De Hypotheekshop
 - **Cor Zwaan**, Director, Mortgage Finance and Asset Securitisation, NIB Capital

1100-1115 BREAK

SESSION 3 1115-1230 THE NORDIC COMBINED: CREATIVE COMPETITION, INNOVATION AND EXPANSION IN THE NORDIC MARKETS

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

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.

OPENING SPEAKER

- **Achim Dübel**, Economist, Finpolconsult ("**Opportunity in CEE and Emerging Markets**")

PANEL

- **Dr. Astrid Kratschmann**, Chief of Department, Central European Housing Finance, Erste Bank
- **Pam Lamoreaux**
- **Carmen Retegan**, Executive Director and Acting CEO, Domenia Credit
- **Annabel Schaafsma**, Vice President / Senior Credit Officer, Moody's
- **Bahadır Tekler**

SESSION 4 WHO AM I? COVERED BONDS FACE AN IDENTITY CRISIS

1230-1330

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 by asking the question 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? How well will the rift over collateral definitions that can be used in covered bonds that has raged over this summer have healed by September?

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

1330-1430 LUNCH

SESSION 5 A BALANCED APPROACH: OPTIMISING FUNDING EFFICIENCIES, RISK TRANSFER AND ECONOMIC CAPITAL MANAGEMENT

Second to retail deposits, while covered bonds will continue to provide the lowest cost of funding 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 optimizing 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 Basle 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 moves into 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.

1430-1530 (PART 1) FUNDING EFFICIENCY ON A PURE BORROWING BASIS

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

- PANEL**
- **Fanny Borgström**, Head of Group Funding, Nordea Treasury
 - **Justin Fox**, Head of Funding, Nationwide Building Society
 - **Saul Greenberg**, Senior Vice President, Moody's Investors Service
 - **Steve Lorimer**, Head of Syndicate, HBOS
 - **Gabriele Müller**, Capital Markets Director—Germany, Genworth Financial
 - **Antonio Torlo**, Vice President, Financial Management, Grupo Santander

1530-1630 (PART 2) 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**
- **Alexander Batchvarov**, Head of International Structured Finance Research, Merrill Lynch International
 - **Thierry Dufour**, Chief Executive, Compagnie de Financement Foncier
 - **David Liu**, Vice President, International Markets, PMI Capital Corp.
 - **Peter Green**, Director of Treasury, Bradford & Bingley
 - **Gloria Hernández**, CFO, Banco Pastor

EUROCATALYST 2005 CONCLUDES



**EUROCATALYST
2005**

DAY 3

**28-09-2005
WEDNESDAY**

