

welcome

EuroCatalyst 2007 Madrid marks the final instalment of the five-year EuroCatalyst series on the globalisation of mortgage markets and pan-European mortgage market developments. This historic dialogue was launched in Madrid on September 23, 2002, with the following stated goals and vision:

1. To raise the calibre of dialogue and debate on global mortgage market developments with European market integration as the centre of that debate;
2. To reposition the role and importance of European mortgage markets by discussing their importance in the context of globalisation;
3. To explore the implications and consequences of the gap between housing as a local activity and funding and risk transfer as a global activity;
4. To compare disparate European mortgage markets and establish collaborative benchmarks for best practices and market efficiencies across the entire mortgage value chain;
5. To emphasize the importance and balance of the entire mortgage value chain to prevent market distortion or crises by the overemphasis on a particular market segment;
6. To establish the community upon which the European mortgage industry could develop by bringing together all players from all sectors in all markets in one place at one time in an educational, interactive and highly entertaining forum.

Although the emotionality of market behaviour is dictated by a herd mentality, our goal has always been to bring together a small group of the most open-minded and enlightened industry professionals to call things as they see them happen, most often *before* they happen. True to its name, the event has served as the catalyst to accelerate European mortgage market developments focusing on the commercial realities of the markets and leaving their political implications to the political process. Over the past five years the result has inspired tremendous change in European markets by challenging US dominance and offering alternative strengths, strategies and solutions that today place Europe at the centre of what is now a global industry.

As newspaper headlines across the world cover pieces of the story we began telling in 2002, EuroCatalyst 2007 is focused on how European mortgage market players will navigate the new world of housing finance in global capital markets, how players can find valid exits, as well as how the entire European industry will move beyond the malaise triggered by the US sub-prime meltdown. It is often said that where there is chaos, there is profit – clearly winners will emerge from the chaos and we'll be pointing out which players and market sectors stand to gain the most.

THANKS

EuroCatalyst thanks its partners for their support of EuroCatalyst 2007

- ⊙ **FITCH RATINGS / KNOW YOUR RISK**
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EUROCATALYST 2007: Burning Down the House* / Quemando la casa

notes

MEDIA RESTRICTION ON EUROCATALYST 2007 MADRID

Media is restricted from attendance at EuroCatalyst 2007 due to the sensitive nature of the topics being discussed.

PROGRAMME CONTENT AND AUTHORSHIP

EuroCatalyst is a strategic advisory firm based in the Netherlands which, for the past seven years, has specialised in accelerating cross-border and new market entry to firms operating across the European mortgage value chain. Since 2002 the annual EuroCatalyst event has provided a high-level insider's view of European mortgage markets and their developments in the context of globalisation so that those working in the markets are better able to understand and navigate the obstacles and opportunities. The EuroCatalyst event is not sponsored or endorsed by nor does it represent the view of any single trade organization and does not hold any political affiliation. We are focused on the commercial realities of the markets. All content for the event is derived from EuroCatalyst's research and work across global mortgage markets. Event hosts, speakers, panellists and participants do not necessarily share our views.

* **"BURNING DOWN THE HOUSE"**: For the past five years EuroCatalyst has themed sessions with musical interludes. Every year we open the event with the popular song "Burning Down the House" by the Talking Heads. (It is a conference after all). As this is the last EuroCatalyst event in its current format, the title "Burning Down the House," refers to the conclusion of the 5-year series – and not as direct commentary on current market conditions.

agenda summary

EUROCATALYST 2007 MADRID: Live and uncensored / En vivo y sin censura

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1. **APRÈS LE DÉLUGE / From subprime to the ridiculous:** Pat Butler keynote
 2. **BREAKTHROUGH OR BREAKOUT?** The spread of sub-prime and non-conforming lending across Europe, the rise in special servicing and related developments across the value chain
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MORNING COFFEE BREAK

3. **The globalisation of mortgage markets, risk dispersion, housing prices and the sub-prime crisis**
 - a. A new paradigm for surviving the financial dislocation of the new non-bank world
 - b. The dry forest: Will regulators spark the flame or end the drought?
 - c. Chicken "Little" meets the Egg: Which came first, the liquidity crisis or the credit crunch? Scrambling for exits
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LUNCH: STANDING BUFFET

4. **SPAIN:** Testing the strength and resilience of the Spanish mortgage market
 5. **PASS THE PARCEL:** Speculating on house price performance
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AFTERNOON COFFEE BREAK

6. **TICKET TO RIDE:** The rise of third-party distribution, disintermediation and distortion. Which markets have found the balance?
 7. **SHOOT FIRST, AIM LATER:** Emerging Markets, infrastructure and the "New Frontiers" for cross-border growth in European mortgage markets
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Après le déluge (From the subprime to the ridiculous) / Apres le déluge (Después del diluvio)

Pat Butler, Head of Global Financial Services Practice, McKinsey & Company

Whether you are currently in a state of mild fear, full-blown panic, anger, blame, denial, blissful ignorance or stoic acceptance, life and lending continue. In this session Pat Butler addresses the current crisis and prognosis (you will find Prozac underneath your chair at the event) and more importantly brings our focus to the activities that lenders will need to get right once the crisis has passed. For those of you who are serious about proactive recovery efforts, Pat will discuss new product opportunities, distribution management and the emergence of cross-border platforms and infrastructure taking precedence over financial engineering (it's about time). The recovery will be a return to a genuine customer orientation – and not a banker's mentality. Considering the wide range of blame attributed to all sectors of the lending and capital markets industry we're confident that everyone will gain value from the discussion.



Breakthrough or breakout? The growth of subprime and nonconforming lending across Europe and its impact across the value chain / ¿Avance o ruptura? El crecimiento de los préstamos de alto riesgo en Europa y su impacto en la cadena de valor

HOSTS

- ⊙ **TONI MOSS**, CEO, **EUROCATALYST**
- ⊙ **TREVOR POTHECARY**, CEO, **MORTGAGES PLC**

PANELLISTS

- ⊙ **MIKE CULHANE**, Chairman and CEO, **OAKWOOD GLOBAL**
- ⊙ **DR. MICHAEL LEA**, Principal, **CARDIFF CONSULTING**, and Professor, **SAN DIEGO STATE UNIV.**
- ⊙ **EDDIE REGISTER**, Senior Director, European Structured Finance, **FITCHRATINGS**
- ⊙ **RON ROARK**, CEO, **CROWN NORTHCORP**
- ⊙ **DAVID RYAN**, Chairman and CEO, **STATEFIRST GROUP**
- ⊙ **DENNIS SHEEHAN**, Senior Managing Director, Continental Europe, **GMAC-RFC**

When the EuroCatalyst 2002 agenda was released five years ago, we received concerned calls from structured finance bankers in London who asked, "What's a covered bond?" Since January of this year we've had calls ranging from concern to panic from investors and others asking for clear definitions of prime, sub-prime and non-conforming lending in the European context. The truth is, there are no distinct definitions because they vary in underwriting guidelines from lender to lender and in practice from country to country. Definitions of prime lending in Europe are simple – prime loans are those which fit the criteria of covered bond legislation in each national market. Sub-prime and non-conforming are differentiated by proprietary loan marketing risk pricing. Clearly much more non-conforming lending occurs than any national market statistics will ever show, or non-specialised lenders will ever specify. Why? Because commercial realities dictate that organic growth in market share means moving up the LTV curve, down the credit curve or extending the duration of the loan to attract more customers. This session also looks at the related sectors impacted by product expansion including risk-based pricing, the value of mortgage and title insurance, packaging, property valuation and most importantly, the need for special servicing and the current lack of it. Featured in the session are four of the most important entrepreneurs in European markets who provide crucial insight on how they continue to forge ahead balancing the chaos of current market conditions while keeping a strong hand on operational performance. Rounding out the session is Michael Lea, who is currently authoring a new study on sub-prime and non-conforming lending in Europe and Eddie Register, who will address the symbiotic relationship between specialised lending and special servicing.

RECOMMENDED READING

EuroCatalyst 2005, Session 7: The Wine Wars (US vs. Europe): Europe Rides Shotgun down the credit curve while the US pulls in the reins, EuroCatalyst BV, Toni Moss

EuropeServicing 2006 Conference Programme, Day 2, "Tomorrow Never Dies", EuroCatalyst BV, Toni Moss

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The globalisation of mortgage markets, risk dispersion, housing prices and the sub-prime crisis / La globalización de los mercados hipotecarios, la dispersión del riesgo, los precios de la vivienda y la crisis de los créditos de alto riesgo

The mortgage and housing finance industry will always be a tug of war between the governmental imperative and social commitment to expand homeownership and the financial industry seeking to extract the most profit from it.

This three-part session discusses how mortgage markets have globalised which has in large part led to the current situation. Which European markets show similar underlying features and vulnerabilities, which market fundamentals are victims of the process and what mortgage markets will look like moving forward? In what appears to be a drowning world, our purpose is not to describe the water.

This session looks for profitable exits among diminished returns, survival strategies in the new order and the surprising opportunities that always present themselves in times of chaos. In this case, as we seek to reopen the dialogue between important market players to look for internal solutions to industry-wide problems, we also point out some remaining opportunities across the value chain and across European markets.

3a

The shadow banking system and financial dislocation of the new non-bank world / El sistema bancario en la sombra y la desarticulación del nuevo mundo de los no-bancos

SESSION CO-HOSTS

- ⊙ **TONI MOSS**, CEO, **EUROCATALYST**
- ⊙ **TIM SKEET**, Managing Director, Head of Covered Bonds, **MERRILL LYNCH**

PANELLISTS

- ⊙ **TODD GROOME**, Advisor, Monetary and Capital Markets Department, **IMF**
- ⊙ **ALAN PATTERSON**, Head of Capital Management Strategy Group, EMEA FICM, **CITI**
- ⊙ **ACHIM DÜBEL**, Financial Sector Economist, **FINPOLCONSULT (GLOBAL)**
- ⊙ **JACK GUTTENTAG**, Professor of Finance Emeritus, **WHARTON SCHOOL OF THE UNIVERSITY OF PENNSYLVANIA**
- ⊙ **PAT BUTLER**, Head of European Financial Services Practice, **McKINSEY & COMPANY**

The opening segment of this three-part session addresses the shift from the traditional banking world in which most regulatory policies were developed to a new world dominated by a rapidly evolving "shadow" banking system which operates beyond the reach of regulators. This "non-bank" world is comprised of alpha-hungry investors driving highly complex and levered investment conduits, vehicles and structures that have risen in conjunction with the global housing boom. The return/yield formula has led to an appetite for risk that the traditional financial system cannot digest. As we have seen recently, the result is a gradual loss of control over monetary policy by central banks and panic-driven chaos that started a run on funds by investors and more recently a parallel run on two banks by consumers. The speed at which the contagion has spread equally shocked market participants and the official sector, proving once again that the new world of financial innovation is no more than grand experiments of trial and error that lead to uncertain and severe consequences on a global scale. This session attempts to bring these extraordinarily sensitive and difficult issues to the forefront to discuss possibilities for redress or adaptation. If evolution provides no other options than to evolve or die, the choice is clear. The question is, what are we evolving toward?

RECOMMENDED READING:

["Global Financial Stability Report"](#) September 2007, IMF

["Mark-to-Market Accounting and Liquidity Pricing,"](#) Franklin Allen and Elena Carletti, July 20, 2006, Wharton School Financial Institutions Center

["Where's Waldo? Where's W?,"](#) PIMCO Investment Outlook, Bill Gross, September 2007

[The New Bogeyman of Financial Capitalism,](#) Nouriel Roubini, Project Syndicate, August 2007

3b

THE DRY FOREST: Will regulators spark the flame or end the drought? / EL BOSQUE SECO: ¿Acabarán los reguladores con la sequía o atizaran el fuego?

SESSION HOSTS

- ⊙ **TONI MOSS**, CEO, **EUROCATALYST**
- ⊙ **TIM SKEET**, Managing Director, Head of Covered Bonds, **MERRILL LYNCH**

PANELLISTS

- ⊙ **SAM THEODORE**, Managing Director, European Financial Institutions, **DBRS**
- ⊙ **ACHIM DÜBEL**, Financial Sector Economist, **FINPOLCONSULT (GLOBAL)**
- ⊙ **TODD GROOME**, Advisor, Monetary and Capital Markets Department, **IMF**
- ⊙ **JIM CUNNINGHAM**, Senior Economist, **COUNCIL OF MORTGAGE LENDERS**
- ⊙ **RICK WATSON**, Managing Director, **EUROPEAN SECURITISATION FORUM**

As capital market innovation is a series of human trial and error, so is regulation. Each day that passes reveals a new hand in the high-stakes poker game being played out among central banks and financiers on a €122 trillion global playing field. Although the financial innovation of securitisation has Despite the benefits of securitisation, misperceptions of the Enron scandal launched a vigorous debate that has been renewed by the sub-prime crisis. Those who question the virtue of securitisation argue that its benefits are gained from shifting uncompensated risk onto third-parties. The argument implies that these third-parties (primarily investors) are ignorant of the full extent of those risks. It is true that all mortgage market participants from consumers to investors need greater transparency than banks, funds and almost all mortgage market players are currently providing. and perhaps more than market "natural selection" should be levied against those who do not comply with market standards. However, should public sector regulators be in the business of preventing losses? Part 3 captures the drama of what lies in the fragile balance of markets today. No doubt all regulators are on top of the issues and many feel compelled to act. The tension is rising with attention-grabbing headlines and an increasingly panicked public. As behavioural finance has shown, market dynamics are heavily driven by the erratic nature of individual human behaviour. What lies in the balance is consumer confidence and the threat of a global recession.

RECOMMENDED READING:

America's Day of Reckoning, Joseph E. Stiglitz, Project Syndicate, August 2007
The Asian Crisis Ten Years After, Joseph E. Stiglitz, Project Syndicate, July 2007

3c

Chicken “Little” meets the Egg: Which came first, the liquidity crisis or the credit crunch? Scrambling for exits / El huevo o la gallina ¿que va antes? ¿La crisis de liquidez o la restricción del crédito? Buscando una salida.

SESSION HOSTS

- ⊙ **TONI MOSS**, CEO, **EUROCATALYST**
- ⊙ **TIM SKEET**, Managing Director, Head of Covered Bonds, **MERRILL LYNCH**

PANELLISTS

- ⊙ **STUART JENNINGS**, Managing Director, European Structured Finance, **FITCHRATINGS**
- ⊙ **PAUL DUDOUIT**, Head of Funding, **CRÉDIT FONCIER GROUP**
- ⊙ **TED LORD**, Managing Director, **BARCLAYS CAPITAL**
- ⊙ **FRANK ROESSIG**, Chief Executive Officer, **GMAC-RFC SECURITIES, EUROPE**
- ⊙ **ALAIN CARRON**, Head of Securitisation, **CRÉDIT FONCIER**

With panic driving pricing and a severe lack of overall confidence in the market, there is currently no standard for market pricing. Worse, in some cases even strong collateral cannot be sold or financed at any price that nears its true value. This session is focused on liquidity and exits.

LIQUIDITY

- How can targeted liquidity be injected into the markets?
- What resources can originators turn to for funding?
- Who is currently supplying warehouse lines?

COVERED BONDS: Where do covered bonds stand on the sub-prime crisis? While these instruments appeared to have escaped the subprime contagion, in recent days, they, too, have been touched by overall market concerns. Their spreads are changing dramatically from day to day. How well are diversified funding platforms working in the current climate?

WAREHOUSE FUNDING:

- How has the current environment impacted the availability/accessibility of warehouse funding?
- Have the criteria been tightened on the warehouse level, making new originations more challenging?
- Are the warehouse lines providing a form of regulation for lenders? If so, is it rightfully the role of a warehouse lender to regulate originations?

SECURITISATION AND WHOLE LOAN SALES AND TRADES (When securitisation is no longer the preferred exit)

- how has the whole loan sales & trade market grown as a result?
- For an issuer, what factors help determine whether securitisation or whole loan trades are a more viable exit?
- How does the growth of whole loan sales & trades impact the lender-borrower relationship?
- What view do investors take on multi-originator pools from the perspective of diversifying risk?

SERVICING:

- How are the new servicers impacted by the decelerated pace of loan sales for securitisation?
- How are servicers managing portfolios which can no longer be sold at any price?
- How well prepared are servicers to defend against large rises in arrears and prevent portfolio losses?
- How are new servicers entering the market coping with the distress of new originators?
- Special servicing: Are European servicers prepared for an increase in arrears?

4

Testing the strength and resilience of the Spanish mortgage market / Poniendo a prueba la capacidad y resistencia del mercado hipotecario español

SESSION HOSTS

- ⊙ **JUAN PABLO SORIANO**, Managing Director, EMEA Covered Bonds – Europe, **MOODY'S INVESTORS SERVICE**
- ⊙ **LORENA MULLOR**, Chief Economist, **ASOCIACIÓN HIPOTECARIA ESPAÑOLA**

PANELLISTS

- ⊙ **ANTONIO BONÉ**, Risk and Compliance, **AIG UNITED GUARANTY**
- ⊙ **FERNANDO CUESTA**, Head of Funding, **CAJA MADRID**
- ⊙ **JUAN GARCIA**, Director, **FITCHRATINGS**
- ⊙ **GLORIA HERNANDEZ**, Chief Financial Officer, **BANCO PASTOR**
- ⊙ **LUIS LEIRADO**, Director General, **TINSA TASACIONES INMOBILIARIAS S.A.**
- ⊙ **ANGEL MAS**, President, European MI operations, **GENWORTH FINANCIAL**

EuroCatalyst 2002 was held in Madrid to point out the need for convergence of structured finance and covered bonds as complementary funding tools that comprise a *funding spectrum*. The best way to illustrate that point (which was quite unpopular back then) was to hold the discussion in Spain, which was the most progressive funding market in Europe that year. Since then the Spanish market has grown from strength to strength with some of the most progressive funding innovations in any country. According to the Asociación Hipotecaria Española, the annual volume of new Spanish mortgage credit in 2006 grew 13.2% in comparison to 2005. In 2006 RMBS issuance across 32 transactions was €38.8 billion, an increase of over 42% in 2005. However, with residential mortgages and cédulas hipotecarias accounting for slightly more than 70% of Spanish structured finance collateral, concern has increased regarding risk in the market. Specifically, the inclusion of low equity and self-employed borrowers, the increase in higher LTV and debt-to-income ratios of securitised pools and the proportion of second home exposure has led many to view the remainder of 2007 and 2008 as a period of testing for the resilience of the Spanish RMBS market. Furthermore, the Spanish property market presents an oversupply of housing stock which has negatively impacted property developments already in the pipeline. In addition, late-2007 or early-2008 will see the publication of a new mortgage law and implementation of Basel II guidelines which increase the stakes of how the market will play out. With high reliance on the RMBS market to fund the growth of higher risk mortgage books and a growing preference for the flexibility of RMBS over covered bonds, current global market conditions pose an interesting challenge for Spanish issuers in the near term. How are they rising to the challenge?

5

Pass the parcel: Speculating on house price performance

Pasa la bola: Reflexionando sobre el comportamiento de los precios de la vivienda

HOSTS

- © **TONI MOSS**, CEO, **EUROCATALYST**
- © **TIM SKEET**, Managing Director, Head of Covered Bonds, **MERRILL LYNCH**

PANELLISTS

- © **TODD GROOME**, Advisor, Monetary and Capital Markets Department, **IMF**
- © **MICHAEL LEA**, Principal, **CARDIFF CONSULTING** and Professor, **SAN DIEGO STATE UNIVERSITY**

Just as DNA contains the genetic information that allows all living things to function, grow and reproduce, housing prices are the DNA of the global housing finance ecosystem. Any discussion on housing prices is without a doubt the most highly charged topic of discussion among governments, economists, lenders and the public in general because so much is at stake. Whether you are bullish or bearish on house-price performance, there will never be consensus over whether prices will go up or down because the industry does not have the historic data and tools to measure them accurately enough. EuroCatalyst 2005 Rome featured four of the top house price economists to discuss a session entitled, "Holding Our Breath: High Anxiety Over Housing Prices". At that time, the value of residential property had increased the equivalent to 100% of the combined GDP in developed countries. Back then The Economist argued that it was the most massive capital markets bubble in history - and still housing prices continued to increase. What we learned from that session was a disturbing pattern in the synchronicity of housing prices across the world. In short, a fall in one market tends to precipitate a fall in others. It is far too early to credibly discuss "lessons learned" from the US subprime debacle because its impact continues to worsen. What is clear is the trigger – which was the halt in house price appreciation – and the extent to which mortgage product design was entirely dependent upon housing prices continuing to rise. As Warren Buffet once observed, "You don't know who's swimming naked until the tide goes out." Today we see housing prices in many European countries in varied stages of "cooling off" since 2006, with a few exceptions in the geographically smallest countries. This session provides an up-to-date assessment of European housing prices and the related implications on portfolio performance and mortgage product development. We feature Julian Callow, who returns to address the fragile balance between housing prices and interest rates, and Michael Lea on the impact of house price considerations on underwriting and product development. The session is co-hosted by Todd Groome, who will comment on the challenges of regulatory intervention to control the irrational exuberance that sometimes drives speculative investments and speculative lending.

0900-0930 (30 min)

RECOMMENDED READING:

- © *Understanding Recent Trends in House Prices and Home Ownership*, 2007 Jackson Hole Symposium, Kansas City Fed, "Housing, Housing Finance, and Monetary Policy", Robert J. Shiller
- © *Irrational Exuberance*, Robert J. Shiller
- © *RICS European Housing Review 2007*
- © *Bubble Trouble*, Robert J. Shiller, Project Syndicate, September 2007



Shifting power, impacting profit: The rise of third-party distribution in Continental Europe / Cambio en el poder, impacto en los beneficios: la aparición de un tercer actor en el negocio hipotecario en la Europa continental

SESSION CO-HOSTS

- Ⓞ **TONI MOSS**, CEO, **EUROCATALYST**
- Ⓞ **MICHAEL BOLTON**, CEO, **EDEUS**

PANELLISTS

- Ⓞ **MARTIN DAMASKE**, Managing Director / Member of the Board, **HYPOPORT AG** (GERMANY, NL)
- Ⓞ **JACK GUTTENTAG**, Professor of Finance Emeritus, **WHARTON SCHOOL** (USA)
- Ⓞ **DAVID LYKKEN**, Managing Partner, **MORTGAGE BANKING SOLUTIONS** (USA)
- Ⓞ **JOHN MALONE**, Chief Executive Officer, **PREMIER MORTGAGE SERVICES** (UK)
- Ⓞ **MARCO PESCARMONA**, Chairman and CEO, **GRUPPO MUTUIONLINE** (ITALY)

“Brokers? You can’t live without them and you can’t kill them,” is the most frequent comment expressed by lenders across the globe. Learn to live with them. According to a recent MOW/EFMA/Fortis report (Changing Channel Choices) today over 40% of mortgage lending in Europe (more than €500 billion a year) is intermediated through third-party distribution, with no direct regulation over intermediary activities in the majority of countries in their study. In the UK and Netherlands, which are the most developed intermediary markets in Europe, over 60% of mortgages are now distributed through indirect channels. By far the most necessary development in Continental European markets has been the need for alternative distribution channels and third-party brokers. With the race across borders well under way, market incumbents and new market entrants find themselves engaged in buyout and bidding wars over access to distribution in most markets. This session features a formidable panel of the most rapidly growing and successful broker models across Europe. For any lender who doubts the power of intermediaries, consider John Malone whose Premiere Mortgage Services originates more than £40 billion annually in the UK. Consider HypoPort, whose proprietary EUROPACE platform is the largest transaction platform for credit products in Europe. Or Marco Pescarmona, the entrepreneur behind MutuiOnline, Italy’s most successful online broker and perhaps one of the only truly independent brokers in the Italian market. We also introduce American David Lykken, who specialises in helping the most successful brokers transition to becoming bankers. Not to mention Jack Guttentag, who has introduced and promoted the concept of UpFront Mortgage Brokers (UMBs) to provide pricing transparency for consumers and restore integrity to the US broker market. We also feature Achim Dübeler, Europe’s leading independent economist and author of the economics section of the above-mentioned distribution study. Finally, we introduce the UK’s Michael Bolton as session host, who will inevitably struggle to ask questions as opposed to his traditional role of answering them.



Shoot first, aim later? Emerging Markets as the “New Frontiers” for cross-border and organic growth / ¿Primero dispara y luego apunta? Los mercados emergentes como “Nuevas Fronteras” para el crecimiento orgánico y transfronterizo

SESSION HOST

- ⊙ **TONI MOSS**, CEO **EUROCATALYST**
- ⊙ **UDO VAN DER LINDEN**, Head of Structured Consumer Capital, **ABN AMRO**

PANELLISTS

- ⊙ **IGOR KOUZIN**, Chairman, **DELTA CREDIT BANK** (RUSSIA)
- ⊙ **FLAVIO MARCO RUSCONI**, Associate, Global Securities Research and Economics, **MERRILL LYNCH**
- ⊙ **CARMEN RETEGAN**, CEO, **GE MONEY BANK** (formerly **DOMENIA**, ROMANIA)
- ⊙ **SEDA ONEN**, Deputy Head, Institutional Investors Department, **CAPITAL MARKETS BOARD OF TURKEY**
- ⊙ **BAHADIR TEKER**, CEO, **Mortgage Express** (TURKEY)
- ⊙ **ÖMER ÇELEBI**, Personal Loans Manager, **TÜRKIYE İŞ BANKASI AŞ** (TURKEY)

Although we are as interested and intrigued as everyone by the potential in CEE and Russian markets, we title this session “Shoot first, aim later” as a response to the numerous headlines calling CEE mortgage markets “safe havens” at a time when the most transparent markets are suffering investor backlash for the lack of clarity on transactions. Profit and potential are a given in these emerging economies and our session features some of the best entrepreneurs in those markets – however, we question the early stages of required infrastructure for market stability in the long term. This session is a candid overview of how CEE markets are really performing, focusing on the commercial realities that fully encompass geopolitical implications which cannot be ignored. If mortgage markets vary in form but not function – as we have always argued – CEE countries will be one of the greatest tests of that theory.