



UK Covered Bond Forum

23rd June 2011

Agenda

Opening remarks from Chair

A. Simons, FSA

Developments in the UK Market

S. Penketh, Barclays

Consultation on the Regulated Covered Bond Framework

D. Caldwell, HMT

Transparency Standards for Regulated Covered Bonds

L. Joseph, FSA

Use of Ratings for Regulated Covered Bonds

J. Wu, FSA

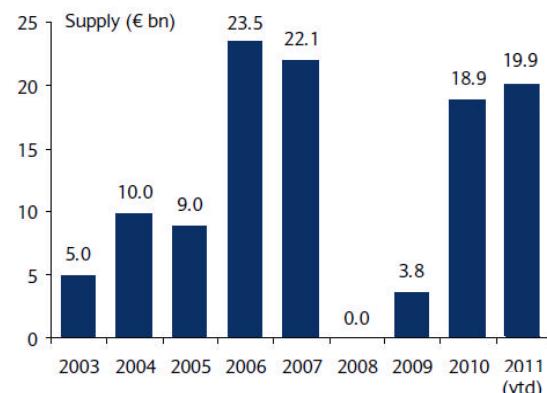
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Covered Bond Forum

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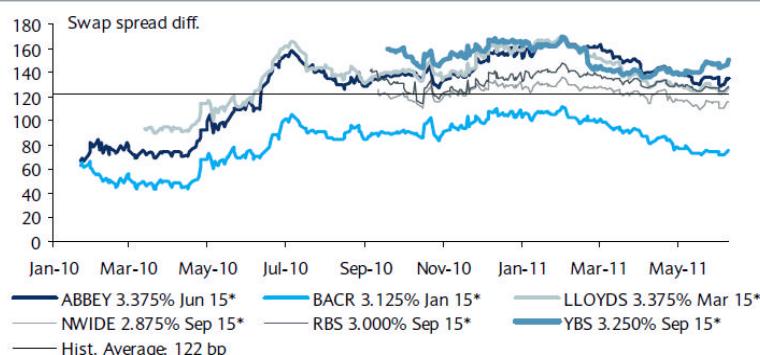
UK Covered Bond Market in 2011 - *primary market supply*

Supply of UK Covered Bond (issued in €,£,\$)



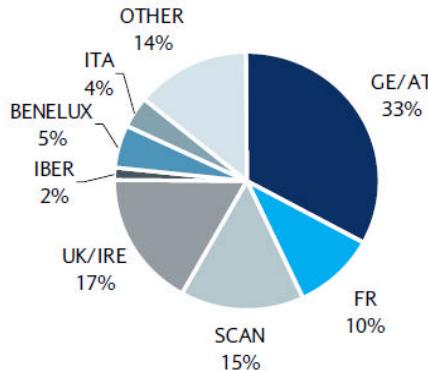
Source: Barclays Capital

UK Covered Bond versus Government Bonds Spread



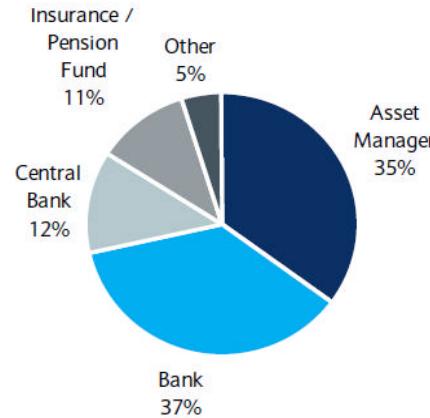
Note: *5y Gilt in EUR. Source: Barclays Capital

UK Covered Bond Take-up by Domicile



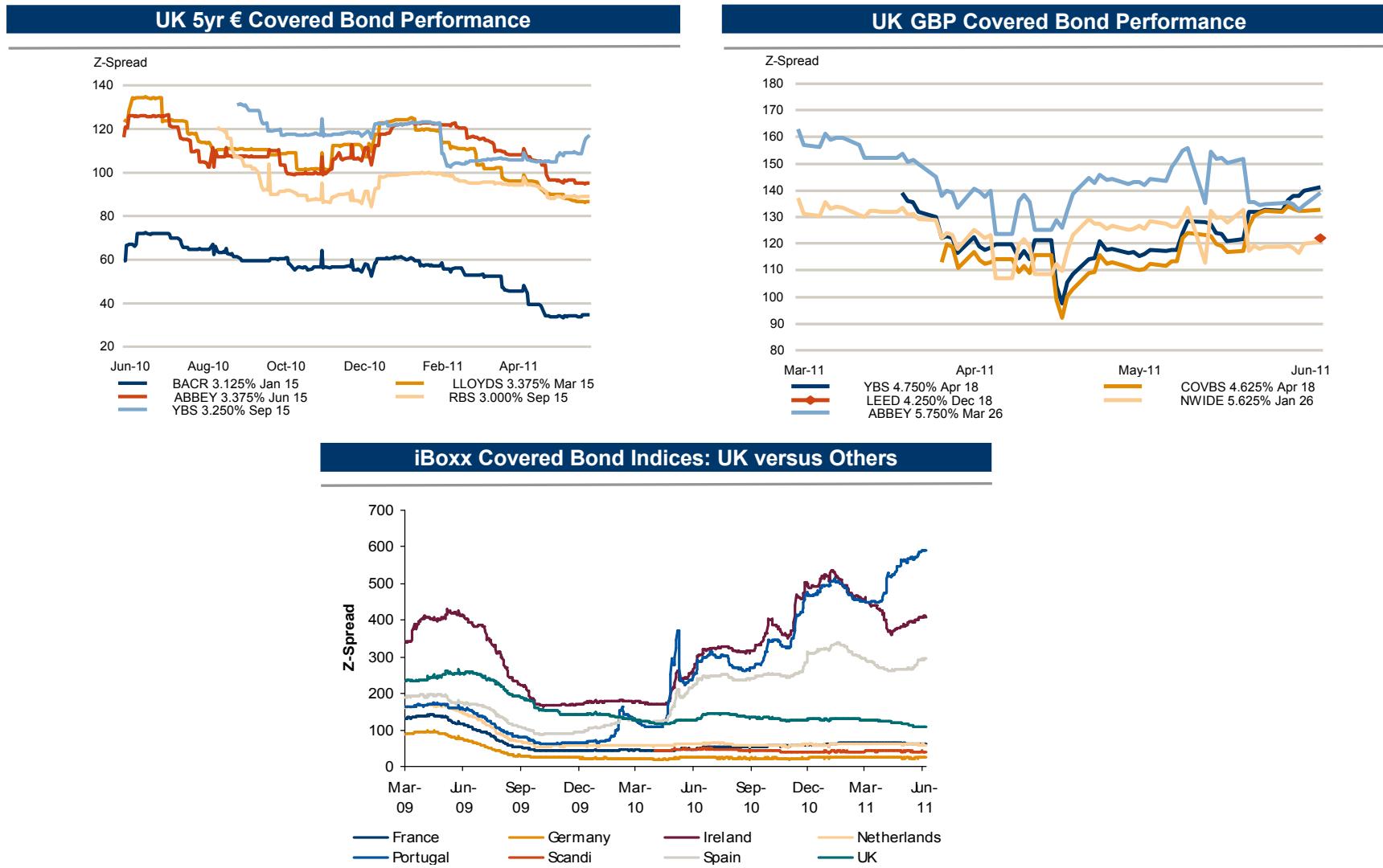
Benchmark UK covered bonds, 2010 (YTD)

UK Covered Bond Take-up by Investor Type



Benchmark UK covered bonds, 2010 (YTD)

UK Covered Bond Market in 2011 - secondary market performance and challenges



Covered bond review – key regulatory proposals

Transparency

- Consistent investor reporting, including loan-level data
- Segregating covered bond programmes by asset type
- Excluding securitisations as eligible assets

Consistency

- Asset pool monitor
- Fixed minimum level of overcollateralisation
- Updated regulatory reporting

Transparency

- Setting high standards
- Implementation
- UK Authorities' response to other initiatives

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