



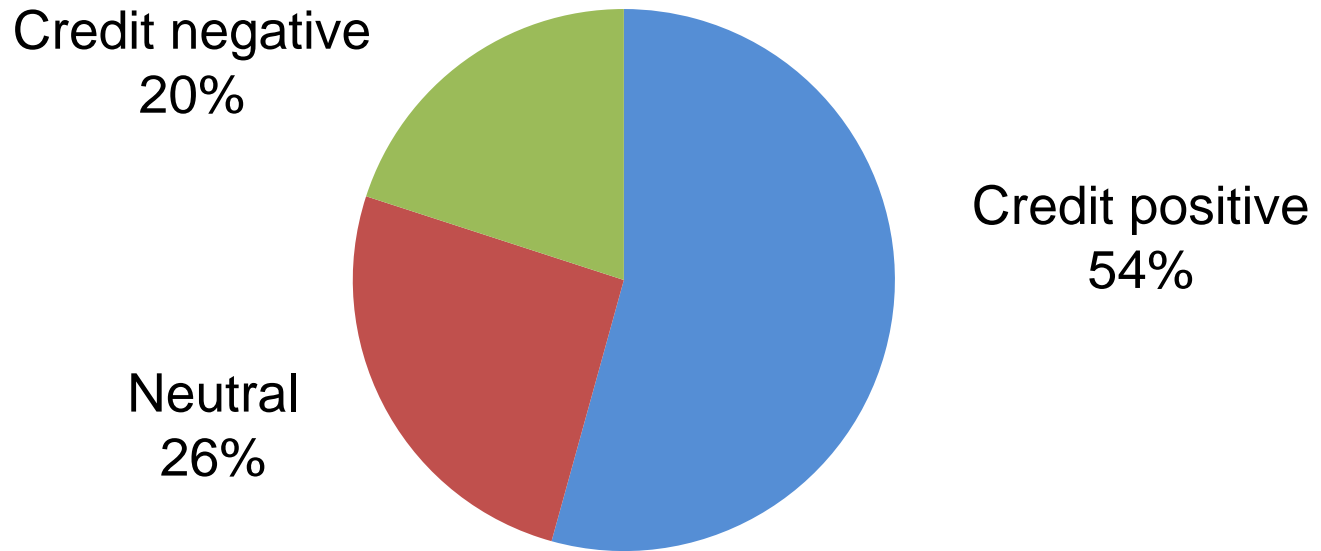
FitchRatings

Covered Bonds Consultation

Hélène M. Heberlein

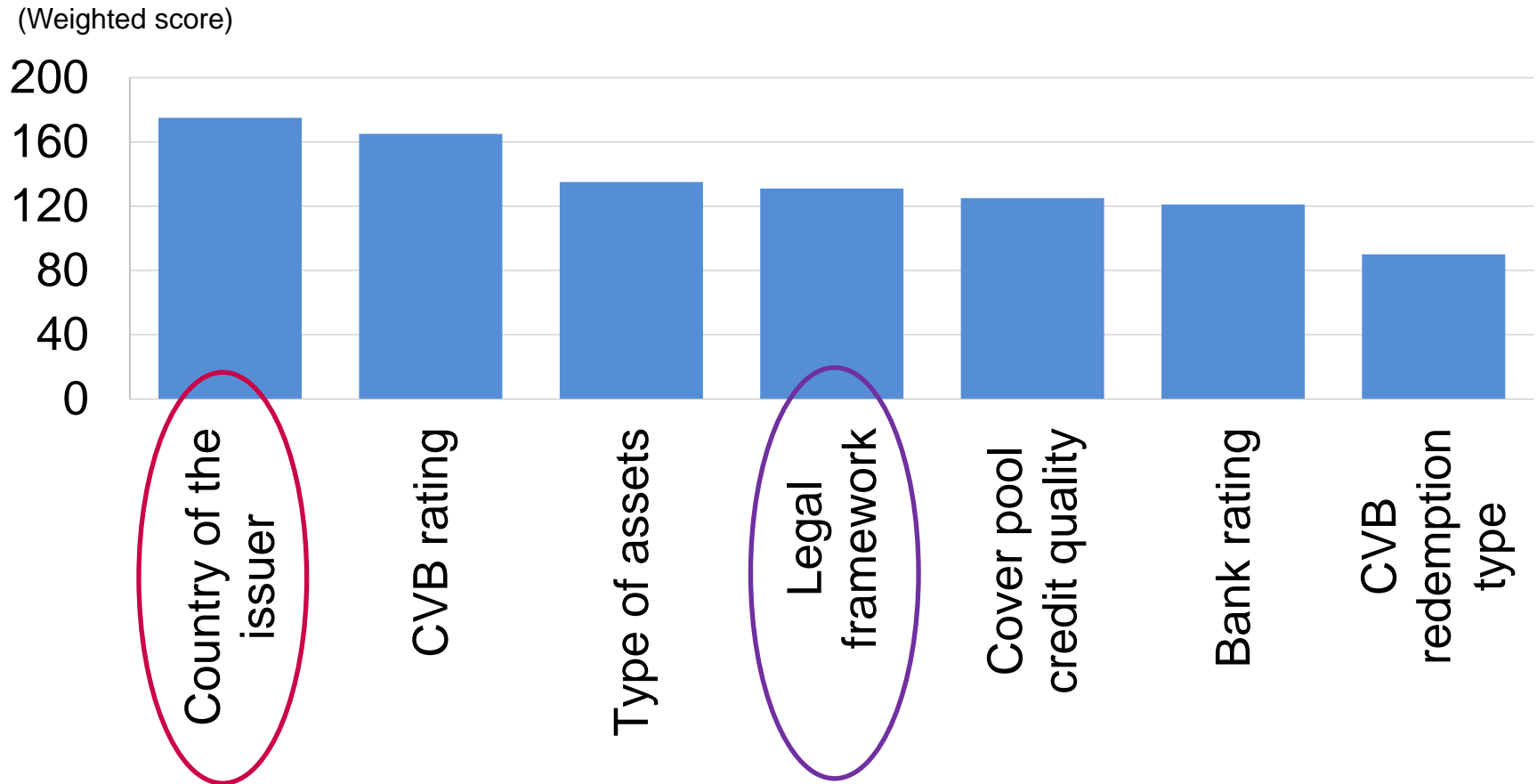
1 February 2016

Do you expect the introduction of a harmonised EU Covered Bond framework to be:



Source: Fitch year-end 2015 investors survey

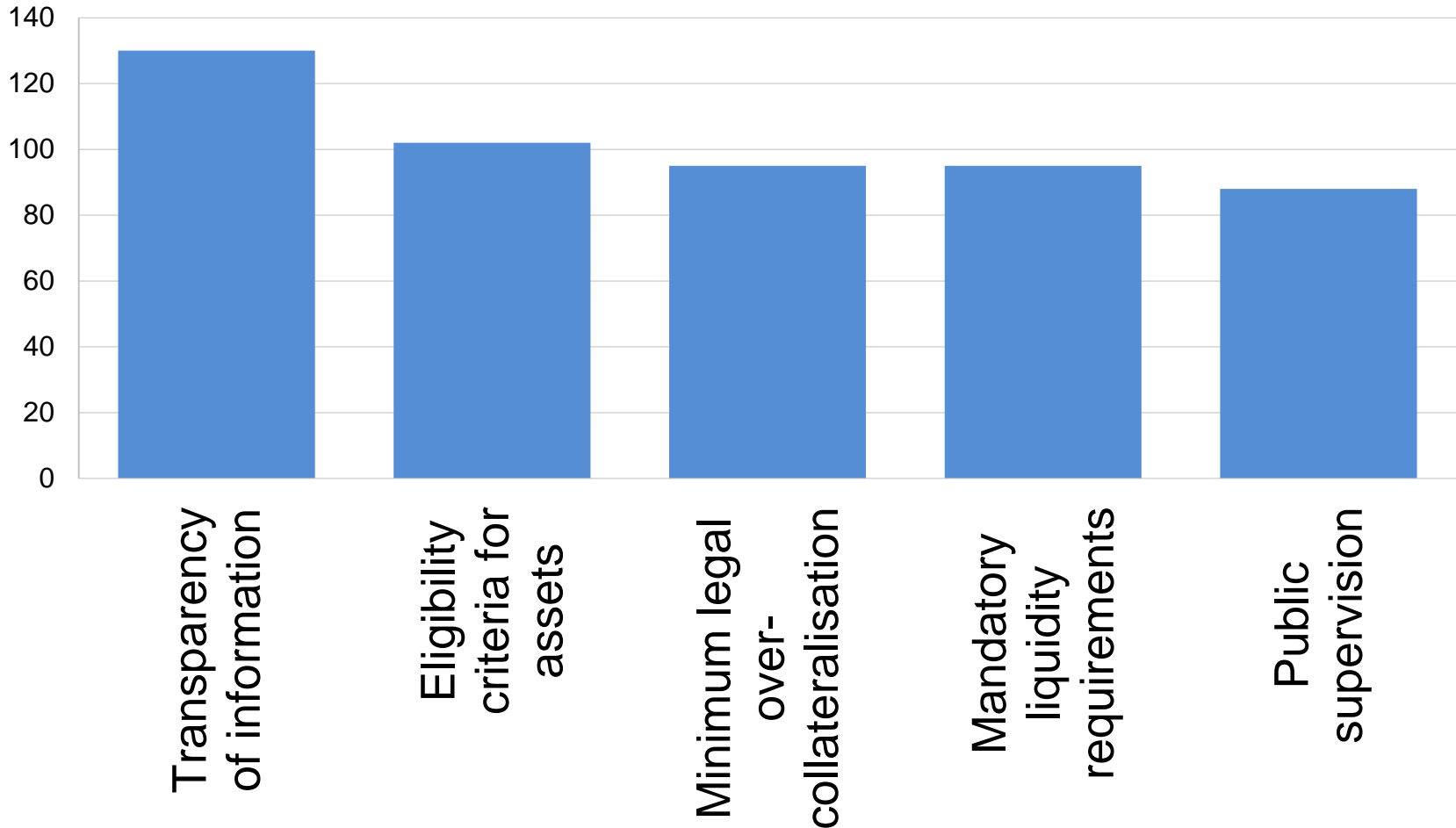
Factors Driving Pricing, Apart From Quantitative Easing



Source: Fitch year-end 2015 investors survey

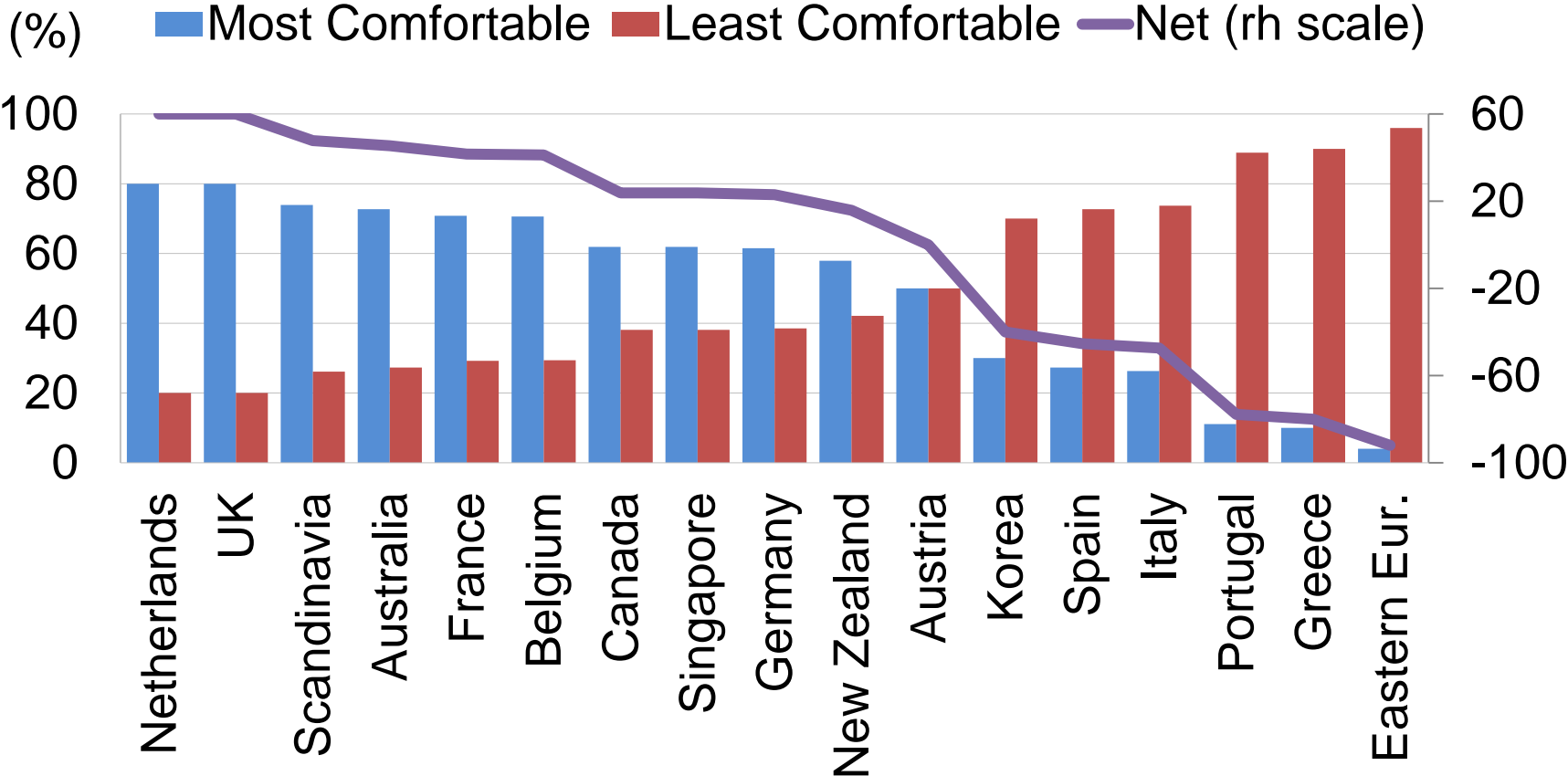
Most Relevant Areas for Setting a European Standard

(Weighted score)



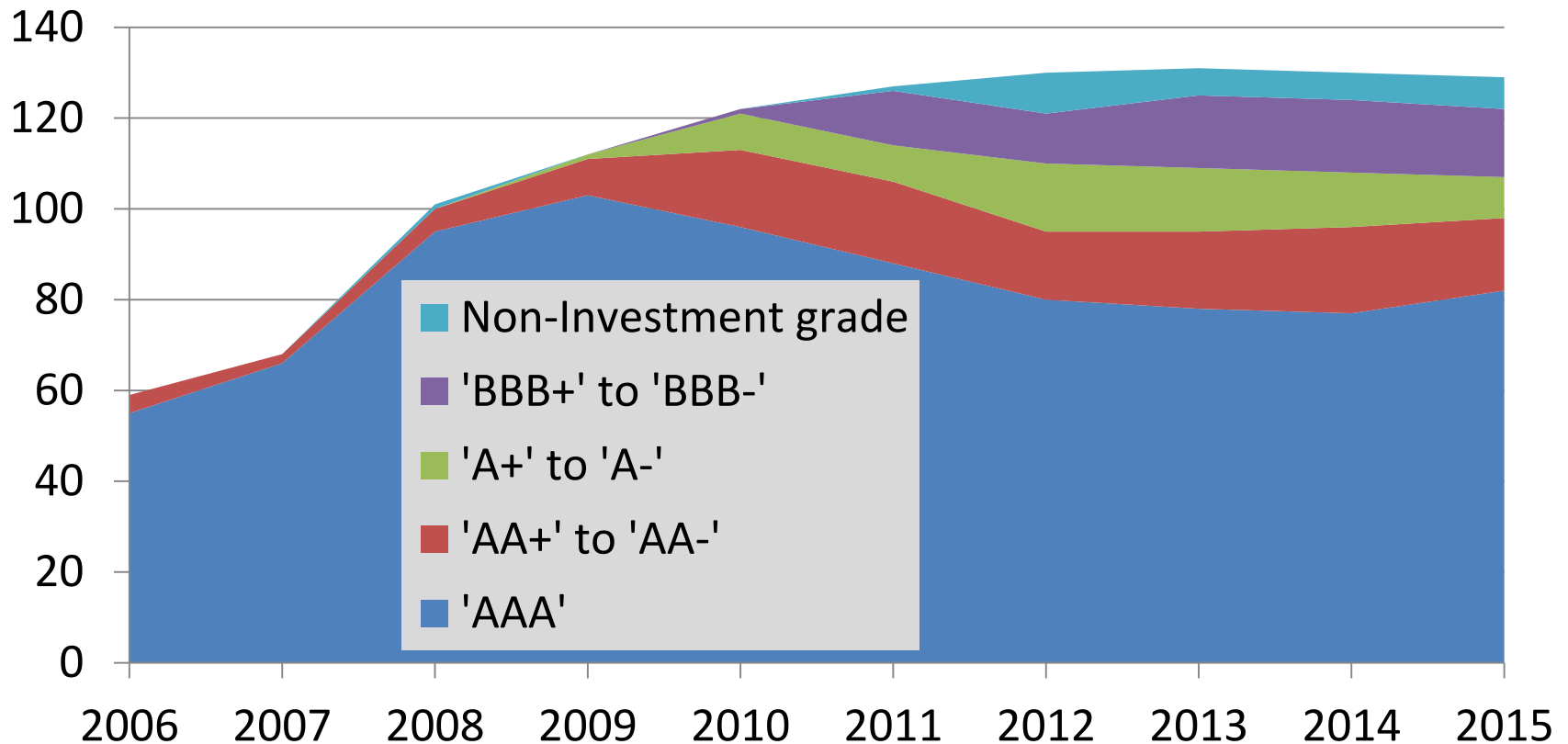
Source: Fitch year-end 2015 investors survey

Which jurisdiction are you most/least comfortable with regarding data disclosure and transparency of information?

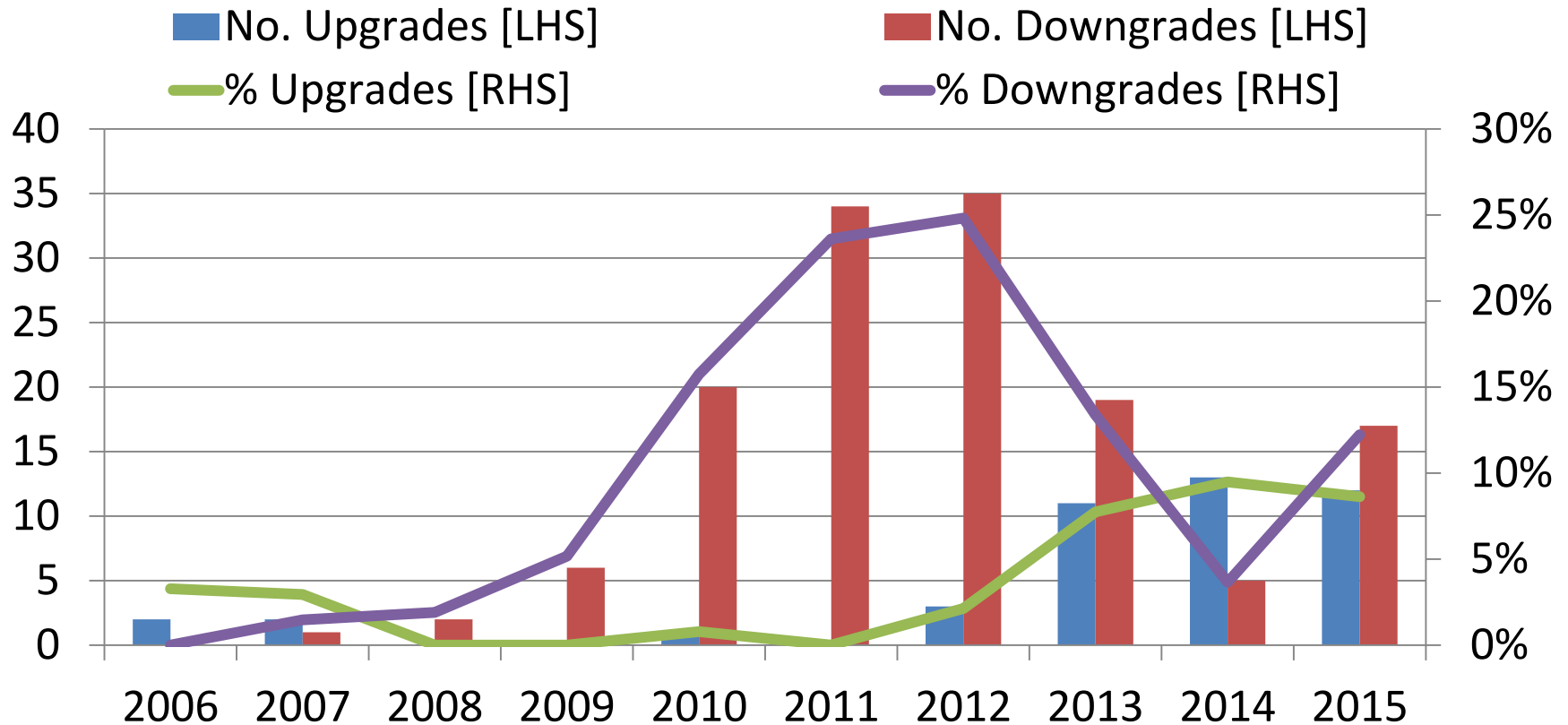


Source: Fitch year-end 2015 investors survey

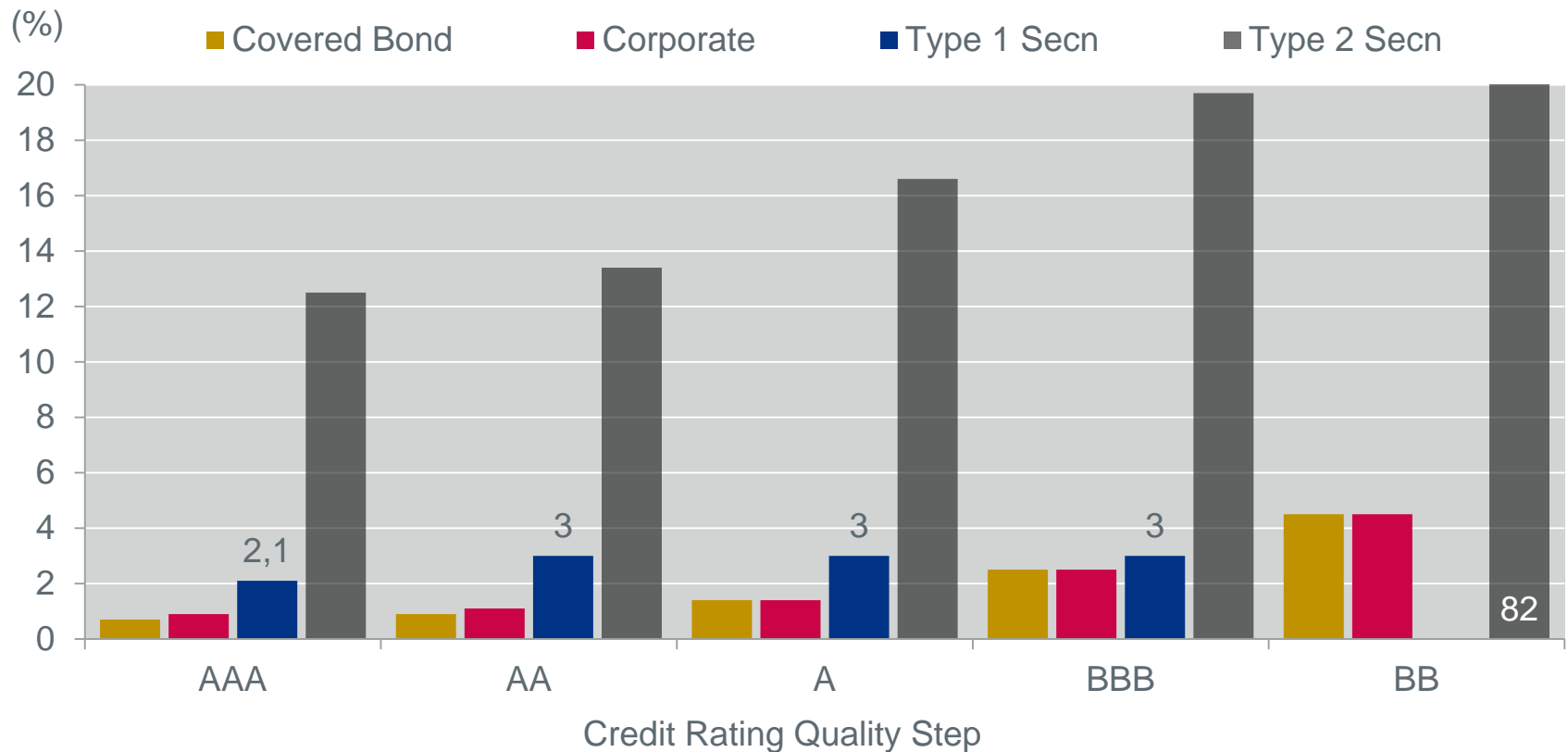
Fitch Covered Bonds Ratings Development



Positive and Negative Rating Actions



Solvency II Capital Charges Across Asset Classes



Note: Capital charge per year of modified duration for security with less than 5 year modified duration
 Source: European Commission

Fitch Covered Bonds Surveillance Platform

The image shows a screenshot of the Fitch Ratings website. At the top left, the FitchRatings logo is displayed next to a search bar. A red arrow points to the hamburger menu icon on the left. The navigation menu is organized into several columns:

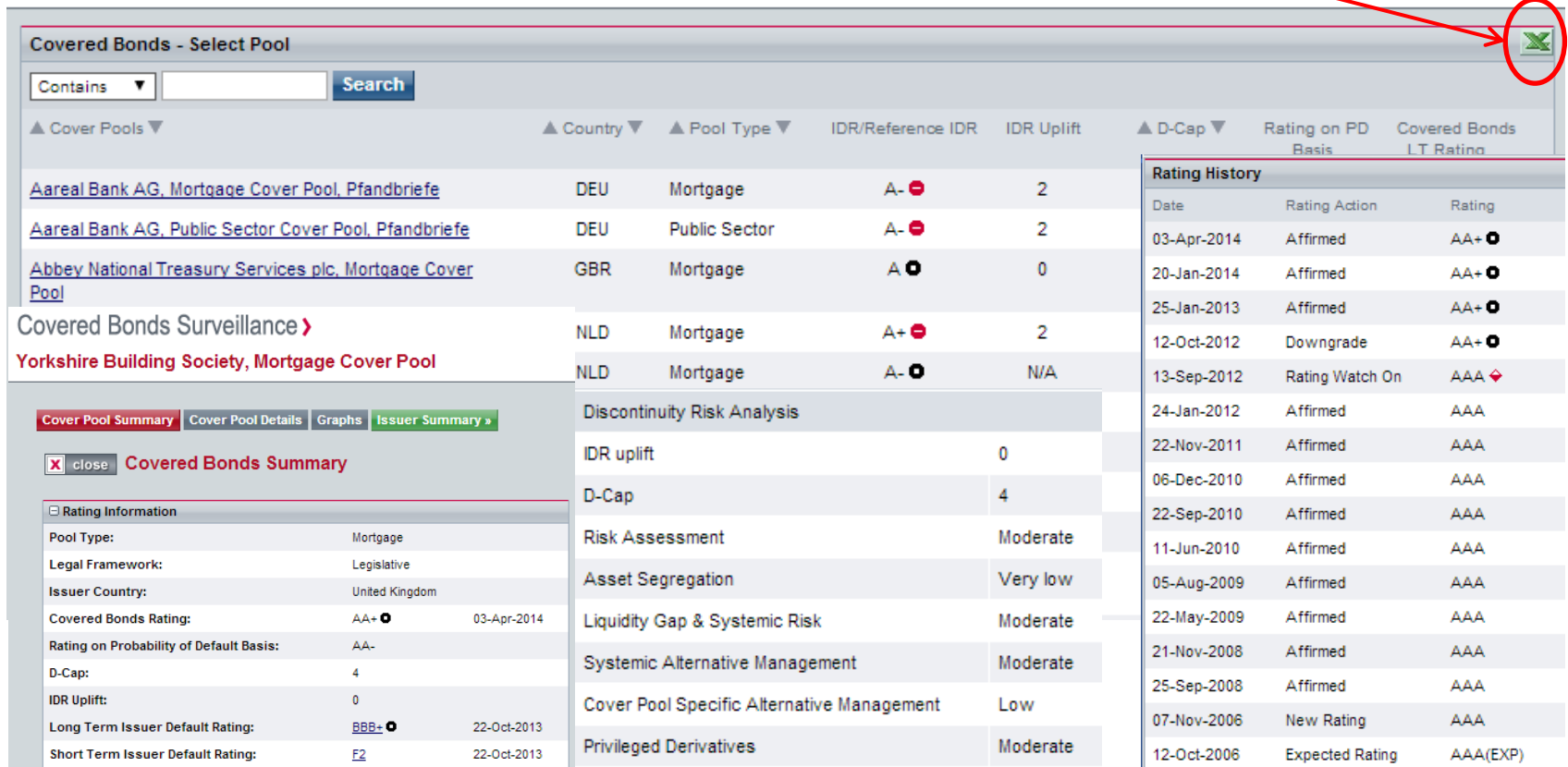
- Left Column:** Fitch Ratings Home, ABS, Banks, CLOs, CMBS, **Corporates** (highlighted with a red circle), Covered Bonds, Credit market Research, Emerging Markets, Fitch Wire, Funds & Asset Managers, Infrastructure & Project Finance, Insurance, International Public Finance, Islamic Finance.
- Second Column:** Latin America, Leveraged Finance, Non-Bank Financial Institutions, RMBS, Short-Term Credit Markets, Sovereigns, Structured Finance, Supranationals, US Public Finance, CUSIP/ISIN/Ratings Search, Peer Analysis Tool, Portfolio.
- Third Column:** 中国, 日本, Code of Ethics and Conduct, Criteria, Regulatory Affairs, Re, Un, Ra.
- Fourth Column (FITCH SOLUTIONS):** Home, Fitch Connect, Fitch Connect Feeds, Fundamental Financial Data, Ratings & Research, Analytics.
- Fifth Column (FITCH GROUP):** About, Alumni, Careers, Contact, Events, Leadership.

Below the navigation menu, there is a banner for the **Covered Bonds** section. The page content includes:

- A breadcrumb trail: **Global Home > Covered Bonds**
- Two main article tiles:
 - German PS Pfandbriefe Unaffected by Guarantee Run-Off**: Ratings of German public sector covered bonds, or Pfandbriefe, will not be affected by the expiry of most government
 - Banks' Cover Pool Encumbrance Remains Broadly Stable**: Cover pool encumbrance remains broadly stable, averaging 10% for a sample of 149 Fitch-rated entities worldwide. Cover pools
- A **Surveillance** sidebar on the right, which is highlighted with a red circle. It contains:
 - Overview**
 - Latest Individual Updates
 - Quarterly Snapshot Data
 - Tools**
 - Criteria
 - News Bulletin
 - Research

Fitch Covered Bonds Surveillance Platform

Click here for real time information on rated programmes



Covered Bonds - Select Pool

Contains **Search**

Cover Pools	Country	Pool Type	IDR/Reference IDR	IDR Uplift	D-Cap	Rating on PD Basis	Covered Bonds LT Rating
Aareal Bank AG, Mortgage Cover Pool, Pfandbriefe	DEU	Mortgage	A-	2			
Aareal Bank AG, Public Sector Cover Pool, Pfandbriefe	DEU	Public Sector	A-	2			
Abbey National Treasury Services plc, Mortgage Cover Pool	GBR	Mortgage	A	0			
Covered Bonds Surveillance >	NLD	Mortgage	A+	2			
Yorkshire Building Society, Mortgage Cover Pool	NLD	Mortgage	A-	N/A			

Rating History

Date	Rating Action	Rating
03-Apr-2014	Affirmed	AA+
20-Jan-2014	Affirmed	AA+
25-Jan-2013	Affirmed	AA+
12-Oct-2012	Downgrade	AA+
13-Sep-2012	Rating Watch On	AAA
24-Jan-2012	Affirmed	AAA
22-Nov-2011	Affirmed	AAA
06-Dec-2010	Affirmed	AAA
22-Sep-2010	Affirmed	AAA
11-Jun-2010	Affirmed	AAA
05-Aug-2009	Affirmed	AAA
22-May-2009	Affirmed	AAA
21-Nov-2008	Affirmed	AAA
25-Sep-2008	Affirmed	AAA
07-Nov-2006	New Rating	AAA
12-Oct-2006	Expected Rating	AAA(EXP)

Covered Bonds Summary

Rating Information

Pool Type:	Mortgage
Legal Framework:	Legislative
Issuer Country:	United Kingdom
Covered Bonds Rating:	AA+ 03-Apr-2014
Rating on Probability of Default Basis:	AA-
D-Cap:	4
IDR Uplift:	0
Long Term Issuer Default Rating:	BBB- 22-Oct-2013
Short Term Issuer Default Rating:	F2 22-Oct-2013

Discontinuity Risk Analysis

IDR uplift	0
D-Cap	4
Risk Assessment	Moderate
Asset Segregation	Very low
Liquidity Gap & Systemic Risk	Moderate
Systemic Alternative Management	Moderate
Cover Pool Specific Alternative Management	Low
Privileged Derivatives	Moderate

Fitch Covered Bonds Contacts

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