

Press Release – Wednesday 14 November 2012

‘PCS’ Securitisation Label opens for business with senior Board appointments

Prime Collateralised Securities (PCS) - an industry-led, nonprofit initiative to develop a label for high quality securitisations – today marks its official opening with a series of high-profile Board appointments.

PCS has been set up to grant labels for high quality securitisations that meet best practice in terms of quality, transparency, simplicity, and standardisation. It expects to grant the first label in the next month.

The new PCS Board comprises:

- Francesco Papadia, former Director General for Market Operations at the European Central Bank
- Anneli Peshkoff, former Director of Treasury at the European Investment Bank
- Prof Jose Campa, former Secretary of State for the Economy in the Spanish Ministry of Economy and Finance
- Gregor Gruber, Allianz Investment Management, member of the Investment Management Board
- Gaelle Philippe Viriot, Head of ABS at Axa Investment Managers
- Richard Bartlett, Head of Corporate Debt Capital Markets and Risk Solutions, RBS
- Mirco Bianchi, Head of Group Finance, UniCredit
- Michaela Ulrici, Chair of the Board, NautaDutilh
- Ian Bell, Head of the PCS Secretariat

In addition to the Board appointments, the PCS Secretariat - which will grant and monitor the PCS label - has confirmed the Irish Stock Exchange, True Sale Initiative and KPMG as screening partners to assist it in checking key documentation.

Access to securitisation markets for issuers (corporates and banks) is increasingly important to overcome funding shortfalls¹ for the real economy in Europe. Asset Backed

¹ Recent estimates show that €650 billion of senior unsecured and covered bond funding will mature in 2012 for European banks; for sovereigns, funding of over €900 billion will be needed and that an additional €1.5 - €1.9 trillion of funding is needed to power any growth. Sources: Bloomberg and BAML Global Research Dec 2011, Standard & Poor's May 2012.

Securities can be an important instrument, especially as they do not use up the same credit line capacity as other investments, such as corporate and covered bonds.

Yet, despite the very strong underlying performance of European asset-backed securities since 2007, the smaller investor base and the reduced level of issuance are affecting companies reliant on capital markets, as well as Europe's broader economic recovery.

The PCS initiative has been developed by a broad group of leading European finance professionals comprising issuers, investors, arrangers, and other market participants, in collaboration with other European industry associations, as well as observers such as the European Central Bank and the European Investment Bank.

PCS is more than just a positive label for eligible securitisations – it provides agreed market standards, as well as an enforcement mechanism of these agreed standards, based on a label which can be granted and withdrawn depending on compliance and as verified by the PCS Secretariat.

Ian Bell, PCS's Head of Secretariat, commented:

"We are officially open for business and it's exciting to be part of such an important initiative, which has seen so much support from investors, issuers and policymakers alike. The PCS initiative has received strong support from Europe's key institutions, such as the European Central Bank and I am delighted with the level of experience on the PCS Board, which will be led by Francesco Papadia.

"Europe's securitisation market is a necessary component of funding the growth that Europe so badly needs and the PCS label will go some way towards providing investors with the reassurance they need.

"We look forward to a constructive dialogue with policy makers on how we can help to support a strong and transparent securitization market in Europe. In this context we felt encouraged by the European Commission's request to the European Insurance and Occupational Pensions Authority (EIOPA) – the pan-European insurance regulator - to revisit the capital charges imposed by Solvency 2 on insurers for holding securitised assets. For the sake of Europe's economic recovery, let's hope this is the beginning of a fruitful interaction."

Newly appointed PCS Chairman Francesco Papadia added:

"The PCS label will bring quality, transparency and standardisation to the market, which will deepen the securitisation investor base in Europe and, in turn, improve overall liquidity. Europe needs a healthy securitisation market and we are confident that this initiative, alongside regulatory changes, will revitalise the market as a source of funding for the real economy."

-ENDS-

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Notes:

1. The PCS label, awarded by Prime Collateralised Securities (PCS), identifies asset-backed securities that comply with a set of published eligibility criteria that are indicative of simplicity, asset quality and transparency and reflect some of the best practices available in the European securitisation market. Awarded at the request of financial institutions that issue asset-backed securities, the PCS Label focuses on securitisations that fund the real economy and are compatible with good liquidity. In awarding the Label, PCS bases its decision on information provided directly and indirectly by the originator of the securitised assets.

The governing body of the PCS initiative is the Board of the PCS Association, a Belgian not-for-profit association with its seat in Brussels. The most important ways in which the PCS initiative will fulfil its mission of reinforcing asset-backed securities as a sustainable investment and funding tool to strengthen the European economy is in the awarding of the PCS label to specific asset-backed securities.

2. The PCS initiative was developed by the members of the Association for Financial Markets in Europe (AFME) and the European Financial Services Round Table (EFR), in consultation with other European industry associations including the European Banking Federation and EFAMA. In addition, it has been followed by policymakers throughout its development. For example, **Andrea Enria, Chairperson of the European Banking Authority** provides the following comment:

"EBA believes that the European securitisation market can play an important role in meeting the funding needs of the originators and the asset diversification needs in Europe in the future. The PCS label could be an important component to re-establish a sound and well controlled market for securitisation in Europe. The EBA will continue to monitor the securitisation market closely once the PCS label starts to be operational."

A further example includes a letter from **Mario Draghi, President of the European Central Bank** which comments:

"The ECB welcomes the initiative, which aims at increasing the attractiveness of asset-backed securities among investors and originating banks. A well-functioning ABS market in the EU would allow investors to diversify their investments and ...thereby contribute to a smooth financing of the economy."

"The ECB has been able to follow this project since 2009 and we are pleased to see you are ready to launch the labeling process."

Prime Collateralised Securities (PCS) – Board biographies

Francesco Papadia, former Director General for Market Operations at the European Central Bank

Francesco Papadia was, between 1998 and 2012, Director General for Market Operations at the European Central Bank. Before that he was Deputy Head of the Foreign Department and Head of the International Section of the Research Department of Banca d'Italia

He also worked as Economic Advisor at the European Commission. Mr. Papadia has a degree in Law from the University of Rome and attended postgraduate courses in Economics and Business at the Istituto Adriano Olivetti in Ancona and at the London Business School.

Mr. Papadia has written extensively in the field of Monetary Policy and International Economics.

Anneli Peshkoff, former Director of Treasury at the European Investment Bank

Anneli Peshkoff recently retired from the position of the Director of Treasury at the European Investment Bank. Anneli has worked in financial markets for 33 years, covering vast areas of short and long end debt markets, derivatives, FX and more recently carbon allowance markets. She began her career with Citibank in the US but soon moved back to Europe, working in various positions in Citibank treasury, including derivative and capital market functions in London, Milan, Amsterdam and Helsinki including client and trading responsibilities, as well as managerial roles in investment and origination. In 1996 she became responsible for the market risk management of Citibank in Europe based in London. Also that year she was appointed as the Head of Market Practice task force for the euro for ISDA, a position she held for three years.

Anneli was the Treasurer at the EIB for nearly 15 years, where she was responsible for Liquidity and Portfolio Management, ALM, Financial Engineering, including carbon trading and quoting of rates for EIB loans in 14 currencies.

Anneli served on the board of AFME / ESF from 2003 till 2008. Subsequently EIB has been an observer of the PCS initiative.

Prof Jose Campa, former Secretary of State for the Economy in the Spanish Ministry of Economy and Finance

José Manuel Campa, holds a Ph.D. and a master degree in economics from Harvard University. Currently, he is Professor of Financial Management and International Economics at the University of Navarra-IESE.

Between 2009 and 2011 Campa served as Secretary of State for the Economy in the Ministry of Economy and Finances of Spain, a position that allowed him to be one of the heads of the

Spanish economy in times of great responsibility. He specializes in international finance and macroeconomics and has been professor of strategy and financial management courses in financial institutions like Goldman Sachs, Citibank, ABN Amro, BBVA and Santander.

Mr. Campa has also been a consultant to a large number of international organizations, including the International Monetary Fund, the Inter-American Development Bank, the Bank of International Settlements in Basel, and the European Commission. He currently serves in the Expert Group, chair by Mr. Erkki Liikanen, evaluating policy recommendations on structural reforms for the European Banking industry.

He has taught at the Stern School of Business of New York University; Harvard University; and Columbia University. He has been Research Associate at the National Bureau of Economic Research and Research Fellow at the Center for Economic Policy Research and is a member of the board of Bruegel. He has also served as an expert for the Spanish justice, at the Spanish Court of Arbitration, and at international courts of arbitration in Paris, Geneva, New York and the Netherlands.

Gregor Gruber, Allianz Investment Management, member of the Investment Management Board

Gregor Gruber joined Allianz Investment Management (AIM) in 2007 after a career in investment banking. As a member of the Investment Management Board, he is responsible for the interface with asset managers and the management of special investment projects. These have included, for example, investments in distressed debt and leveraged loans on behalf of various operating entities, as well as the purchase of some special portfolios for the Group. Prior to joining Allianz, Gregor was Head of FIG Germany at BNP Paribas, Product Manager for Hybrid Capital at Morgan Stanley and Debt Capital Markets Originator at Goldman Sachs. He started his professional career at the Boston Consulting Group in 1986. Gregor graduated from Harvard College and holds an MBA from Stanford University.

Gaëlle Philippe Viriot, Head of ABS at Axa Investment Managers

Gaëlle Philippe-Viriot joined AXA Investment Managers in 2002 as a senior ABS manager. She previously worked for two years at Natexis Banque Populaires as a senior structurer of ABS/MBS transactions. Prior to that, she was vice president senior analyst at Moody's Investors Services where she spent six years in the Structured Finance Department. Gaëlle is a board member of AFME / ESF. She graduated from French business school ESSEC in 1992.

Richard Bartlett, Head of Corporate Debt Capital Markets and Risk Solutions, RBS

A member of the Global Markets Management Committee, Richard is the head of the Corporate Debt Capital Markets & Risk Solutions business in the EMEA region for RBS. In

this role he is responsible for the product teams which execute all transactions for corporate clients across the loan and bond markets and for derivative transactions with these clients.

A civil engineer by background, Richard joined RBS in 1999 to take responsibility for the structured bond business. The business led the development of structured bond market completing a number of notable transactions spanning most aspects of infrastructure, utility and public/private partnerships.

Richard is also a chair of the Bank's Global Capital & Sighting Committee, chair of the EMEA Credit Markets Management Committee, chair of the Emerging Markets Management Committee for the CEEMEA region and Chair the Board of Directors of RBS ZAO, the Bank's subsidiary in Russia. Richard received an MA in Engineering from Cambridge University.

Mirco Bianchi, Head of Group Finance, UniCredit

Mirco Bianchi is, since 2009, Executive Vice President and Head of Group Finance at UniCredit Group based in Milan. Prior he was Global Head of Ratings Advisory at UBS Investment Bank, based in London, from 2000 until 2009.

Before the London experience he spent 10 years in New York where he worked for Deutsche Bank's investment banking department and Moody's Investors Service as a senior credit analyst. Mirco holds a Masters of Science degree in Chemical Engineering from the Swiss Institute of Technology (Polytechnic) in Zurich and an MBA from Fordham University in New York.

Michaela Ulrici, Chair of the Board, NautaDutilh

Michaela Ulrici chairs the Board of NautaDutilh as of June 2010. NautaDutilh is the independent international law firm for Netherlands, Belgian and Luxembourg law, with over 400 lawyers, notaries and tax advisers in offices in Amsterdam, Brussels, London, Luxembourg, Rotterdam and New York. NautaDutilh is recommended by the leading international legal directories, such as the European Legal 500 and Chambers' Global.

Besides this, Michaela is co-head of NautaDutilh's Dutch Securitisation and Covered Bonds team.

Michaela Ulrici was involved in the first public securitisation transaction and acted as drafting counsel in many transactions since that time. Over the years Michaela is recommended in many expert guides (tier 1). Quote Chambers 2011 *Michaëla Ulrici (...)* is renowned for her grasp of the economic complexities that surround transactions and Michaela Ulrici has a "a high level of knowledge and eye for detail, which is absolutely key for the success of a transactions," observed one client.

Ian Bell, Head of the PCS Secretariat

Ian Bell is the Head of the PCS Secretariat, with over 20 years experience in the securitisation market, most recently with S&P, where he spent 12 years in various positions, including European General Counsel, and more recently, Head of European Structured Finance. Previously, Ian trained as a lawyer at Clifford Chance in London, becoming a partner in the Capital Markets group in 1996.

Back in 1982, Ian ran and structured the first ever German securitisation (KKB AG – 1992) and the fourth ever securitisation in Europe (TMC4 for Salomon Bros).

Educated at Universite de Strasbourg, London School of Economics and Yale Law School, Ian is fluent in French and English.