# 26TH CENTRAL EUROPEAN COVERED BOND CONFERENCE

## PANEL 3: CROSS BORDER COVER ASSETS


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# Luminor 2Q 2024
# Cover pool statistics and characteristics

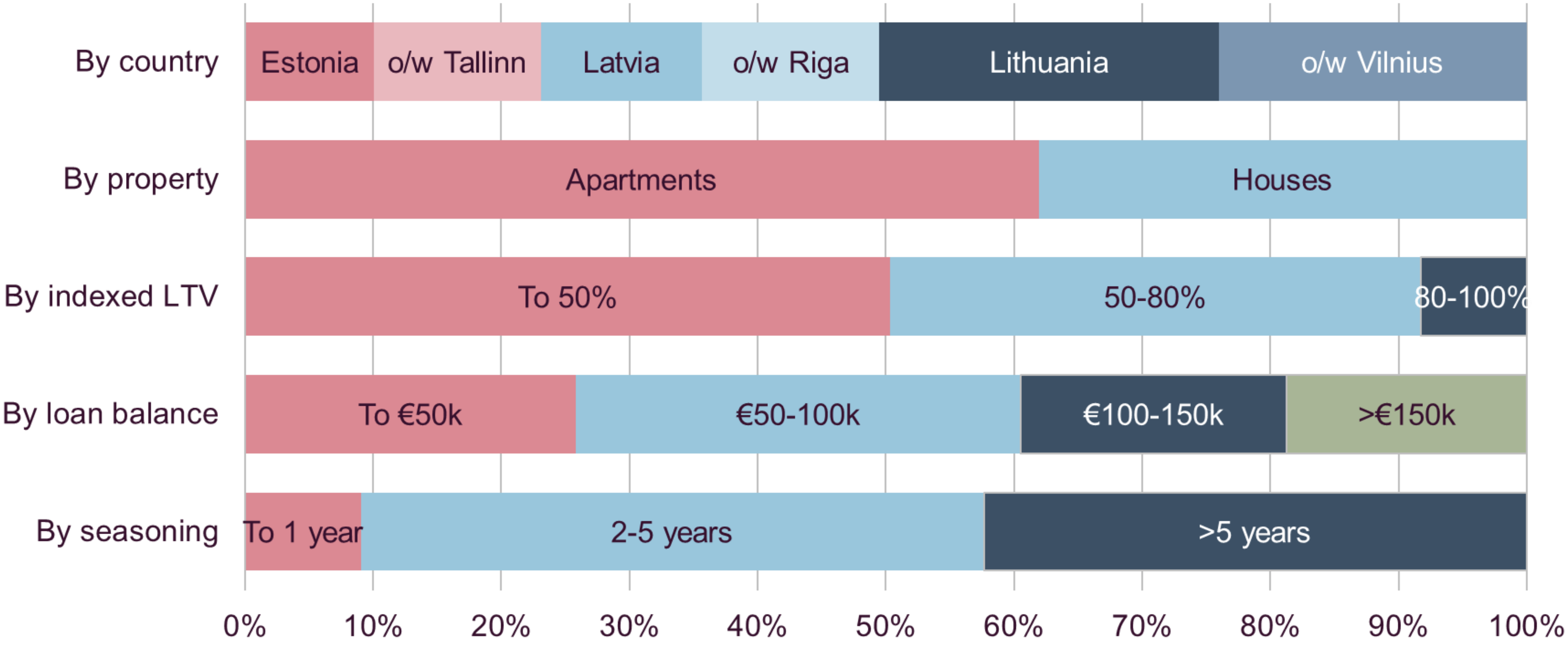

## CECBC
Panel 3: Cross Border Cover Assets

# Cover pool statistics
30 June 2024

| Cover pool | |
|---|---|
| €3,130m | Total cover assets |
| €1,000m | Issued covered bonds |
| €750m | Retained covered bonds |
| 78,9% | Over collateralization |
| 52,031 | Borrowers |
| 55,669 | Mortgages |
| 5% | Regulatory over collateralization |

| Mortgages | |
|---|---|
| €54,429 | Average current balance |
| 49.4% | Weighted average indexed LTV |
| 12-years | Weighted average residual life |
| 96.1% | Floating rate |
| 100% | Amortising |
| 100% | euro-denominated |
| 100% | Residential property |

# Cover pool characteristics
30 June 2024



# SURVEY - RESPONDENTS

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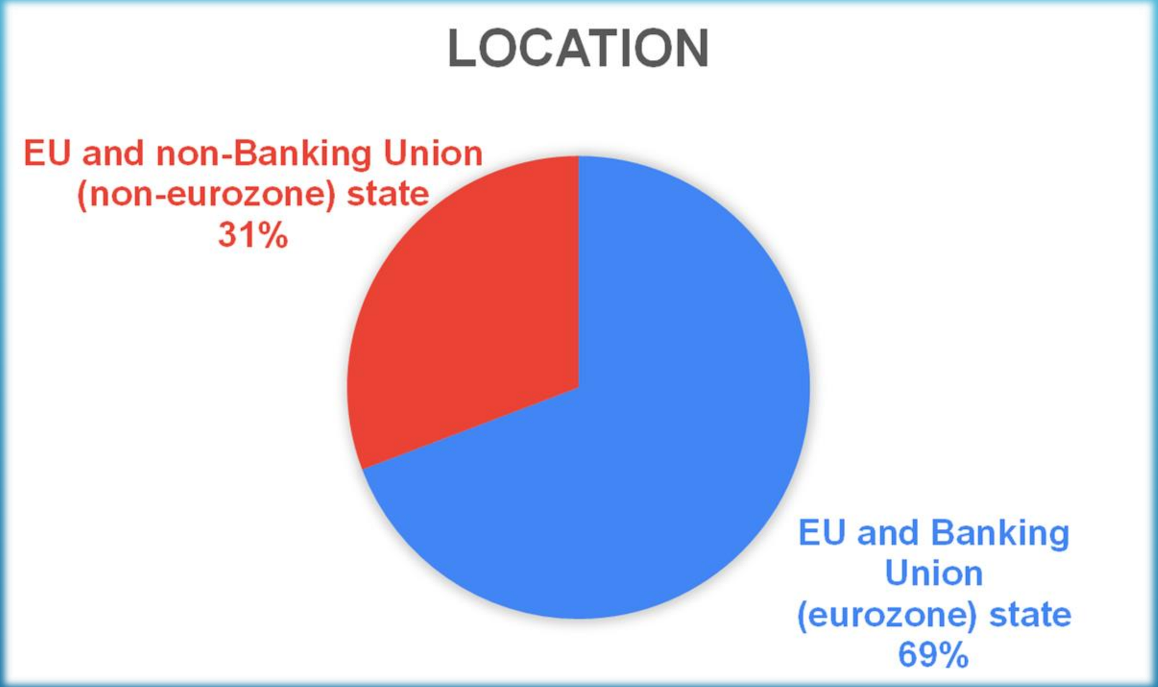


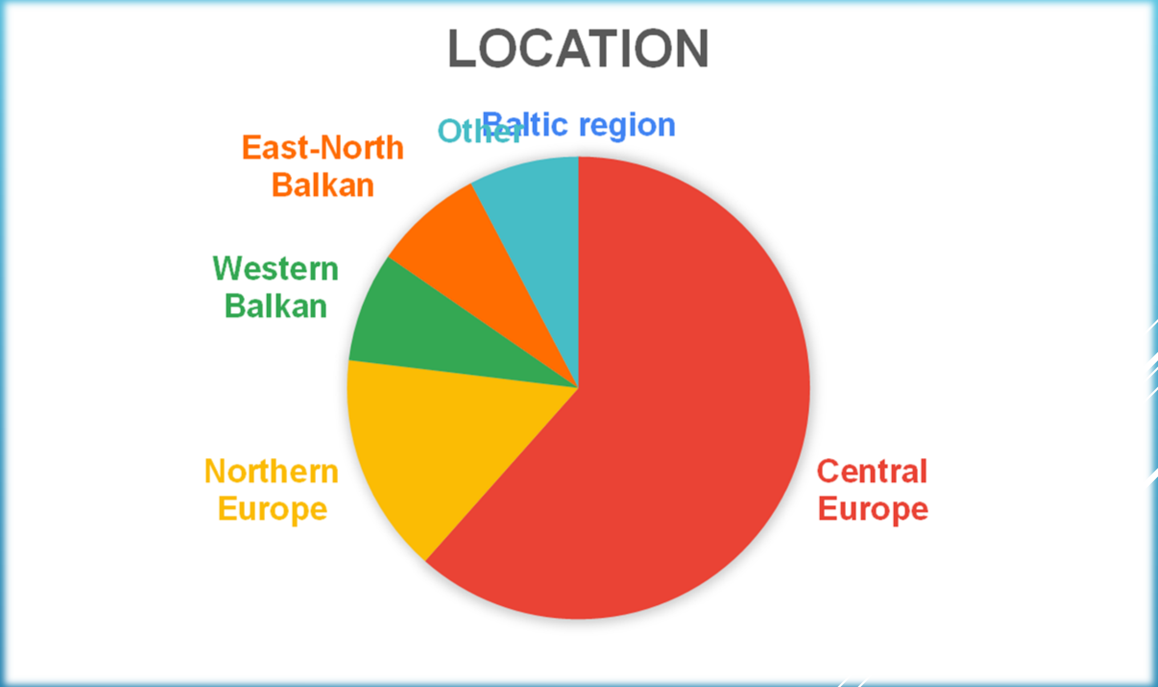


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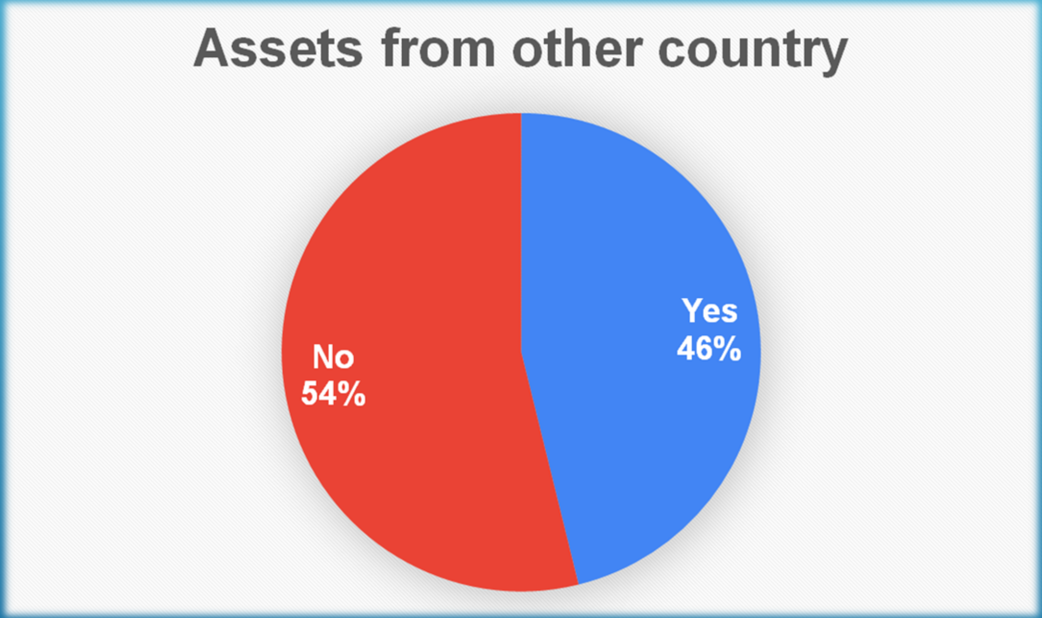
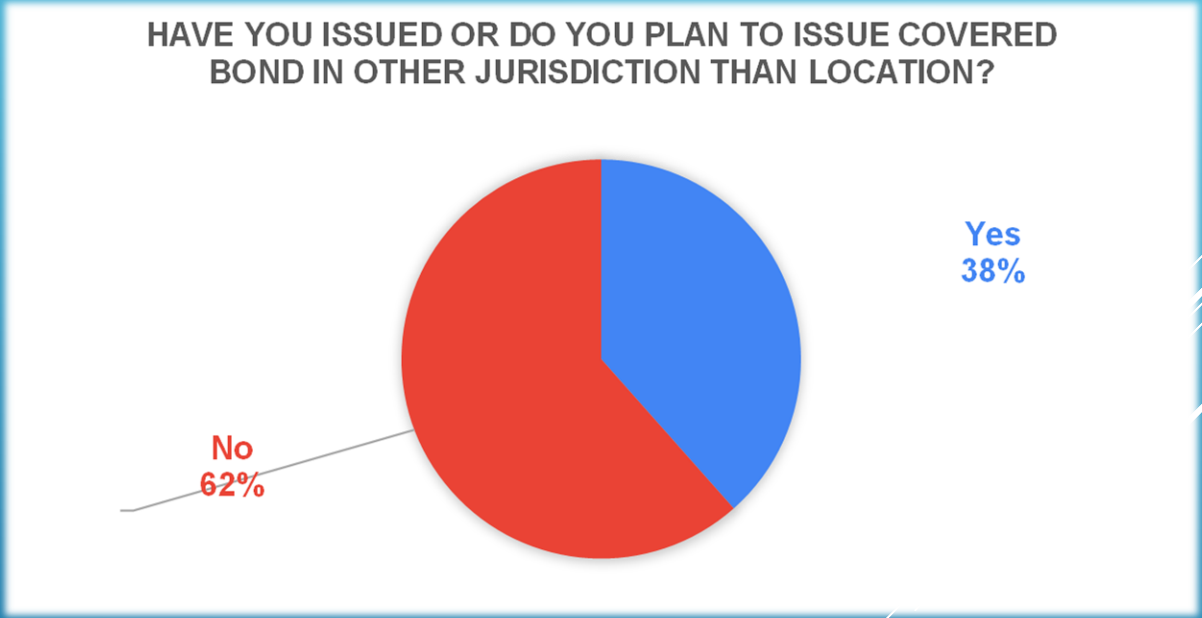
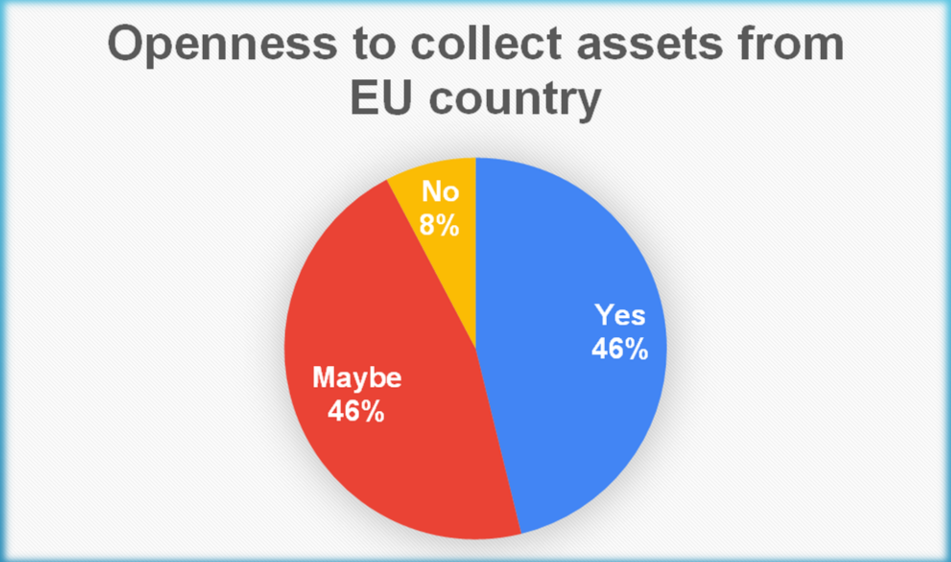
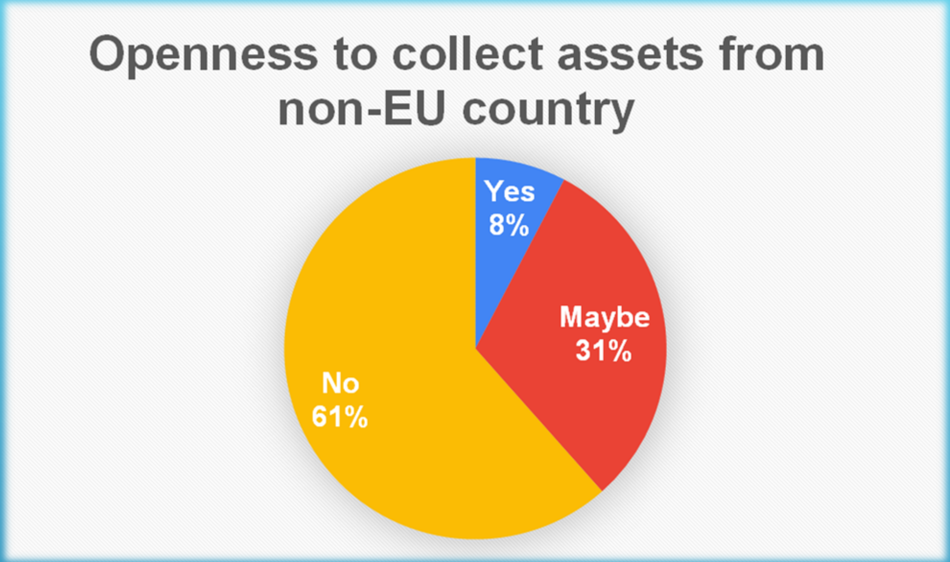
# SURVEY - CROSS BORDER COVER POOL

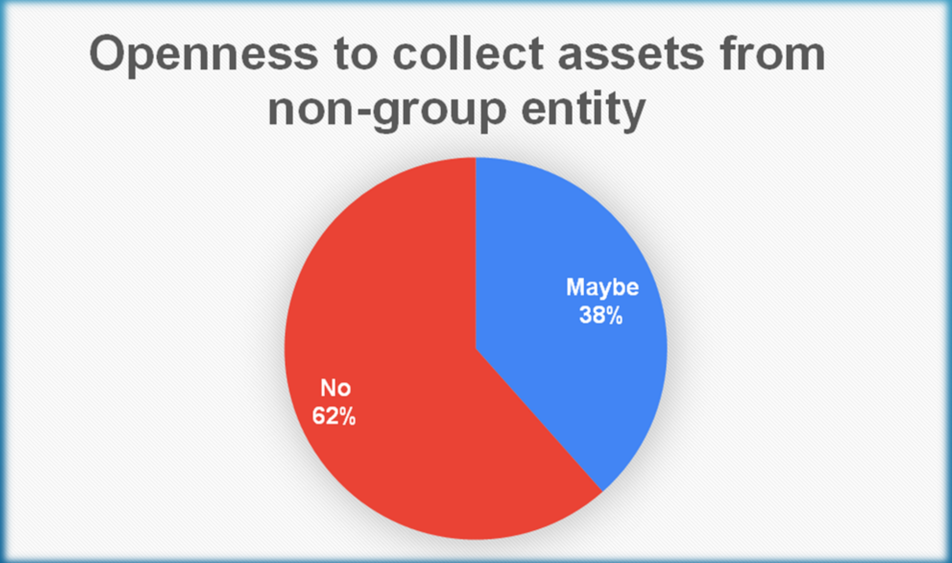


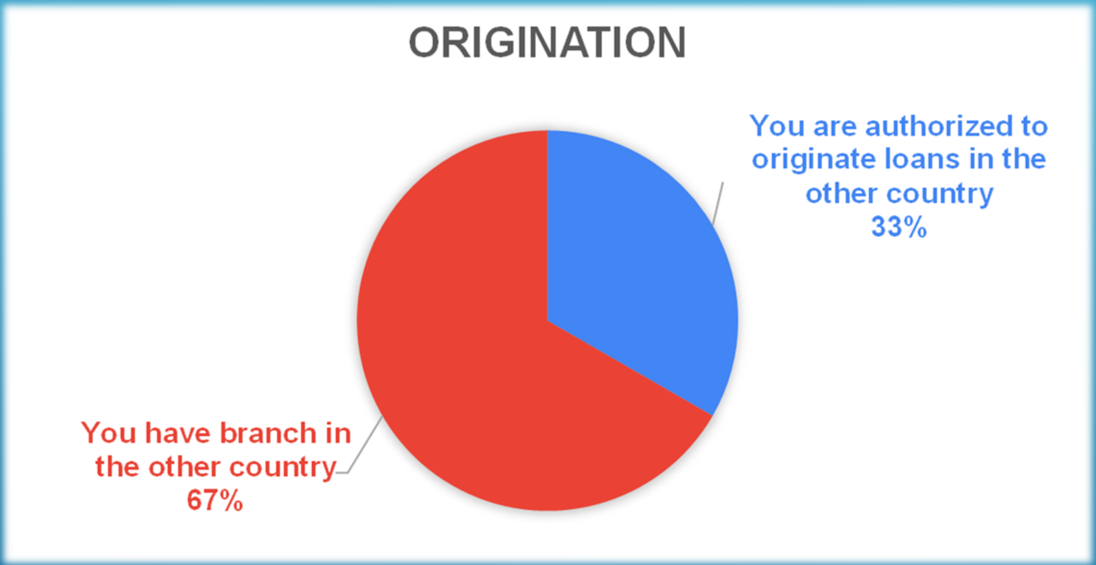
# SURVEY - POTENTIAL ASSET COLLECTION

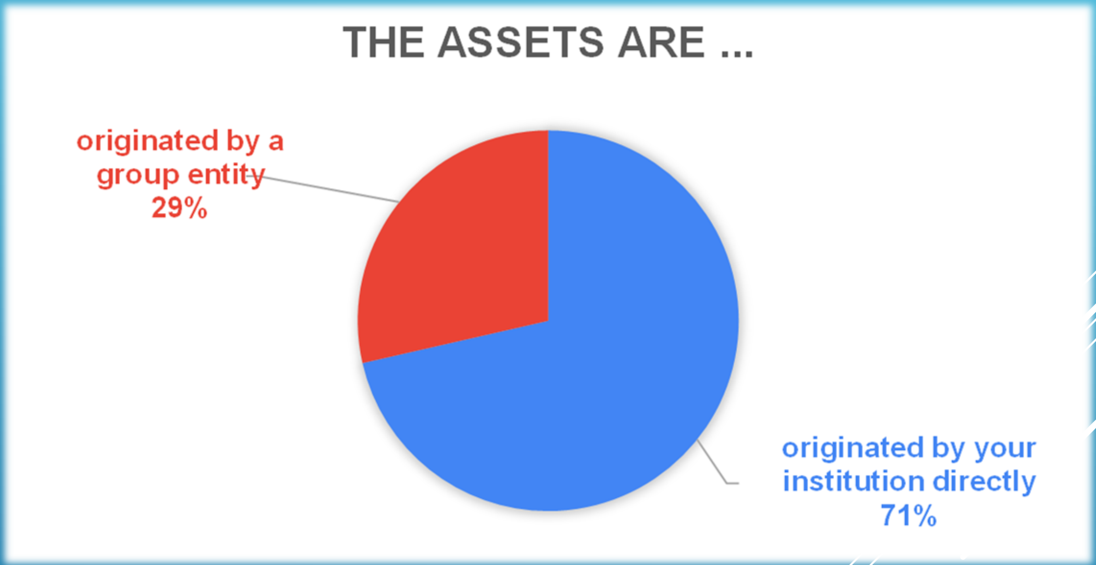


# SURVEY - ORIGINATION

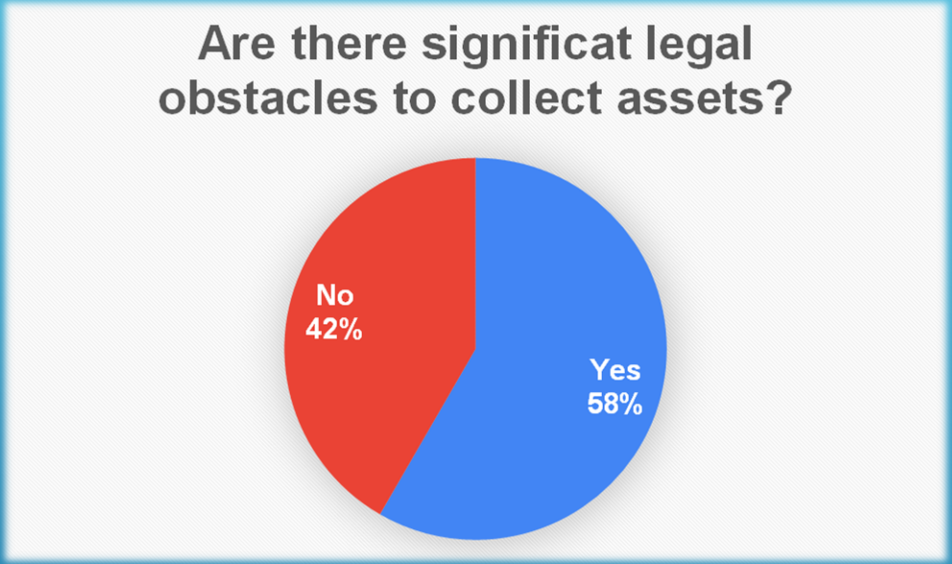


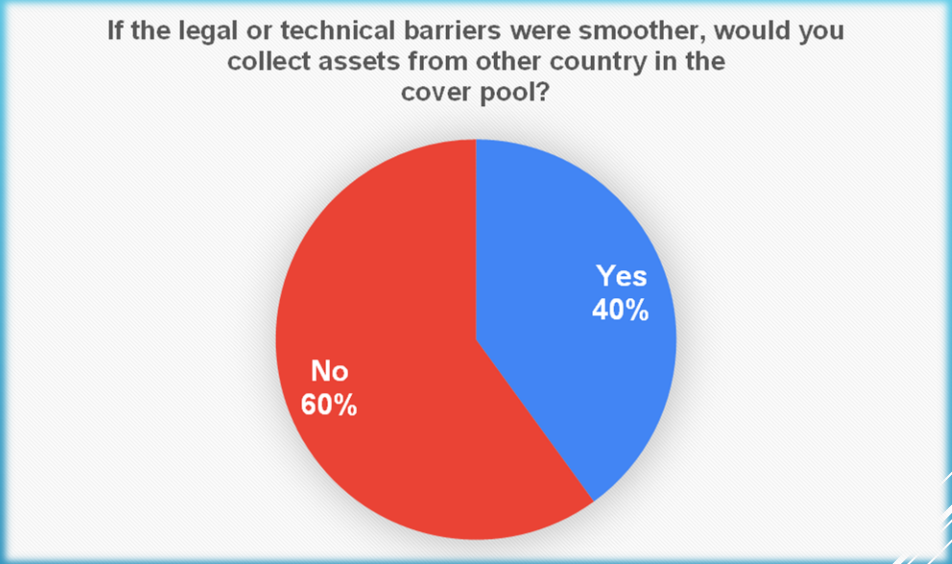



# CROSS BORDER COVER POOL REGULATION
## *WHAT LEGAL OBSTACLES DOES THE ISSUER HAVE TO FACE?*

- Insolvency regime (assets in other EU member states, outside EU)
- Requirements of CBD
- Regulatory requirements (CRR)
- Requirements of national law (German example)

# SURVEY - REGULATION



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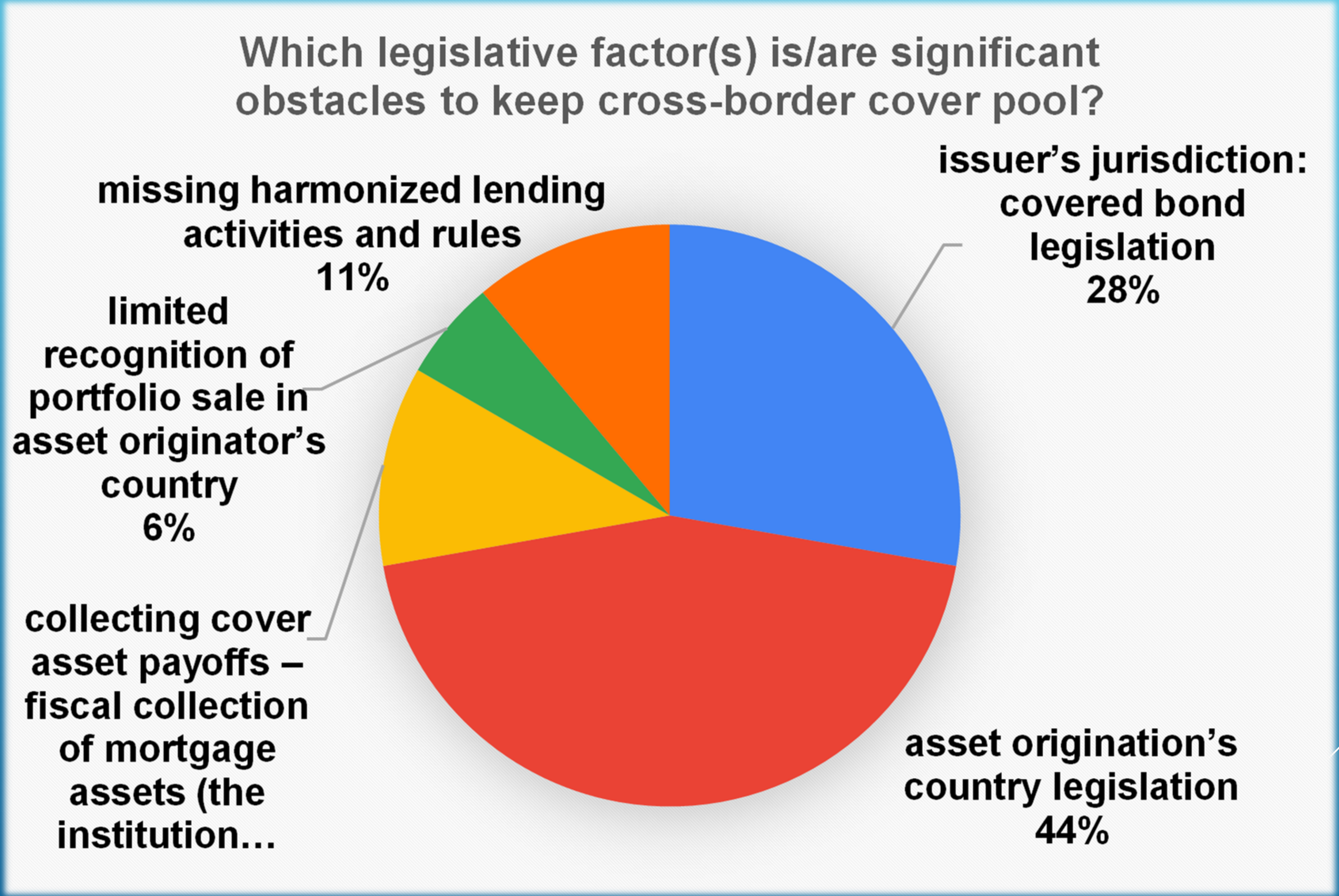

# SURVEY - REGULATION

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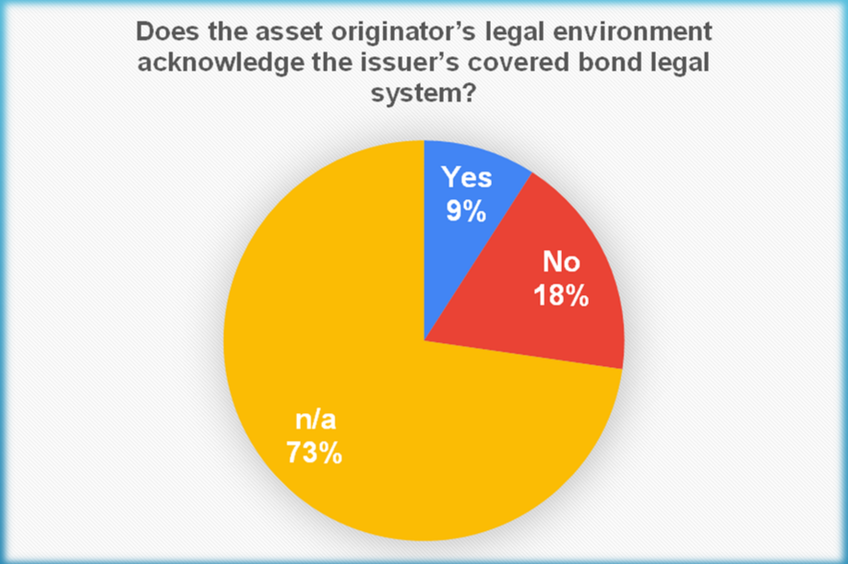


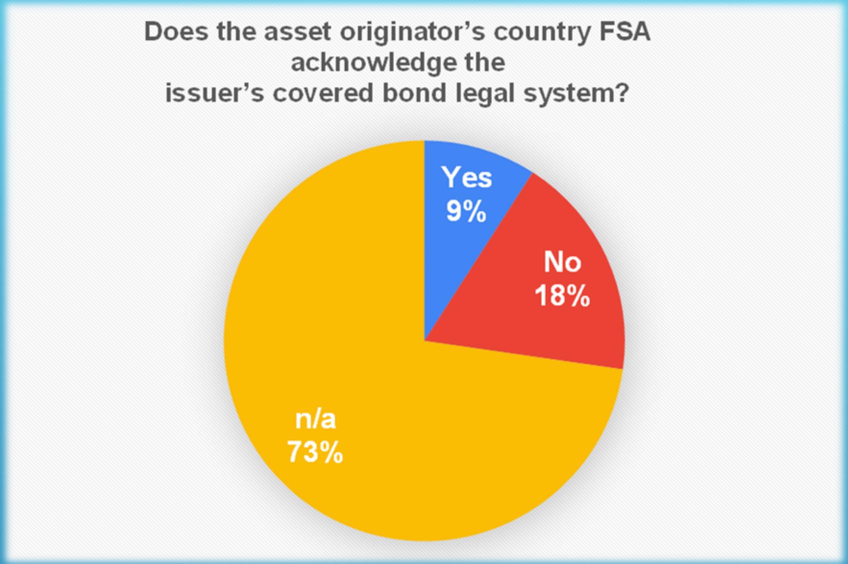


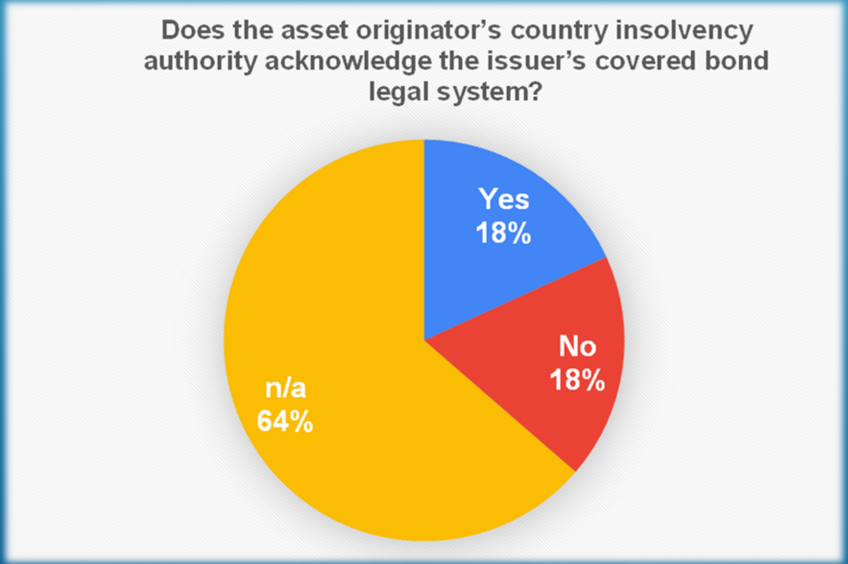

# RISK FACTORS

## *WHICH RISK FACTORS NEED TO BE MITIGATED AND HOW COULD THE CROSS-BORDER POOLING IMPROVE THE COVER POOL RISK PROFILE?*

- Diversification
- Risk on payment operation
- Property valuation rules

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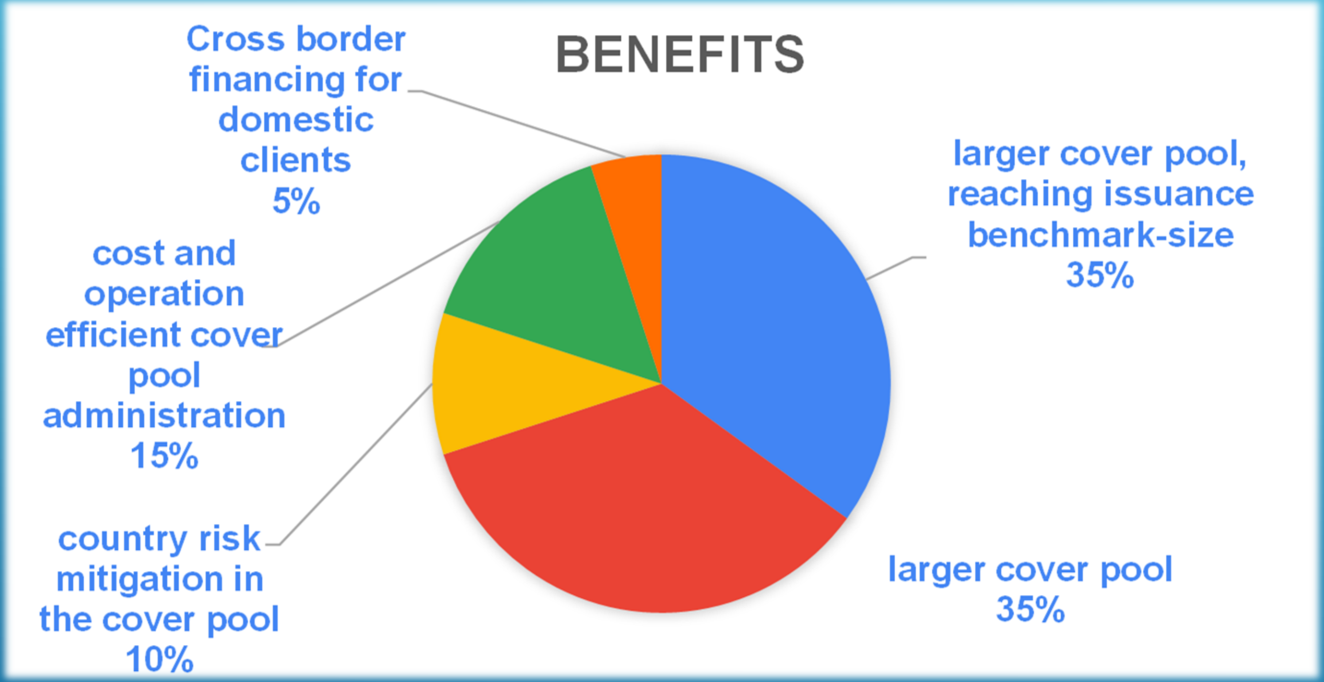
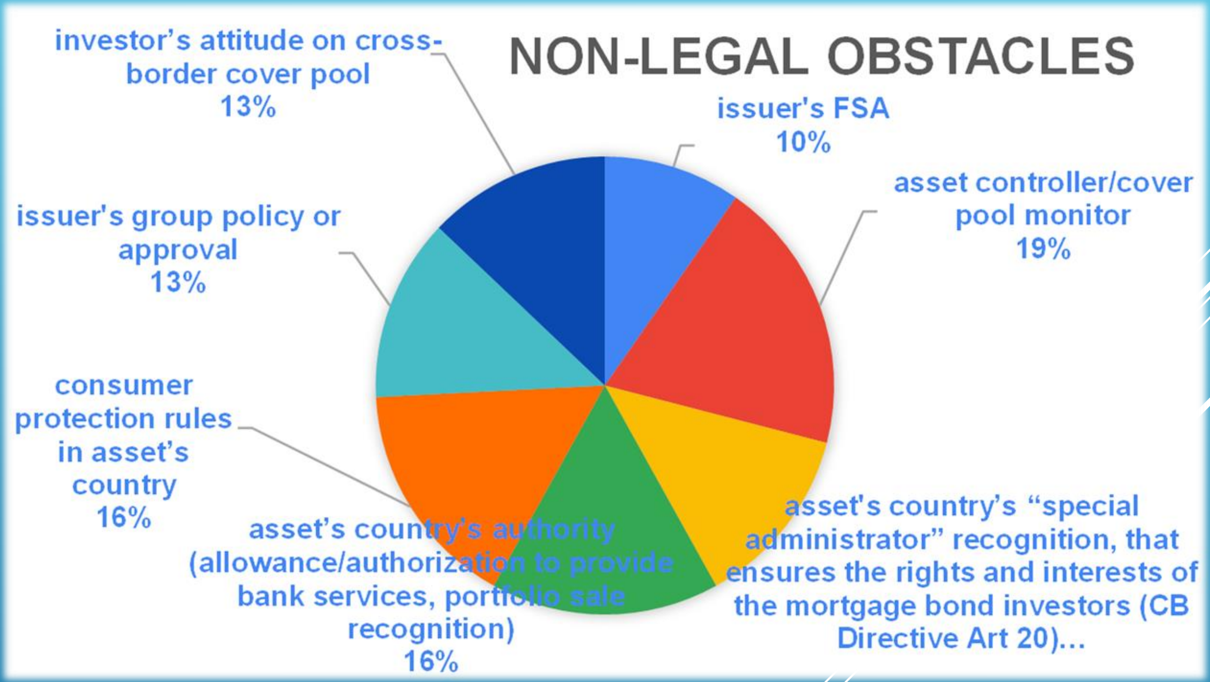
# BENEFITS AND CHALLANGES

- Investors
- Group and external players' opinion
- Operational challanges

# SURVEY



BENEFITS
Cross border financing for domestic clients 5%
larger cover pool, reaching issuance benchmark-size 35%
cost and operation efficient cover pool administration 15%
country risk mitigation in the cover pool 10%
larger cover pool 35%

NON-LEGAL OBSTACLES
investor's attitude on cross-border cover pool 13%
issuer's FSA 10%
asset controller/cover pool monitor 19%
issuer's group policy or approval 13%
consumer protection rules in asset's country 16%
asset's country's authority (allowance/authorization to provide bank services, portfolio sale recognition) 16%
asset's country's "special administrator" recognition, that ensures the rights and interests of the mortgage bond investors (CB Directive Art 20)...