



ESRB

European Systemic Risk Board

European System of Financial Supervision

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Industry workshop: “Sovereign Bond-Backed Securities”

9 December 2016
Banque de France, Paris

Programme

Friday, 9 December 2016

[09:00 – 09:30] **Registration and coffee**

[09:30 – 09:45] **Welcome and opening remarks**

Speaker: **Anne Le Lorier**, First Deputy Governor of the Banque de France

First Deputy Governor Le Lorier will open the industry workshop with remarks on Sovereign Bond-Backed Securities.

[09:45 – 10:00] **Outline of the ESRB High-Level Task Force on Safe Assets**

Speaker: **Philip Lane**, Governor of the Central Bank of Ireland

Governor Lane will describe the work agenda of the ESRB High-Level Task Force on Safe Assets.

[10:00 – 11:00] **Session 1: Sovereign Bond-Backed Securities: motivation**

Participants will discuss the function of low risk assets in financial markets, and the obstacles that impede the creation of union-wide low risk assets in Europe.

Chair: **Ewald Nowotny**, Governor of the Austrian National Bank

Panellists:

José Manuel Campa, Head of Regulatory Affairs at Santander

Lex Hoogduin, Chairman of LCH.Clearnet

Isabelle Mateos y Lago, Managing Director at Blackrock

Reza Moghadam, Vice-Chairman of Morgan Stanley

[11:00 – 11:15] **Break**

[11:15 – 12:15] **Session 2: Primary dealers in sovereign debt markets**

Participants will discuss the business of primary dealers in making markets for sovereign debt, and how their business model could adapt and expand following the creation of Sovereign Bond-Backed Securities in Europe.

Chair: **Anne Leclercq**, Director at the Belgian Debt Agency

Panellists:

Maria Cannata, Director-General at Italian Ministry of Economy

Henri Koppers, Managing Director at Credit Agricole

Anthony Requin, Chief Executive of Agence France Trésor

Frederic Gabizon, Head of European Public Sector at HSBC

Lee Cumbes, Managing Director at Barclays Capital

[12:15 – 13:15] **Session 3: Demand for sovereign debt: commercial banks' perspective**

Participants will discuss the motivations of commercial banks in buying and holding certain types of sovereign debt. Why do such banks tend to hold home-biased sovereign portfolios? Would banks be willing to replace part of this portfolio with the senior tranche of Sovereign Bond-Backed Securities?

Chair: **Mario Nava**, Director at the European Commission

Panellists:

Boris Dunnewijk, CIO of ING

Waleed Bahjat El-Amir, Head of Group Finance at UniCredit

Santiago Fernández de Lis, Head of Financial Systems and Regulation at BBVA

Carl-Christoph Hedrich, Senior Research Manager at Commerzbank

Radovan Jelašić, CEO of Erste Bank Hungary

[13:15 – 14:00] **Lunch**

[14:00 – 15:00] **Session 4: Demand for sovereign debt: non-bank investors' perspective**

Participants will discuss the motivations of non-bank investors in buying and holding certain types of sovereign debt. What are the characteristics that non-bank investors look for in safe assets, and would these criteria be satisfied by the senior tranche of Sovereign Bond-Backed Securities?

Chair: **Ulrich Bindseil**, Director-General at European Central Bank

Panellists:

Laurent Clamagirand, Group Chief Investment Officer of AXA

Wim Vermeir, CIO of AG Insurance

Peter Hegge, Global Head of Fixed Income at Allianz Group

Jozef Prokes, Director at Blackrock

[15:00 – 16:00] **Session 5: Demand for the junior tranche of Sovereign Bond-Backed Securities**

Would the junior tranche of Sovereign Bond-Backed Securities tap into investors' latent demand for relatively high-yielding euro-denominated fixed income securities? Would sub-tranching of the junior bond allow for better catering to investor preferences?

Chair: **Alberto Giovannini**, Chairman of MTS and ESRB ASC member

Panellists:

Filippo Altissimo, Global Head of Research at Tudor

Olivier Garnier, Group Chief Economist at Société Générale

Francesco Garzarelli, Managing Director at Goldman Sachs

Reto Bachmann, Head of Corporate Research at Aviva Investors

[16:00 – 17:00] **Session 6: Risk measurement**

Participants will discuss how credit rating agencies and markets measure and assess credit risk in sovereign debt and structured finance instruments, and how these approaches could be applied to a new sovereign bond backed security.

Chair: **Carmelo Salleo**, Head of Division at the European Central Bank

Panellists:

Andrea Federico, Partner at Oliver Wyman

Dietmar Hornung, Associate Managing Director at Moody's

Moritz Kraemer, Global Chief Sovereign Rating Officer at S&P

Dennis McLaughlin, Group Chief Risk Officer at LCH.Clearnet

[17:00 – 17:15] **Conclusion**

Speaker: **Philip Lane**, Governor of the Central Bank of Ireland

Governor Lane will conclude the workshop and describe the next steps.