Ladies and Gentlemen,

Apart from creating a securitization platform, the initiative of the thirteen banks has produced True Sale International GmbH (TSI GmbH), which forms its second major pillar. All thirteen banks are involved in this company, in which – I want to stress – other shareholders as well are free to participate. In addition to being represented at the shareholders’ meeting, each of the banks will have a member of their board of directors or management on the company’s advisory board.

Initially, one important function of TSI GmbH will be to follow up the suggestions which the circle of banks has made in the past for improving the legal and regulatory framework for German ABS transactions and to ensure that they are rapidly implemented. A key function of TSI GmbH, therefore, is to present legislators and supervisory authorities with clearly-defined recommendations and suggestions, and also to serve them in an advisory capacity.

The second important task of TSI GmbH is to promote standardization in Germany’s ABS market. A liquid market in ABS instruments can only come about if investors are offered a large number of ABS transactions which they are able to compare fairly easily. Not only in Germany but also throughout Europe, standardization and consequently easier comparison between individual transactions would attract more investors and, in the final analysis, would help broaden the German ABS market.

Standardization is to be achieved through the creation of a brand possessing certain qualitative features. For instance, concrete requirements are to be made on the reporting of the banks involved in securitization, as the attractiveness of an ABS issue is determined not least by the scale and quality of the data provided on the securitized claims.

What is more, transactions bearing the TSI label should display certain characteristics as regards issue volume, market-making obligations (i.e. providing bid/offer spreads) and their eligibility to serve as collateral for advances from the European Central Bank. These will encourage secondary-market activity, thereby increasing the acceptance of ABS issues.

However, in order to ensure that the qualitative features required by the TSI label do not overly restrict the possibilities for true-sale transactions, it will also be possible to launch so-called non-label transactions via the TSI platform.

By way of conclusion, let me add that Commerzbank looks upon true-sales securitizations as a strategic financing instrument, which under the new Basel II rules in particular will be of great significance for all those issuers who do not enjoy the privilege of a triple A rating.