

Delivering Digital Infrastructure for Emerging Covered Bond Markets

The Georgia model — shared, regulator-endorsed infrastructure that solves the covered bond cold-start problem

Jim Metaxas Managing Director & Global Head of Business Development, TAO Solutions



WHO IS SPEAKING

The software behind covered bond administration

TAO Solutions builds and manages the software that administers covered bond programs **end-to-end**, from cover-pool management and treasury through to regulatory reporting.

A member of the European Covered Bond Council (ECBC), with technology long treated as systemically important to the Canadian financial services industry.

US\$1 tn+

in assets administered on TAO platforms

~20%

of the world's top 50 banks use TAO technology

SOC 2 · ISO 27001

Bank-grade, independently audited security

Covered bonds have become a global funding engine

Over the past decade, covered bonds have grown into one of the most important sources of long-term funding for banks, and a core holding for fixed-income investors seeking highly-rated, low-risk exposure.

For any banking sector, a working covered bond market means cheaper, more stable, longer-dated funding for mortgage lending, and, ultimately, greater financial stability.

€3.31 tn

of covered bonds outstanding at the end of 2024

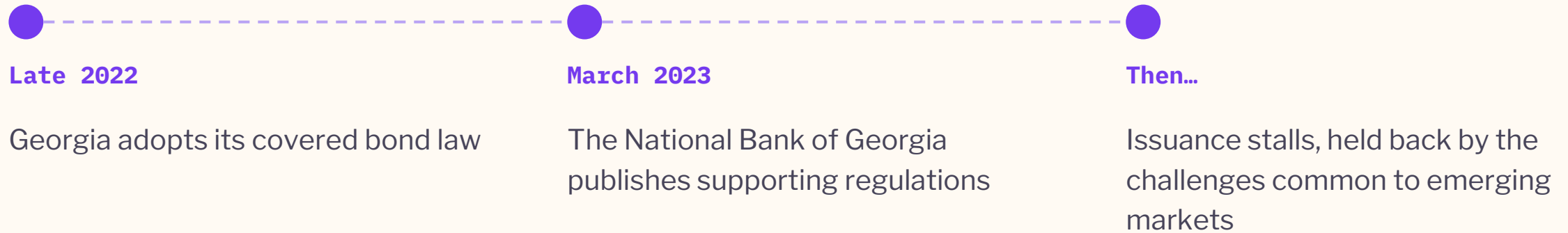
Source: European Covered Bond Council

01 — THE PROBLEM

The covered bond cold-start problem

A market that is proven in developed jurisdictions, still struggles to get started in emerging markets involving new issuers.

The framework can be in place, and issuance still stalls



This situation is not unique to Georgia. Several jurisdictions that introduces a covered bond framework runs into the same gap between having a law and creating a functioning market.

The barrier is a fixed cost that every issuer pays independently

1

Every issuer starts from scratch

Each bank has to acquire the specialist knowledge and build the infrastructure needed to establish and run a program.

2

The fixed cost falls hardest on the smallest

That upfront cost is largely the same regardless of program size, so it disproportionately disadvantages smaller banks that intend to issue smaller sized transactions.

3

The whole sector is slowed

Because the effort is duplicated issuer by issuer, time-to-market lengthens across the entire market, and it repeats in every new jurisdiction.

Build it once, for the whole market

SINGLE-ISSUER DEPLOYMENT

Each bank builds

- A significant fixed cost borne by every issuer
- Prohibitive for smaller banks
- Slow, sequential time-to-market
- Inconsistent data and disclosure across the sector

SHARED MARKET-WIDE PLATFORM

Build once, available to all

- Available to every licensed bank
- Materially lowers the cost of market entry
- Faster time-to-market across the sector
- Consistent data and disclosure (including regulatory) from day one

02 — THE CASE STUDY

Georgia: a market-wide platform, supported by the EBRD

Not a single-issuer deployment, but shared, regulator-endorsed infrastructure for the whole banking sector.

What the EBRD commissioned

Under the EBRD's **Local Currency and Capital Markets Development (LC2)** initiative, TAO is delivering a standardised covered bond administration platform, made available to **all banks licensed by the National Bank of Georgia** to support the country's covered bond issuance activities.

Crucially, it is turn-key, including regulatory reporting, so new issuers do not each have to bear the cost of bespoke re-development.

>85%

of banking-sector assets sit with the four largest banks the platform serves

One build, every issuer

As new issuers come to market, whatever their size, they inherit a working, regulator-ready programme rather than rebuilding one.

Attributes of the Solution

Key features:

- **Automated data ingestion:** including aggregation, validation and normalisation
- **Asset Selection:** traceable and auditable record of assets reserved and sold to the cover pool
- **Transaction Modelling:** supporting local currency and offshore issuances
- **Reporting:** Cover Pool Summary; Investor; Daily Monitoring (ACT, OC) and more
- **Rating Agency Data Tape**
- **Regulatory Reporting**

Turn-Key Solution

End-to-end covered bond administration and treasury management, configurable by the customer

Regulatory Reporting

Disclosure as per the requirements of the National Bank of Georgia

Flexibility for Growth

Enables customers to include accounting, management reporting, alternative asset classes and transaction types.

The same infrastructure works for everyone in the market



Issuers

The operational, risk-management and regulatory-reporting toolkit to launch and maintain a programme.



Regulators

Consistent, comparable, high-quality data across all participants, rather than issuer-by-issuer variation.



Investors & rating agencies

Standardised disclosures, delivered in the formats they already expect.

03 — BEYOND GEORGIA

From one market to a model

The same infrastructure logic applies wherever a covered bond market wants to start or scale.

Europe has pooled covered bond economics for decades

Several of Europe's most durable covered bond markets are built on shared structures (examples include):

FRANCE

CRH

A market-place issuer, funding its shareholder banks exclusively through covered bonds

SWITZERLAND

Pfandbriefbank

One of two legally authorised central issuing agencies for the Swiss Pfandbrief

NORWAY

SpareBank 1 Boligkreditt

Joint covered bond issuer for the SpareBank 1 alliance banks

Those structures pool the issuance. Georgia pools the infrastructure.

A different layer — the same economics: mutualise the fixed cost, and the market opens to more issuers.

On the ECBC's own agenda — pooling models & the EBA framework advice, Stavanger roundtable, May 2026

Proven technology, ready for any framework

The Georgian platform runs on TAO's established covered bond and asset-class / transaction type agnostic structured-finance stack, anchored by **SecureHub**, the same end-to-end administration and treasury technology used by established issuers worldwide.

The mandate is tailored to Georgian law and NBG rules, but the platform itself is **jurisdiction-agnostic**. The same technology configures to an established regime such as the EU Covered Bond Directive, or to a newly-introduced framework in any emerging market.

SecureHub

End-to-end covered bond administration and treasury management, including finance and accounting

Flexible deployment

Public cloud, private cloud or on-premises, for data residency, cyber security and regulatory considerations

Jurisdiction-agnostic

Configures to the covered bond framework and issuer requirements of any market

IN CLOSING

A template for any emerging covered bond market

- 1 The cold-start problem is universal, whereby a covered bond law is not a covered bond market.
- 2 Shared, regulator-endorsed infrastructure lowers the cost of entry and raises standards from day one.
- 3 The model is proven, jurisdiction-agnostic and ready to be applied wherever a market wants to accelerate.

Let's talk

Jim Metaxas
Managing Director,
Global Head of Business
Development

jim.metaxas@taosolutions.ca
www.taosolutions.ca

Thank you · Questions welcome

TAO is in Seville all week — the 39th ECBC Plenary & the Covered Bond Congress.