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theory 3.2.4 The capital asset pricing model; 3.3 Equity Risk Versus the Risk of Borrowing: Default Risk and the Cost of Debt; 3.3.1 What are the drivers behind default risk?; 3.3.2 The risk-free rate; 3.4 Putting It All Together; 3.5 How Much Risk is There in a Mezzanine Product?; 3.6 Cost Versus Return Dynamics for Mezzanine Products; 4 The 'Pricing' Question and Further Financial Dynamics of Convertible Loans and Preferred Convertible Shares; 4.1 Pricing Grid for Mezzanine Products 4.2 Financial Dynamics of Convertibility in Convertible Loans and Preferred Convertible Shares 4.2.1 Convertible bonds; 4.2.2 Convertible preferred stock (CPS); 4.2.3 Valuation and pricing of (embedded) options; 4.3 Case Study: JJ Bars & Restaurants - Mezzanine for Expansion; 4.3.1 Europewide Capital Partners; 4.3.2 The Dutch and European restaurant industry; 4.3.3 Industry segments; 4.3.4 JJ Bars & Restaurants; 4.3.5 Datasets; 4.3.6 Questions: JJ Bars & Restaurants; 5 The Mezzanine Product Group and the Financial Industry; 5.1 The Basel Committee and Framework 5.2 The Evolution of the Basel Rules (Basel I and II) 5.2.1 The first pillar; 5.2.2 The second pillar; 5.2.3 The third pillar; 5.2.4 Capital definitions under Basel II; 5.3 Objectives of Basel III and the Central Themes; 5.3.1 Capital definitions under Basel III; 5.4 Impact on the Use of Mezzanine Products in the Financial Sector; 5.5 Regulation in the Insurance Sector Impacting the Use of Mezzanine Products; 5.5.1 Solvency II; 5.5.2 Regulated capital under Solvency II; 5.6 CoCo Bonds - Contingent Convertible Bonds; 5.6.1 Outlook for the product; 5.7 Annex I - Summary Basel III 5.8 Annex II - Basel III - Specific Features

Sommario/riassunto

"An in-depth explanation of mezzanine finance Mezzanine finance products, which have grown increasingly popular in recent years, involve a unique and complex form of analysis because of their hybrid nature. Because mezzanine finance involves no collateral, it accentuates legal terms, term sheets, and contracts, in addition to depicting dynamics of both debt and equity. Experienced chairman, lecturer, and professor of investment banking Luc Nijs presents readers with a thorough description of product groups, structuring and pricing, and cultural discrepancies in terms of regulation and application in Mezzanine Financing: Tools, Applications and Total Performance. Nijs analyzes common triumphs and failures encountered in mezzanine financing, and he discusses techniques for risk analysis and risk mitigation. A final study of international capital markets, their products' relevance, attractiveness, and liquidity, and the effects on pure equity/fixed-income risk concludes the book. Conveys a professional's advice through case studies of various regions, industries and contexts Provides the only complete analysis of mezzanine finance as no other books take on the topic as their only subject Details an increasingly popular and globally relevant subject in finance Those seeking a detailed explanation of the complexities within mezzanine financing will encounter a professional account in Nijs's book"--
