



COVERED BOND
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“EBA Appoints Observer Representative to the Covered Bond Label Advisory Council”

Brussels, 19 September 2013 – For immediate release

The Covered Bond Label Foundation ([CBLF](#)) is delighted to announce that the European Banking Authority (EBA) yesterday appointed Mr Lars Overby, Head of Unit – Regulation, as its Observer Representative on the Covered Bond Label Advisory Council. As such, Mr Overby joins Mr Benjamin Sahel, Head of the Market Operations Analysis Division at the European Central Bank (ECB), who has been an Observer Representative on the Council since the Label’s launch in January 2013.

The Label Advisory Council is the Covered Bond Label Foundation’s think-tank; therefore, it has an advisory role vis-à-vis the Label Committee. The Advisory Council is responsible for supporting the development of the Covered Bond Label in the market and the macro-prudential role of the covered bond asset class. The Council realises its objectives by providing opinions/advice on consultations, offering a forum for discussion amongst covered bond stakeholders and making proposals for the further development and strengthening of the Label.

“We very much welcome the European Banking Authority’s appointment to the Covered Bond Label Advisory Council as this will enrich the debate amongst covered bond stakeholders at what is a crucial moment for the Industry, with a number of key regulatory changes impacting on the future of the asset class on the horizon.”

Annik Lambert, Covered Bond Label Foundation (CBLF)

Further to Mr Overby’s appointment, the Label Advisory Council’s full membership is as follows:

Observer Representatives

- Mr Benjamin Sahel, Head of the Market Operations Analysis Division, European Central Bank (ECB)
- Mr Lars Overby, Head of Unit - Regulation, European Banking Authority (EBA)

National Authority Representatives

- Mr Angel Garcia de Frutos, Head of Investment Division, Banco de España
- Mr François Haas, Deputy General Manager, DG Operations, Banque de France
- Mr Michal Klestinec, Senior Portfolio Manager, National Bank of Slovakia

Market Representatives

- Mr Andreas Denger, Senior Portfolio Manager, MEAG MUNICH ERGO Asset Management GmbH
- Ms Hélène Heberlein, Managing Director - Covered Bonds, Fitch Rating
- Mr Peter Voisey, Partner, Clifford Chance



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Notes to the Editor:

1. The **Covered Bond Label Foundation (CBLF)** grants quality Labels and is a response to a market-wide request for improved standards and increased transparency in the European covered bond market. The Label was established by the European Covered Bond Council (**ECBC**) in 2012 and developed by the European issuer community, working in close cooperation with investors and regulators, as well as in consultation with all major stakeholders. The Label is intended to result in multiple benefits with an enhancement of the overall recognition of and trust in the asset class. The Label facilitates access to relevant and comprehensive information for investors, regulators and other market participants, and demonstrates the determination of the covered bond community to tackle the challenges arising from the crisis. It also underlines the Industry's active engagement in the maintenance of the high quality of the collateral assets, the improvement of transparency, and eventually, the promotion of liquidity and the strengthening of secondary market activity. For more information, please visit the Covered Bond Label website www.coveredbondlabel.com.
2. The **European Covered Bond Council (ECBC)** is a platform that brings together covered bond market participants including covered bond issuers, analysts, investment bankers, rating agencies and a wide range of interested stakeholders. The ECBC was created by the European Mortgage Federation (EMF) in 2004. As of September 2013, the Council has over 100 members across 25 active covered bond jurisdictions and many different market segments. ECBC members represent over 95% of covered bonds outstanding. For more information please visit the ECBC website, <http://ecbc.hypo.org>.
3. Established in 1967, the **European Mortgage Federation (EMF)** is the voice of the European mortgage industry, representing the interests of mortgage lenders and covered bonds issuers at European level. The EMF provides data and information on European mortgage markets and its members grant more than 75% of residential and non-residential mortgage loans in Europe.
4. With **over EUR 2.8 trillion outstanding at the end of 2012**, covered bonds are playing an important role in European capital markets, contributing to the efficient allocation of capital and, ultimately, economic development and recovery. The **EUR 707 billion issuance and the arrival of 20 new issuers during 2012** evidence the ability of the asset class to provide essential access to long-term capital market funding. This is achieved even during volatile market conditions, notably thanks to a stable investor base. Their consistently strong performance and quality features attract the attention of regulators and market participants worldwide, which, in turn, leads to an increasing recognition of the macro-prudential value of the asset class.
5. From an issuer perspective, covered bonds provide an important contribution to the enhancement of a bank's funding profile and the management of liquidity. **Benefits provided by covered bonds include:**
 - adding duration to liabilities, allowing banks to obtain long-term funding matching the maturity profile of their long-term asset portfolios;
 - providing stability to the funding mix, allowing ALM teams to increase predictability in the maturity profiles;
 - enabling issuers to increase diversification in the investor base, both in terms of geography and investor type; and
 - serving the Industry as one of the most reliable funding tools, even in times of turmoil.