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“Investment Banks Support for the Covered Bond Label”

Brussels, 22 June 2012 – For immediate release

The European Covered Bond Council (ECBC) welcomes yesterday’s announcement by a group of leading investment banks that they are committed to helping ensure the successful launch of the ECBC Covered Bond Label by allowing issuers to set-off the cost of the Label against the fees which they pay to the lead managers. The investment banks’ statement was as follows:

"We welcome the ECBC's Covered Bond Label initiative and believe that it is a positive step forward for the development of the covered bond market. In this regard we note the comments by representatives of the European Central Bank in support of the Label at the recent ECBC Plenary meeting in London.

In order to facilitate the Label, a group of investment banks active in the covered bond market would like to propose that the cost of the label should be set against fees paid to investment banks. Specifically, for the first benchmark covered bond issued under the Label by each issuer we propose that the total underwriting fee paid be reduced by the cost which that issuer has had to pay to obtain the Label (both initial registration fee and, if applicable any volume related fee). The amount deducted will be taken from the individual fees payable to each investment bank pro rata amongst investment banks agreeing to this initiative.

All investment banks active in the covered bond market are welcome to join this initiative."

Commenting upon the investment banks’ statement, Luca Bertalot, Head of the ECBC, said, *“The announcement of the active support for the Covered Bond Label by of one of the Industry’s leading stakeholder groups is a very positive development and serves to demonstrate the confidence and commitment that the Industry has to make the new Label a success.”*

To recap, the ECBC Covered Bond Label highlights to investors the value and quality of covered bonds and further enhances the recognition of, and trust in the covered bond asset class. For more details on the Label Initiative please click [here](#).

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European Covered Bond Council
The Covered Bond Voice of the European Mortgage Federation 

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Notes to the Editor:

1. 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 June 2012, the Council has over 100 members across more than 25 active covered bond jurisdictions and many different market segments. ECBC members represent over 95% of covered bonds outstanding.
2. Established in 1967, the European Mortgage Federation (www.hypo.org) 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.



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