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“ECBC Publishes 2013 Edition of the European Covered Bond Fact Book”

Brussels, 3 September 2013 – For immediate release

The European Covered Bond Council ([ECBC](#)) is pleased to announce the publication of the eighth (2013) edition of its European Covered Bond Fact Book, which builds upon the success of previous editions and cements its place as the most comprehensive source of information and data on the asset class.

With over EUR 2.8 trillion outstanding at the end of 2012, covered bonds play an ever-greater role in European capital markets, contributing to the efficient allocation of capital and, ultimately, economic development and recovery. The EUR 707 billion issuance and arrival of 20 new issuers during 2012 evidence the ability of the asset class to provide essential access to long-term capital market funding. 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.

Chapter I of the new Fact Book analyses thirteen key themes and offers an overview of the Industry’s position on these. **Chapter II** provides a detailed explanation of covered bond fundamentals, including reviews of current European regulatory changes that will have a direct and significant impact on covered bonds (e.g. the Capital Requirements Directive and Regulation (CRD IV & CRR), Solvency II and MiFIR). This chapter also includes articles on the repo treatment of covered bonds by central banks and investigates the relationship between covered bonds and other asset classes such as senior unsecured and government bonds. **Chapter III** presents an overview of covered bond legislation and markets in 37 issuing countries, which demonstrates the worldwide success and recognition of the asset class. **Chapter IV** sets out the rating agencies’ covered bond methodologies and, last but not least, **Chapter V** highlights trends in the covered bond market and provides a complete set of covered bond statistics for the last decade.

The ECBC welcomes the broad range of views expressed in this revision of the Fact Book and thanks all contributors whose enthusiasm and dedication have once again produced an outstanding publication, especially the Chairmen of the ECBC Fact Book and Statistics & Data Working Groups, Mr Wolfgang Kälberer and Mr Florian Eichert respectively.

“With the banking sector facing ever greater demands for data transparency and reliability, the latest edition of the Covered Bond Fact Book reinforces its position as the leading compendium of essential covered bond information offering a complete overview of market, regulatory and legislative developments at the global level.”

Luca Bertalot, Head of the European Covered Bond Council

The European Covered Bond Fact Book 2013 can be downloaded from the ECBC website [here](#). The hard copy of the Fact Book will be presented and made available at the ECBC Plenary meeting in Barcelona on Wednesday the 11th of September 2013.





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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 August 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>.
2. 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.
3. 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.
4. 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.
5. Through the ECBC the European covered bond community has committed to develop a quality label for covered bonds. This initiative is intended to result in multiple benefits with an enhancement of the overall recognition of and trust in the asset class. The **ECBC Covered Bond Label** will facilitate access to relevant and comprehensive information for investors, regulators and other market participants. This initiative demonstrates the determination of the covered bond community to tackle the challenges arising from the crisis and underlines its 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. Further details on the initiative can be found [here](#) and [here](#).

