

Press release

News from the International Capital Market Association (ICMA)

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Please see foot of release for contact details

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For immediate release

Investors launch transparency initiative for covered bonds.

(Zurich, Switzerland) ICMA Covered Bond Investor Council (CBIC), an industry body representing a diverse range of investors in the European covered bond market, and operating under the auspices of the International Capital Market Association, has today launched an initiative aimed at setting transparency standards for covered bonds.

Covered bonds have become an increasingly important component in the funding of financial institutions in Europe, because they provide cost effective funding, with a low execution risk, long maturities, and help issuers and investors diversify their portfolios of liabilities and assets respectively. The structure and security of covered bonds have set this asset class apart and they have remained largely acceptable to an increasing number of investors throughout the turbulent conditions of recent years.

Recent growth of the European covered bond market has led to a degree of fragmentation in the level of information provided to investors on individual issues. Faced with a rapidly expanding covered bond universe investors are increasingly in need of comprehensive and readily comparable information in order to make informed investment decisions. The CBIC initiative proposes agreed transparency standards for issuers in this market based on the information requirements of investors.

Andreas Denger, senior portfolio manager at MEAG Munich Ergo Asset Management GmbH said: "It's not just new covered bond investors who are raising questions about transparency. Traditional buyers also have also increasing needs for comparable and standardised information on the issuer, collateral pool characteristics and key definitions. We believe that most of this information can be provided relatively easily by all issuers."

The proposal issued for consultation today includes a detailed list of the required data fields and their definitions, agreed by investors. The aim is that the exercise will result in the publication of widely accepted voluntary standards of disclosure for covered bond issuers in Europe by September of this year.

The full consultation document and information specification is available from the ICMA website [here](#).

Notes for Editors

ICMA Covered Bond Investor Council (CBIC)

The [ICMA Covered Bond Investor Council](#) is an investor driven organisation, independent of both issuers and dealers, which ICMA supports with secretariat and administrative services. Covered bond issuers and traders have their own organisations to represent their views. Investors need to ensure that their views are made known and interests protected at an early stage in every industry discussion. The CBIC represents a diverse range of investors interested in the European covered bond market. It promotes the high quality, simplicity and transparency of the product.

International Capital Market Association (ICMA)

ICMA represents financial institutions active in the international capital market worldwide. ICMA's members are located in 50 countries, including all the world's main financial centres. ICMA's market conventions and standards have been the pillars of the international debt market for over 40 years, providing the framework of rules governing market practice which facilitate the orderly functioning of the market. ICMA actively promotes the efficiency and cost effectiveness of the capital markets by bringing together market participants including regulatory authorities and governments. See: www.icmagroup.org

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