# 2026 Covered Bond Label Convention

Covered bonds are debt securities, backed by mortgage, public sector or ship assets, and characterised by a twofold bondholders' protection mechanism rooted in a dedicated covered bond legal framework.

In more details:

## I Legislation safeguards

a) The CB programme is embedded in a dedicated national CB legislation;

b) The bond is issued by -or bondholders otherwise have full recourse, direct or indirect[1], to- a credit institution which is subject to public regulation and supervision;

c) The obligations of the credit institution in respect of the cover pool are supervised by public supervisory authorities.

## II Security features intrinsic to the CB product

a) Bondholders have a dual claim against:
   i. The issuing credit institution as referred to in point I b);
   ii. A cover pool of financial assets[2] (limited to mortgage, public sector or ship assets), ranking senior to the unsecured creditors.

b) The credit institution has the ongoing obligation to maintain sufficient assets in the cover pool to satisfy the claims of covered bondholders at all times.

c) Issuers are committed to providing regular information enabling investors to analyse the cover pool, following the Harmonised Transparency Template[3] and in compliance with the transparency requirements of Article 14 of the Covered Bond Directive (Directive (EU) 2019/2162.

[1] Including pooling models consisting only of covered bonds issued by credit institutions.

[2] The financial assets eligible for the cover pool (including substitution assets and derivative instruments) and their characteristics are defined in the national covered bond legislation which complies with the requirements of the Covered Bond Directive (Directive (EU) 2019/2162, as well as those articles which specify its implementation, including a waiver for the requirement for the issuer to be based in the European Economic Area (EEA), allowing non-EEA LCR compliant covered bonds programmes to be eligible for the Label. Non-EEA Labels will be identified on the Covered Bond Label website in a different graphic solution from EEA Labels.

[3] The enhanced Harmonised Transparency Template 2026 will enter into force at the end of the first quarter of 2026 and will be a binding requirement for the granting and renewal of the Covered Bond Label.