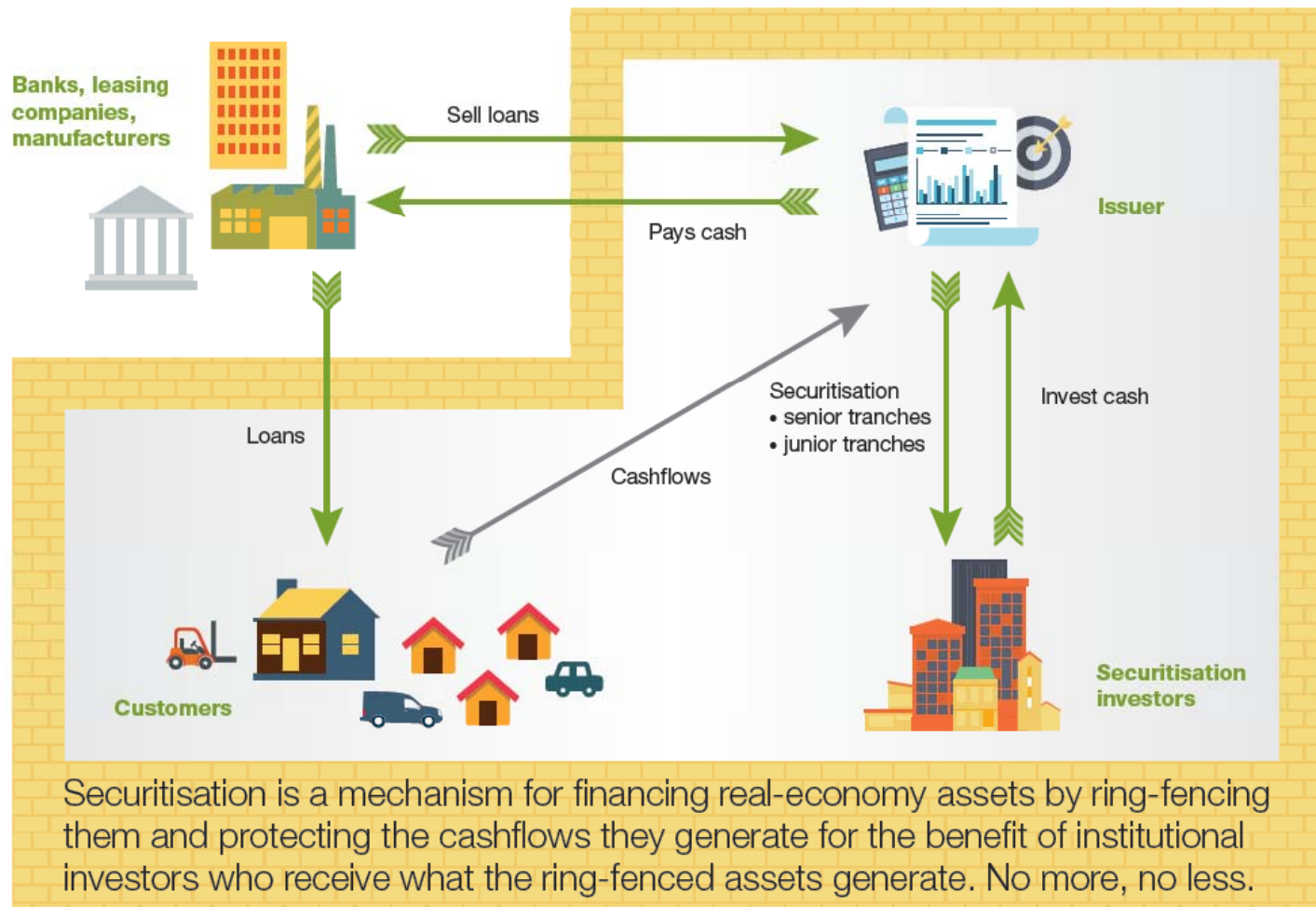


AFME webinar
Securitisation proposals: what are the
solutions?

30 June 2016

What is securitisation?



What are the benefits of securitisation for the real economy?



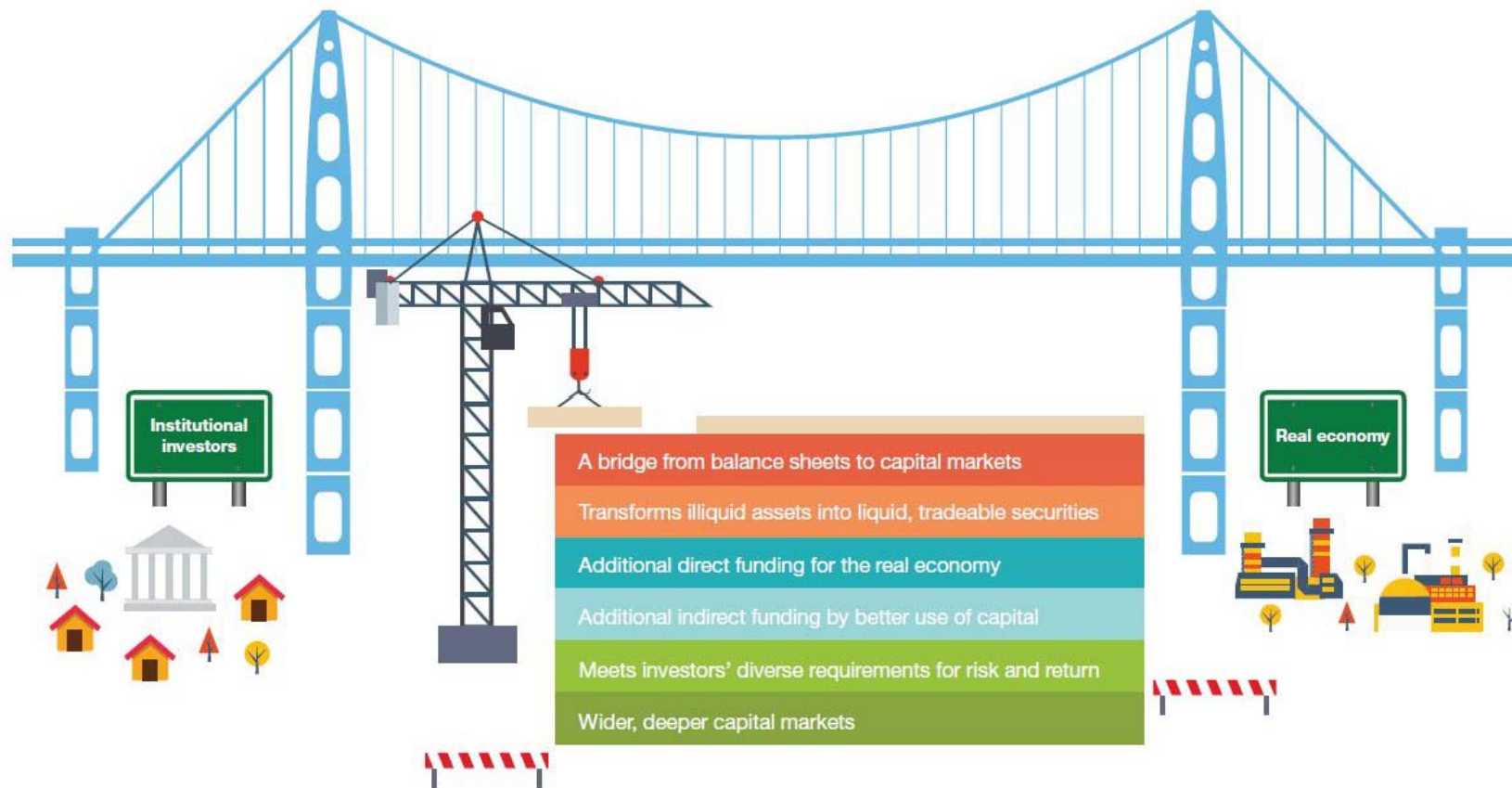
Securitisation can support SMEs in many ways



The benefits of securitisation are direct and indirect

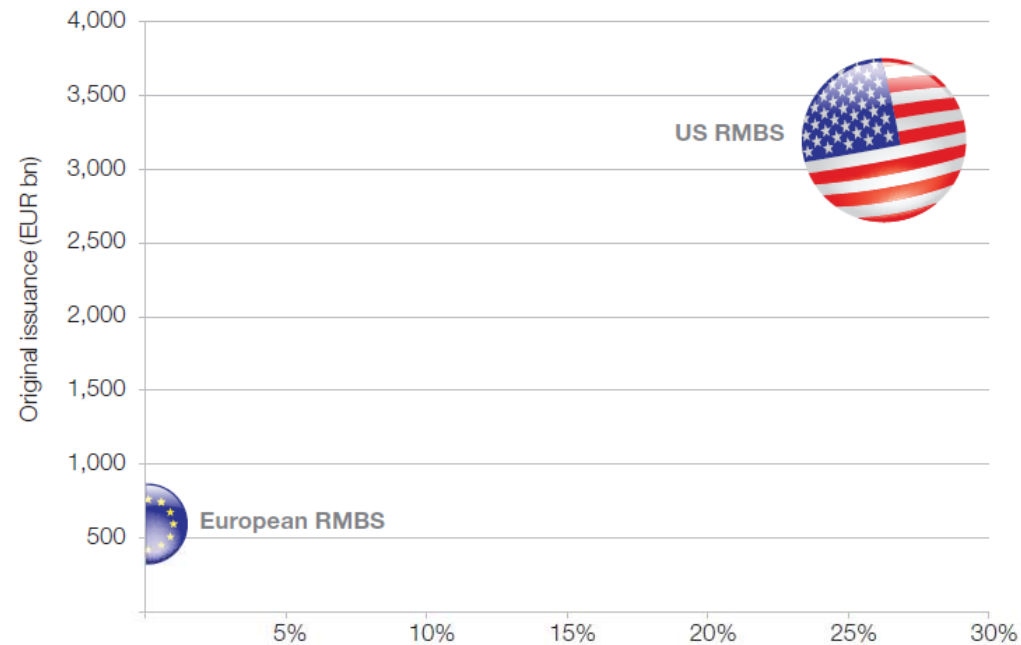


Securitisation is key to capital markets union



How safe is securitisation?

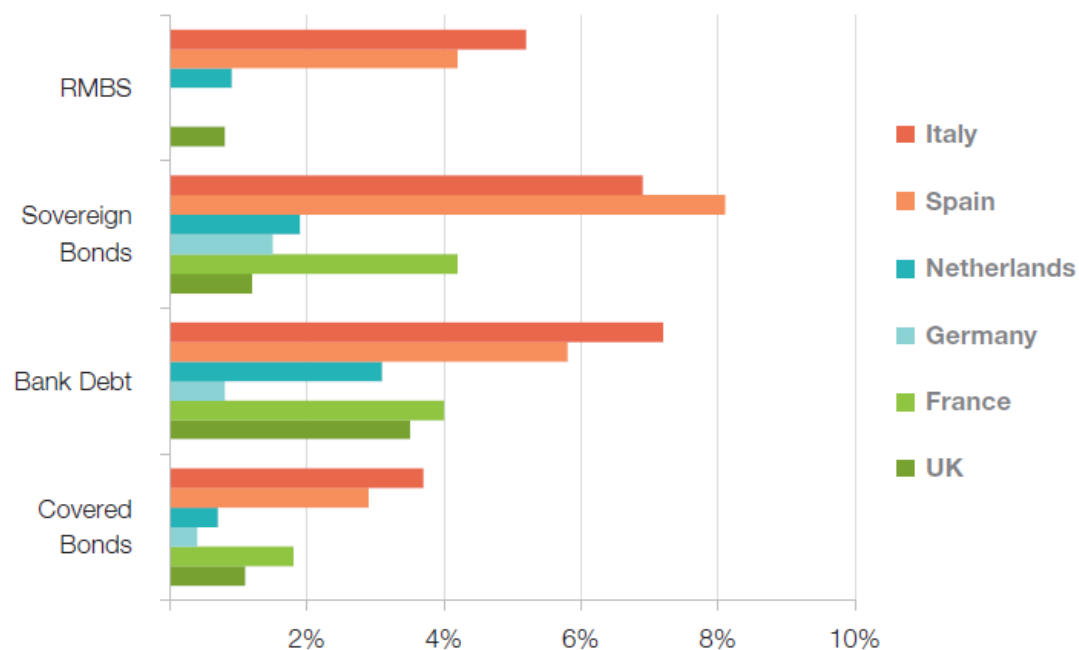
Unlike in the US, European default rates have been very low...



Historical default rates for residential mortgage-backed securities (RMBS), 2007–2015. Source: S&P Global Ratings.

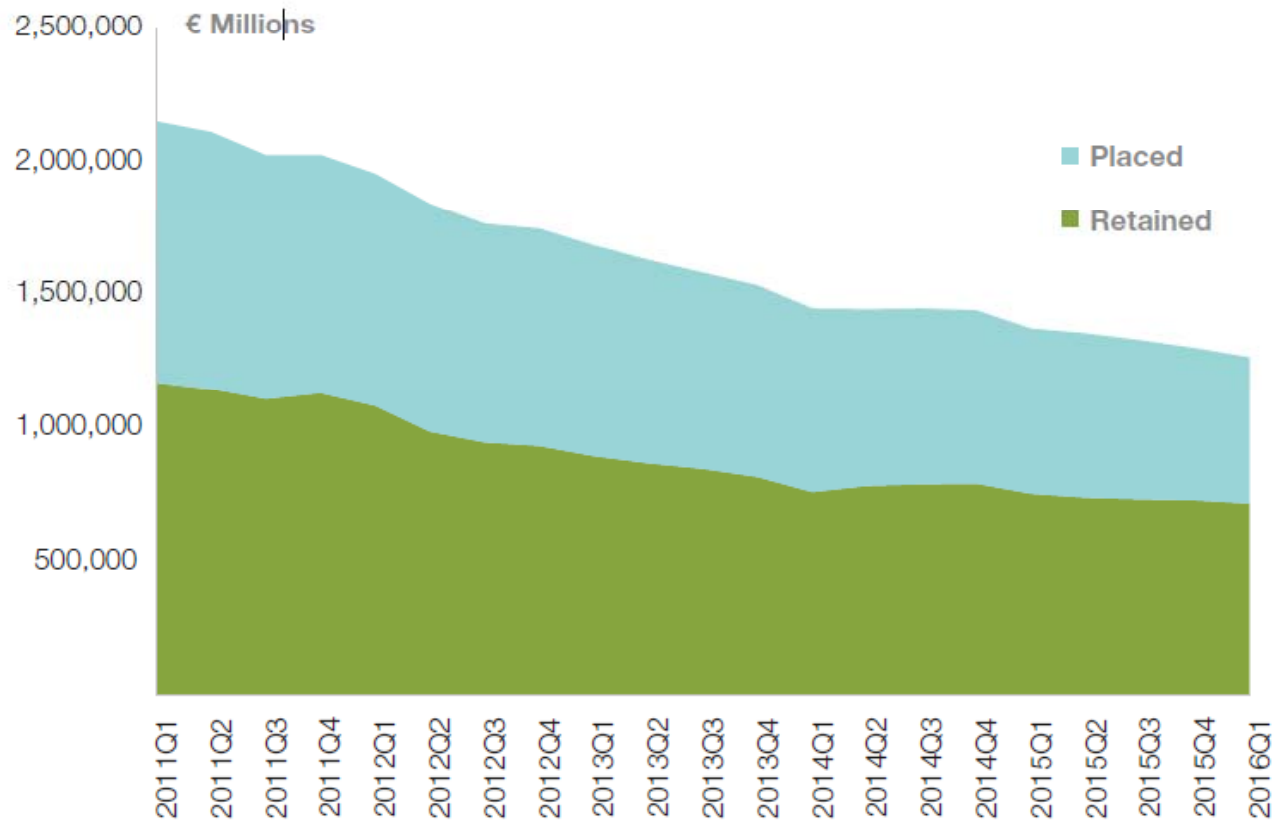
European securitisations have performed extremely well through and since the crisis'

European RMBS market price performance compares well with sovereigns, bank debt and covered bonds...



Credit spread volatility by asset class, January 2011–March 2012. Source: Bank of America Merrill Lynch.

yet the market continues to shrink...



European securitisations outstanding.
Sources: AFME/SIFMA members, Bloomberg,
Dealogic, Thomson Reuters, AFME & SIFMA.



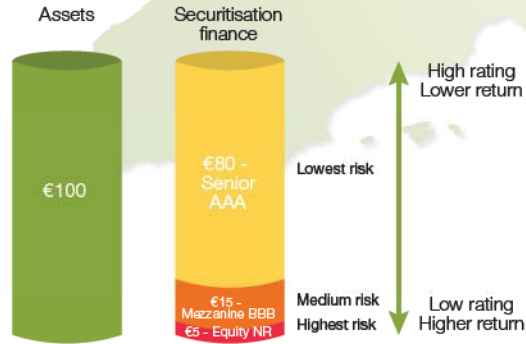
TRANCHING

is a mechanism to create bonds for the same issuer with different credit and maturity features. Tranching is common across debt markets

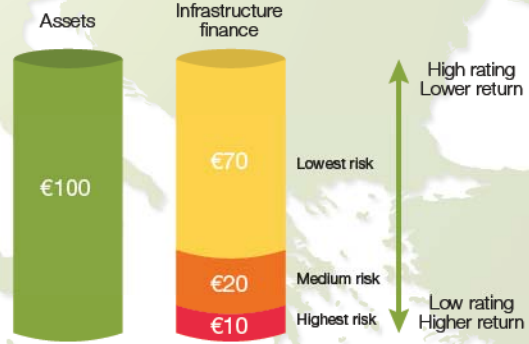
Corporate balance sheet



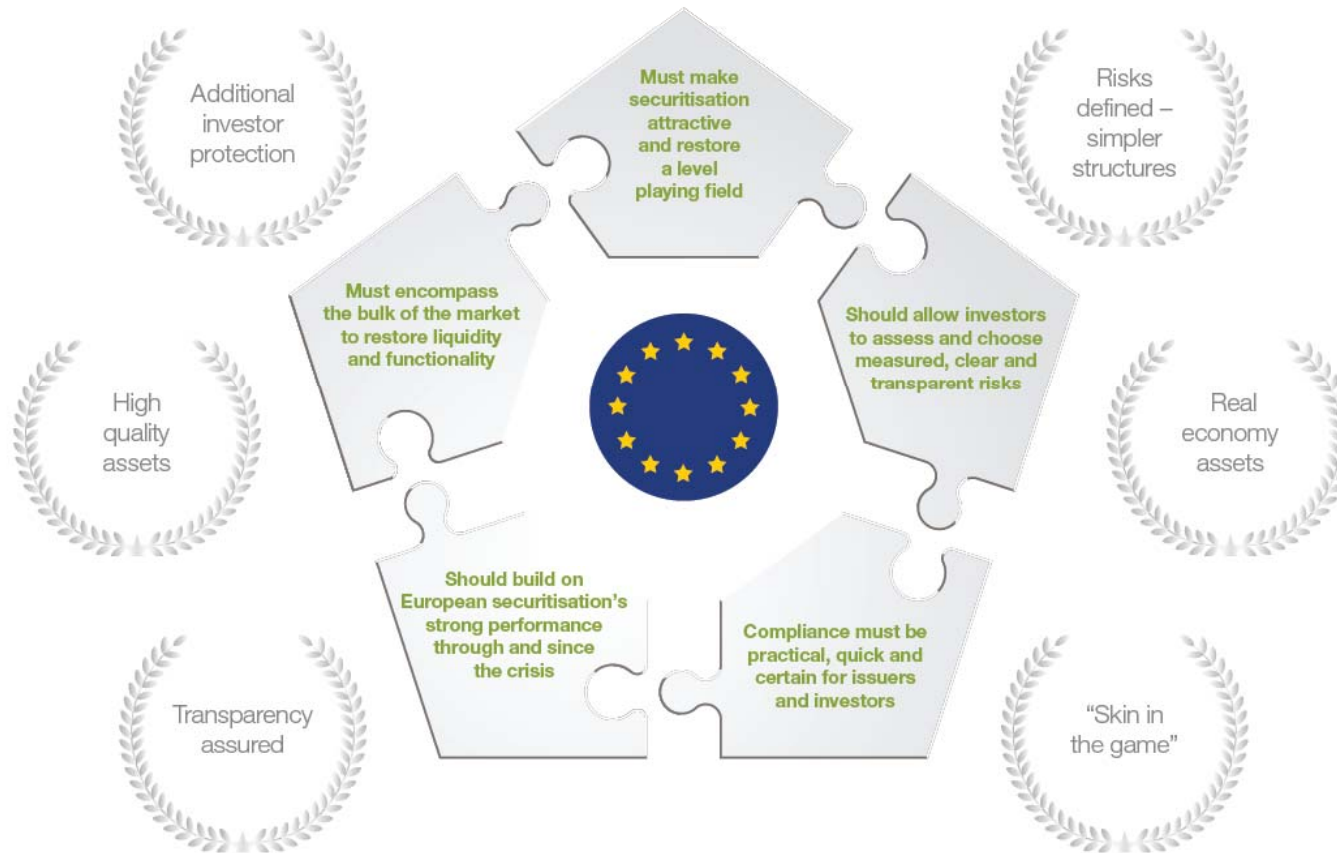
Securitisation



Infrastructure



Key principles for, and benefits of, STS



European securitisation is already strongly regulated.
The STS proposals add yet more protection.



Q&A



The Association for Financial Markets in Europe advocates stable, competitive and sustainable European financial markets that support economic growth and benefit society.

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