

Q2 2021

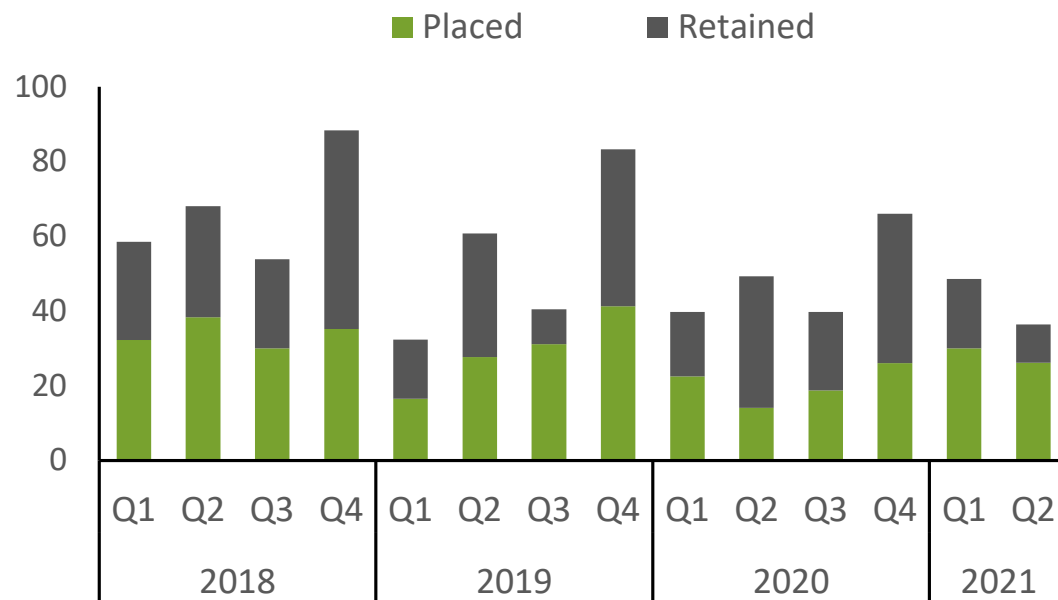
# Securitisation Report

European Structured Finance



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## 1.1 European Securitisation Issuance (EUR Billions)



Source: AFME, SIFMA, Bank of America

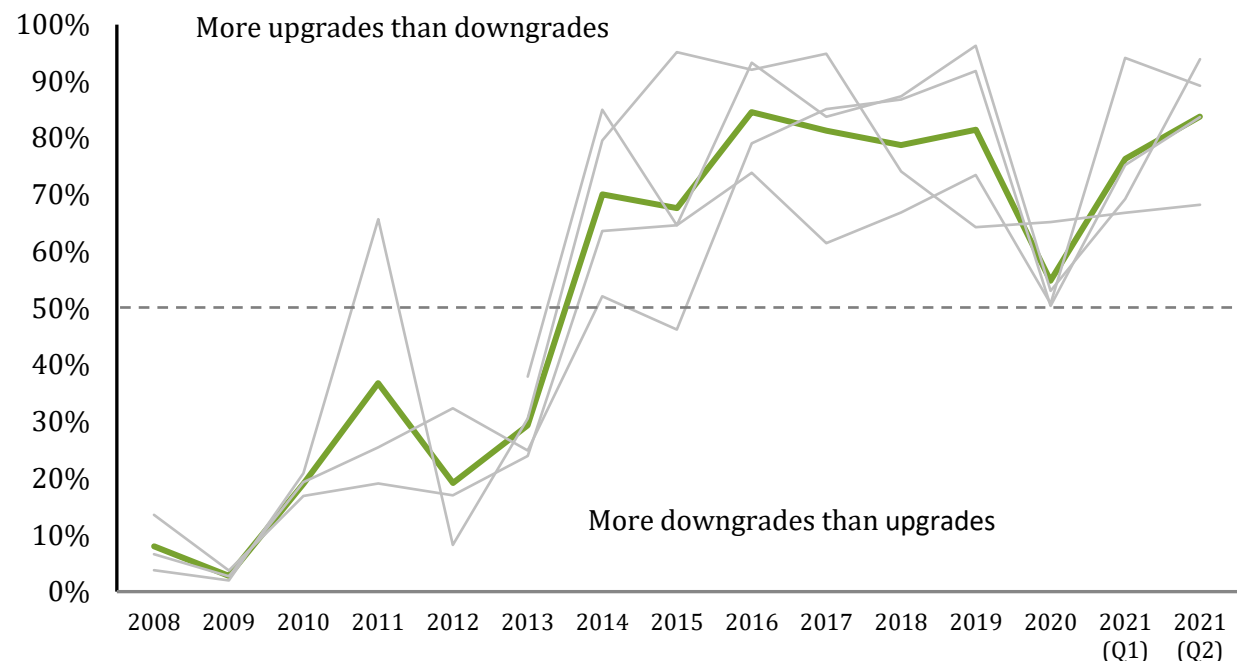
In Q2 2021, EUR 36.4 bn of securitised product was issued in Europe, a decrease of 25.6% from Q1 2021 and a decrease of 26.0% from Q2 2020.

Of the EUR 36.4 bn issued, EUR 26.1 bn was placed, representing 71.7% of the total, compared to 61.3% of issuance in Q1 2021 and 28.6% of issuance in Q2 2020.

Among placed issuance, Pan-European CLOs, UK RMBS and German Auto ABS led issuance totals, with EUR 8.1 bn, EUR 2.9 bn and EUR 2.5 bn of issuance, respectively.

Outstanding volumes (ex-CLOs) decreased to EUR 972.4 bn at the end of Q2 2021, a decrease of 1.6% QoQ and a decrease of 2.8% YoY.

## 1.2 Upgrades/Downgrades ratio (Upgrades as % of rating actions)



In Europe, the proportion of upgrades as a percentage of rating actions increased during Q2 2021 and is now comparable to pre-pandemic levels (2016-2019).

During Q2 2021, upgrades comprised 84% of total rating actions by the four CRAs, compared to 76% of total rating actions during Q1 2021.

Q2 2021 represents the highest proportion of upgrades since Q1 2020 when upgrades comprised 89% of all rating actions.



## EU Securitisation Framework

- By 1 January 2022 the European Commission (EC) is required, pursuant to Art. 46 , to present a report on the functioning of the EU Securitisation Regulation (EUSR) accompanied (if appropriate) by a legislative proposal. On 23 July the EC published a [Targeted consultation on the functioning of the EU Securitisation Framework](#). The consultation covers the areas mandated by Art. 46, namely : the effects of the regulation (Section 1), private securitisations (Section 2) the need for an equivalence regime in the area of STS securitisations (Section 5), disclosure of information on environmental performance and sustainability (Section 6) and the need for establishing a system of limited licensed banks performing the functions of SSPEs (Section 7) In addition, the questionnaire seeks feedback on the Significant Risk Transfer (SRT) test, Liquidity Coverage Ratio (LCR), Solvency II and CRR Amendments.

The consultation is open until 17 September 2021.

## Capital Markets Recovery Package (CMRP) for securitisation

- The CMRP has been published in the Official Journal of EU and came into effect on 9 April 2021. The CMRP includes amendments to the EUSR ([here](#)) and the CRR ([here](#)) The CMRP introduces a new framework for STS synthetic securitisation and amendments to the treatment of NPL securitisations as well as several mandates for the ESAs to draft further Level 2 legislation:
  - RTS on risk retention: the [consultation](#) has been published on 30 June and it is open until 30 September.
  - RTS on homogeneity in STS synthetic securitisation: within 6 months of the entry into force of the CMRP (EBA)
  - RTS on pro-rata amortisation triggers and their calibration: by 30 June 2021 (EBA)
  - RTS and ITS on STS Notification for synthetic securitisation: the [consultation](#) on these technical standard has closed on 20 August 2021.
  - RTS in relation to synthetic excess spread: within 6 months of entry into force of the CMRP (EBA). The consultation is expected soon.
  - RTS on the content, methodologies and presentation of information in respect of the sustainability indicators for STS securitisation: within 3 months of entry into force of CMRP (Joint ESAs).

## EBA Report on Sustainable Securitisation

- Under the CMRP the EBA has been mandated to publish, by 1 November 2021, a report on developing a specific sustainable securitisation framework for the purpose of integrating sustainability-related transparency requirements into the EUSR. That report shall duly assess in particular: (a) the implementation of proportionate disclosure and due diligence requirements relating to sustainability factors; (b) the content, methodologies and presentation of information in respect of sustainability factors.
- Pursuant to its mandate, the EBA has launched a survey (now closed) to collect market participants' views on current market practices and potential challenges to the development of the EU sustainable securitisation market.

## NPL Secondary Market Directive

- Following the finalisation of the Trilogues in July, publication of the final text of the NPLs Secondary Markets Directive in the OJEU is expected for Q4 2021 or Q1 2022.

## EBA consultation on the NPL data templates

- On 4 May 2021 the EBA launched a consultation on the review of its data templates for Non-Performing Loans ([here](#)) which is one of the actions stemming from the EC's NPLs action plan published in December 2020. The deadline to provide comments to the consultation was 31 August 2021. The EBA will publish a revised version of the templates by December 2021.

## EC consultation on the NPL Data Hub

- On 16 June the EC launched a [consultation](#) on measures to improve transparency in NPLs secondary markets, open for comments until 8 September 2021. The consultation is focusing on the creation of an EU data hub as well as on additional disclosures for banks under Pillar 3 measures. The consultation also stems from the EC's NPLs Action plan.

## Prudential Regulation Authority (PRA) Consultation on implementation of Basel standards: non-performing loan securitisations

- On 3 June the PRA issued a [Consultation Paper](#) which sets out the PRA's proposed rules in respect of the implementation of prudential standards set by the related Technical Amendment of the Basel Committee on Banking Supervision (BCBS) for NPL securitisations. It sets out how the PRA proposes to define non-performing exposure (NPE) securitisations, and also proposes changes to the associated capital treatment. The consultation closed on 26 July 2021.

## HMT Call for Evidence on UK Securitisation Review

- On 24 June the HMT published a Call for Evidence on the Review of the UK Securitisation Regulation ([here](#)). This review is mandated under the Art 46 of the UK SR, which imposes the legal obligation on HM Treasury to review the functioning of the SR and lay a report in Parliament by 1 January 2022. The overarching aims of the review are: to bolster securitisation standards in the UK, in order to enhance investor protection and promote market transparency; and to support and develop securitisation markets in the UK, including through the increased issuance of STS securitisations, in order to ultimately increase their contribution to the real economy.
- The consultation closed on 2 September 2021.

## Libor and benchmark rates

- As the FCA and the IBA confirmed the cessation for panel bank LIBOR by the end of 2021 for most tenors, AFME continues to engage with market participants and regulatory institutions.
- On 24 June the European Commission, European Central Bank (ECB), European Banking Authority (EBA), and European Securities and Markets Authority (ESMA) published a [joint public statement](#) on the forthcoming cessation of all LIBOR settings
- On July 28 the FICC Markets Standards Board (FMSB) published its finalised [Standard on use of Term SONIA reference rates](#).
- On July 29 the European Securities and Markets Authority (ESMA) published an updated version of its [Questions and Answers on the Benchmarks Regulation \(BMR\)](#).
- During July, the Working Group on Sterling Risk-Free Reference Rates published an [updated version of its Term SONIA Reference Rate Publication Summary](#). This version is updated from the original published in October 2020.



# Securitisation 2021 regulatory status and key upcoming developments

Regulation	Topic	Article	Org	Completion date in published regulation	Status
CMRP	STS Framework for on-balance sheet securitisations and NPL securitisations	NA	EC	NA	Published in the OJ
CMRP (Sec. Reg)	RTS on Risk Retention	6	EBA	6 months from entry into force CMRP	EBA to draft the RTS
CMRP (Sec Reg)	RTS on the content, methodologies and presentation of information in respect of the sustainability indicators for STS securitisation	22	ESA	3 months from entry into force of CMRP	Joint Committee of ESA to draft RTS
CMRP (Sec Reg)	RTS on Homogeneity	26b	EBA	6 month entry into force CMRP	EBA to draft RTS
CMRP (Sec.Reg)	RTS on pro rata amortisation triggers and their calibration	26c	EBA	30 June 2021	EBA to draft RTS
Sec.Reg	Competent Authority Peer Review	36	ESMA	1 January 2022	TBD
Sec.Reg.	Joint ESAs report on implementation of the STS Framework	44	ESAs	1 January 2021	Published on 17 May 2021
CMRP (Sec.Reg)	RTS and ITS on STS Notification for synthetic securitisation	26	ESMA	6 months from entry into force CMRP	Draft RTS in consultation till 20 August 2021
CMRP (Sec. Reg)	Report on developing a specific sustainable securitisation framework	45	EBA	1 November 2021	EBA to draft the report.
Sec.Reg.	EC Report on the functioning of the Securitisation Regulation, accompanied, if appropriate, by a legislative proposal.	46	EC	1 January 2022	EC is expected to prepare the report in 2021
CMRP (CRR)	RTS in relation to synthetic excess spread exposure value	248	EBA	within 6 months of entry into force of the CMRP	EBA to draft RTS
CRR	Securitisation markets macroprudential and economic perspective report	8	519	EC	TBD

# Securitisation Regulation and CRR Level 2 mandates: not finalised

## Overdue Technical Standards under the Securitisation Framework

Regulation	Topic	Article	Org.	Completion date in published regulation	Status
Sec Reg	Competent Authority and ESA cooperation RTS	36	ESMA	18th January 2019	RTS adopted by the Commission ( <a href="#">here</a> ) ; publication in OJ expected in Q2 2021
CRR	Measurement of undrawn portion of cash advance facilities RTS	248	EBA	18th January 2019	TBD
CRR	Purchased receivables/internal models/proxy data RTS	255	EBA	18th January 2019	Final draft ( <a href="#">here</a> ) published by the EBA and submitted to the European Commission; adoption is pending

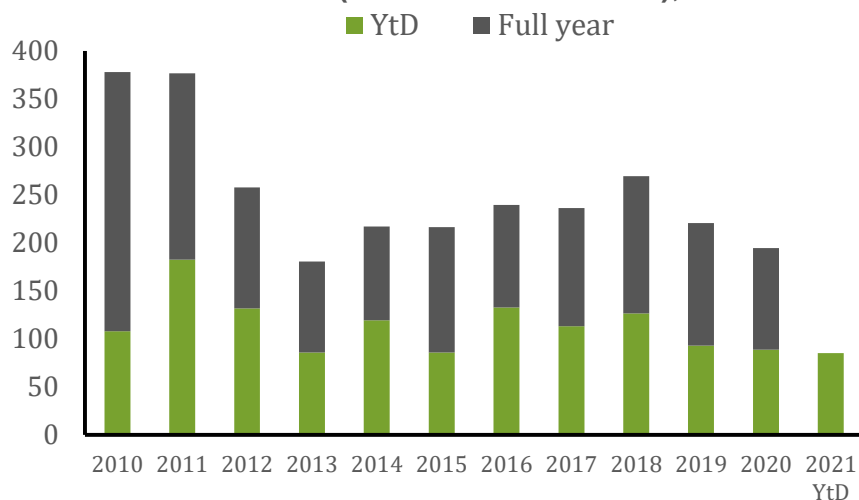
## Level 2 texts: Finalisation date unclear

Regulation	Topic	Article	Org	Completion date in published regulation	Status
CRR	Case by case prohibition of SEC-SA report and guidelines	254	EBA	Annual report to COM and issue guidelines	TBD
Sec Reg	Solvency II additional capital charge RTS	39	EIOPA	Deadline not specified	TBD
Sec Reg	Resecuritisation RTS	8	ESMA	Deadline not specified	TBD
CRR	Combining dilution and credit risk guidelines	255	EBA	Deadline not specified	TBD
CRR	IRC model PD LGD estimate guidelines	337	EBA	Deadline not specified	TBD
CRR	Arm's length and implicit support guidelines	250	EBA	Deadline not specified	2016 version already published
Sec Reg.	Financial stability report	31	ESRB EBA	At least every three years	TBD

# Issuance

# Lowest half-year issuance on record

## 2.1 Total European Historical Issuance (Placed and Retained), EUR bn



	Q1	Q2	Q3	Q4	TOTAL
2010	75.5	32.6	110.7	159.2	378.0
2011	115.2	67.3	57.1	137.2	376.8
2012	64.3	67.7	62.0	63.9	257.8
2013	32.8	53.2	38.4	56.4	180.8
2014	20.0	99.5	37.8	59.8	217.1
2015	35.7	50.3	57.8	72.8	216.6
2016	57.0	75.8	46.6	60.1	239.6
2017	40.2	73.0	49.1	74.1	236.5
2018	58.5	68.1	54.5	88.6	269.7
2019	32.4	60.7	40.4	87.4	220.9
2020	39.7	49.2	40.3	65.5	194.7
2021	48.9	36.4			85.3

In Q2 2021, EUR 36.4 bn of securitised product was issued in Europe, a decrease of 25.6% from Q1 2021 and a decrease of 26.0% from Q2 2020.

Q2 2021 represents the lowest quarterly issuance volume (EUR 36.4 bn) since Q1 2019 (EUR 32.4 bn), when the newly applicable STS regime came into force, and is the lowest second-quarter issuance volume since Q2 2010 (EUR 32.6 bn).

The low issuance volume means H1 2021 represents the lowest half-year European securitisation issuance on record.

All volumes in EUR bn

## 2.2 Total European Issuance by Placed and Retained

	2021:Q1	2021:Q2
<b>Placed</b>	30.0	26.1
<b>Retained</b>	18.9	10.3
<b>Total</b>	48.9	36.4

2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
22.5	14.1	18.9	25.9	81.4
17.2	35.2	21.4	39.6	113.3
39.7	49.2	40.3	65.5	194.7

## 2.3 Total European Issuance by Collateral\*

	2021:Q1	2021:Q2
<b>ABS</b>	14.4	16.5
<b>CDO/CLO</b>	6.6	8.1
<b>CMBS</b>	2.5	1.2
<b>RMBS</b>	21.9	10.1
<b>SME</b>	2.0	0.0
<b>Corporate</b>	1.6	0.3
<b>Total</b>	48.9	36.4

2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
6.1	26.4	8.9	28.9	70.4
5.8	4.3	5.0	7.0	22.1
1.1	0.0	0.7	0.6	2.4
24.9	17.1	19.6	19.0	80.6
0.0	0.0	5.1	2.4	7.5
1.7	1.4	1.0	7.6	11.7
39.7	49.2	40.3	65.5	194.7

## 2.4 Total US Issuance by Collateral\*\*

	2021:Q1	2021:Q2
<b>ABS</b>	49.8	56.2
<b>CDO</b>	3.3	4.8
<b>Agency MBS</b>	847.1	759.9
<b>Non-Agency CMBS</b>	8.8	6.6
<b>Non-Agency RMBS</b>	5.6	10.5
<b>Total</b>	914.7	838.0

2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
46.9	32.0	57.1	39.9	175.9
20.4	17.6	26.1	25.8	89.8
447.5	705.8	810.8	895.2	2,859.3
19.8	8.3	9.8	14.1	52.0
25.8	14.5	41.1	91.6	173.1
560.3	778.2	944.9	1,066.6	3,350.1

**Source:** AFME, SIFMA, Bloomberg, Bank of America & JP Morgan.

Total issuance includes placed and retained issued volumes.

Due to a change in sources of securitisation issuance data used in this report affecting European volumes issued from 2020:Q1 onwards, collateral types now include a "Corporate" category from 2020:Q1, while no longer including the WBS/PFI category.

Historical issuance (reported prior to 2020:Q1) continues to use prior sources.

\*Collateral issuance volumes in table 2.3 may not add to total due to rounding.

\*\*Due to ongoing revisions to the data, US non-agency issuance volumes have been revised upwards for 2019-2020. Most recent quarterly issuance data volumes (2021 Q2) concerning the US non-agency RMBS, CMBS and CDO categories likely to be revised upwards next quarter.



# Placed European issuance by country

All volumes in EUR bn

## 2.5 Placed Issuance by Country of Collateral

	2021:Q1	2021:Q2
<b>Belgium</b>	0.3	0.0
<b>France</b>	0.5	1.1
<b>Germany</b>	2.0	3.1
<b>Greece</b>	0.0	0.0
<b>Ireland</b>	1.0	1.7
<b>Italy</b>	0.0	0.5
<b>Netherlands</b>	2.3	2.1
<b>Pan European</b>	7.0	8.4
<b>Portugal</b>	0.0	0.0
<b>Spain</b>	2.0	1.2
<b>Switzerland</b>	0.0	0.2
<b>UK</b>	14.2	4.5
<b>Other Europe</b>	0.0	1.0
<b>European Total</b>	29.2	23.9
<b>US Total</b>	914.7	838.0

2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
0.0	0.0	0.0	0.0	0.0
1.8	0.0	2.0	1.8	5.6
1.0	1.4	0.4	5.0	7.6
0.0	0.0	0.1	0.0	0.1
0.0	0.8	0.3	0.4	1.4
0.2	0.6	0.0	0.3	1.0
2.5	0.9	1.0	0.7	5.0
5.8	4.3	5.0	7.3	22.4
0.0	0.0	0.6	0.0	0.6
1.3	1.1	0.5	1.6	4.5
0.4	0.2	0.2	0.3	1.1
9.1	1.3	8.1	1.1	19.6
0.0	0.0	0.0	0.7	0.7
22.1	10.5	18.1	19.0	69.7
525.8	778.2	955.6	1,128.9	3,388.5

**Source:** JP Morgan and Bank of America.

Total European placed issuance in tables 2.2 and 2.5 may show discrepancies due to the different sources used to produce these tables, with country-level placed issuance volumes in table 2.5 having variations to what AFME has reported prior to 2020:Q1.

All volumes in EUR bn

## 2.6 Placed European Issuance by Collateral Type and Country of Collateral

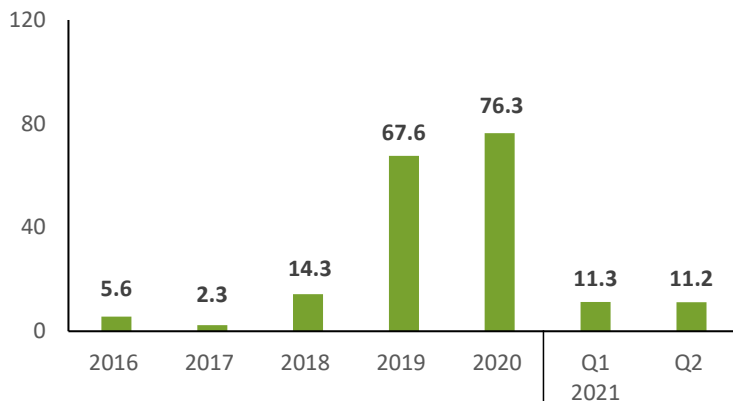
	Auto	Cards	SME ABS	CMBS	Consumer	Leases	RMBS	Other	CLO	Total
<b>Belgium</b>	-	-	-	-	-	-	-	-	-	-
<b>France</b>	0.5	-	-	-	-	-	0.6	-	-	1.1
<b>Germany</b>	2.5	-	-	-	-	0.6	-	-	-	3.1
<b>Greece</b>	-	-	-	-	-	-	-	-	-	-
<b>Ireland</b>	-	-	-	-	-	-	1.7	-	-	1.7
<b>Italy</b>	-	-	-	-	0.5	-	-	-	-	0.5
<b>Netherlands</b>	0.5	-	-	0.2	-	-	1.4	-	-	2.1
<b>Pan Europe</b>	-	-	-	0.3	-	-	-	-	8.1	8.4
<b>Portugal</b>	-	-	-	-	-	-	-	-	-	-
<b>Spain</b>	0.8	-	-	-	-	-	0.5	-	-	1.2
<b>Switzerland</b>	-	0.2	-	-	-	-	-	-	-	0.2
<b>UK</b>	0.7	-	-	0.5	0.3	-	2.9	-	-	4.5
<b>Other Europe</b>	1.0	-	-	-	-	-	-	-	-	1.0
<b>European Total</b>	6.1	0.2	-	1.0	0.8	0.6	7.1	-	8.1	23.9

**Source:** JP Morgan and Bank of America.

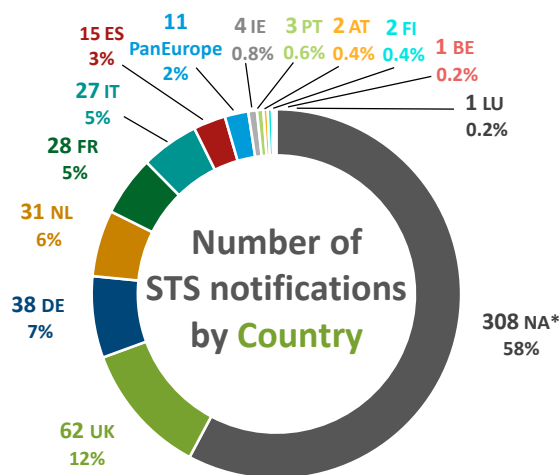
Total European placed issuance in charts 1.1, 1.2, and tables 2.2 and 2.6 may show discrepancies due to the separate data sources used.

# Simple Transparent & Standardised (STS) Securitisation

2.7 STS Securitisation Issuance, EUR bn



2.9 Cumulative Number of STS Notifications by Country (as of Aug 2021)

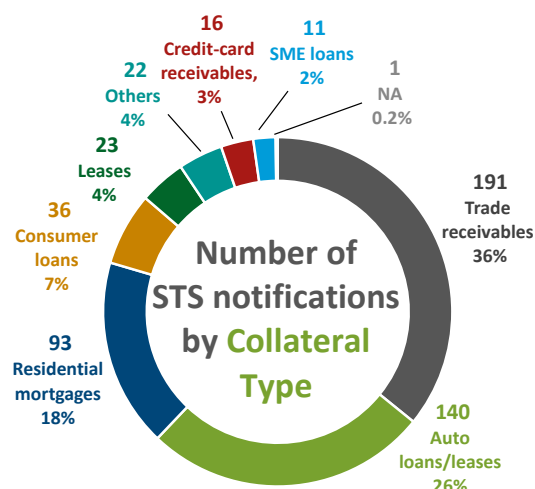


2.8 Cumulative Number of STS Notifications by Deal Type (as of Aug 2021)

Public	225
Private	308
<b>Total</b>	<b>533</b>

ABCP	268
Non-ABCP	265
<b>Total</b>	<b>533</b>

2.10 Cumulative Number of STS Notifications by Collateral Type (as of Aug 2021)



In Q2 2021, EUR 11.2 billion of securitised product was notified as STS to ESMA.

This represented 30.8% of the total issued volume in Q2 2021 (EUR 36.4 billion).

Out of the EUR 11.2 billion in STS issuance, EUR 8.9 billion was placed, representing 34.1% of total placed issuance in Q2 2021 (EUR 26.1 billion).

**Source:** Bank of America, ESMA. \*Includes 308 notifications for private deals in which country-level information is not specified. STS issuance prior to the regulation coming into force (1 Jan 2019) is due to legacy transactions being notified as STS by ESMA.

# Outstandings

All volumes in EUR bn

### 3.1 Total European Outstandings by Collateral Type (ex-CLOs)

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4
<b>Auto</b>	89.4	91.1	81.4	84.4	81.9	90.8
<b>Cards</b>	27.3	26.8	26.4	26.3	26.0	21.6
<b>SME ABS</b>	91.9	89.9	77.2	77.4	78.9	91.9
<b>CMBS</b>	32.7	33.1	31.4	30.7	31.0	31.3
<b>Consumer</b>	78.9	82.2	60.8	74.3	72.8	78.2
<b>Leases</b>	15.5	15.6	16.9	17.1	18.6	16.5
<b>RMBS</b>	596.8	581.2	637.2	630.3	618.6	605.2
<b>Other</b>	55.4	52.5	59.3	58.9	57.9	57.4
<b>Total*</b>	987.8	972.4	990.6	999.3	985.6	992.8

### 3.2 Total European Outstandings by Vintage (ex- CLOs)

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4
<b>2021</b>	50.4	79.9	N/A	N/A	N/A	N/A
<b>2020</b>	163.8	160.3	33.6	73.1	108.9	170.3
<b>2019</b>	142.3	135.8	160.7	157.5	153.7	147.7
<b>2018</b>	126.6	118.9	158.0	151.4	143.4	136.7
<b>2017</b>	92.8	88.1	117.8	113.1	105.5	100.0
<b>2016</b>	82.0	74.6	110.6	106.6	99.4	90.4
<b>2015</b>	43.4	41.5	71.9	67.3	58.8	44.1
<b>2014</b>	32.5	31.6	38.2	35.7	34.6	33.3
<b>2013</b>	25.6	24.8	31.4	30.5	29.9	25.9
<b>2012</b>	6.6	6.5	11.9	11.6	10.0	9.6
<b>2011</b>	7.8	7.6	13.1	12.8	12.4	11.0
<b>2010</b>	69.6	65.8	71.1	70.6	70.2	69.9
<b>Prior</b>	144.4	137.0	172.3	169.2	158.9	153.7
<b>Total</b>	987.8	972.4	990.6	999.3	985.6	992.8

### 3.3 Total US Outstandings by Collateral Type

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4
<b>ABS</b>	1,253.4	N/A	1,411.1	1,453.0	1,345.8	1,287.8
<b>Agency MBS</b>	7,232.6	N/A	7,085.1	7,237.7	7,000.8	7,075.8
<b>Non-Agency RMBS</b>	636.4	N/A	710.1	709.4	642.7	657.2
<b>Non-Agency CMBS</b>	498.9	N/A	536.6	546.6	509.8	500.1
<b>Total</b>	9,621.3	N/A	9,742.9	9,946.7	9,499.1	9,520.8

Source: JP Morgan, AFME, SIFMA.

Outstanding volumes in tables 3.1 and 3.2 do not include outstanding CLO/CDO volumes. Due to a change in sources used to generate European outstandings securitisation volumes from 2020:Q1 onwards, outstanding volumes in tables 3.1 and 3.2 may show discrepancies compared with volumes AFME has reported prior to 2020:Q1.

Collateral type categorisation has also been subject to change due to the new reporting format. Complete US outstandings data is available only up to 2021:Q1

Outstanding European volumes by vintage in table 3.2 may show discrepancies with issuance volumes reported in section 2 of this report due to different sources of data used for the relative volumes



# afme / Total European outstandings by country

Finance for Europe

All volumes in EUR bn

## 3.4 Total European Outstandings by Country of Collateral (ex-CLOs)

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4
<b>Belgium</b>	50.7	49.8	51.5	50.8	52.4	51.3
<b>France</b>	112.1	113.6	117.5	116.2	120.9	111.1
<b>Germany</b>	49.4	50.2	46.5	49.1	45.8	51.1
<b>Greece</b>	10.3	10.3	12.7	12.6	9.7	10.3
<b>Ireland</b>	27.8	27.8	27.6	28.0	26.5	26.3
<b>Italy</b>	144.3	145.4	144.8	152.7	149.4	154.3
<b>Netherlands</b>	151.1	149.1	160.0	160.7	154.7	153.6
<b>Pan Europe</b>	5.3	5.5	4.7	4.7	4.6	4.9
<b>Portugal</b>	17.4	16.7	16.8	16.7	17.4	18.1
<b>Spain</b>	154.8	153.1	138.3	140.9	144.4	158.4
<b>Switzerland</b>	4.7	4.4	4.2	4.4	4.7	4.7
<b>UK</b>	253.8	239.6	259.7	256.7	249.6	243.0
<b>Other Europe</b>	6.1	7.0	6.3	5.8	5.6	5.8
<b>Eurozone</b>	727.7	726.8	724.8	736.4	729.6	743.5
<b>European Total</b>	987.8	972.4	990.6	999.3	985.6	992.8
<b>US Total</b>	9,621.3	N/A	9,742.9	9,946.7	9,499.1	9,520.8

**Source:** JP Morgan.

Note that outstanding volumes on this page do not include outstanding CLO/CDO volumes. Volumes for Pan Europe do not include outstanding CLO/CDO data and therefore may show discrepancies with Section 2 of this report as almost all CLOs/CDOs are classified as “Pan European” issuance.

All volumes in EUR bn

## 3.5 Total European Outstandings by Country and Collateral Type (ex-CLOs)

2021:Q2

	Auto	Cards	SME ABS	CMBS	Consumer	Leases	RMBS	Other	TOTAL
Belgium	0.0	0.0	25.6	0.0	0.3	0.0	23.9	0.0	49.8
France	6.1	1.4	6.0	0.4	19.4	0.0	80.3	0.0	113.6
Germany	35.3	0.0	3.2	1.8	3.3	2.2	2.8	1.6	50.2
Greece	0.3	0.6	4.0	0.0	0.5	0.5	0.3	4.2	10.3
Ireland	0.3	0.0	0.0	0.2	0.0	0.0	25.3	2.1	27.8
Italy	9.6	0.0	32.9	1.4	41.0	9.9	38.4	12.3	145.4
Netherlands	1.7	0.0	0.0	1.2	0.9	0.0	145.4	0.0	149.1
Pan Europe	0.0	0.0	0.1	2.1	0.0	0.0	3.2	0.1	5.5
Portugal	1.3	0.5	2.0	0.0	0.1	0.0	12.0	0.8	16.7
Spain	9.2	1.7	16.0	0.1	11.6	2.6	111.2	0.7	153.1
Switzerland	3.2	1.1	0.0	0.0	0.0	0.0	0.1	0.0	4.4
UK	19.2	21.5	0.2	25.3	5.1	0.4	138.0	29.8	239.6
Other Europe	4.9	0.0	0.0	0.7	0.1	0.1	0.3	1.0	7.0
Eurozone	67.6	4.2	89.7	7.7	77.0	15.2	442.7	22.7	726.8
European Total	91.1	26.8	89.9	33.1	82.2	15.6	581.2	52.5	972.4

2021:Q1

	Auto	Cards	SME ABS	CMBS	Consumer	Leases	RMBS	Other	TOTAL
Belgium	0.0	0.0	25.8	0.1	0.3	0.0	24.6	0.0	50.7
France	5.6	1.4	6.0	0.4	18.1	0.0	80.5	0.0	112.1
Germany	34.6	0.0	3.2	2.0	3.5	1.7	2.8	1.6	49.4
Greece	0.3	0.6	4.0	0.0	0.5	0.5	0.3	4.2	10.3
Ireland	0.3	0.0	0.0	0.2	0.0	0.0	24.7	2.6	27.8
Italy	9.9	0.0	33.5	1.4	37.1	10.1	38.8	13.5	144.3
Netherlands	1.1	0.0	0.0	1.1	0.9	0.0	148.0	0.0	151.1
Pan Europe	0.0	0.0	0.1	1.8	0.0	0.0	3.2	0.2	5.3
Portugal	1.6	0.5	2.0	0.0	0.1	0.0	12.3	0.9	17.4
Spain	8.8	1.8	16.9	0.1	13.1	2.7	110.6	0.7	154.8
Switzerland	3.4	1.1	0.0	0.0	0.0	0.0	0.1	0.0	4.7
UK	19.9	21.8	0.3	24.9	5.3	0.4	150.5	30.7	253.8
Other Europe	4.0	0.0	0.0	0.7	0.1	0.1	0.3	1.0	6.1
Eurozone	65.0	4.4	91.6	7.7	73.6	15.1	445.8	24.6	727.7
European Total	89.4	27.3	91.9	32.7	78.9	15.5	596.8	55.4	987.8

Source: JP Morgan.

Note that outstanding volumes do not include outstanding CLO/CDO volumes. Volumes for Pan Europe do not include outstanding CLO/CDO data and therefore may show discrepancies with Section 2 of this report as almost all CLOs/CDOs are classified as “Pan European” issuance.

# afme/ European and US outstandings by rating

Finance for Europe

(as percentage of total Moody's rated securities)

## 3.6 Europe

	2021:Q1	2021:Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4
<b>Aaa/AAA</b>	51.11%	51.34%	52.05%	51.75%	51.24%	50.95%
<b>Aa/AA</b>	33.79%	33.29%	32.74%	32.67%	33.08%	33.50%
<b>A/A</b>	7.73%	7.89%	8.12%	8.50%	8.58%	8.25%
<b>Baa/BBB</b>	3.48%	3.64%	3.45%	3.40%	3.34%	3.49%
<b>Ba/BB</b>	1.64%	1.60%	1.54%	1.50%	1.61%	1.62%
<b>B/B</b>	1.12%	1.18%	1.07%	1.16%	1.05%	1.08%
<b>Caa/CCC</b>	0.68%	0.59%	0.57%	0.57%	0.65%	0.67%
<b>Ca/CC</b>	0.27%	0.27%	0.26%	0.26%	0.26%	0.25%
<b>C/C</b>	0.19%	0.19%	0.20%	0.20%	0.20%	0.18%
<b>Total</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## 3.7 US

	2021:Q1	2021:Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4
<b>Aaa/AAA</b>	42.84%	42.90%	39.43%	42.80%	42.87%	42.67%
<b>Aa/AA</b>	5.96%	5.84%	5.31%	5.86%	5.94%	6.01%
<b>A/A</b>	5.32%	5.43%	5.42%	5.34%	5.32%	5.24%
<b>Baa/BBB</b>	6.37%	6.57%	6.61%	6.60%	6.34%	6.30%
<b>Ba/BB</b>	3.67%	3.39%	4.19%	3.47%	3.67%	3.68%
<b>B/B</b>	4.55%	4.50%	4.37%	4.54%	4.61%	4.48%
<b>Caa/CCC</b>	15.54%	15.55%	17.10%	15.67%	15.56%	15.73%
<b>Ca/CC</b>	10.08%	10.14%	11.11%	9.99%	9.99%	10.12%
<b>C/C</b>	5.67%	5.68%	6.45%	5.73%	5.70%	5.77%
<b>Total</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Moody's Investors Service

# Credit Quality

# Upgrades/Downgrades by country

## 4.1 Moody's Investor Service

	2021: Q1	2021: Q2
France	7/1	8/1
Germany	15/2	16/2
Italy	18/83	19/86
Netherlands	20/3	20/3
Spain	81/14	105/14
UK	88/19	89/21
Multinational	84/33	89/33
European Total	379/188	415/193
US	2091/1045	2245/1109

2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
5/1	5/1	6/1	6/1	22/4
12/1	12/1	13/1	15/2	52/5
7/73	10/75	11/83	11/83	39/314
16/1	16/1	16/1	18/1	66/4
58/11	58/11	59/14	72/14	247/50
58/3	58/6	60/10	74/15	250/34
31/0	31/15	31/31	48/33	141/79
244/93	247/123	255/164	305/182	1051/562
1813/329	1816/666	1827/926	1951/995	7407/2916

## 4.2 S&P Global Ratings

	2021: Q1	2021: Q2
France	0/0	0/0
Germany	0/0	6/0
Italy	2/0	12/0
Netherlands	5/4	5/4
Spain	77/1	124/3
UK	2/23	10/23
Multinational	2/1	2/1
European Total	88/29	159/31
US	116/145	338/300

2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
0/0	0/0	0/0	0/0	0/0
3/0	1/0	1/0	0/0	5/0
0/0	2/1	1/0	1/5	4/6
18/0	0/0	0/0	0/0	18/0
12/0	2/5	0/2	33/0	47/7
3/13	2/28	6/13	7/15	28/59
5/1	4/6	3/21	4/7	16/35
51/4	11/40	11/36	45/27	118/107
219/211	79/404	122/941	162/302	582/1858

Source: Moody's Investors Service, S&P Global Ratings



# Upgrades/Downgrades by country

## 4.3 DBRS

	2021: Q1	2021: Q2
France	2 / 0	0 / 2
Germany	1 / 0	9 / 0
Italy	8 / 12	32 / 3
Netherlands	0 / 0	11 / 0
Spain	3 / 0	56 / 1
UK	2 / 0	2 / 2
Multinational	11 / 0	13 / 0
European Total	27 / 12	123 / 8
US	256 / 184	224 / 79

2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
1 / 0	0 / 2	1 / 0	3 / 1	5 / 3
0 / 0	2 / 0	3 / 0	2 / 0	7 / 0
13 / 0	3 / 0	7 / 7	8 / 10	31 / 17
0 / 0	0 / 0	1 / 0	0 / 0	1 / 0
9 / 0	3 / 0	2 / 3	7 / 9	21 / 12
2 / 0	0 / 5	10 / 9	16 / 35	28 / 49
1 / 0	2 / 5	5 / 0	3 / 6	11 / 11
26 / 0	10 / 12	29 / 19	39 / 61	104 / 92
561 / 65	19 / 86	54 / 14	250 / 133	884 / 298

## 4.4 Fitch Ratings

	2021: Q1	2021: Q1
France	1/0	0/0
Germany	2/0	0/0
Italy	8/2	3/0
Netherlands	0/0	3/0
Spain	2/0	16/2
UK	6/0	9/8
Multinational	11/0	47/0
European Total	32/2	83/10
US	1,807/545	618/151

2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
3/0	1/3	0/0	0/0	4/3
4/3	1/2	4/0	3/1	12/6
5/3	8/81	0/3	4/7	17/94
15/0	3/5	0/1	8/3	26/9
34/0	1/32	6/11	7/8	48/51
121/9	5/36	3/11	18/19	147/75
4/0	4/15	5/23	12/1	25/39
194/18	27/175	18/52	55/40	294/285
1,995/418	56/199	73/215	153/307	2277/1139

Source: DBRS, Fitch Ratings.

# Upgrades/Downgrades by collateral

## Moody's Investor Service

### 4.5 Europe

	2021: Q1	2021: Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
<b>Auto</b>	28 / 8	31 / 8	19 / 6	19 / 7	23 / 8	27 / 8	88 / 29
<b>CDO</b>	84 / 33	89 / 33	31 / 0	31 / 15	31 / 31	48 / 33	141 / 79
<b>CMBS</b>	16 / 12	16 / 13	14 / 3	14 / 6	14 / 6	16 / 10	58 / 25
<b>Credit Card</b>	1 / 1	1 / 1	1 / 0	1 / 0	1 / 0	1 / 1	4 / 1
<b>RMBS (prime)</b>	185 / 100	212 / 100	139 / 73	142 / 82	144 / 90	164 / 100	589 / 345
<b>RMBS (non-prime)</b>	65 / 34	66 / 38	40 / 11	40 / 13	42 / 29	49 / 30	171 / 83
<b>Total</b>	379 / 188	415 / 193	244 / 93	247 / 123	255 / 164	305 / 182	1051 / 562

### 4.6 US

	2021: Q1	2021: Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
<b>Auto</b>	388 / 11	442 / 11	271 / 0	271 / 0	271 / 5	361 / 11	1174 / 16
<b>CDO</b>	287 / 323	326 / 328	158 / 76	158 / 104	169 / 299	192 / 322	667 / 801
<b>CMBS</b>	139 / 217	146 / 266	132 / 88	132 / 117	132 / 159	133 / 184	529 / 548
<b>Credit Card</b>	11 / 0	11 / 0	11 / 0	11 / 0	11 / 0	11 / 0	44 / 0
<b>RMBS</b>	1266 / 494	1320 / 504	1241 / 165	1244 / 445	1244 / 463	1254 / 478	4983 / 1551
<b>Total</b>	2091 / 1045	2245 / 1109	1813 / 329	1816 / 666	1827 / 926	1951 / 995	7407 / 2916

## S&P Global Ratings

### 4.7 Europe

	2021: Q1	2021: Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
<b>Auto</b>	1/0	14/0	7/0	2/0	0/0	0/0	9/0
<b>CDO</b>	3/5	2/0	9/1	4/6	3/22	4/8	20/37
<b>CMBS</b>	0/23	0/0	0/3	0/27	1/10	0/18	1/58
<b>Credit Card</b>	0/0	0/0	0/0	0/0	0/0	5/0	5/0
<b>RMBS (prime)</b>	79/1	55/2	22/0	5/6	2/2	34/0	63/8
<b>RMBS (subprime)</b>	5/0	0/0	13/0	0/1	5/2	2/1	20/4
<b>Total</b>	88/29	71/2	51/4	11/40	11/36	45/27	118/107

### 4.8 US

	2021: Q1	2021: Q2	2020: Q1	2020: Q2	2020: Q3	2020: Q4	TOTAL
<b>Auto</b>	99/0	127/0	92/0	25/0	92/9	152/0	361/9
<b>CDO</b>	0/4	17/7	0/0	0/19	5/474	5/10	10/503
<b>CMBS</b>	0/39	0/12	0/71	1/36	0/208	0/126	1/441
<b>Credit Card</b>	2/0	0/0	0/0	0/0	0/0	0/0	0/0
<b>RMBS (prime)</b>	3/62	5/116	37/22	1/200	2/230	2/93	42/545
<b>RMBS (subprime)</b>	12/40	73/20	90/118	52/149	23/20	3/73	168/360
<b>Total</b>	116/145	222/155	219/211	79/404	122/941	162/302	582/1858

Source: Moody's Investors Service, S&P Global Ratings

# Upgrades/Downgrades by collateral

## DBRS

### 4.9 Europe

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
<b>Auto</b>	7 / 0	22 / 1	7 / 0	2 / 0	3 / 0	6 / 0	18 / 0
<b>CDO</b>	0 / 1	16 / 0	2 / 0	4 / 0	2 / 1	4 / 9	12 / 10
<b>CMBS</b>	0 / 7	0 / 4	0 / 0	0 / 12	0 / 0	0 / 22	0 / 34
<b>Credit Card</b>	5 / 0	14 / 0	9 / 0	2 / 0	10 / 8	11 / 18	32 / 26
<b>RMBS (prime)</b>	8 / 0	61 / 0	6 / 0	0 / 0	9 / 2	10 / 6	25 / 8
<b>RMBS (non-prime)</b>	0 / 0	4 / 0	0 / 0	0 / 0	4 / 1	7 / 0	11 / 1
<b>Other ABS</b>	7 / 4	6 / 3	2 / 0	2 / 0	3 / 7	1 / 6	8 / 13
<b>Total</b>	27 / 12	123 / 8	26 / 0	10 / 12	31 / 19	39 / 61	106 / 92

### 4.10 US

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
<b>Auto</b>	81 / 1	40 / 0	65 / 0	0 / 47	39 / 0	51 / 0	155 / 0
<b>CDO</b>	1 / 0	29 / 6	5 / 1	0 / 31	0 / 0	11 / 1	16 / 33
<b>CMBS</b>	14 / 183	28 / 64	37 / 23	11 / 7	6 / 10	37 / 107	91 / 147
<b>Credit Card</b>	2 / 0	3 / 0	17 / 0	0 / 0	5 / 0	38 / 0	60 / 0
<b>RMBS</b>	140 / 0	117 / 8	421 / 41	8 / 0	0 / 0	103 / 18	532 / 59
<b>Other ABS</b>	18 / 0	7 / 1	16 / 0	0 / 1	4 / 4	10 / 7	30 / 12
<b>Total</b>	256 / 184	224 / 79	561 / 65	19 / 86	54 / 14	250 / 133	884 / 298

## Fitch Ratings

### 4.11 Europe

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
<b>Auto</b>	5/0	7/0	10/0	4/6	9/0	4/1	27/7
<b>Credit Card</b>	0/0	1/2	0/0	0/5	0/0	1/1	1/6
<b>Other ABS</b>	11/0	0/0	4/0	7/10	0/1	4/0	15/11
<b>CDO</b>	15/0	50/0	4/0	11/32	6/25	16/1	37/58
<b>CMBS</b>	0/0	4/6	0/9	0/44	0/0	0/19	0/72
<b>RMBS (prime)</b>	1/2	17/2	57/6	2/63	1/19	13/9	73/97
<b>RMBS (non-conforming)</b>	0/0	4/0	100/3	3/11	2/7	17/4	122/25
<b>Other RMBS</b>	0/0	0/0	19/0	0/4	0/0	0/5	19/9
<b>Total</b>	32/2	83/10	194/18	27/175	18/52	55/40	294/285

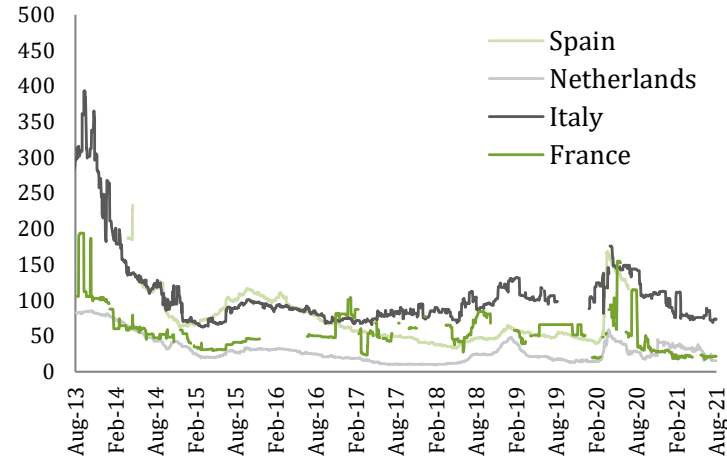
### 4.12 US

	2021:Q1	2021:Q2	2020:Q1	2020:Q2	2020:Q3	2020:Q4	TOTAL
<b>Auto</b>	41/0	16/0	30/0	8/44	21/0	13/0	72/44
<b>Credit Card</b>	0/0	0/0	0/0	0/0	0/0	0/0	0/0
<b>Other ABS</b>	7/9	17/11	22/0	8/24	4/19	4/34	38/77
<b>CDO</b>	78/11	50/0	23/23	34/17	5/7	0/5	62/52
<b>CMBS</b>	6/194	27/128	20/45	6/97	7/119	5/170	38/431
<b>RMBS (prime)</b>	391/191	265/6	202/139	0/0	9/17	0/0	211/156
<b>RMBS (subprime)</b>	978/77	0/0	483/157	0/16	2/15	8/4	493/192
<b>Other RMBS</b>	306/63	243/6	1,215/54	0/1	25/38	123/94	1363/187
<b>Total</b>	1,807/545	618/151	1,995/418	56/199	73/215	153/307	2277/1139

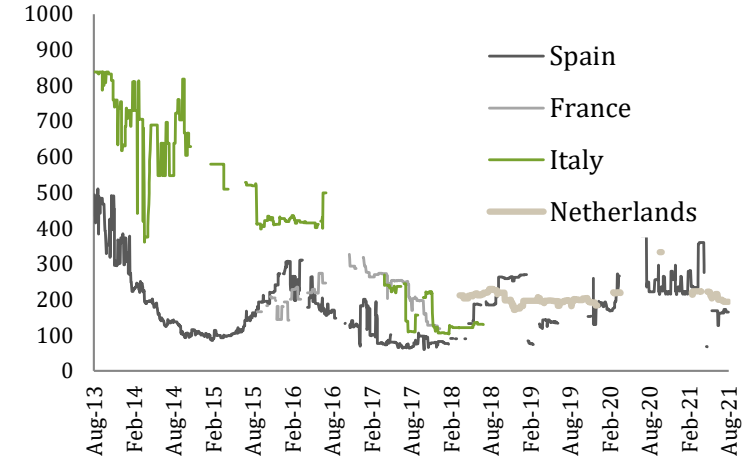
Source: DBRS, Fitch Ratings

# Valuations and Spreads

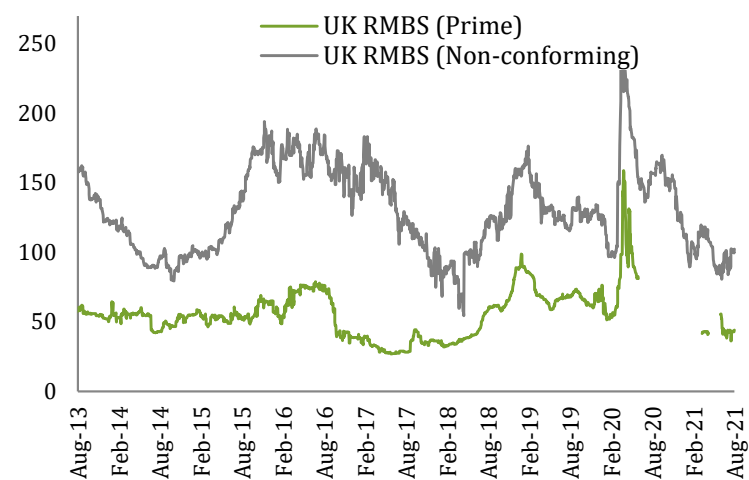
**5.1 European 3-5 Yr AAA RMBS Spreads (bps)**



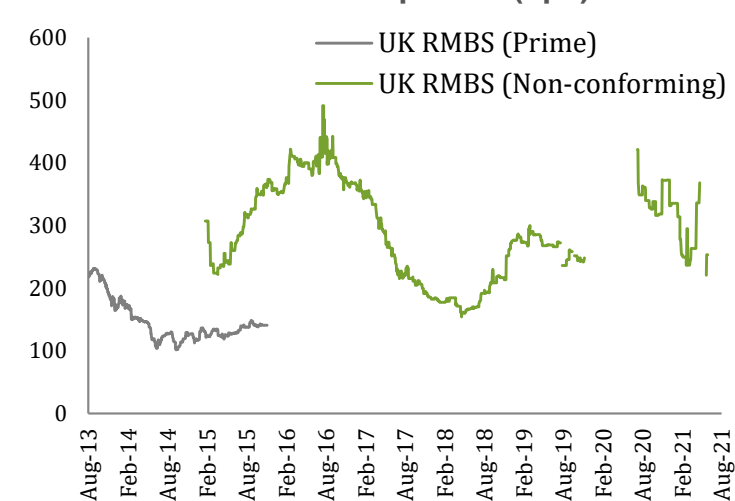
**5.2 European 3-5 Yr BBB RMBS Spreads (bps)**



**5.3 UK 3-5 Yr AAA RMBS Spreads (bps)**

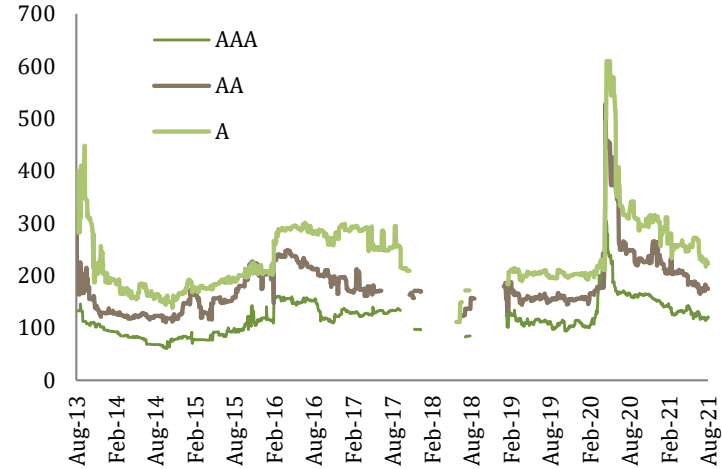


**5.4 UK 5 Yr BBB RMBS Spreads (bps)**

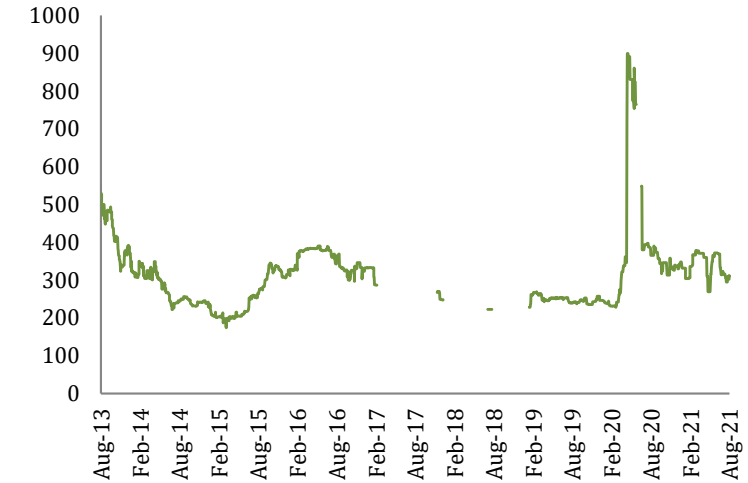


Source: IHS Markit, JP Morgan

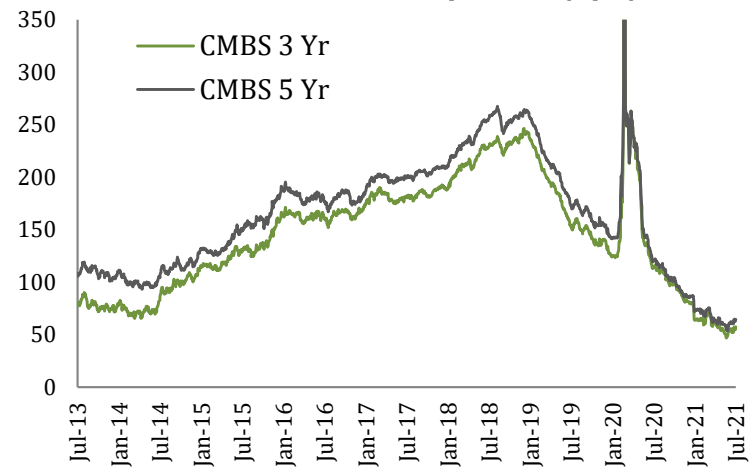
**5.5 European 3-5 Yr AAA, AA, A CMBS Spreads (bps)**



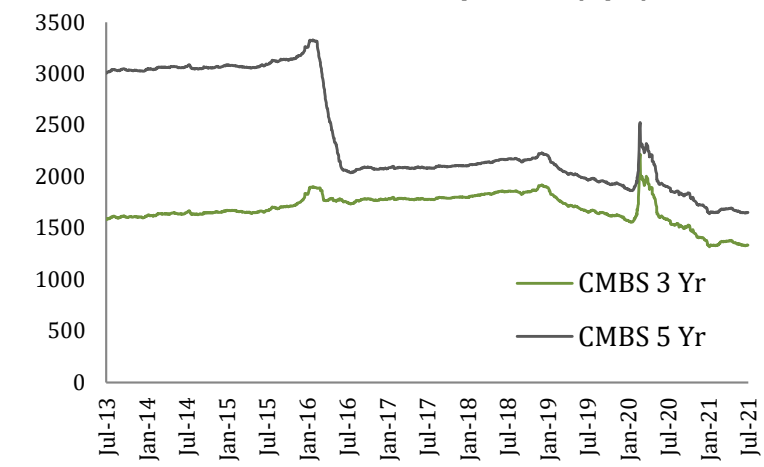
**5.6 European 3-5 Yr BBB CMBS Spreads (bps)**



**5.7 US 3 & 5 Yr AAA CMBS Spreads (bps)**

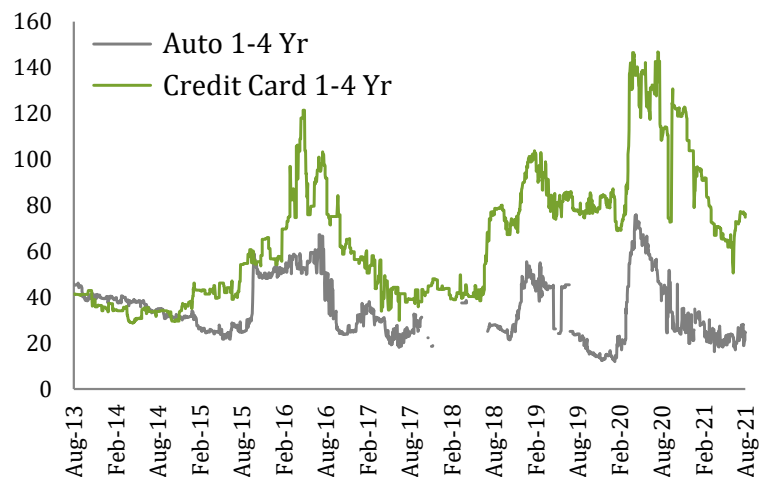


**5.8 US 3 & 5 Yr BBB CMBS Spreads (bps)**

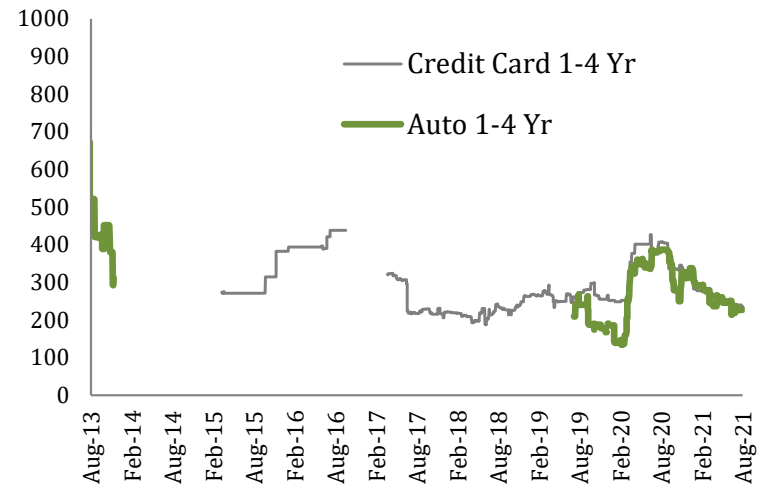


Source: IHS Markit, Trepp

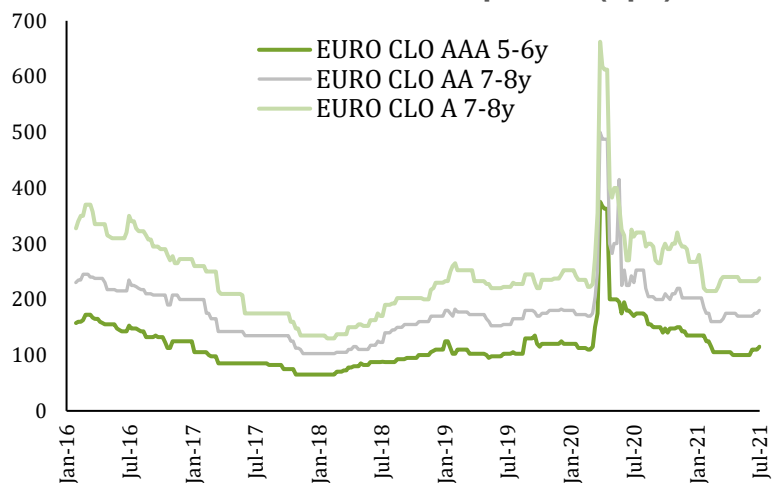
**5.9 European 1-4 Yr AAA ABS Spreads (bps)**



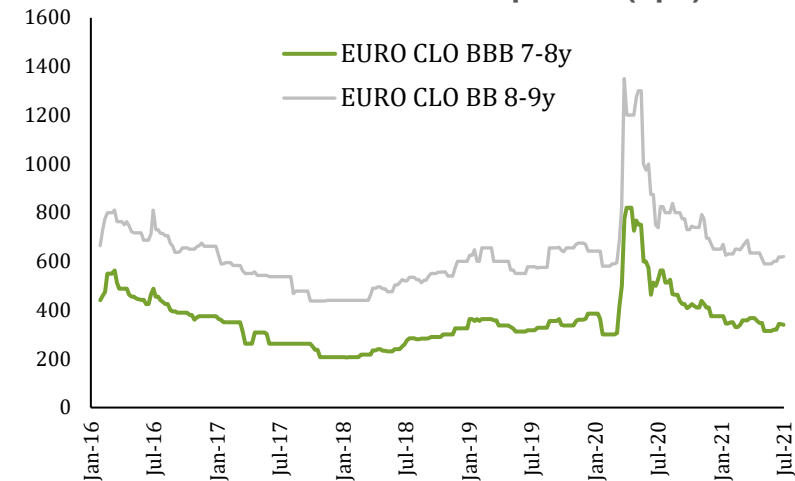
**5.10 European 1-4 Yr BBB Spreads (bps)**



**5.11 EURO 5-10 Yr AAA-A CLO Spreads (bps)**



**5.12 EURO 7-9 Yr BBB-BB CLO Spreads (bps)**



Source: IHS Markit and JP Morgan



# ABCP

# ABCP Outstandings

## 6.1 ABCP Outstanding: Asset breakdown by country of asset in multi-seller programmes

	2020			2019		
	H2	H1	Change	H2	H1	Change
<b>Euromarket</b>	12.43	10.95	1.49	14.14	13.46	0.68
<b>France</b>	8.31	6.37	1.94	7.13	7.23	-0.10
<b>Germany</b>	12.33	11.30	1.03	12.26	15.09	-2.84
<b>Italy</b>	10.80	11.00	-0.20	13.43	11.89	1.54
<b>Netherlands</b>	2.37	2.27	0.10	2.17	1.92	0.25
<b>Other</b>	3.35	2.80	0.55	3.21	3.21	0.00
<b>Sweden</b>	N/A	N/A	N/A	0.87	0.95	-0.09
<b>United Kingdom</b>	11.28	11.05	0.23	13.85	13.18	0.67
<b>Total</b>	60.88	55.74	5.14	78.53	77.95	0.58

## 6.2 EU ABCP Outstandings by Programme Type

	2020			2019		
	H2	H1	Change	H2	H1	Change
<b>Multi-Seller</b>	65.58	56.50	9.08	67.55	66.47	1.08
<b>Repo</b>	23.25	24.10	-0.85	21.32	19.62	1.70
<b>Single-Seller</b>	0.17	0.16	0.01	0.17	0.18	-0.01
<b>Total</b>	89.00	80.76	8.24	89.04	86.27	2.77

## 6.3 US ABCP Outstandings by Programme Type

	2020			2019		
	H2	H1	Change	H2	H1	Change
<b>Multi-Seller</b>	138.77	160.17	-21.40	151.52	147.86	3.66
<b>Repo</b>	25.84	37.75	-11.91	35.56	34.66	0.89
<b>Single-Seller</b>	17.28	15.43	1.86	9.65	7.59	2.05
<b>Total</b>	181.89	213.35	-31.46	187.08	182.52	4.56

Source: Moody's Investors Service. Latest data available as of H2 2020.

# ABCP seller additions

## 6.4 European ABCP Seller additions in multi-seller portfolios by Country of Asset

	2020			2019		
	H2	H1	Change	H2	H1	Change
<b>Austria</b>	0.00	0.00	0.00	0.30	0.00	0.30
<b>Belgium</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Czech Republic</b>	0.00	0.00	0.00	0.04	0.04	0.00
<b>Euromarket</b>	0.09	0.23	-0.14	0.78	0.14	0.64
<b>Finland</b>	0.42	0.00	0.42	0.00	0.07	-0.07
<b>France</b>	0.68	0.39	0.28	0.83	0.54	0.29
<b>Germany</b>	1.60	0.66	0.95	0.74	0.05	0.69
<b>Ireland</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Italy</b>	1.35	0.63	0.72	0.40	3.61	-3.21
<b>Latvia</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Netherlands</b>	0.10	0.00	0.10	0.40	0.00	0.40
<b>Poland</b>	0.00	0.00	0.00	0.00	0.07	-0.07
<b>Spain</b>	0.04	0.00	0.04	0.14	0.00	0.14
<b>Sweden</b>	0.00	0.00	0.00	0.00	0.04	-0.04
<b>Switzerland</b>	0.03	0.00	0.03	0.07	0.07	-0.01
<b>United Kingdom</b>	1.22	0.45	0.77	1.15	0.88	0.27
<b>European Total</b>	5.53	2.36	3.17	4.85	5.52	-0.67

**Source:** Moody's Investors Service. Latest data available as of H2 2020. Seller additions represent a potential new source of assets which may be added to the portfolio up to the maximum of the respective purchase limit.

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