

Q1 2024

Securitisation Report

**European Structured Finance** 





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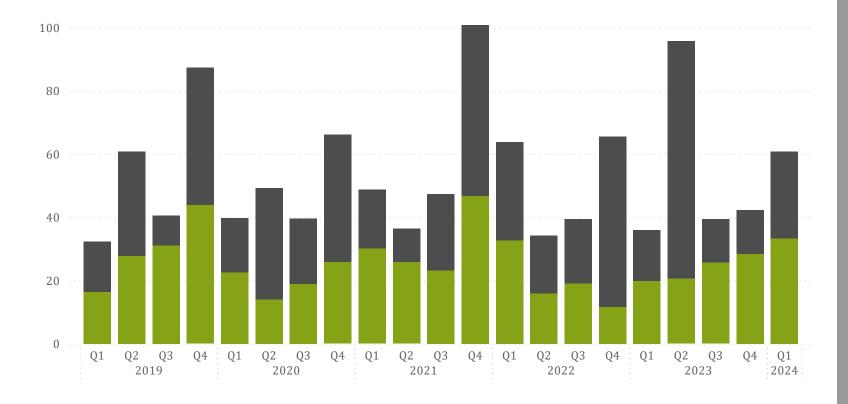


# Key Findings



#### 1.1 European Securitisation Issuance (EUR Billions)

PlacedRetained



Source: AFME, SIFMA, Bank of America, JP Morgan. <sup>1</sup>According to anecdotal evidence from market participants, SRT issuance increased 10% (YoY) in Q1'24. This amount is not reflected in the data currently available to AFME, with data for Q1'24 likely to be revised upwards in the future.

In Q1 2024, EUR 60.7 bn of securitised product was issued in Europe, an increase of 43.8% from Q4 2023 (EUR 42.2 bn) and an increase of 69.2% from Q1 2023 (EUR 25.9 bn)

Of the EUR 60.7 bn issued, EUR 33.3 bn was placed, representing 54.9% of the total, compared to 67.3% of issuance in Q4 2023 and 55.4% of issuance in Q1 2023.

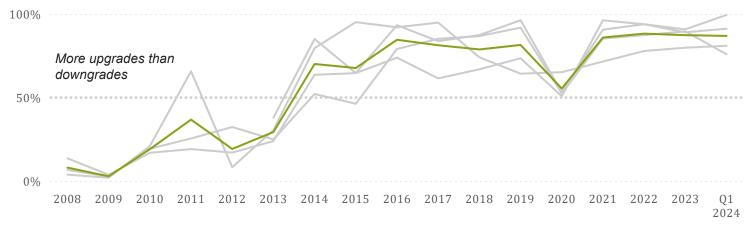
Among placed issuance, Pan-European CLOs, UK RMBS and German Auto ABS led placed totals, with EUR 11.6 bn, EUR 9.2 bn and EUR 3.1 bn of issuance, respectively.

Outstanding volumes (including CLOs) increased to EUR 1162.4 bn at the end of Q1 2024, a decrease of 1.5% QoQ and an increase of 2.4% YoY.

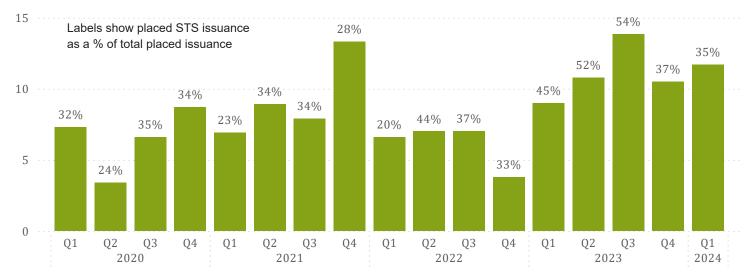
Based on SCI data, quarterly SRT issuance in Europe reached EUR 2.4 bn in Q1 2024<sup>1</sup>.



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



#### 1.3 Placed STS Securitisation issuance (EUR bn)



Source: DBRS, Fitch, Moody's, S&P [Chart 1.2] In chart 1.4, each line represents the rating actions by a Credit Rating Agency (CRA). The green line is the average of the four CRAs' rating actions. AFME, SIFMA, Bank of America, JP Morgan. [Chart 1.3] Non-STS in Chart 1.3 includes CLO / CDO, CMBS and UK NC RMBS issuance which are ineligible under the STS regime.

In Europe, the proportion of upgrades as a percentage of total rating actions decreased during Q1 2024, when upgrades comprised 87% of total rating actions by the main Credit Rating Agencies (CRAs), down from 90% in Q4 2023 and equal to 87% in Q1 2023.

Placed STS issuance volumes increased during Q1 2024 to EUR 11.7 bn, up from EUR 10.5 bn in Q4 2023 and EUR 9.0 bn in Q1 2023.

However, due to a surge in European non-STS placed issuance, placed STS Securitisation issuance, as a proportion of total placed issuance (STS+non-STS), decreased to 35% during Q1 2024, down from 37% in Q4 2023 and from 45% in Q1 2023.



# Regulatory Update



#### Securitisation Framework in the EU

- The European Commission (EC) completed its review on the functioning of the Securitisation Regulation (SECR) mandated by Article 46 of the SECR and published its Report on 10 October 2022. The Report concluded that it would be premature to suggest the re-opening of the legislative framework (i.e., the Level 1 text), however it asked ESMA to review the disclosure templates for underlying exposures. The Report also welcomed the EBA report on sustainable securitisation as an important contribution to developing such framework, and the European Parliament and the Council were invited to take it into consideration in the context of the trilogue negotiations on the EU Green Bond Standard (EuGBS). The Report did not address the prudential treatment of securitisation (CRR/Solvency II) as the advice of the Joint Committee (JC) of the European Supervisory Authorities (ESAs) was expected at the time of publication (please see bullet point below).
- The JC of the ESAs published their <u>response</u> to the EC's <u>Call for Advice</u> on 12 December 2022. In respect of the CRR, the EBA made a number of recommendations, however no changes to the p-factor were proposed. Similarly, the JC suggested that the liquidity framework should be kept unchanged, while no recommendations were made on Solvency II either. The JC concluded that the Solvency II framework does not seem to influence insurance activity in the EU securitisation market and there is not sufficient evidence to conclude that the current capital requirements for spread risk on securitisation positions in Solvency II are not fit for purpose.
- On 17 February 2023, the JC of the ESAs published an updated version of their Q&As relating to the SECR.
- Trilogue negotiations on the CRR/D banking package came to an end on 27 June 2023, and the political agreement reached included the following mitigating measures on securitisation, namely:
  - Transitional measures on the output floor effective until 31 December 2032 which lower the p-factor by 50% for both STS and non-STS securitisations for exposures that are risk-weighted using the SEC-IRBA or the IAA; and
  - A review clause which mandates a wider review of the prudential treatment of securitisation by 31 December 2026. The review may then lead the Commission to submit a legislative proposal by 31 December 2027
- The regulation is expected to be published in the Official Journal of the EU at the end of June/beginning of July 2024. The 1st of January 2025 is then aimed to be the start date of the new CRR. In respect of the CRD, Member States will have 18 months following the entry into force of the final text to transpose the majority of the new provisions into their national law (likely around January 2026).



#### Securitisation Framework in the EU

- Trilogue negotiations on the Solvency II Directive concluded in December 2023 with co-legislators having reached a political agreement on a directive which
  will amend Solvency II (Directive 2009/138/EC). The consolidated text is available <a href="https://linear.com/here-to-legislators">here-to-legislators</a>. Recital 83b mandates the Commission to conduct a review of the
  securitisation capital requirements under the Level 2 legislation.
- On 22 September 2023, ESMA published a <u>study</u> setting out details on the EU securitisation market based on the data ESMA receives under the SECR.
   Amongst other findings, the study concludes that the size of the European securitisation market has decreased significantly since the EUR 2tn it reached at the end of 2010.
- Also in September 2023, ESMA kicked off a new initiative which is to prepare Guidelines on Article 5 SECR. A public consultation is expected to commence in Q3 2024 (most likely in July).
- On 6 December 2023, the JC of the ESAs launched an informal, targeted consultation in the context of Article 44 of the SECR which closed on 30 January 2024. AFME submitted a response to this consultation. The ESAs will provide advice to the Commission in this respect in Q4 2024, as stated in ESMA's position paper "Building more effective and attractive capital markets in the EU" published on 22 May 2024.
- ESMA's consultation on disclosure templates commenced in December 2023, and market participants' feedback was submitted on 15 March 2024. AFME's response, co-signed by another 10 associations, can be found here.
- On 17 April 2024, Enrico Letta, former Prime Minister of Italy and President of the Jacques Delors Institute, published an independent report on the future of the European Single Market, titled "Much more than a market. Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens". The report recommended the revision of the securitisation framework by 2025.
- On 25 April 2024, the French Trésor's CMU-dedicated taskforce led by Christian Noyer, former President of the Banque de France, published a report titled "Developing European Capital Markets to finance the future Proposals for a Savings and Investments Union". The report recommended the revival of the securitisation market by adjusting the banking and insurance prudential framework as well as simplifying the transparency rules to facilitate issuance of and investments



#### Securitisation Framework in the UK

- The SECR, including article 46, was on-shored into the UK at the end of 2020. On 13 December 2021, the HM Treasury (HMT) published its Report and Responses to the Call of Evidence on the Review of the UK Securitisation Regulation (UK SECR). The Report did not include any legislative proposals and it "finds that, at present, it is challenging to definitively draw conclusions on the effect of the Sec Reg on the functioning of the UK securitisation market." HMT also recommended that some areas of the UK SECR, such as disclosures or jurisdictional scope, might benefit from targeted and appropriate refinement, and the FCA and PRA will monitor the market developments.
- On 20 July 2022, HMT introduced the <u>Financial Services and Markets Bill</u> (the "FSM Bill") to Parliament. The FSM Bill aims to implement the outcomes of the UK government's <u>Future Regulatory Framework Review</u> and to update the UK's regulatory regime post-Brexit. In respect of securitisation, the FSM Bill repeals the UK SECR and introduces an equivalence regime for non-UK STS Securitisations.
- On 21 July 2022, the UK Government's consultation on Solvency II closed, and the <u>outcome</u> of the consultation was published by HMT on 17 November 2022. The Government will now legislate as necessary and will also work with the PRA to enable changes to its rulebook.
- On 30 November 2022, HMT launched a consultation on the implementation of the Basel 3.1 standards, which closed on 31 January 2023. On the same day, the Bank of England published consultation paper 16/22 which sets out the PRA's proposed rules and expectations with respect to the implementation of the Basel 3.1 standards. The latter includes proposals in respect of the output floor application to securitisation exposures (p. 321 of the CP). This consultation closed on 31 March 2023.
- On 9 December 2022, the UK Government announced a <u>package</u> of proposed reforms to the financial services framework, the "Edinburgh Reforms", and securitisation was one of the files covered. On the same day, HMT published a draft statutory instrument (the "Draft SI") (<u>here</u>) and an accompanying policy note (<u>here</u>). The Draft SI shows how, following the commencement of the repeal of the UK SECR, HMT intends to set the scope of regulatory requirements for securitisation (that is, to which entities requirements should apply).
- On 11 July 2023, HMT published a near-final version of the SI (here) alongside an explanatory policy note (here) and invited technical comments. AFME submitted its comments (here). The SI was laid before Parliament on 27 November 2023 (here). On 22 January 2024, the procedure in Parliament concluded (here), and the Securitisation Regulations 2024 (SI 2024/102) were made on 29 January 2024 (here). The relevant explanatory memorandum is also available here. SI 2024/102 was subsequently amended by the Securitisation (Amendment) Regulations 2024 (SI 2024/705) made on 22 May 2024 (here). The latter includes (a) restrictions on the establishment of securitisation special purpose entities and (b) due-diligence requirements for occupational pension schemes, and it makes an express reference to the 1st of November 2024 as the main commencement day of the new UK securitisation regime.



#### **Securitisation Framework in the UK**

- The PRA consultation (CP 15/23) and the FCA consultation (CP 23/17) on general rules on securitisation closed on 30 October 2023. On 30 April 2024, the PRA and the FCA published their final rules via their respective Policy Statements, namely PRA PS7/24 and FCA PS24/4. These rules together with SI 2024/705 will come into force on 1 November 2024. As also stated in the Regulatory Initiatives Grid, the FCA and the PRA expect to consult on further changes to their securitisation rules in Q4 2024/Q1 2025, although timings are potentially subject to change. In anticipation of the FCA/PRA consultation on transparency requirements, AFME published on 1 March 2024 its own proposals on the criteria that could be used to define "public" and "private" securitisation (here).
- The PRA discussion paper (3/23) on securitisation capital requirements closed on 31 January 2024. The AFME response can be found here. A formal consultation on the interaction of the output floor and the Pillar 1 framework is currently planned for H2 2024, but timings are again subject to change.



#### **Regulatory Developments outside Europe**

- In January 2023, the U.S. Securities and Exchange Commission ("SEC") (re)proposed a rule the Rule 192 to prohibit certain securitisation participants from engaging in transactions (or taking substantial steps to reach a transaction) that would directly or indirectly involve or result in a material conflict of interest between the securitisation participant and an investor in an asset-backed security ("ABS"), subject to certain exceptions. AFME responded to the consultation (here), which closed on 31 March 2023. On 28 November 2023, the SEC published the final rule (here), which contrary to the initial proposal now contains a safe harbour for certain foreign transactions.
- On 30 August 2023, the Financial Stability Board (FSB) published an <u>invitation for feedback</u> on the effects of G20 financial regulatory reforms on securitisation and an accompanying <u>Summary Terms of Reference</u> which provides details about the objectives, scope and process of the FSB's evaluation of these reforms. Feedback, which was due by 22 September 2023, will be considered by the FSB, as it prepares a note with preliminary findings. The latter is expected to be issued for public consultation in Q2 2024, and the final evaluation report will follow afterwards. AFME has submitted its pre-consultation response (<a href="here">here</a>).
- In September, IOSCO issued a consultation titled "Leveraged Loans and CLOs Good Practices for Consideration" (<a href="here">here</a>) which closed on 15 December 2023. AFME's response can be found <a href="here">here</a>.



#### **European Commission Capital Markets Recovery Package (CMRP) for securitisation**

The CMRP, which came into effect on 9 April 2021 and includes amendments to the SECR (<a href="here">here</a>) and the CRR (<a href="here">here</a>), 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: Final (draft) RTS were published on 12 April 2022 (here) and were adopted by the Commission on 7 July 2023. The final text (here) was published in the Official Journal on 18 October 2023 and entered into force on 7 November 2023.
- RTS on homogeneity in STS synthetic securitisation: Final (draft) RTS were published on 14 February 2023 (here). Adoption by the Commission is pending.
- RTS on pro-rata amortisation triggers and their calibration: Final (draft) RTS were published on 20 September 2022 (here). The final text (here) was published in the Official Journal on 22 March 2024 and will enter into force on 11 April.
- RTS and ITS on STS notification for synthetic securitisation: (a) On 15 August 2022 entered into force the amending RTS (<u>Delegated Regulation (EU)</u> 2022/1301) which amend the RTS prescribing the EU STS notification templates (<u>Delegated Regulation (EU)</u> 2020/1226). The consolidated version of the RTS published in the Official Journal of the EU is <u>here</u>. (b) On 2 November 2022 entered into force the amending ITS (<u>Commission Implementing Regulation (EU)</u> 2022/1929) which amend the ITS prescribing the EU STS notification templates (<u>Commission Implementing Regulation (EU)</u> 2020/1227). The consolidated version of the ITS published in the Official Journal of the EU is <u>here</u>.
- RTS in relation to synthetic excess spread: Final (draft) RTS were published on 25 April 2023 (here). Adoption by the Commission is pending.
- RTS on the content, methodologies and presentation of information in respect of the sustainability indicators for STS securitisation: Final (draft) RTS were published on 25 May 2023 (here) and were adopted by the Commission on 5 March 2024 (here). The Commission-adopted text will now need to be examined by the European Parliament and Council, which can take two months. If no objections are raised, the delegated act will enter into force in June 2024.

On 21 April 2023, the EBA launched a public consultation on its draft Guidelines (<a href="here">here</a>) on the criteria related to simplicity, standardisation and transparency and additional specific criteria for on-balance-sheet securitisations (so-called STS criteria). These Guidelines will ensure a harmonised interpretation of these STS criteria, in alignment with the EBA Guidelines for traditional securitisations. The consultation ran until 7 July 2023. AFME submitted its response (<a href="here">here</a>). The final report was published on the EBA website on 27 May 2024 (<a href="here">here</a>), and Guidelines will start applying once the report is translated into the EU official languages.



#### ECB Guide on the notification of securitisation transactions

- On 15 November 2021, the ECB launched a <u>public consultation</u> on its draft Guide on the notification of securitisation transactions. This follows the ECB's announcement of its <u>decision</u> in May 2021 to ensure that directly supervised banks comply with the requirements for risk retention, transparency and resecuritisation for all securitisations, which are set out under Articles 6, 7 and 8 of the SECR.
- This non-binding <u>Guide</u> clarifies the information that the ECB expects directly supervised banks acting as originators or sponsors of securitisation transactions to provide. The requirements of the SECR cover all securitisation transactions, from public to private, traditional, synthetic and asset-backed commercial paper transactions, irrespective of whether or not they are structured to achieve significant risk transfer.
- The ECB expects banks to follow the Guide for all securitisation transactions issued after 1 April 2022. The Guide will be updated when needed to reflect relevant developments in the regulation and supervision of securitisations.
- After the first months of supervision under the Guide, the SSM Securitisation Hub noted the need for banks to have some technical clarifications on the ECB's expectations on SIs' assessments of how their internal policies, processes and procedures ensure compliance with articles 6 to 8 SECR, in line with paragraph 3 of Section D of the Guide. The industry's feedback was informally solicited, and the technical clarifications have been published on CASPER.



#### **Sustainable Securitisation**

#### 1. EBA Report

- On 02 March 2022, the EBA published its Report on developing a framework for sustainable securitisation (<a href="here">here</a>), by which it recommended adjustments to the proposed (at the time) EU Green Bond Standard (EuGBS) with regard to securitisation transactions. The Report was mandated by the CMRP.
- The EBA's analysis concluded that it would be premature to establish a dedicated framework for green securitisation, and that the EuGBS should apply to securitisation provided that some adjustments were made to the standard. In this regard, the EBA recommended that the EuGBS requirements apply at the originator level (instead of at the issuer/ securitisation special purpose entity (SSPE) level). This would allow a securitisation that is not backed by a portfolio of green assets to meet the EuGBS requirements provided that the originator commits to using all the proceeds from the green bond to generate new green assets.
- The EBA saw the proposed adjustments as an intermediate step to allow the sustainable securitisation market to develop and to play a role in financing the transition towards a greener EU economy. They were also meant to ensure that securitisation is treated in a consistent manner as other types of asset-backed securities.
- The EBA also recommended that the SECR be amended in order to extend voluntary "principal adverse impact disclosures" to non-STS securitisations. In respect of establishing a framework for green synthetic securitisation, the EBA acknowledged the benefits that synthetic securitisation could contribute to a more sustainable economy but noted that more time is needed in order to assess whether and how the specificities of synthetic securitisation could be reflected in a green framework.
- The European Commission in its report agreed with the EBA that given the low amount of green assets available to be securitised, there is no scope at present for creating a dedicated sustainability label for securitisation.



#### **Sustainable Securitisation**

#### 2. EU Green Bond Standard

Trilogue negotiations started on 12 July 2022 and concluded on 28 February 2023. The final text was published in the Official Journal (<a href="here">here</a>) on 30 November 2023 and entered into force on 21 December 2023. It will apply from 21 December 2024 onwards. By 21 December 2028, the ESAs must publish a report on the feasibility of extending the eligibility to use the "EuGB" designation to synthetic securitisations. Based on that report, the Commission may then submit a report to the European Parliament and the Council accompanied, if appropriate, by a legislative proposal by 21 December 2029.

#### 3. Joint ESAs-ECB Statement on disclosure on climate change for structured finance products

On 13 March 2023, the European Supervisory Authorities together with the ECB published a joint statement (<a href="here">here</a>) which encouraged the development of disclosure standards for securitised assets through harmonised climate-related data requirements. Even though mandatory disclosure requirements are not yet in place, the ECB and the ESAs called on originators to already collect, at the time of loan origination, the data that investors need to assess the climate-related risks of the underlying assets. In the case of securitisation, originators and sponsors should fill in the voluntary climate-related fields in the existing securitisation disclosure templates.



#### Non-Performing Loans in the EU

- On 8 December 2021, the NPLs Secondary Markets Directive (the Directive) was published in OJEU (<a href="here">here</a>). The Directive was entered into force on 29 December 2021, and Member States will have until 29 December 2023 to transpose it into national law. Pursuant to article 16(5) of the Directive, the EBA had to submit its draft ITS on the mandatory data templates to the Commission by 29 September 2022.
- Deviating from the Directive's timeline, the EBA launched a <u>public consultation</u> on the draft ITS on 16 May 2022. The consultation ran until the 7th of September 2022. The final draft ITS were published on 16 December 2022 (<u>here</u>) and were also submitted to the European Commission for adoption. The final ITS were published in the Official Journal on 29 September 2023 (<u>here</u>).
- The negotiations in the European Parliament on the second part of the Directive on an Accelerated Extra-Judicial Collateral Enforcement (AECE)
  mechanism are currently on hold.

#### Non- Performing Loans in the UK

- Following its <u>Consultation Paper</u> on 21 October 2021 the PRA published its Policy Statement <u>PS24/21</u> 'Implementation of Basel standards: Non-performing loan securitisations', which sets out the PRA's rules in respect of the implementation of prudential standards agreed by the Basel Committee on Banking Supervision (BCBS) for NPL securitisations.
- The updated <u>SS10/18</u> and the rules for calculating capital requirements on exposures to NPE securitisations took effect from Saturday 1 January 2022. This will take effect in conjunction with any consequential amendments to the CRR by HM Treasury.



#### Libor and benchmark rates

#### Latest developments in the EU:

- The discontinuation of all panel-based LIBOR settings, including USD LIBOR on 30 June 2023, led to the discontinuation of the Euro WG which agreed at its meeting on 13 November 2023 that its mandate had been completed. Its final statement was published on 4 December 2023 (<a href="here">here</a>). Despite that, ESMA will continue to monitor developments in the EU benchmarks landscape (including in respect of areas noted above where market participants need to take further action) and will contact the Working Group's participants again in the future, where necessary, depending on market developments related to interest rate benchmarks.
- In July 2023, the Commission adopted a <u>Delegated Regulation</u> extending the transitional period for existing benchmarks and non-EU benchmarks until 31 December 2025 in order to ensure continued access by market participants in the EU to most of the world's benchmarks. (The transitional period was originally set to expire on 31 December 2023.)

#### Latest developments in the UK:

- The 3-month synthetic GBP Libor setting ceased on 28 March 2024.
- The 1-, 3- and 6-month synthetic USD Libor settings are the final remaining Libor settings and are expected to cease permanently at the end of September 2024. This was announced by the FCA in April 2023.



# Securitisation 2024 – Regulations in force and published level 2 measures, reports and guidelines

Regulation	Topic	Article	Org	Completion date in published regulation	Status
CMRP	STS Framework for on-balance sheet securitisations and NPL securitisations (Regulation (EU) 2021/557)	N/A	EC	N/A	Published in the OJ on 6 April 2021 (here).
UK SECR	Securitisation (Amendment) Regulations 2024 (SI 2024/705) (amending SI 2024/102)	N/A	UK Gov	N/A	Made on 22 May 2024 (here).

Level 2 measures, reports & guidelines	Topic	Article	Org	Completion date in published regulation	Status
CMRP (SECR)	Guidelines on the STS criteria for on-balance-sheet securitisation	26a(2)	EBA	N/A	Consultation (here) closed on 7 July 2023. Final report was published on 27 May 2024 (here). (Application date to be confirmed after translation into the official EU languages is completed).
CMRP (SECR)	RTS on pro rata amortisation triggers and their calibration	26c	EBA	30 June 2021	Final text published in the OJ on 22 March 2024 (here).
CMRP (SECR)	RTS on the content, methodologies and presentation of information in respect of the sustainability indicators for STS securitisations	22	ESA	Within 3 months from entry into force of the CMRP.	Final draft RTS published on 25 May 2023 (here). Commission-adopted text (subject to Parliament/Council approval) published on 5 March 2024 (here).
CMRP (CRR)	RTS in relation to the exposure value of synthetic excess spread	248	EBA	Within 6 months of entry into force of the CMRP.	Final draft RTS published on 25 April 2023 (here).
CMRP (SECR)	RTS on homogeneity	26b	EBA	Within 6 months from entry into force of the CMRP.	Final draft RTS published on 14 February 2023 (here).
ESAs Advice	Joint ESAs' response to the European Commission's Call for Advice.	NA	ESAs	1 September 2022	ESAs' report published on 12 December 2022 (here).
SECR	EC Report on the functioning of the Securitisation Regulation	46	EC	1 January 2022	EC report published on 10 October 2022 (here).
CMRP (SECR)	RTS on Risk Retention	6	EBA	6 months from entry into force CMRP	Final text published in the OJ on 18 October 2023 (here).
ECB Guideline	Guide on the notification of securitisation transactions	6, 7 & 8 of the SECR.	ECB	N/A	Consultation closed on 5 January 2022. Final guideline was published on 18 March 2022 (here).



### Securitisation 2024 – Level 2 measures, reports and guidelines

Level 2 measures, reports & guidelines.	Topic	Article	Org.	Completion date in published regulation	Status
Review of the UK SECR	Review of the Securitisation Regulation: Report and call for evidence response	NA	HM Treasury	1 January 2022	Consultation closed on 2 September 2021. The report was published in December 2021 and laid before Parliament ahead of the statutory deadline of 1 January 2022 (here).
CMRP (SECR)	Report on developing a specific sustainable securitisation framework	45	EBA	1 November 2021	EBA report published on 2 March 2022 (here).
CRR	Arm's length and implicit support guidelines	250	EBA	Deadline not specified	Final report published on 3 October 2016 (here).
CMRP (SECR)	RTS and ITS on STS Notification for synthetic securitisation	26	ESMA	6 months from entry into force CMRP	On 15 August 2022 entered into force the amending RTS ( <u>Delegated Regulation</u> ( <u>EU</u> ) 2022/1301) which amend the RTS prescribing the EU STS notification templates ( <u>Delegated Regulation</u> ( <u>EU</u> ) 2020/1226). On 2 November 2022 entered into force the amending ITS ( <u>Commission Implementing Regulation</u> ( <u>EU</u> ) 2022/1929) which amend the ITS prescribing the EU STS notification templates ( <u>Commission Implementing Regulation</u> ( <u>EU</u> ) 2020/1227).
SECR	Competent Authority and ESA cooperation RTS	36	ESMA	18th January 2019	RTS adopted by the Commission and published in the OJ on 30 August 2021 (here).
SECR	Joint ESAs' report on implementation of the STS Framework	44	ESAs	1 January 2021	Published on 17 May 2021 (here).
CRR	Purchased receivables/internal models/proxy data RTS	255	EBA	18th January 2019	Final draft ( <u>here</u> ) published by the EBA and submitted to the European Commission. Adoption is pending.



### Securitisation 2024 – Level 2 measures, reports and guidelines in the pipeline

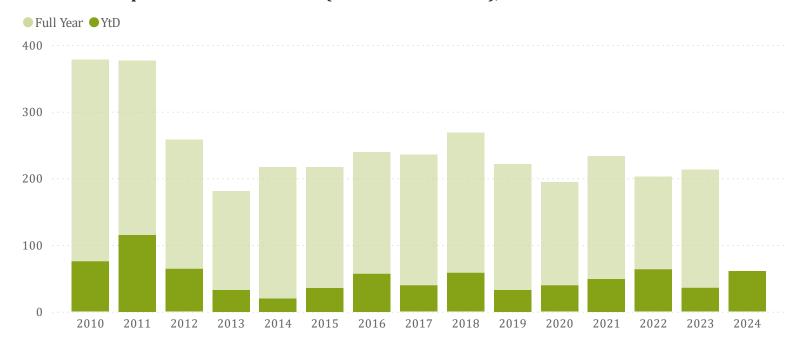
Level 2 measures, reports & guidelines.	Topic	Article	Org.	Completion date in published regulation	Status
SECR	Competent Authority Peer Review	36	ESMA	1 January 2022	TBD
CRR	Securitisation markets macroprudential and economic perspective report	519	EC	N/A	TBD
CRR	Case by case prohibition of SEC-SA report and guidelines	254	EBA	Annual report to COM and issue guidelines	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
SECR	Solvency II additional capital charge RTS	39	EIOPA	Deadline not specified	TBD
SECR	Resecuritisation RTS	8	ESMA	Deadline not specified	TBD
SECR	Financial stability report	31	ESRB EBA	At least every three years	TBD
CRR	Measurement of undrawn portion of cash advance facilities RTS	248	EBA	18th January 2019	TBD



### True Sale issuance



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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Q1	115.2	64.3	32.7	19.9	35.7	57.0	39.7	58.4	32.4	39.7	48.8	63.7	35.9	60.7
Q2	67.3	67.7	53.3	99.5	50.2	75.7	73.1	68.1	60.7	49.2	36.4	34.2	95.7	
Q3	57.0	61.9	38.3	37.7	57.8	46.6	49.1	53.9	40.4	39.6	47.3	39.4	39.5	
Q4	137.3	63.9	56.4	59.8	72.7	60.1	74.0	88.4	87.4	66.2	100.7	65.5	42.2	
Total	376.8	257.8	180.7	216.9	216.5	239.4	236.0	268.9	220.9	194.7	233.2	202.8	213.3	60.7

Source: AFME, SIFMA, Bank of America, JP Morgan

In Q1 2024, EUR 60.7 bn of securitised product was issued in Europe, an increase of 43.8% from Q4 2023 (EUR 42.2 bn) and an increase of 69.2% from Q1 2023 (EUR 35.9 bn)

Of the EUR 60.7 bn issued, EUR 33.3 bn was placed, representing 54.9% of the total, compared to 67.3% of issuance in Q4 2023 and 55.4% of issuance in Q1 2023.

#### All volumes in EUR bn

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.

For Q1-Q4 2022, European issuance volumes (ex-CLOs) are sourced from JP Morgan, with CLO issuance volume data sourced from Bank of America.

\*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 (3Q22 1Q24) concerning the US nonagency RMBS, CMBS and CDO categories likely to be revised upwards next quarter.

#### 2.2 Total European Issuance by Placed and Retained

	2024:Q1	Total
Placed	33.3	33.3
Retained	27.4	27.4
Total	60.7	60.7

Total	2023:Q4	2023:Q3	2023:Q2	2023:Q1
94.7	28.4	25.8	20.7	19.9
118.6	13.8	13.7	75.0	16.0
213.3	42.2	39.5	95.7	35.9

#### 2.3 Total European Issuance by Collateral

	2024:Q1	Total
ABS	8.4	8.4
CLO / CDO	11.6	11.6
CMBS	0.6	0.6
CORP	0.8	0.8
RMBS	39.3	39.3
SME	0.0	0.0
Total	60.7	60.7

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

	2024:Q1	Total
ABS	79.6	79.6
CDO	16.1	16.1
Agency MBS	213.4	213.4
Non - Agency CMBS	7.2	7.2
Non - Agency RMBS	7.1	7.1
Total	323.4	323.4

2023:Q1	2023:Q2	2023:Q3	2023:Q4	Total
11.5	15.4	14.5	16.6	58.1
6.7	5.0	6.5	8.0	26.2
0.0	0.0	0.4	3.1	3.5
0.0	0.0	0.0	0.0	0.0
17.6	75.3	18.2	10.5	121.6
0.0	0.0	0.0	4.0	4.0
35.9	95.7	39.5	42.2	213.3

Total	2023:Q4	2023:Q3	2023:Q2	2023:Q1
223.8	46.2	62.3	59.8	55.5
26.4	6.6	5.3	5.6	8.9
1002.6	235.9	282.7	276.6	207.3
20.0	5.6	5.2	5.5	3.6
10.6	3.0	4.0	2.1	1.5
1283.3	297.3	359.5	349.7	276.8



All volumes in EUR bn

#### 2.5 Placed Issuance by Country of Collateral (all volumes in EUR bn)

	2024:Q1	Total
Belgium	0.3	0.3
Finland	0.5	0.5
France	1.4	1.4
Germany	3.6	3.6
Ireland	2.3	2.3
Italy	0.6	0.6
Netherlands	1.6	1.6
Pan European	11.6	11.6
Portugal	0.0	0.0
Spain	0.0	0.0
Switzerland	0.0	0.0
UK	10.1	10.1
EU total	21.9	21.9
European Total	32.0	32.0
US Total	323.4	323.4

Total	2023:Q4	2023:Q3	2023:Q2	2023:Q1
0.0				0.0
1.0			1.0	
4.5	1.7	1.0	0.9	0.9
12.3	2.8	3.1	1.9	4.5
2.3	0.7	0.8	0.5	0.3
6.6	3.2	2.2	0.7	0.5
4.7	0.3	1.4	1.8	1.3
26.0	8.1	6.5	4.9	6.5
1.1	0.9	0.2		
4.2		3.1	0.8	0.3
0.8		0.1	0.4	0.3
29.1	8.2	7.5	8.0	5.4
62.7	17.7	18.2	12.5	14.2
	25.9	25.9	20.9	19.9
1283.3	297.3	359.5	349.7	276.8

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.

EU total category includes EU countries, Pan European and 'other Europe' issuance, excluding the UK and Switzerland.

Most recent quarterly issuance data volumes (3Q22-1Q24) concerning the US likely to be revised upwards next quarter.

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

2024:Q1	Auto	CLO / CDO	Consumer	RMBS	Total
Belgium			0.3		0.3
Finland	0.5				0.5
France	0.7			0.8	1.4
Germany	3.1		0.5		3.6
Ireland				2.3	2.3
Italy			0.6		0.6
Netherlands	0.5			1.1	1.6
Pan European		11.6			11.6
UK	0.6		0.4	9.2	10.1
European Total	5.3	11.6	1.8	13.3	32.0
EU Total	4.7	11.6	1.4	4.1	21.9

Source: JP Morgan and Bank of America.

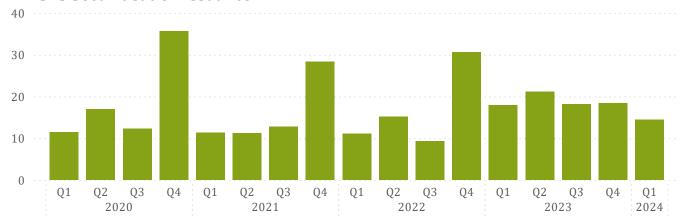
Total European placed issuance in charts 1.1, 1.2, and tables 2.2 and 2.6 may show discrepancies due to the separate data sources used. EU total category includes EU countries, Pan European and 'other Europe' issuance, excluding the UK and Switzerland



All volumes in EUR bn

### afme/ Simple Transparent and Standardised (STS) Securitisation

#### 2.7 STS Securitisation Issuance



#### 2.8 STS Securitisation Issuance by Placed and Retained

	2024:Q1	Total
Placed	11.7	11.7
Retained	2.7	2.7
Total	14.4	14.4

2023:Q1	2023:Q2	2023:Q3	2023:Q4	Total
9.0	10.8	13.8	10.5	44.1
9.0	10.4	4.3	7.9	31.6
18.0	21.2	18.2	18.4	75.7

#### 2.9 STS Securitisation Issuance by Country of Collateral

	2024:Q1	Total
EU	10.5	10.5
UK	3.9	3.9
Total	14.4	14.4

2023:Q1	2023:Q2	2023:Q3	2023:Q4	Total
15.5	16.1	14.8	12.5	58.9
2.5	5.1	3.4	5.8	16.7
18.0	21.2	18.2	18.4	75.7

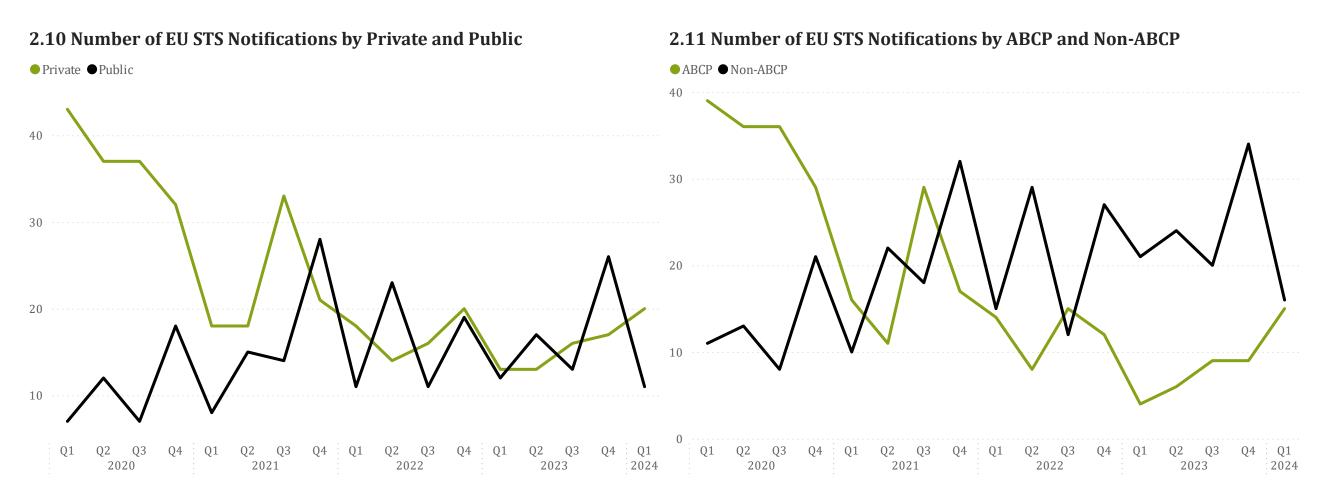
In Q1 2023, EUR 14.4 bn of securitised product was notified as STS to ESMA and the FCA.

This represented 23.7% of the total issued volume in Q1 2024 (EUR 60.7 bn).

Out of the EUR 14.4 bn in STS issuance, EUR 11.7 bn was placed, representing 35.1% of total placed issuance in Q1 2024 (EUR 33.3 bn).

Source: Bank of America, IP Morgan. STS volumes in Chart 2.7 include EU & UK RMBS and ABS. Numbers may not add to the totals due to rounding.

# **afme**/ Simple Transparent & Standardised (STS) Securitisation



Source: ESMA. Chart 2.10 and 2.11 exclude 86 securitisations no longer eligible for STS status in the EU due to Brexit

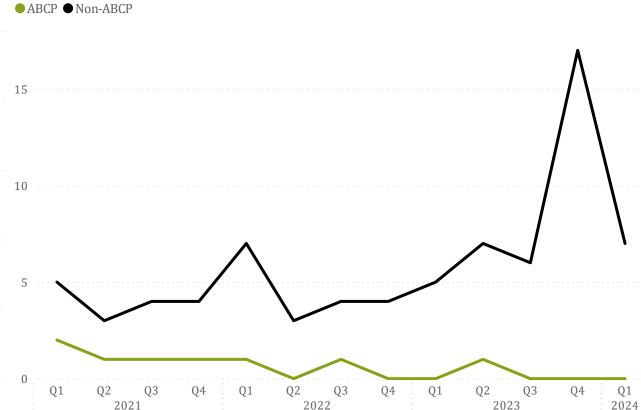
# **afme**/ Simple Transparent & Standardised (STS) Securitisation

#### 2.12 Number of UK STS Notifications by Private and Public

### ● Private ● Public



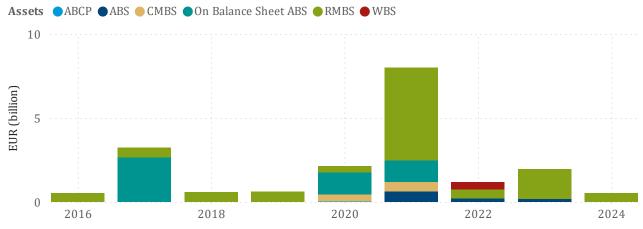
#### 2.13 Number of UK STS Notifications by ABCP and Non-ABCP



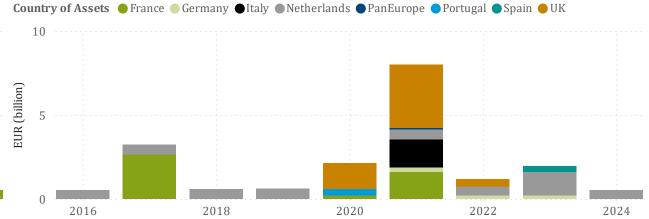
Source: FCA

### afme/ ESG Securitisation Issuance

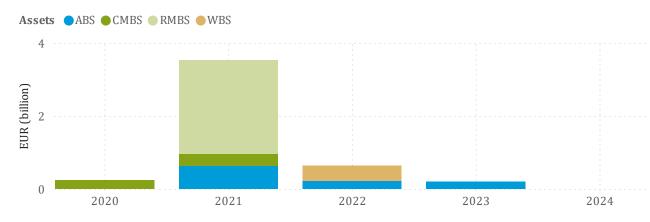
#### 2.14 European ESG Securitisation Issuance by Asset Class



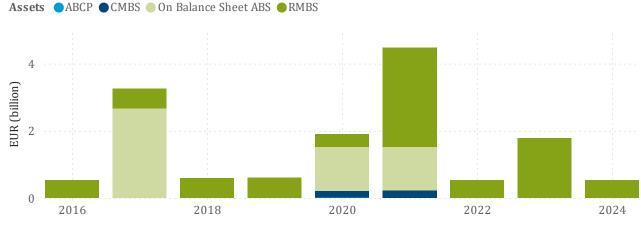
#### 2.15 European ESG Securitisation Issuance by Country



### 2.16 European Social and Sustainable Securitisation Issuance by Asset Class



#### 2.17 European Green Securitisation Issuance by Asset Class



Source: AFME, Bank of America, Climate Bond Initiative, Credit Agricole, S&P, and European Data Warehouse. WBS in Charts 2.14 and 2.16 refers to Whole Business Securitisation.



# Outstandings

All volumes in EUR bn

#### 3.1 Total European Outstandings by Collateral Type

	2024:Q1
Auto	71.9
Cards	26.0
CLO / CDO	235.6
CMBS	29.8
Consumer	88.1
Leases	10.6
Other	47.1
RMBS	539.0
SME ABS	114.4
Total	1162.4

2023:Q1	2023:Q2	2023:Q3	2023:Q4
78.8	78.9	79.4	74.3
24.1	24.8	25.5	25.6
217.1	218.2	223.7	228.8
34.6	33.3	32.5	33.1
82.7	82.8	83.1	87.5
8.8	9.6	9.3	11.9
47.8	47.6	47.1	47.7
522.5	579.1	566.5	554.3
118.4	119.3	115.6	117.4
1134.7	1193.5	1182.6	1180.6

#### 3.3 Total US Outstandings by Collateral Type

	2021:Q4
ABS	1379.2
Agency MBS	8092.0
Non-Agency CMBS	585.3
Non-Agency RMBS	730.6
Total	10787.1

2023:Q1	2023:Q2	2023:Q3	2023:Q4
78.8	78.9	79.4	74.3
24.1	24.8	25.5	25.6
217.1	218.2	223.7	228.8
34.6	33.3	32.5	33.1
82.7	82.8	83.1	87.5
8.8	9.6	9.3	11.9
47.8	47.6	47.1	47.7
522.5	579.1	566.5	554.3
118.4	119.3	115.6	117.4
1134.7	1193.5	1182.6	1180.6

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

<b>~</b>	2024:Q1
2024	39.9
2023	186.1
2022	158.1
2021	134.7
2020	95.2
2019	48.2
2018	22.5
2017	27.5
2016	21.6
2015	11.7
2014	10.0
2013	11.8
2012	1.9
2011	0.7
2010	44.0
Prior	113.0
Total	926.8

2023:Q1	2023:Q2	2023:Q3	2023:Q4
29.1	109.9	153.9	189.1
165.4	161.8	167.1	162.9
165.5	159.9	152.3	146.8
127.1	119.6	113.0	106.1
90.5	87.5	71.5	68.9
57.2	42.2	37.5	25.9
32.2	31.0	29.6	28.8
35.6	30.8	24.5	23.0
19.4	19.4	17.7	13.7
12.1	12.0	10.0	10.0
17.7	15.1	14.1	13.1
2.3	1.9	1.9	1.9
0.9	0.9	0.8	0.8
48.6	47.4	45.9	44.9
116.9	120.8	117.8	116.1
920.5	960.1	957.5	951.9

Source: JP Morgan, AFME, SIFMA, SCI.

Complete US outstandings data is available only up to 2021:Q4. 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.

<sup>\*</sup>Outstanding volumes in table 3.2 do not include outstanding CLO/CDO volumes.



### afme/ Total European outstandings by country

#### All volumes in EUR bn

#### 3.4 Total European Outstandings by Country

	2024:Q1
Belgium	49.8
France	156.9
Germany	73.0
Greece	9.4
Ireland	33.8
Italy	140.6
Netherlands	107.7
Other Europe	5.9
Pan European	240.7
Portugal	9.6
Spain	111.7
Switzerland	1.8
UK	221.4

EU Total	939.1
European Total	1162.4

2023:Q1	2023:Q2	2023:Q3	2023:Q4
46.6	51.3	50.9	50.5
121.5	182.1	175.6	176.2
80.4	79.3	76.2	75.3
9.5	9.5	9.4	9.4
26.6	23.8	23.1	23.0
141.4	135.9	139.4	143.2
120.2	122.5	122.3	110.3
6.0	6.8	6.4	6.0
222.8	223.8	229.2	234.2
9.8	9.4	9.2	9.9
120.6	118.3	115.2	116.0
2.3	2.5	2.6	2.1
227.2	228.4	223.1	224.4

905.3	962.5	956.8	954.1
1134.7	1193.5	1182.6	1180.6

Source: JP Morgan, SCI.

Note that outstanding volumes of CLO/CDO are aggregated on a European basis and not broken down by country.

EU total category includes EU countries, Pan European and 'other Europe' issuance, excluding the UK and Switzerland.



### afme/ Country and collateral of European outstandings

### 3.5 Total European Outstandings by Country and Collateral Type

2024:Q1	Auto	Cards	CLO / CDO	CMBS	Consumer	Leases	Other	RMBS	SME ABS	Total
Belgium	0.4	0.0		0.0	0.4	0.0	0.0	24.6	24.4	49.8
Eurozone	63.9	3.1		6.0	79.8	10.0	19.5	407.0	114.2	703.5
France	6.2	1.0		0.2	20.6	0.7	0.0	122.2	6.0	156.9
Germany	29.5	0.0		1.3	6.0	1.5	0.0	31.3	3.4	73.0
Greece	0.1	0.5		0.0	0.0	0.5	4.2	0.2	4.0	9.4
Ireland	0.5	0.0		0.2	0.0	0.0	2.5	30.7	0.0	33.8
Italy	10.2	0.0		1.2	39.6	5.1	10.0	32.5	42.0	140.6
Netherlands	2.2	0.0		0.7	0.4	0.0	0.0	79.3	25.3	107.7
Other Europe	3.5	0.0		0.6	1.0	0.0	0.9	0.0	0.0	5.9
Pan European	0.0	0.0	235.6	1.8	0.0	0.0	0.0	3.2	0.1	240.7
Portugal	1.9	0.7		0.0	0.7	0.0	1.0	5.3	0.0	9.6
Spain	9.5	0.9		0.1	11.3	2.3	1.0	77.8	9.0	111.7
Switzerland	1.2	0.6		0.0	0.0	0.0	0.0	0.0	0.0	1.8
UK	6.8	22.3		23.7	8.3	0.6	27.6	132.0	0.2	221.4
EU Total	63.9	3.1	235.6	6.1	79.8	10.0	19.5	407.0	114.2	939.1
<b>Europe Total</b>	71.9	26.0	235.6	29.8	88.1	10.6	47.1	539.0	114.4	1162.4

Source: JP Morgan, SCI.

Note that outstanding volumes of CLO/CDO are aggregated on a European basis and not broken down by country.

EU total category includes EU countries, Pan European and 'other Europe' issuance, excluding the UK and Switzerland.

(as percentage of total Moody's securities)

#### 3.6 Europe

	2024:Q1
Aaa/AAA	58.2%
Aa/AA	28.9%
A/A	6.1%
Baa/BBB	3.4%
Ba/BB	1.6%
B/B	1.2%
Caa/CCC	0.4%
Ca/CC	0.1%
C/C	0.1%
Total	100.0%

#### 3.7 US

	2024:Q1
Aaa/AAA	49.6%
Aa/AA	5.7%
A/A	5.4%
Baa/BBB	4.6%
Ba/BB	3.1%
B/B	3.4%
Caa/CCC	13.1%
Ca/CC	10.3%
C/C	4.8%
Total	100.0%

2023:Q1	2023:Q2	2023:Q3	2023:Q4
54.0%	55.6%	56.0%	57.6%
31.1%	29.9%	30.0%	29.2%
8.0%	7.0%	7.0%	6.4%
4.0%	4.0%	3.0%	3.5%
1.5%	1.5%	1.6%	1.5%
1.3%	1.2%	1.2%	1.3%
0.3%	0.4%	0.4%	0.4%
0.1%	0.1%	0.1%	0.1%
0.2%	0.2%	0.2%	0.2%
100.0%	100.0%	100.0%	100.0%

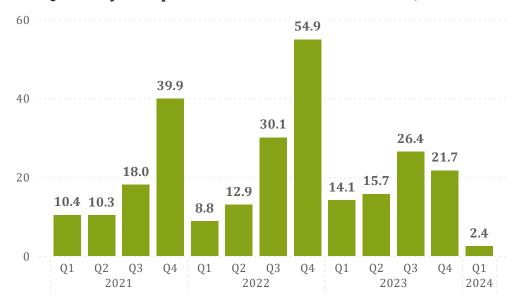
2023:Q1	2023:Q2	2023:Q3	2023:Q4
47.3%	48.1%	48.5%	49.0%
6.2%	6.1%	6.1%	6.0%
5.5%	5.4%	5.4%	5.0%
4.7%	4.6%	4.7%	5.0%
3.4%	3.3%	3.2%	3.0%
3.8%	3.6%	3.4%	3.0%
13.5%	13.4%	13.3%	13.0%
10.5%	10.4%	10.4%	10.0%
5.1%	5.1%	5.0%	5.0%
100.0%	100.0%	100.0%	100.0%



## Significant Risk Transfer (SRT)

## afme/ Significant Risk Transfer (SRT) Securitisation

#### 4.1 Quarterly European SRT securitisation issuance, EUR bn



#### 4.2 Top 10 asset classes for annual issuance EUR bn

<b>A</b>	2021	2022	2023	2024
Corporate and SME loans	42.0	82.1	58.0	2.0
Real estate / Mortgage loans	9.5	7.0	3.7	
Auto loans	5.8	4.5	2.5	
<b>Consumer loans</b>	3.0	2.3	7.1	
Leasing	2.0	6.9	3.3	0.5
Undrawn corporate revolving facilities	5.3			
Project finance loans	0.6	1.5	1.3	
Buy now pay later loans		1.4		
<b>Project finance and CRE loans</b>		1.0		
Housing community loans		0.1		
Other	10.4		2.1	
Total	78.6	106.7	78.0	2.4

#### 4.3 SRTx™ SPREAD INDEXES (May 2024)

Index Short Name	Index Style	SRT Category	Region	Index Value	Last	Chg	% Chg
SRTx™ CORP EU	Spread (bps)	Large Corporate	EU	931	931		0.0%
SRTx <sup>™</sup> CORP US	Spread (bps)	Large Corporate	US	756	763	-6	-8.0%
SRTx <sup>™</sup> SME EU	Spread (bps)	Small and Medium-Sized Enterprises (SMEs)	EU	1,050	1038	13	1.2%
SRTx <sup>™</sup> SME US	Spread (bps)	Small and Medium-Sized Enterprises (SMEs)	US	1,125	1113	13	1.1%

Source: SCI. Note for Q1'24: According to anecdotal evidence from market participants, SRT issuance increased 10% (YoY) in Q1'24. This amount is not reflected in the data currently available to AFME, with data for Q1'24 likely to be revised upwards in the future. European SRT volumes include EU and non-EU European countries and aggregated on the basis of the transaction currency being European (EUR, CHF, GBP, PLN and RON). Issuance refers to total portfolio notional volumes. For transactions for which portfolio volumes are unavailable, volumes have been estimated using the European median average. The SRTx™ (the Index) is a fixed income benchmark rate index that measures the estimated prevailing new-issue price spread for generic private market risk transfer transactions. The Index is comprised of two theoretical deal structures with standardised, pre-defined characteristics across the corporate and SME sectors – the two most widely utilised SRT deal types. The principle of the index is to canvas prevailing opinion on the price of such generic deals. SRTx™ SPREAD INDEXES updated monthly.



# **Credit Quality**



# **afne**/ Upgrades/Downgrades by country

### **5.1 Moody's Investor Service**

	2024:Q1
France	23/2
Germany	39/6
Italy	55/109
Multinational	413/72
Netherlands	63/7
Spain	237/18
UK	237/30
European Total	1192/280
US	4702/1570

TOTAL
23/2
39/6
55/109
413/72
63/7
237/18
237/30
1192/280
4702/1570

2023:Q1	2023:Q2	2023:Q3	2023:Q4
21/1	22/1	23/2	23/2
34/5	34/5	36/5	39/6
42/98	45/100	48/104	52/106
266/44	283/50	314/60	359/63
50/5	56/6	56/6	58/6
168/16	181/17	193/17	235/18
203/27	207/28	235/29	235/30
882/231	934/243	1015/259	1125/267
3507/1327	3820/1397	4066/1458	4381/1511

TOTAL
89/6
143/21
187/408
1222/217
220/23
777/68
880/114
3956/1000
15774/5693

## **5.2 S&P Global Ratings**

	2024:Q1
France	0/0
Germany	1/0
Italy	2/0
Multinational	45/1
Netherlands	0/0
Spain	3/0
UK	12/19
European Total	63/20
US	185/276

TOTAL
0/0
1/0
2/0
45/1
0/0
3/0
12/19
63/20
185/276

2023:Q1	2023:Q2	2023:Q3	2023:Q4
0/0	5/0	0/0	0/0
3/4	5/0	1/0	1/0
0/0	9/0	1/0	6/0
19/2	4/1	24/2	66/1
11/0	0/1	0/0	0/4
34/0	16/0	0/0	0/0
28/2	121/9	19/12	23/8
95/8	160/11	45/14	96/13
252/164	274/165	474/242	699/276

TOTAL
5/0
10/4
16/0
113/6
11/5
50/0
191/31
396/46
1699/847



# **afne**/ Upgrades/Downgrades by country

#### **5.3 DBRS**

	2024:Q1
France	1/0
Germany	1/0
Italy	41 / 2
Multinational	4/0
Netherlands	8/0
Spain	9/1
UK	29 / 6
European Total	93 / 9

777 / 147

TOTAL
1/0
1/0
41/2
4/0
8/0
9/1
29/6
93/9
777/147

#### **5.4 Fitch Ratings**

	2024:Q1
France	3/0
Germany	14/0
Italy	24/0
Multinational	22/0
Netherlands	8/0
Spain	35/0
UK	58/0
<b>European Total</b>	182/1
US	579/65

TOTAL	
3/0	
14/0	
24/0	
22/0	
8/0	
35/0	
58/0	
182/1	
579/65	

2023:Q1	2023:Q2	2023:Q3	2023:Q4	TOTAL
0/0	11/0	2 / 4	3/0	16/4
0/0	4/0	9/4	10 / 0	23/4
22/3	22 / 4	13 / 8	49 / 2	106/17
11/0	18 / 0	26 / 9	6/1	61/10
8/0	15 / 0	3/0	1/0	27/0
14 / 0	13 / 0	18/3	10 / 1	55/4
11/0	10 / 0	8/5	42 / 0	71/5
66/3	93 / 4	79 / 33	121 / 4	359/44
696 / 20	702 / 53	706 / 59	1345 / 106	3449/238

2023:Q1	2023:Q2	2023:Q3	2023:Q4	TOTAL
0/0	7/3	4/0	0/0	11/3
1/0	10/1	9/0	2/0	22/1
7/5	17/0	7/4	3/0	34/9
6/0	12/2	30/4	180/1	228/7
4/0	3/0	2/0	9/5	18/5
32/2	32/1	9/4	8/0	81/7
19/11	27/0	39/5	31/3	116/19
76/18	131/7	101/17	255/15	563/57
780/132	1,376/109	318/1,204	1,980/340	4454/1785



#### **Moody's Investor Service**

#### 5.5 Europe

	2024:Q1
Auto	73 / 10
CDO	413 / 72
CMBS	22 / 25
Credit Card	2/1
RMBS (non-prime)	238 / 65
RMBS (prime)	444 / 107
Total	1192 / 280

TOTAL
73/10
413/72
22/25
2/1
238/65
444/107
1192/280

62 / 9	64 / 9	65 / 9	71 / 10
266 / 44	283 / 50	314 / 60	359 / 63
21 / 21	21 / 21	21 / 23	21 / 25
2/1	2/1	2/1	2/1
186 / 53	196 / 56	227 / 60	232 / 62
345 / 103	368 / 106	386 / 106	440 / 106
882 / 231	934 / 243	1015 / 259	1125 / 267

2023:Q3

2023:Q4

2023:Q1

TOTAL
262/37
1222/217
84/90
8/4
841/231
1539/421
3956/1000

#### 5.6 US

	2024:Q1
Auto	781 / 21
CDO	1088 / 445
CMBS	183 / 475
Credit Card	11/0
RMBS	2639 / 629
Total	4702 / 1570

TOTAL
781/21
1088/445
183/475
11/0
2639/629
4702/1570

2023:Q1	2023:Q2	2023:Q3	2023:Q4
640 / 13	668 / 15	696 / 17	747 / 20
711 / 345	825 / 378	898 / 407	982 / 419
178 / 395	181 / 423	182 / 445	138 / 467
11 / 0	11 / 0	11 / 0	11 / 0
1967 / 574	2135 / 581	2279 / 589	2458 / 605
3507 / 1327	3820 / 1397	4066 / 1458	4381 / 1511

TOTAL
2751/65
3416/1549
679/1730
44/0
8839/2349
15774/5693

Source: Moody's Investors Service.



# **afne**/ Upgrades/Downgrades by collateral Finance for Europe

### **S&P Global Ratings**

#### 5.7 Europe

	2024:Q1
Auto	3/8
CDO	45/1
CMBS	1/0
Credit Card	0/0
RMBS (prime)	10/3
RMBS (subprime)	4/8
Total	63/20

TOTAL
3/8
45/1
1/0
0/0
10/3
4/8
63/20

## 5.8 US

	2024:Q1
Auto	32/5
CDO	32/8
CMBS	0/61
Credit Card	0/0
RMBS (prime)	0/5
RMBS (subprime)	121/197
Total	185/276

TOTAL
32/5
32/8
0/61
0/0
0/5
121/197
185/276

2023:Q1	2023:Q2	2023:Q3	2023:Q4
7/0	25/1	8/0	12/0
19/3	8/1	18/2	56/2
6/4	8/8	9/6	10/5
0/0	0/0	0/0	0/0
53/0	19/0	5/0	5/0
10/1	100/1	5/6	13/6
95/8	160/11	45/14	96/13

2023:Q1	2023:Q2	2023:Q3	2023:Q4
20/4	133/2	102/0	163/0
2/7	10/5	83/26	1/12
0/61	0/64	1/63	0/159
0/0	0/0	0/0	0/0
34/28	42/51	62/4	142/19
196/64	89/43	226/149	393/86
252/164	274/165	474/242	699/276

TOTAL
418/6
96/50
1/347
0/0
280/102
904/342
1699/847

TOTAL

52/1 101/8 33/23 0/082/0 128/14 396/46

Source: S&P Global Ratings



# **afne**/ Upgrades/Downgrades by collateral Finance for Europe

#### **DBRS**

### 5.9 Europe

	2024:Q1
Auto	11/0
CDO	4/0
CMBS	12 / 4
Credit Card	37 / 2
Other ABS	3/3
RMBS (non-prime)	0/0
RMBS (prime)	26 / 0
Total	93 / 9

TOTAL
11/0
4/0
12/4
37/2
3/3
0/0
26/0
93/9

2023:Q1	2023:Q2	2023:Q3	2023:Q4
5/0	11/0	15 / 0	23 / 0
6/0	6/0	6/0	7/1
0/0	6/0	0 / 23	8/0
18 / 0	19/0	16/0	53 / 0
4/3	15 / 4	6/4	5/2
2/0	20 / 0	6/0	13 / 0
31/0	16 / 0	29 / 6	12 / 0
66/3	93 / 4	78 / 33	121/3

	TOTAL
5	4/0
2	5/1
1	4/23
1	06/0
3	0/13
4	1/0
8	8/6
3	58/43

#### 5.10 US

	2024:Q1
Auto	21 / 1
CDO	13 / 0
CMBS	27 / 145
Credit Card	3/1
Other ABS	37 / 0
RMBS	676 / 0
Total	777 / 147

TOTAL
21/1
13/0
27/145
3/1
37/0
676/0
777/147

Source: DBRS

2023:Q1	2023:Q2	2023:Q3	2023:Q4
14 / 0	97 / 0	74 / 0	39 / 2
4/0	13 / 0	5/0	24 / 0
72 / 20	42 / 42	24 / 59	132 / 101
3/0	6/2	12 / 0	11/1
8/0	52 / 1	18 / 0	8/1
595 / 0	492 / 8	573 / 0	1131 / 1
696 / 20	702 / 53	706 / 59	1345 / 106

TOTAL	
224/2	
46/0	
270/222	
32/3	
86/2	
2791/9	
3449/238	



# **afne**/ Upgrades/Downgrades by collateral Finance for Europe

### **Fitch Ratings**

#### **5.11 Europe**

	2024:Q1
Auto	15/0
CDO	29/1
CMBS	0/0
Credit Card	38/0
Other ABS	46/0
Other RMBS	1/0
RMBS (non-conforming)	3/0
RMBS (prime)	50/0
Total	182/1

TOTAL
15/0
29/1
0/0
38/0
46/0
1/0
3/0
50/0
182/1

#### 5.12 US

	2024:Q1
Auto	26/0
CDO	19/8
CMBS	2/44
Credit Card	0/0
Other ABS	4/13
Other RMBS	202/0
RMBS (prime)	326/0
RMBS (subprime)	0/0
Total	579/65

TOTAL
26/0
19/8
2/44
0/0
4/13
202/0
326/0
0/0
579/65

2023:Q1	2023:Q2	2023:Q3	2023:Q4
15/0	12/0	13/0	11/0
12/1	12/3	31/4	0/0
4/15	6/0	0/4	0/11
0/0	3/0	2/0	30/0
6/0	22/3	3/0	5/0
2/0	13/0	11/4	8/0
9/0	12/0	17/3	19/3
28/2	51/1	24/2	30/0
76/18	131/7	101/17	255/15

2023:Q1	2023:Q2	2023:Q3	2023:Q4
43/0	15/0	45/0	73/0
8/6	9/5	2/12	36/8
86/118	21/89	184/440	36/174
0/0	0/0	0/0	0/0
7/8	11/10	6/317	14/2
615/0	999/2	81/435	1,242/38
21/0	321/3	0/0	138/36
0/0	0/0	0/0	441/82

780/132 1,376/109 318/1,204 1,980/340

TOTAL
176/0
55/31
327/821
0/0
38/337
2937/475
480/39
441/82
4454/1785

TOTAL

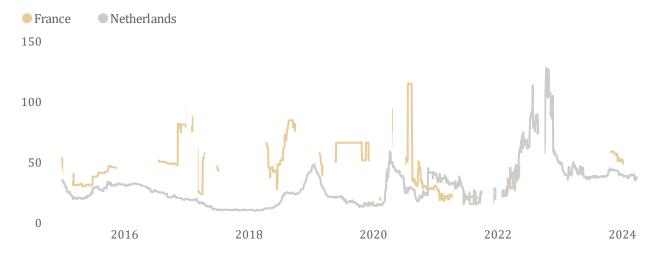
51/0 55/8 10/30 35/0 36/3 34/4 57/6 133/5 563/57



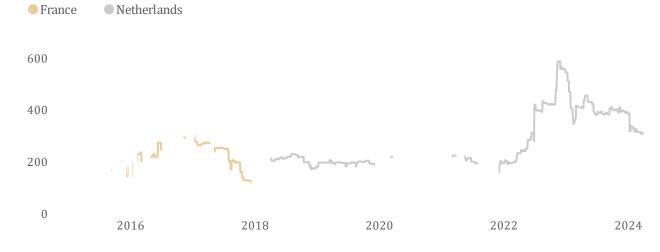
# Valuations and Spreads

# afme/RMBS spreads

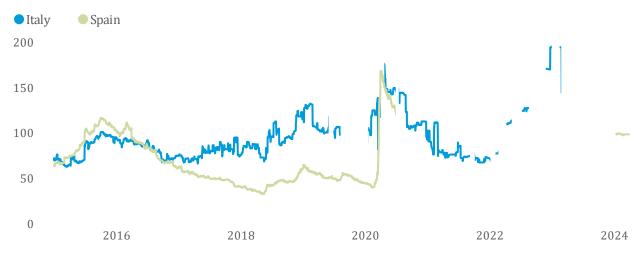
#### 6.1 European 3-5 Yr AAA RMBS Spreads (bps) selected jurisdictions



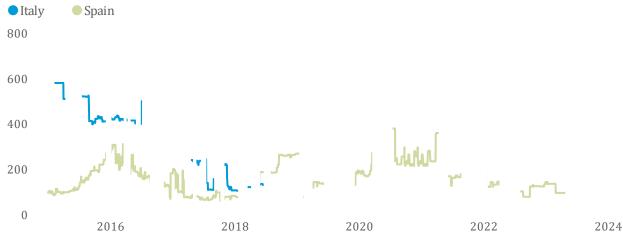
6.3 European 3-5 Yr BBB RMBS Spreads (bps) selected jurisdictions



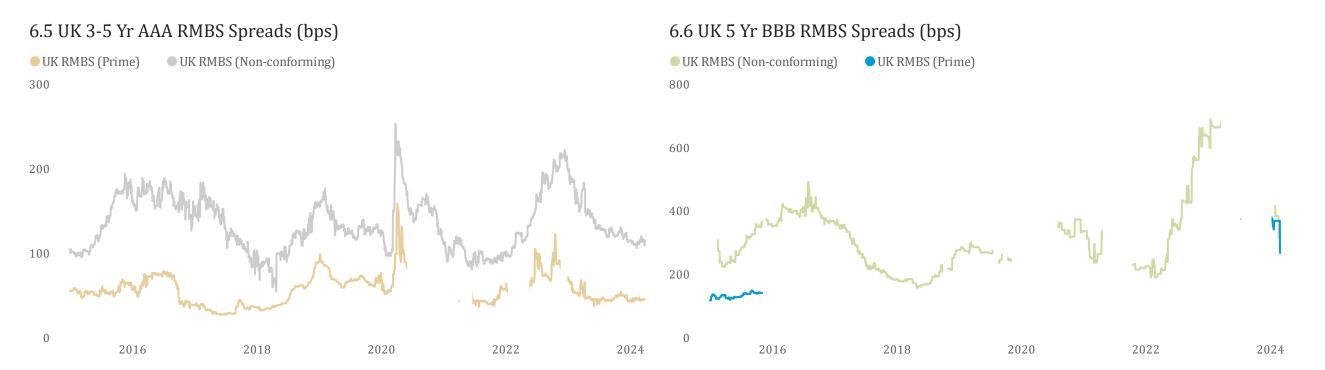
6.2 European 3-5 Yr AAA RMBS Spreads (bps) selected jurisdictions



6.4 European 3-5 Yr BBB RMBS Spreads (bps) selected jurisdictions

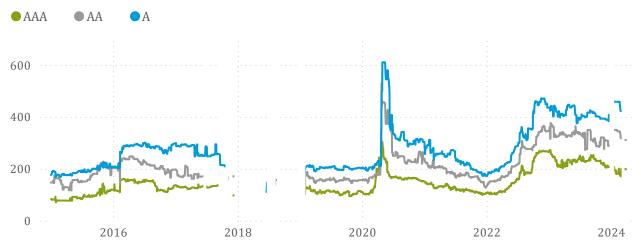


# afme/RMBS spreads Finance for Europe

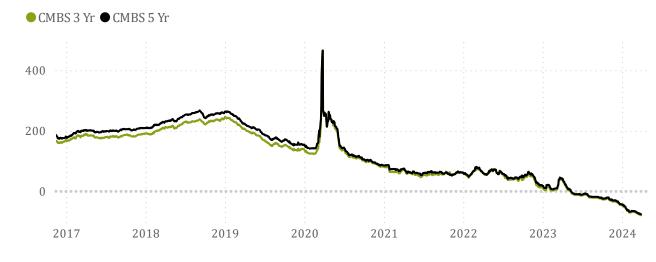


# afne/ CMBS spreads Finance for Europe

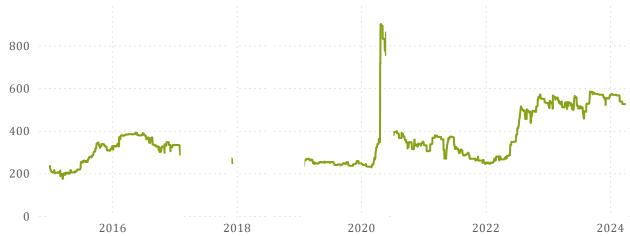
#### 6.7 European 3-5 Yr AAA, AA, A CMBS Spreads (bps)



### 6.9 US 3 & 5 Yr AAA CMBS Spreads (bps)



#### 6.8 European 3-5 Yr BBB CMBS Spreads (bps)

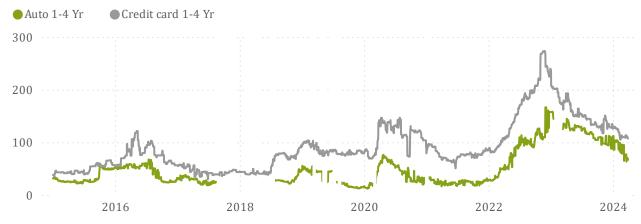


#### 6.10 US 3 & 5 Yr BBB CMBS Spreads (bps)



# afme/ ABS and CLO spreads

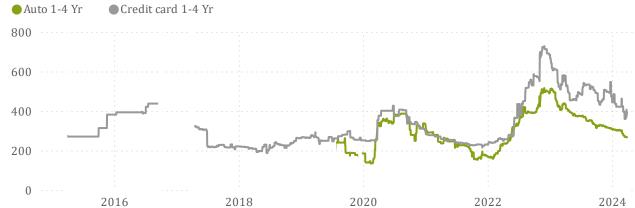
### 6.11 European 1-4 Yr AAA ABS Spreads (bps)



#### 6.13 EURO 5-10 Yr AAA-A CLO Spreads (bps)

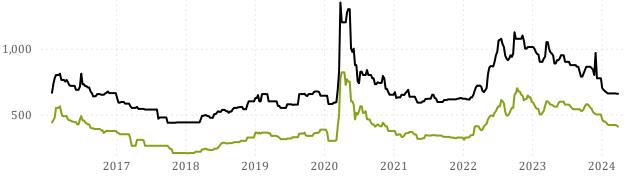


#### 6.12 European 1-4 Yr BBB Spreads (bps)



#### 6.14 EURO 7-9 Yr BBB-BB CLO Spreads (bps)





Source: IHS Markit, JP Morgan



## **ABCP**



## 7.1 ABCP Outstandings: Asset breakdown by country of asset in multi-seller programmes

	2023 H1	2023 H2
Austria	0.97	1.04
Euromarket	11.89	12.21
France	11.53	12.42
Germany	12.47	13.97
Italy	14.13	14.82
Netherlands	2.10	2.17
Other	2.50	2.74
<b>United Kingdom</b>	11.61	11.49
Total	67.20	70.86

	Change
Ï	0.07
	0.32
	0.89
	1.50
	0.69
	0.07
	0.24
	-0.12
	3.66

#### 7.2 EMEA ABCP Outstandings by Programme Type

	2023 H1	2023 H2
Multi-Seller	72.28	76.54
Repo	40.60	46.50
Single-Seller	0.17	0.14
Total	113.05	123.18

Change
4.26
5.90
-0.03
10.13

## 7.3 US ABCP Outstandings by Programme Type

	2023 H1	2023 H2
Multi-Seller	187.07	204.18
Repo	19.02	25.14
Single-Seller	19.57	21.07
Total	225.66	250.39

(	Change
	17.11
	6.12
	1.50
	24.73



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

	2023 H1	2023 H2
Austria	0.00	0.00
Belgium	0.00	0.00
Czech Republic	0.00	0.00
Euromarket	0.51	1.00
Finland	0.00	0.00
France	0.89	2.35
Germany	0.35	1.45
Ireland	0.00	0.00
Italy	1.41	1.37
Latvia	0.00	0.00
Netherlands	0.30	0.00
Poland	0.00	0.00
Spain	0.00	0.00
Sweden	0.09	0.00
Switzerland	0.01	0.00
<b>United Kingdom</b>	1.74	0.50
Total	5.30	6.67

Change	
	0.00
	0.00
	0.00
	0.49
	0.00
	1.46
	1.10
	0.00
	-0.04
	0.00
	-0.30
	0.00
	0.00
	-0.09
	-0.01
	-1.24
	1.37

Source: Moody's Investors Service. Latest data available as of H2 2023. 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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