S&P Global
Ratings

EMEA RMBS And ABS Monitor Q4 2024

Jan. 20, 2025

This report does not constitute a rating action

Key Takeaways

- During Q4 2024, rating actions were down 45% quarter-on-quarter to 159 from 291, primarily due to fewer affirmations, which decreased to 82 from 203 in the previous quarter. In Q3 2024, approximately one third of affirmations were due to new issuances from existing platforms/trusts, which led to affirmations of outstanding notes. There was also a decrease in both downgrades (13 versus 18) and upgrades (64 versus 70). The affected tranches related to 32 transactions, representing 7% of our rated ABS and RMBS universe.
- We reviewed 25 ABS and 91 RMBS transactions--25% of our total rated ABS and RMBS universe--through rating actions and our annual review surveillance process.
- The number of new transactions we rated decreased compared with Q3 2024 to 13 from 17. We rated four new ABS (Q3 2024: seven) and nine new RMBS (Q3 2024: 10) transactions. New RMBS transactions comprised assets primarily from the U.K. and Ireland, and ABS transactions were primarily from Germany and the U.K. Additionally, we rated two new Spanish transactions: a consumer loan and a reperforming loan transaction.
- In Q4 2024, positive rating actions comprised a large share (40%) of our total rating actions. Only 8% of the rating actions we took were negative. Negative actions affected mainly junior classes (70%) and were limited to one notch for classes rated 'BBB' and above.
- Rating action severities were 1.4 notches for downgrades and 1.1 notches for upgrades.
- Most RMBS upgrades were concentrated in U.K. transactions (40%), followed by Spain (35%) and the Netherlands (13%). U.K. transactions accounted for all the RMBS downgrades, which were all related to nonconforming assets.
- We upgraded 12 ABS tranches and affirmed 10. No negative actions were taken on ABS transactions. The upgrades were almost equally split among German, Finnish, Irish, and Italian transactions.

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