

**S&P Global**  
Ratings

# EMEA Structured Finance Chart Book

February 2025

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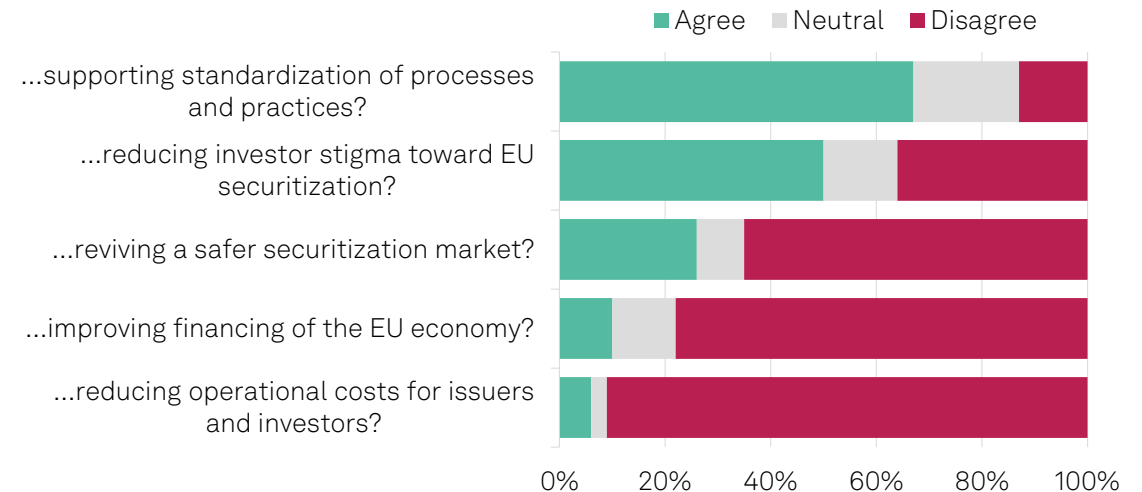
*This report does not constitute a rating action*



# Highlights—News

- **European Commission securitization consultation.** On Feb. 17, the European Commission published a summary report, aggregating feedback from the 133 responses it received to its consultation on the functioning of the EU securitization framework, which closed on Dec. 4, 2024. Overall, responses suggested that the current framework may have helped standardize elements of the European securitization sector, but this has not helped revive the market or reduce costs (see chart). Almost two-thirds of respondents believed that investor due diligence requirements should be more principle-based and less burdensome. The majority of respondents also advocated streamlining the current disclosure templates for public securitizations and introducing a simplified template for private transactions.
- **Issuance.** Investor-placed securitization issuance for January 2025 was close to €8.5 billion--slightly higher than in January 2024. While RMBS issuance was at only half the level of the previous year, both the ABS and CLO sectors have got off to a strong start. At €3.2 billion, January CLO issuance was comfortably more than double the level of a year earlier. European benchmark covered bond issuance in January was €28.4 billion--down 34% compared with last year. That said, volumes in January 2023 and 2024 were unusually high, so this marks a return to more typical levels.
- **Rating actions.** In January 2025, we raised 25 of our ratings on European securitization tranches across a mix of sectors, including CLOs and Spanish RMBS. There were also four downgrades across three repack and U.K. RMBS transactions.

## Has the securitization framework succeeded in...



The above figures aggregate "fully" and "somewhat" agree/disagree response categories and excludes non-respondents. Sources: European Commission, S&P Global Ratings.

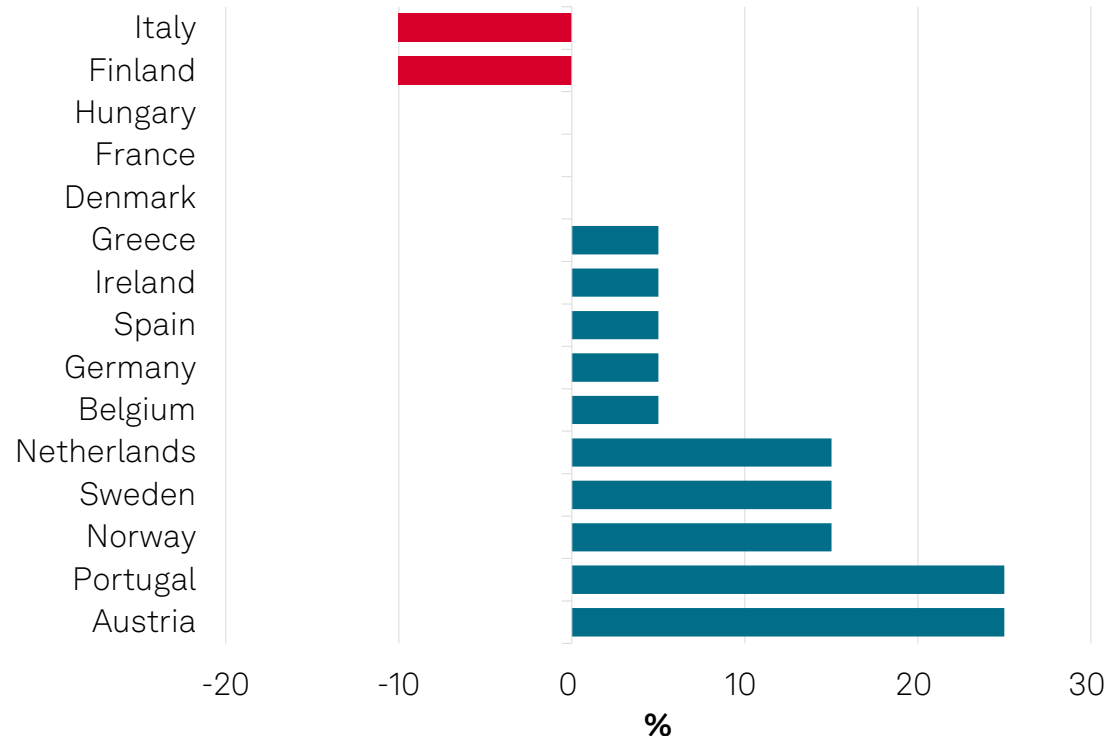
## Highlights—Credit FAQ: Germany's First Solar ABS Leads The Way For Europe

- In November 2024, Europe's nascent solar ABS market passed an important milestone when the first public transaction closed. While welcome, this event also highlighted the extent to which the European market lags its U.S. counterpart, where we first rated a solar ABS transaction in 2013. And it comes against a backdrop of softer demand for residential solar panels in Germany. In a recent [Credit FAQ](#), we outline the key characteristics of the German solar ABS portfolio, the main components of our analysis, and the challenges facing solar ABS.
- **What is the state of Germany's solar energy development?** As part of a broader commitment to sourcing 80% of electricity from renewable sources, Germany's solar industry is growing rapidly and on track to meet a government target of 215 gigawatts (GW) of photovoltaic capacity by 2030, up from about 60GW in 2022. However, the industry also faces some challenges. A recessionary period weakened political support for the green agenda, and a phase-out of solar subsidies for households and rising financing costs have weighed on demand for panels.
- **What are the typical characteristics of the collateral portfolios for German solar ABS?**
  - The collateral portfolios typically consist of loans originated to fund the purchase of solar panels for private use. This is a recent development, with the industry transitioning from its previous leasing base.
  - Loan tenors typically range from 20 to 25 years, with longer loans facilitating reduced monthly payments, which enable solar loans to be promoted as a cheaper alternative to standard utility bills.
  - Borrowers, usually with good credit scores, typically own detached or semi-detached homes.

Source: S&P Global Ratings. For more details, see "[Credit FAQ: Germany's First Solar ABS Leads The Way For Europe](#)," published Feb. 4, 2025.

# Highlights—House Price Overvaluation Moderates For Key European Markets

## Current European house price under/overvaluation estimates



- We have updated our under/overvaluation assessments of European residential mortgage markets (for all countries other than the U.K.)
- These assessments are used to calibrate our loss severity assumptions for European RMBS and covered bond rating analyses.
- Overall, overvaluations have moderated, compared with our last update. This is driven by exhibited wage growth combined with, in some jurisdictions, house price declines.
- We have updated our approach to determining under/overvaluation for a specific mortgage market. A region or country will now be in one of six categories, ranging from undervalued to severely overvalued.
- The updated view also incorporates our forward-looking view of factors that are likely to drive income and house prices, such as interest rates and house price forecasts.

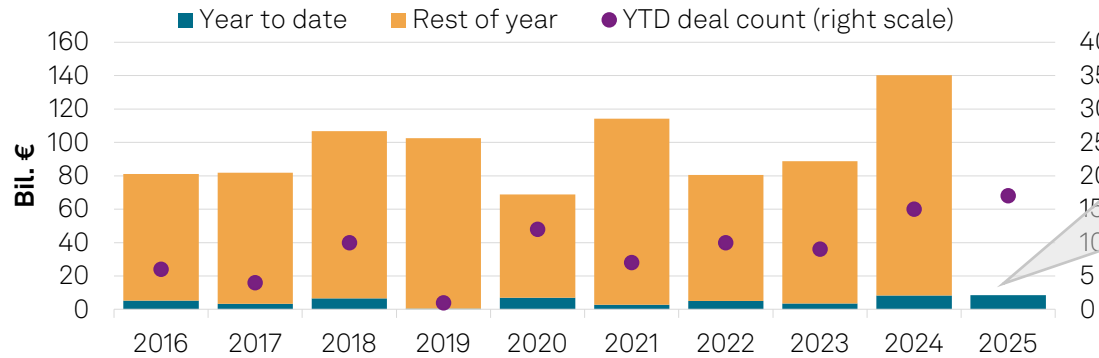
Source: S&P Global Ratings. For more details, see "House Price Overvaluation Moderates For Europe's RMBS And Covered Bond Markets," published Jan. 20, 2025.

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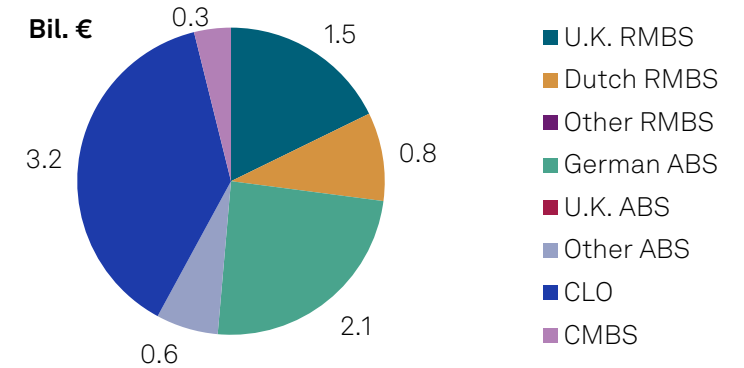
# Issuance—Securitizations

## 1. Investor-placed securitization issuance

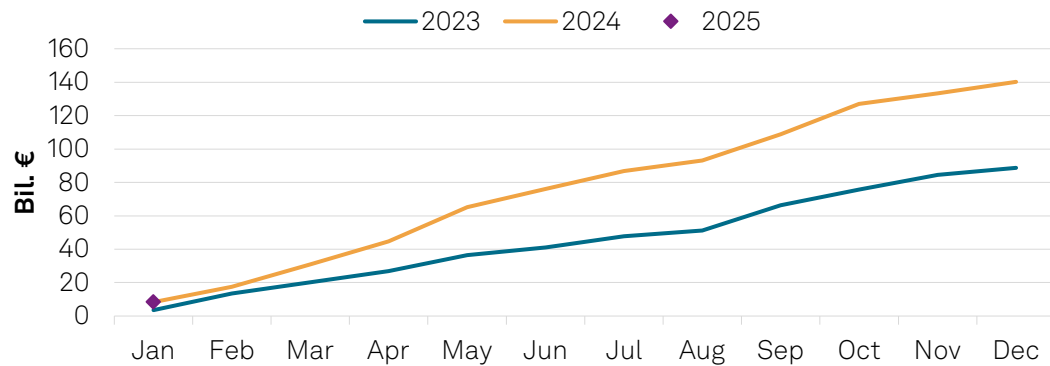


Securitization issuance for January hit a new post-crisis high of €8.5 billion, thanks to strong CLO and ABS activity.

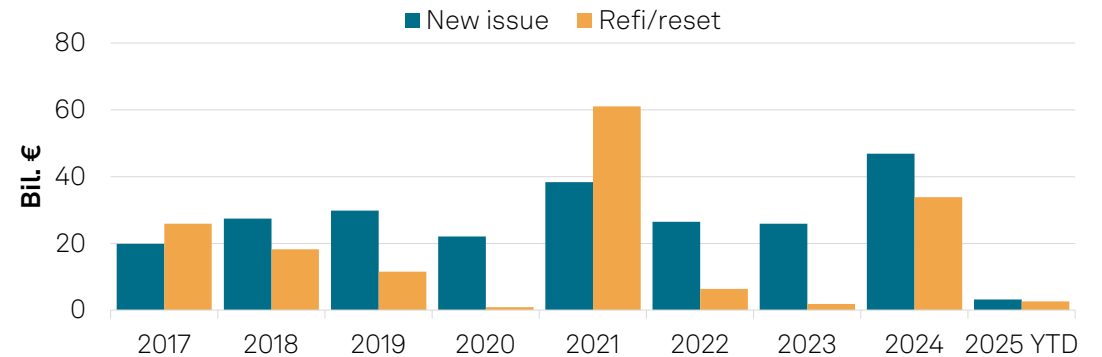
## 2. 2025 YTD investor-placed securitization issuance, by sector



## 3. Cumulative investor-placed securitization issuance



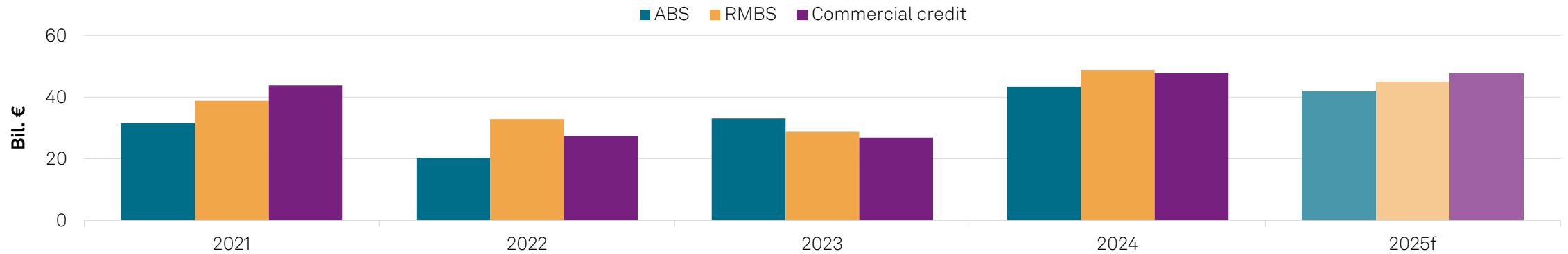
## 4. CLO refinancing and reset issuance



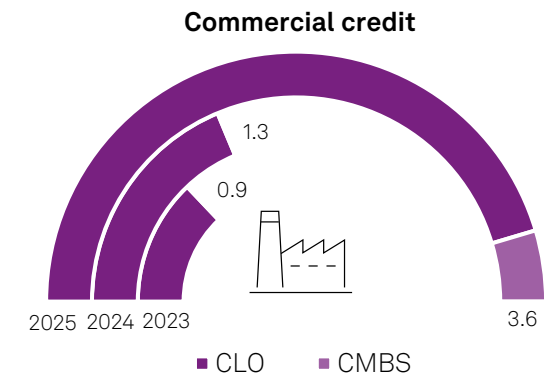
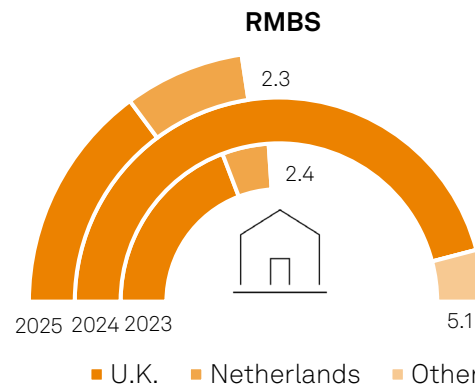
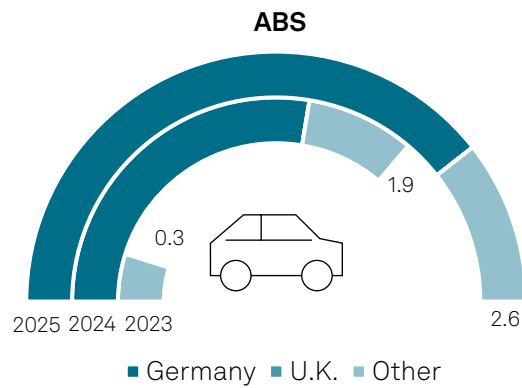
1-3. Year-to-date (YTD) figures as of end-January each year. Excludes CLO refinancings and resets. Source: S&P Global Ratings. 4. Sources: S&P Global Ratings, Pitchbook LCD.

# Issuance—Securitizations

## Annual investor-placed securitization issuance



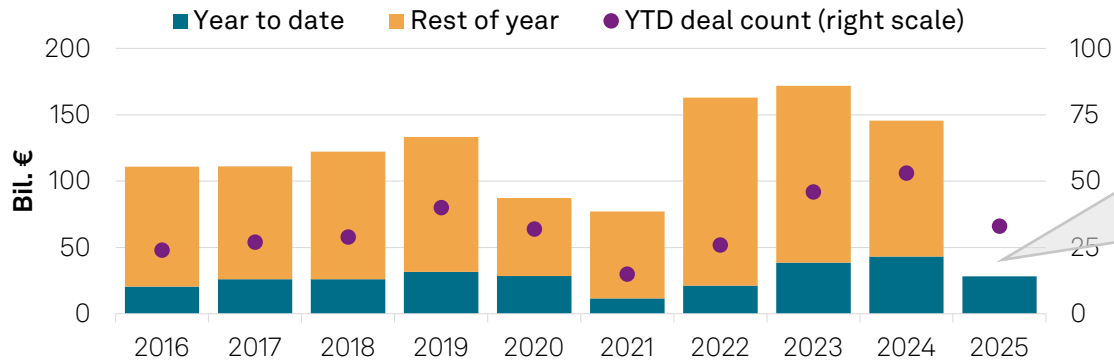
## YTD investor-placed securitization issuance, by subsector (bil. €)



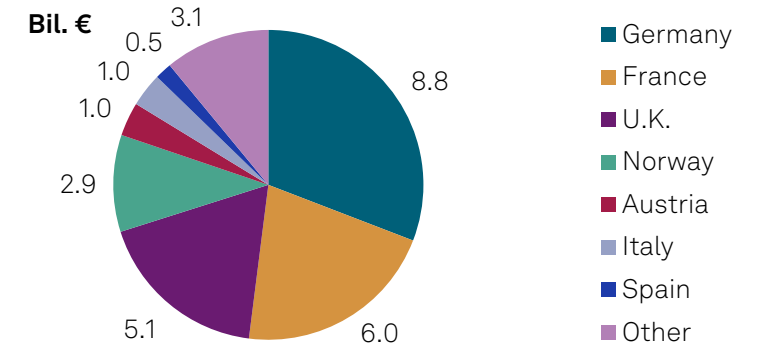
f--Forecast. Year-to-date (YTD) figures as of end-January each year. Commercial credit includes CLOs and CMBS. Excludes CLO refinancings and resets. Source: S&P Global Ratings.

# Issuance—Covered Bonds

## 1. Benchmark covered bond issuance

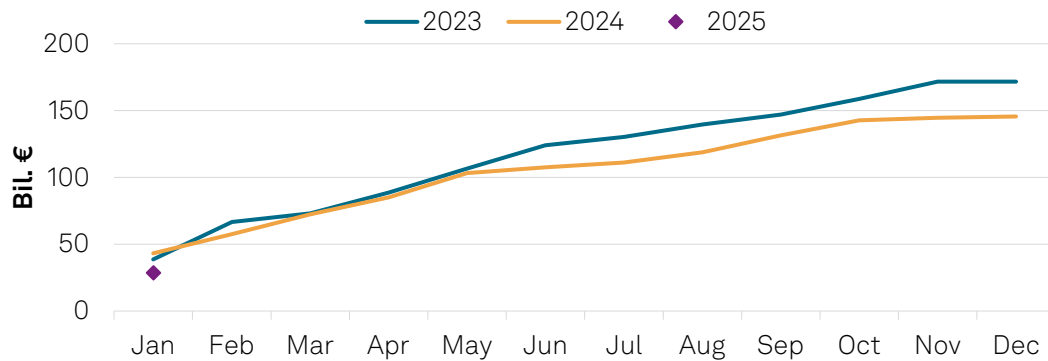


## 2. 2025 YTD benchmark covered bond issuance, by country

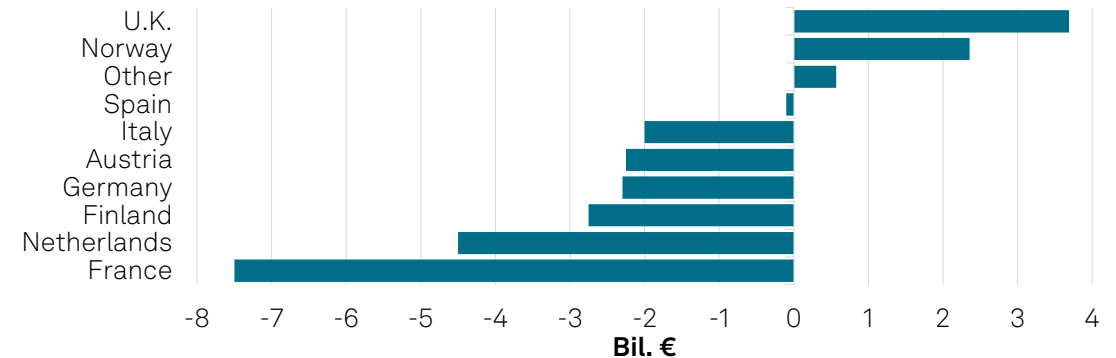


Benchmark covered bond issuance in January was down on last year at €28 billion, but still strong compared with most other recent years.

## 3. Cumulative benchmark covered bond issuance



## 4. Change in YTD issuance, 2025 vs. 2024, by country

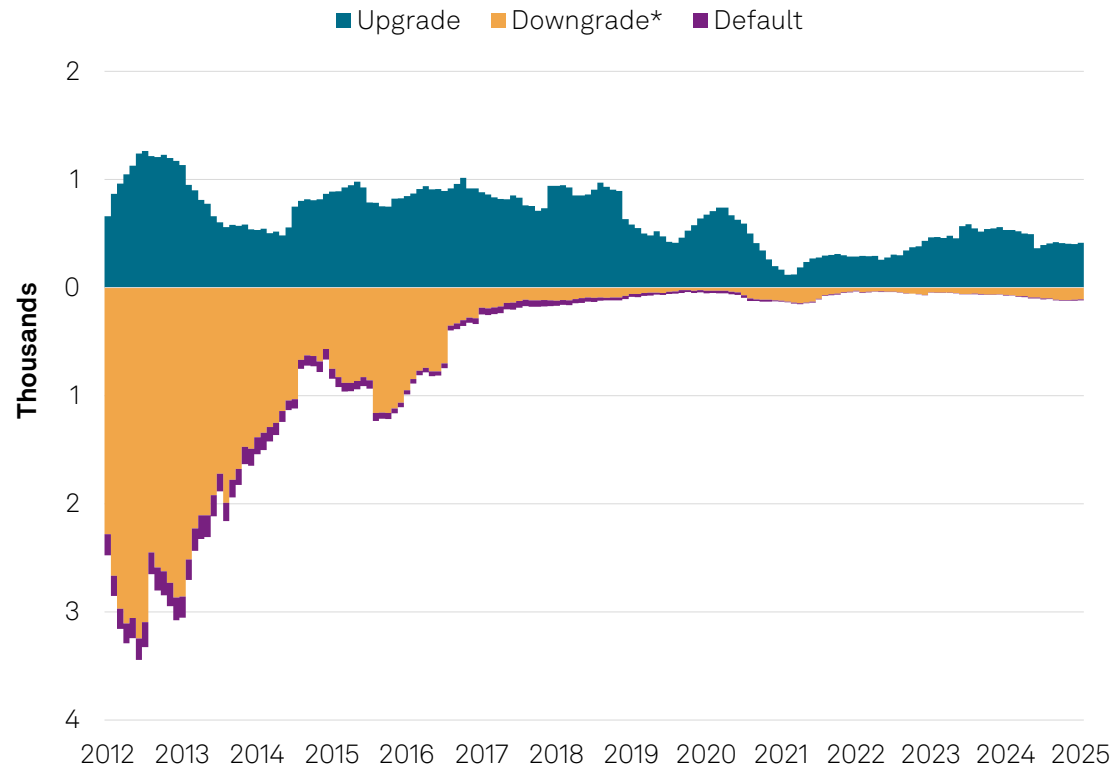


1-4. Year-to-date (YTD) figures as of end-January each year. Source: S&P Global Ratings.



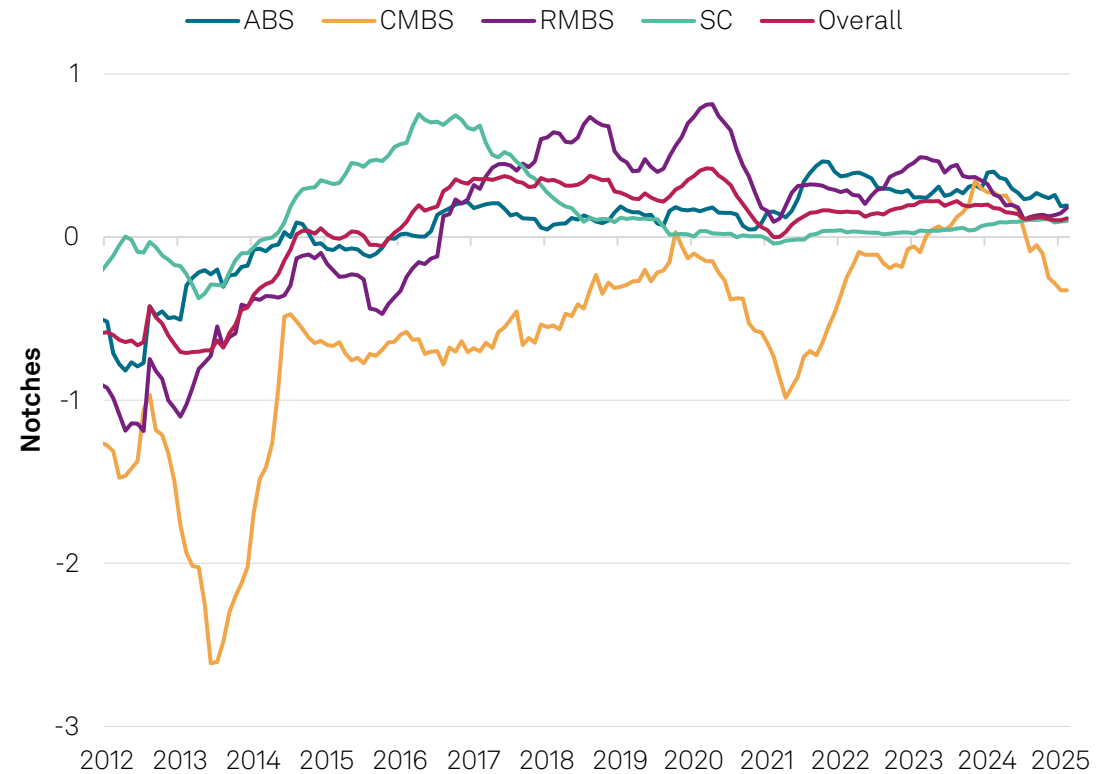
# Credit Performance—Long-Term Ratings Drift

Rating action count, 12-month rolling



\*Excluding defaults. Excludes covered bonds. Source: S&P Global Ratings.

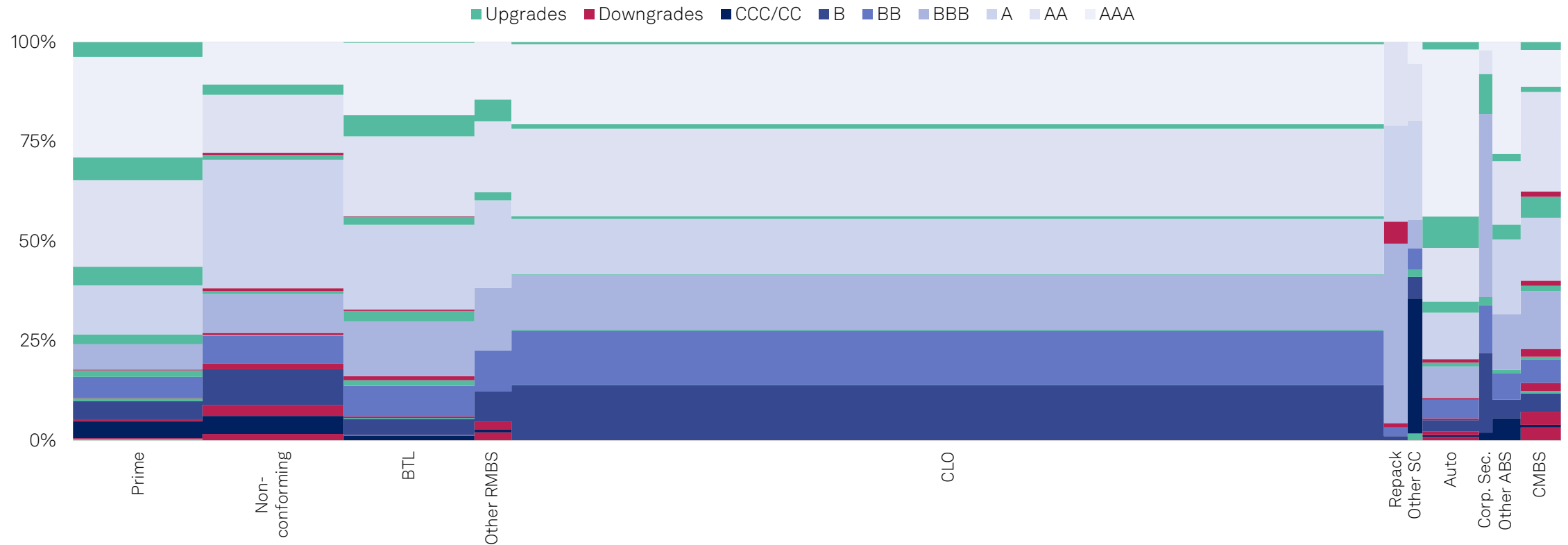
12-month trailing average change in credit quality



As of end-January 2025 SC--Structured credit. Securities whose ratings migrated to 'NR' over the period are classified based on their rating prior to 'NR'. Source: S&P Global Ratings.

# Credit Performance—Ratings Heatmap

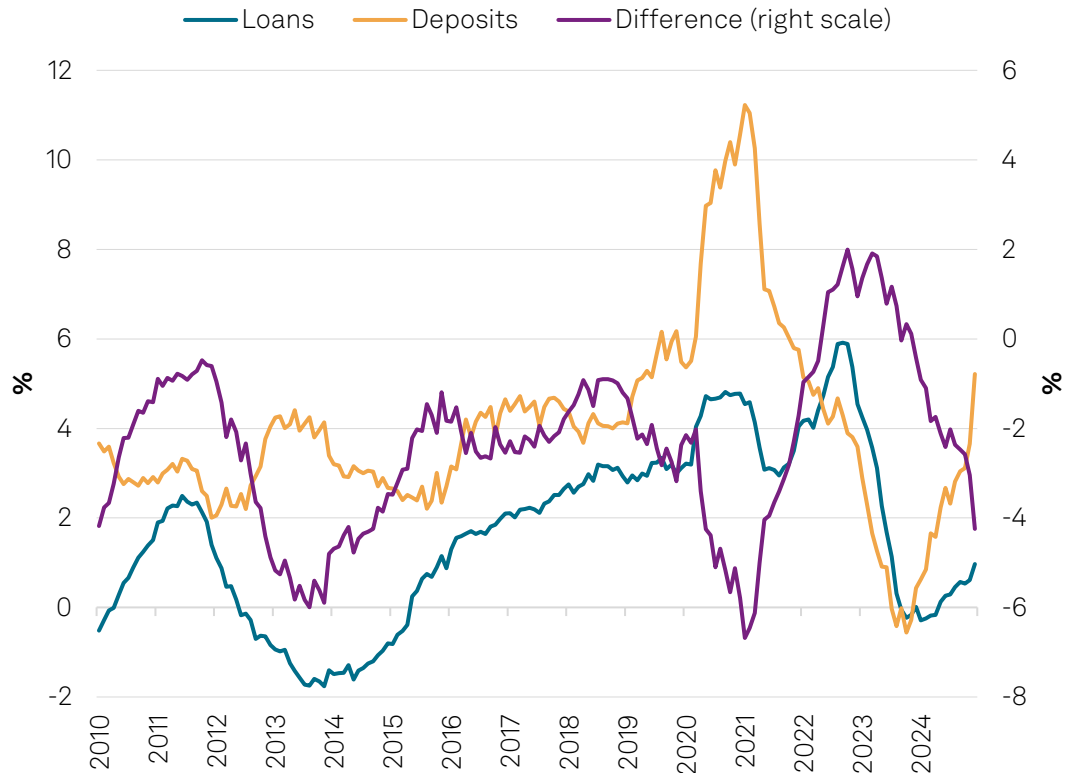
Distribution of ratings and 12-month transitions



BTL--Buy-to-let. SC--Structured credit. Based on rating transitions over the previous 12 months as of end-January 2025. Excludes confidential ratings and covered bonds. Source: S&P Global Ratings.

# Fundamentals—Issuance Drivers

12-month lending/deposit growth, eurozone real economy



Difference is loan book growth minus deposit growth. Real economy includes households and nonfinancial corporates. Source: European Central Bank.

Eurozone credit institutions' use of central bank funding



LTRO--Long-term refinancing operations. MRO--Main refinancing operations. Source: European Central Bank.

# RMBS



Alastair Bigley

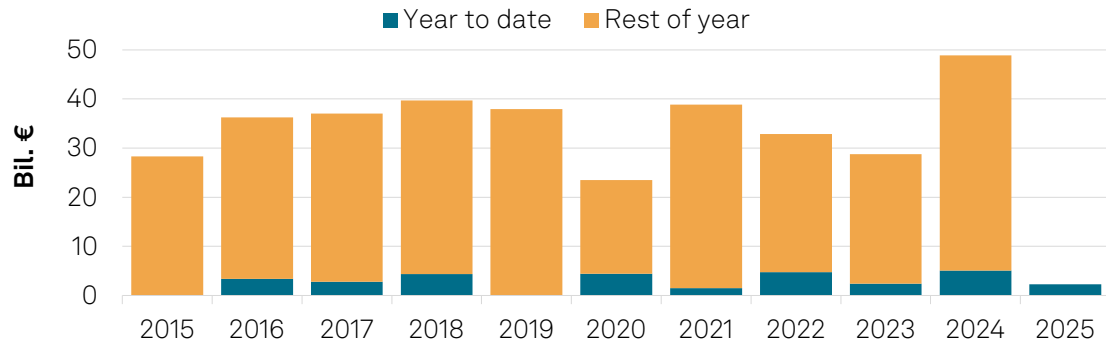
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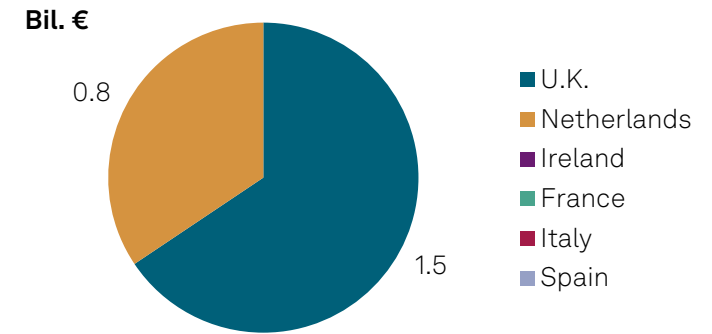
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# RMBS—Issuance

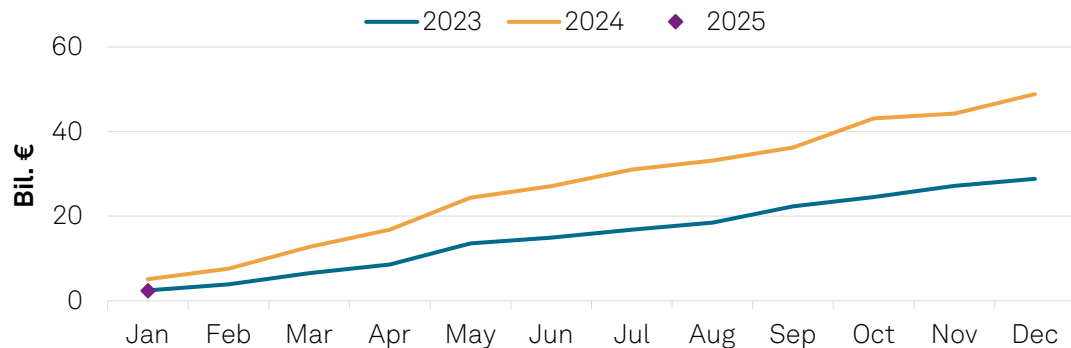
Investor-placed RMBS issuance



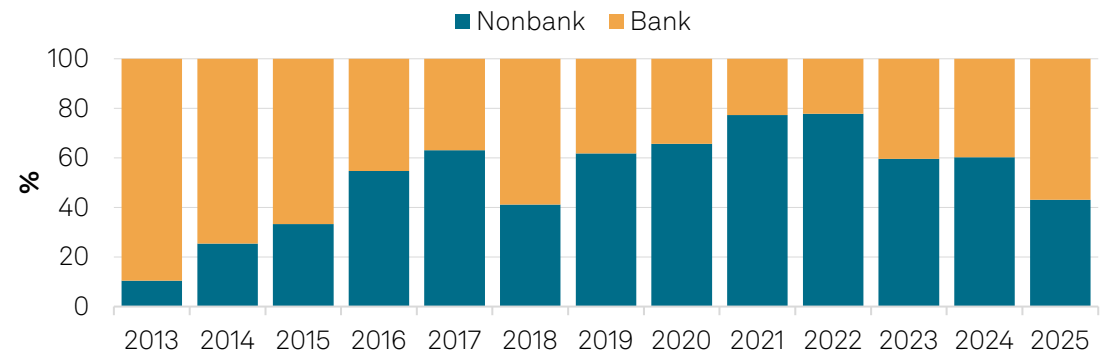
2025 YTD investor-placed RMBS issuance, by country



Cumulative investor-placed RMBS issuance



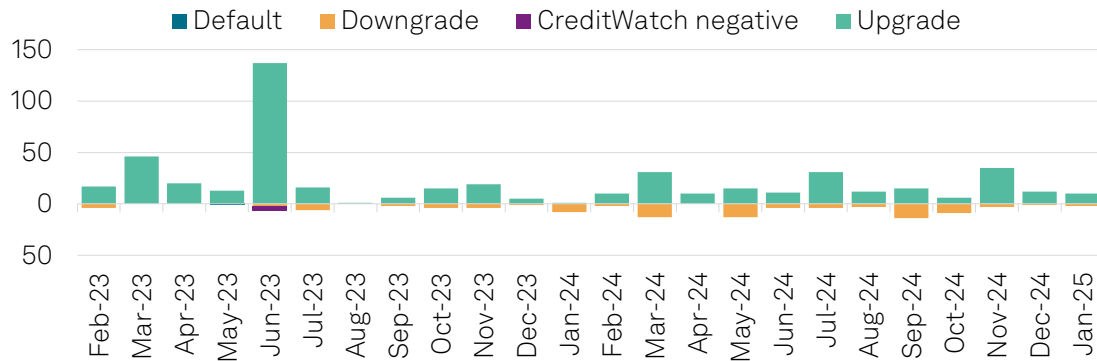
RMBS issuance mix, by originator type



Year-to-date (YTD) figures as of end-January each year. Source: S&P Global Ratings.

# RMBS—Rating Actions And Performance Metrics

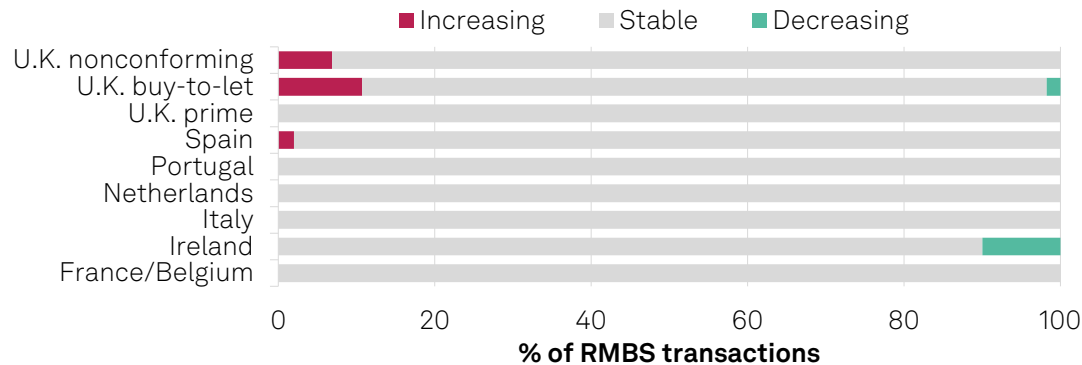
## 1. Monthly rating actions count, last 24 months



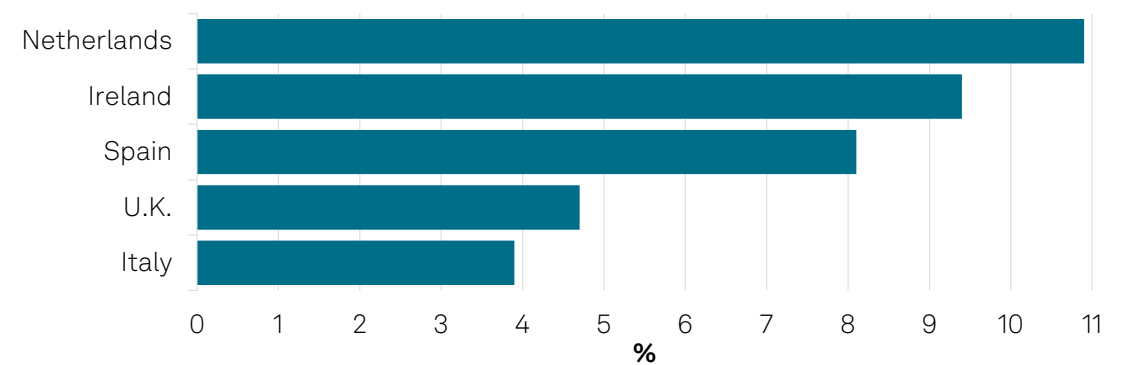
## 2. Cumulative rating actions count, last 12 months

	Prime	Nonconforming	BTL	Other RMBS
Upgrade	101	26	58	13
CreditWatch neg.	0	0	0	0
Downgrade	5	44	13	6
Default	0	0	0	0

## 3. Prevalence of increasing/decreasing total arrears rate



## 4. Latest annualized house price growth



1. Excludes confidential ratings. Source: S&P Global Ratings. 2. BTL--Buy-to-let. Excludes confidential ratings. Source: S&P Global Ratings. 3. Transaction arrears classified as increasing/decreasing if quarter-on-quarter change in total arrears rate is greater than/less than two percentage points. Source: S&P Global Ratings. 4. Latest data available between November and December 2024. Sources: National statistical offices, Nationwide (U.K.).

# ABS



Doug Paterson

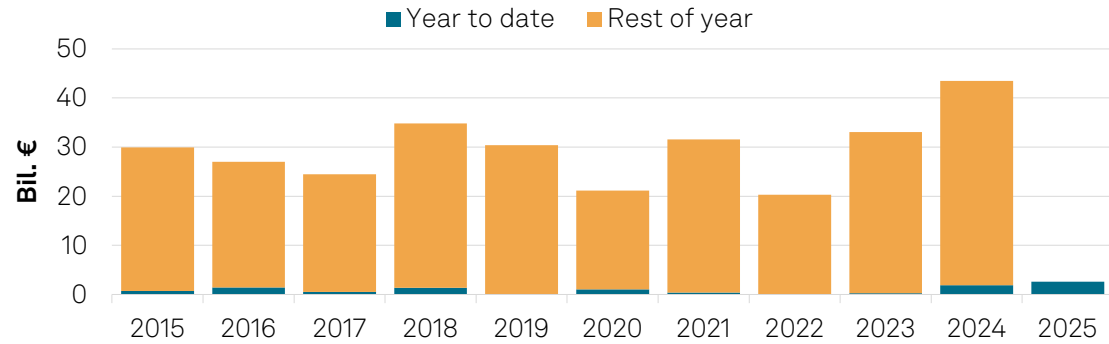
Director

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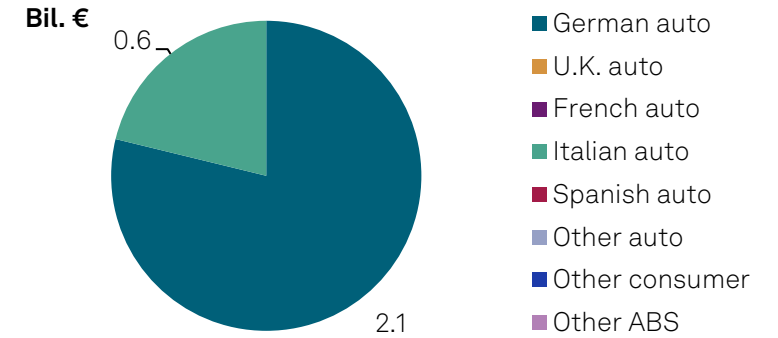
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# ABS—Issuance

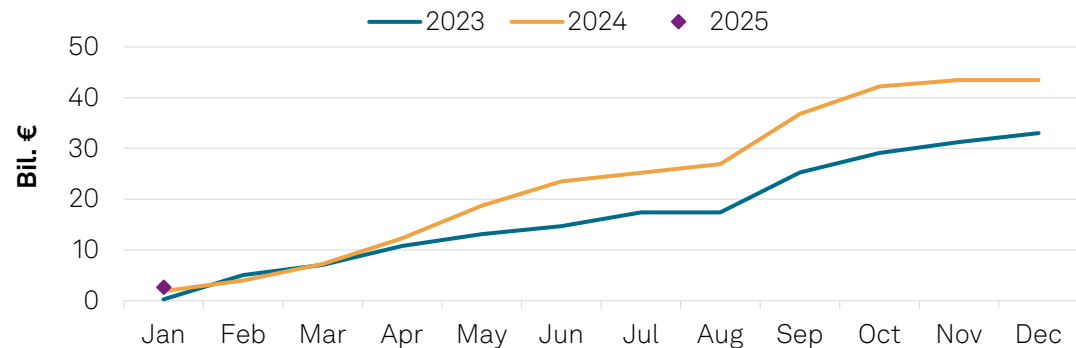
Investor-placed ABS issuance



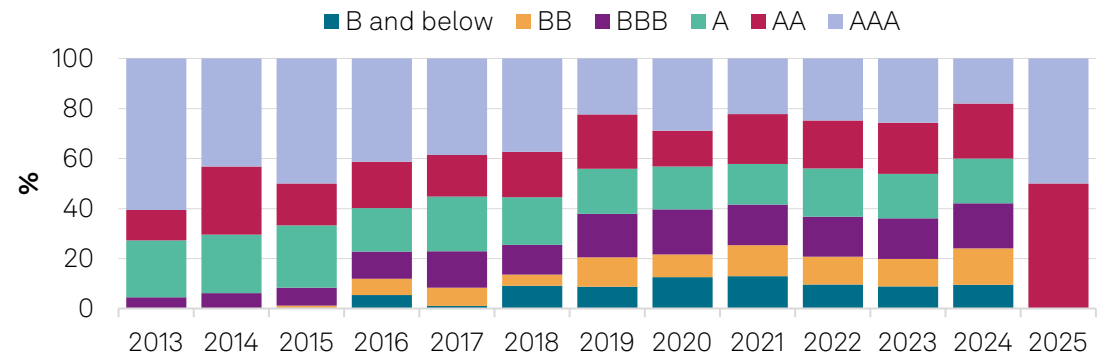
2025 YTD investor-placed ABS issuance, by subsector



Cumulative investor-placed ABS issuance



ABS issuance mix, by tranche rating category count

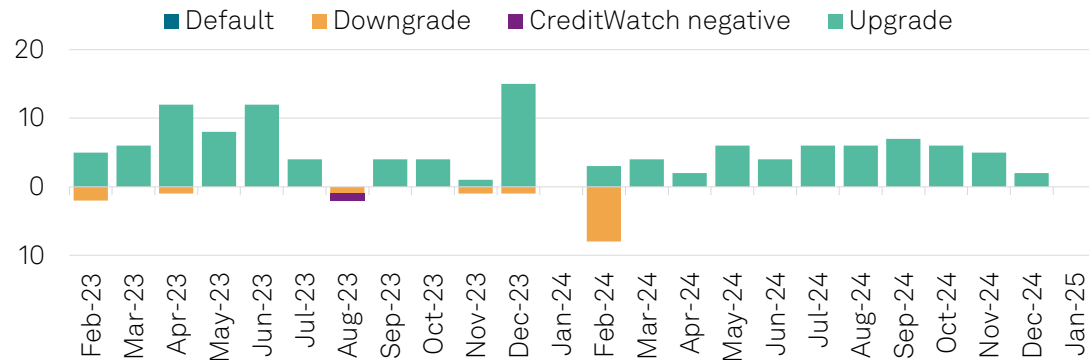


Year-to-date (YTD) figures as of end-January each year. Source: S&P Global Ratings.



# ABS—Rating Actions And Performance Metrics

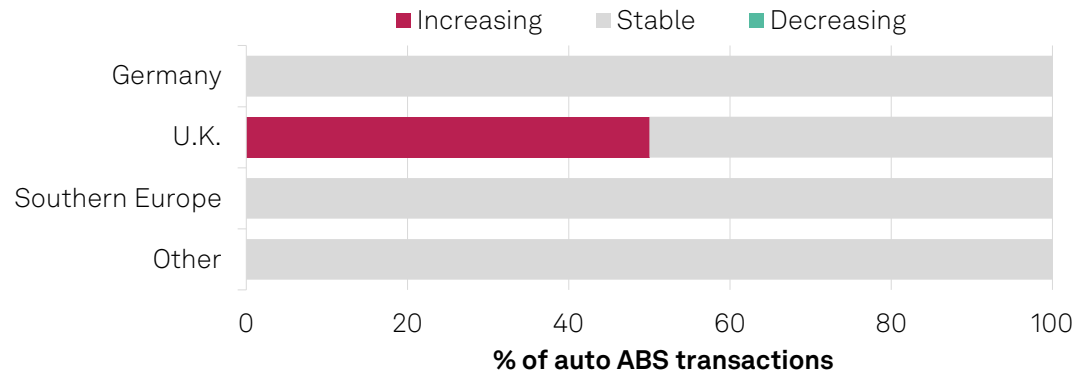
## 1. Monthly rating actions count, last 24 months



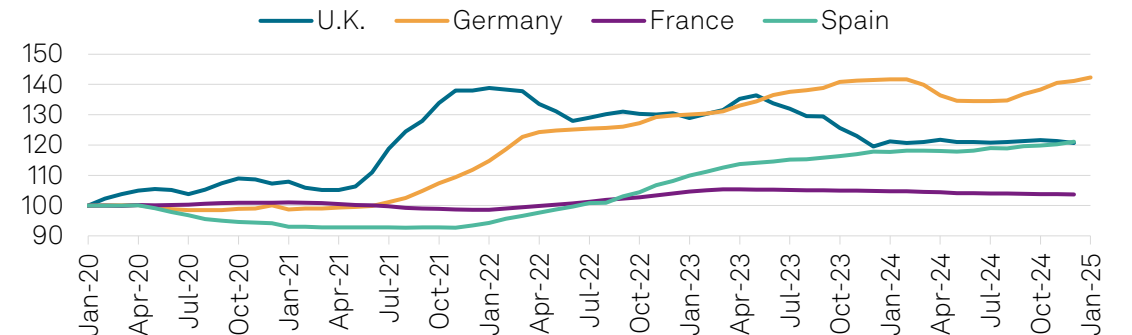
## 2. Cumulative rating actions count, last 12 months

	Auto/ consumer	Credit cards	Corp. sec.	Other ABS
Upgrade	37	0	9	5
CreditWatch neg.	0	0	0	0
Downgrade	8	0	0	0
Default	0	0	0	0

## 3. Prevalence of increasing/decreasing 30+ day arrears rate



## 4. Used car price index



1. Excludes confidential ratings. Source: S&P Global Ratings. 2. Excludes confidential ratings. Source: S&P Global Ratings. 3. Transaction arrears classified as increasing/decreasing if month-on-month change in 30+ day arrears rate is greater than/less than 50 basis points. Source: S&P Global Ratings. 4. Source: National statistical offices.

# Structured Credit



Sandeep Chana

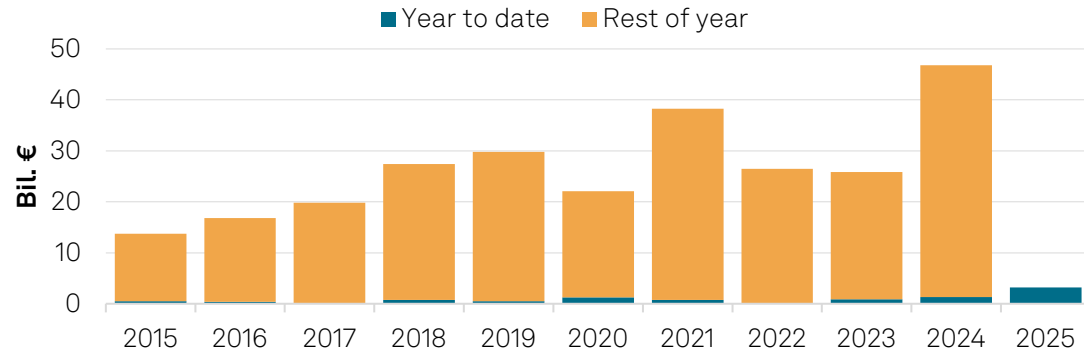
Director

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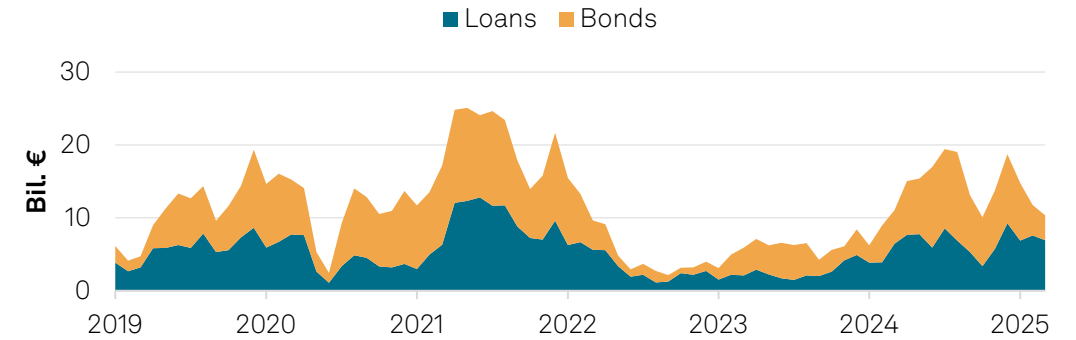
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# CLO—New Issuance

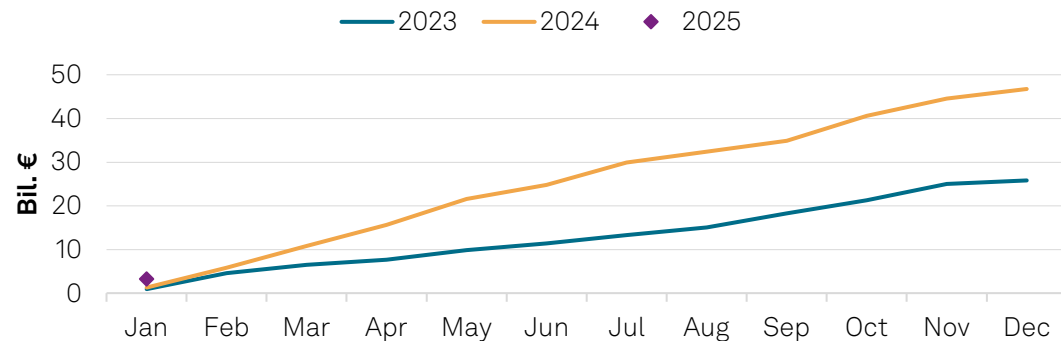
## 1. Investor-placed CLO new issuance



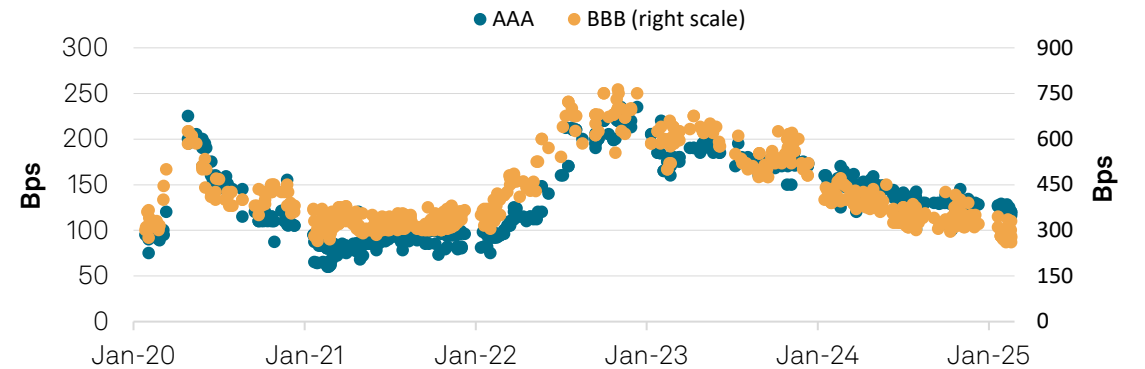
## 2. Monthly European leveraged finance origination volumes



## 3. Cumulative investor-placed CLO new issuance



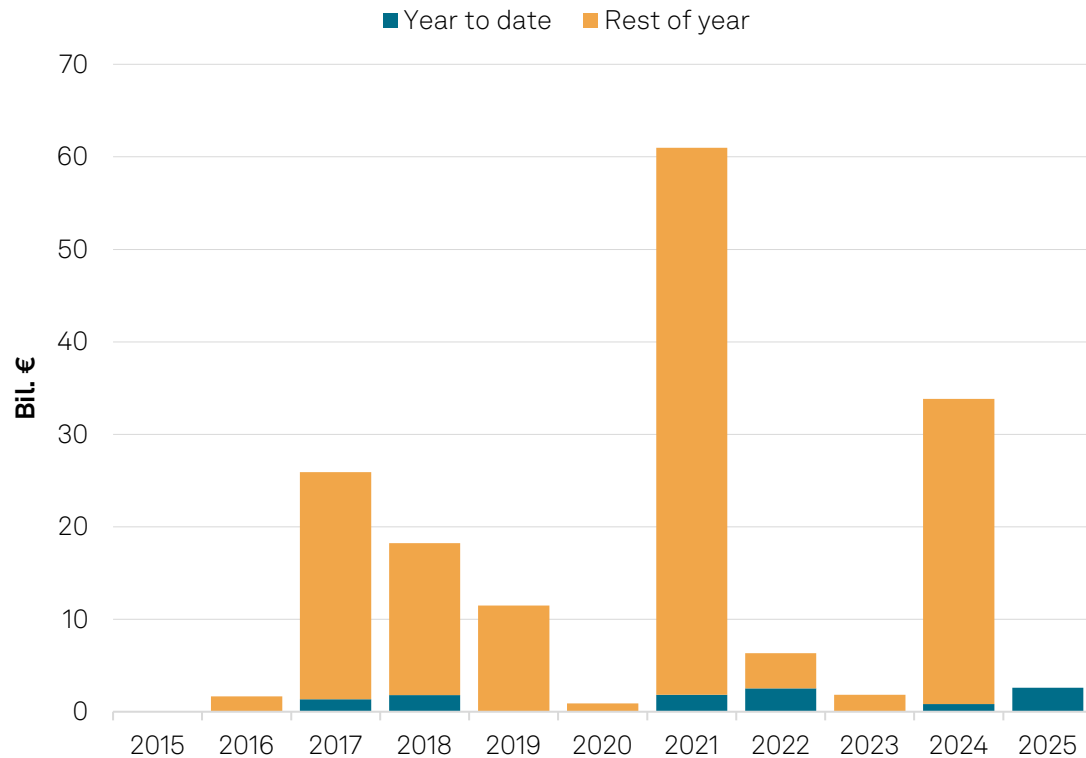
## 4. European new issue CLO tranche discount margins



1. Year-to-date (YTD) figures as of end-January each year. Source: S&P Global Ratings. 2. Three-month rolling average. Loan figures are institutional only. Sources: Pitchbook LCD, S&P Global Ratings. 3. Source: S&P Global Ratings. 4. Bps--Basis points. Source: Pitchbook LCD.

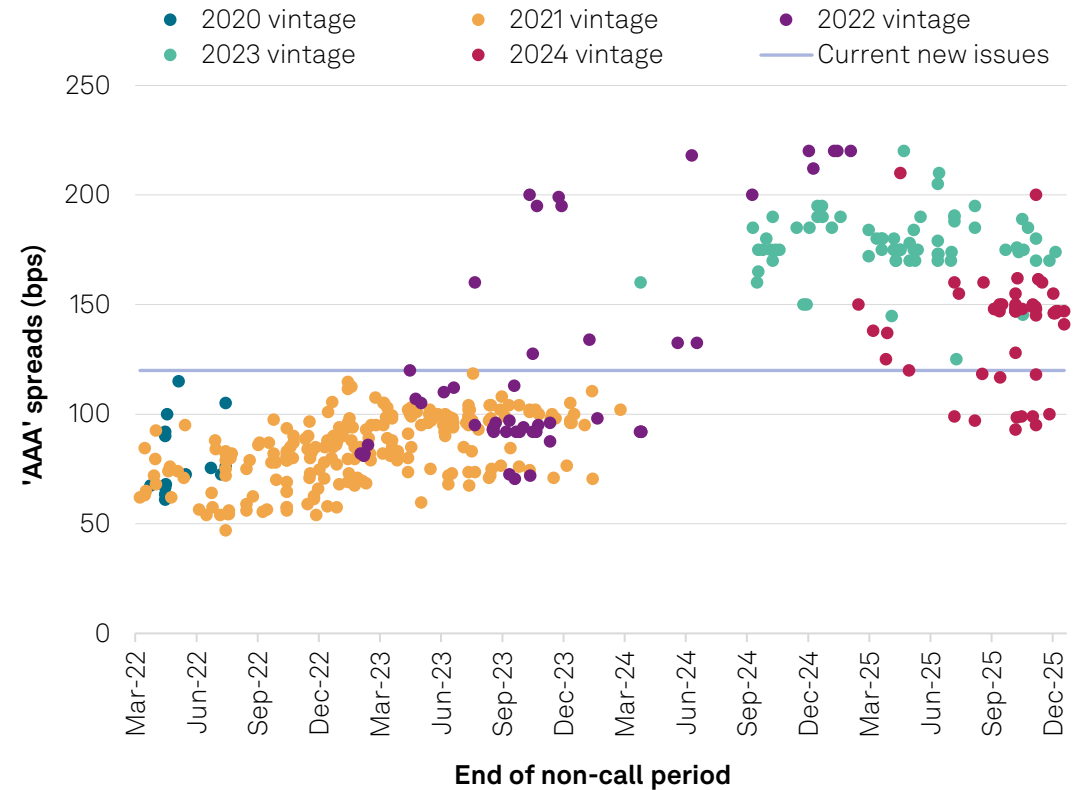
# CLO—Refi/Reset Issuance

## Investor-placed CLO refi/reset issuance



Year-to-date (YTD) figures as of end-January each year. Sources: S&P Global Ratings, Pitchbook LCD.

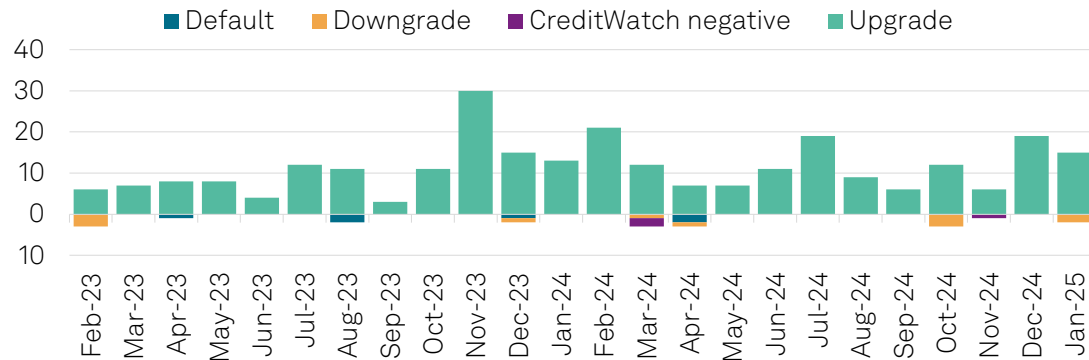
## Refi/reset candidates: existing versus current 'AAA' spreads



bps--Basis points. Sources: Pitchbook LCD, S&P Global Ratings.

# CLO & Structured Credit—Rating Actions And Performance Metrics

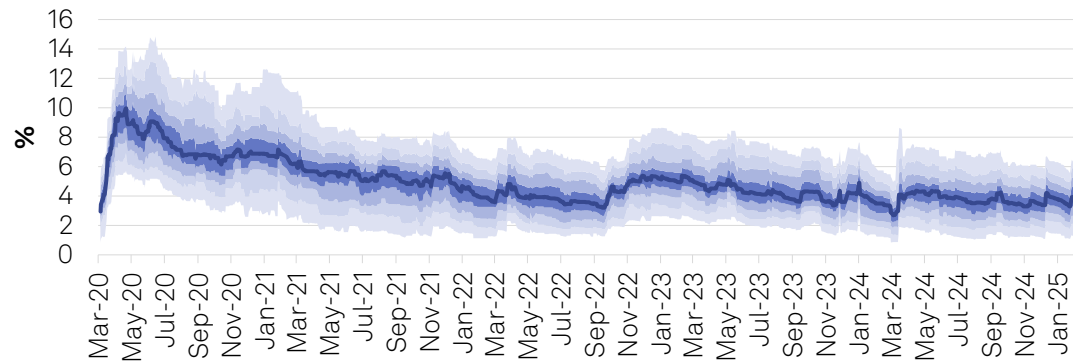
## 1. Monthly rating actions count, last 24 months



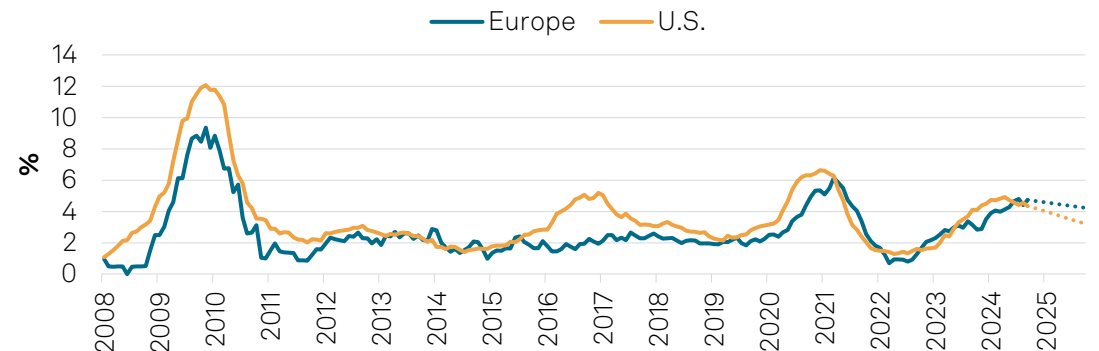
## 2. Cumulative rating actions count, last 12 months

	CLO	SME	Repack	Other SC
Upgrade	141	2	1	0
CreditWatch neg.	0	0	3	0
Downgrade	1	0	6	0
Default	0	1	0	1

## 3. European CLO exposure to 'CCC' category corporate obligors



## 4. Speculative-grade corporate default rate



1. Excludes confidential ratings. Source: S&P Global Ratings. 2. SME—Small and midsize enterprises. SC—Structured credit. Excludes confidential ratings. Source: S&P Global Ratings. 3. Solid line is the median, with each band representing a decile, from 10th to 90th percentiles. Estimates based on portfolios from latest available trustee reports, with ratings updated. Source: S&P Global Ratings. 4. Dashed lines represent forecasts. Source: S&P Global Ratings.

# CMBS



Mathias Herzog

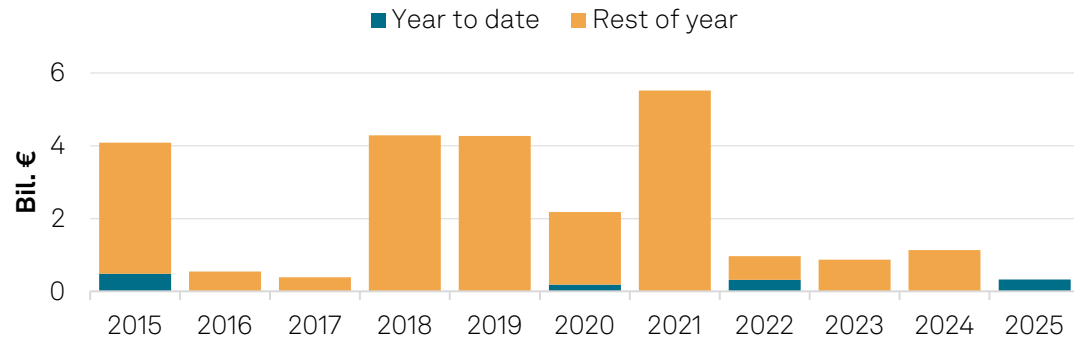
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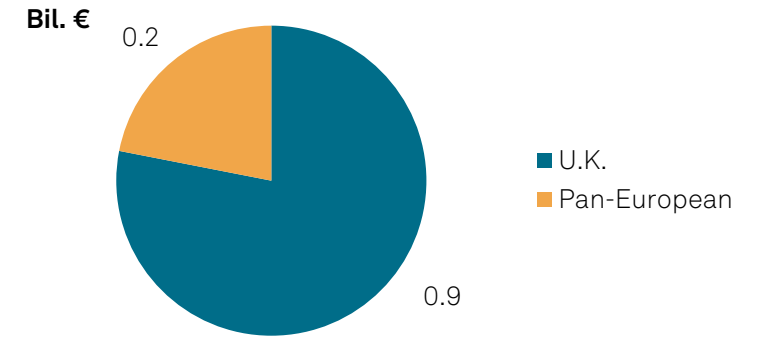
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# CMBS—Issuance

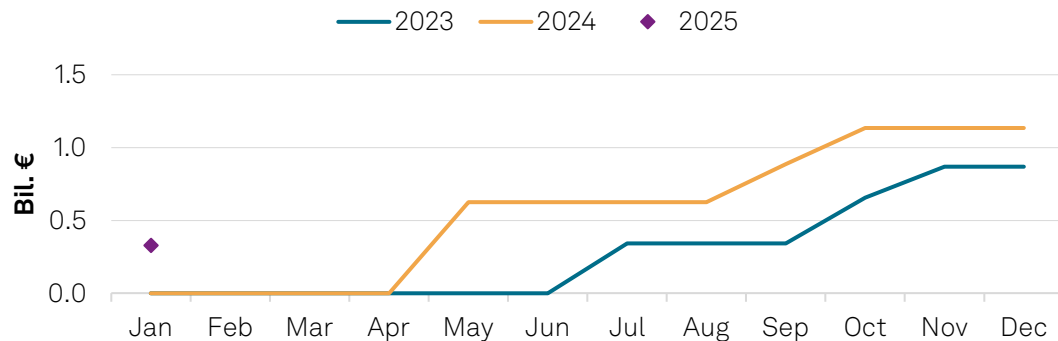
Investor-placed CMBS issuance



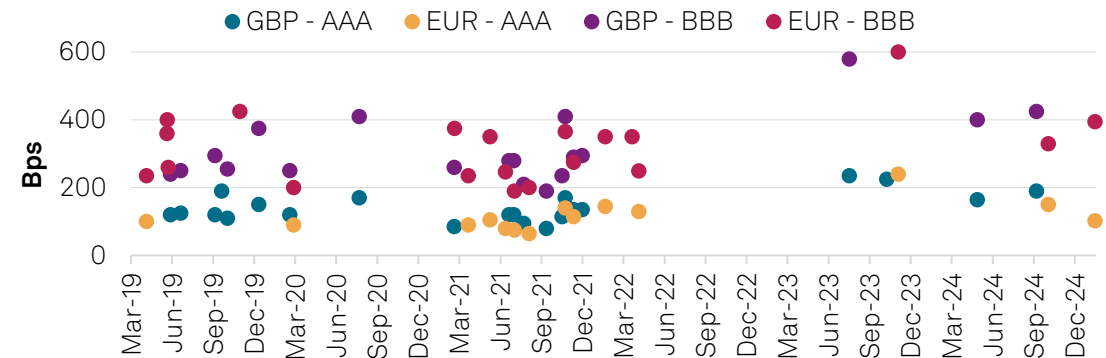
2025 YTD investor-placed CMBS issuance, by country



Cumulative investor-placed CMBS issuance



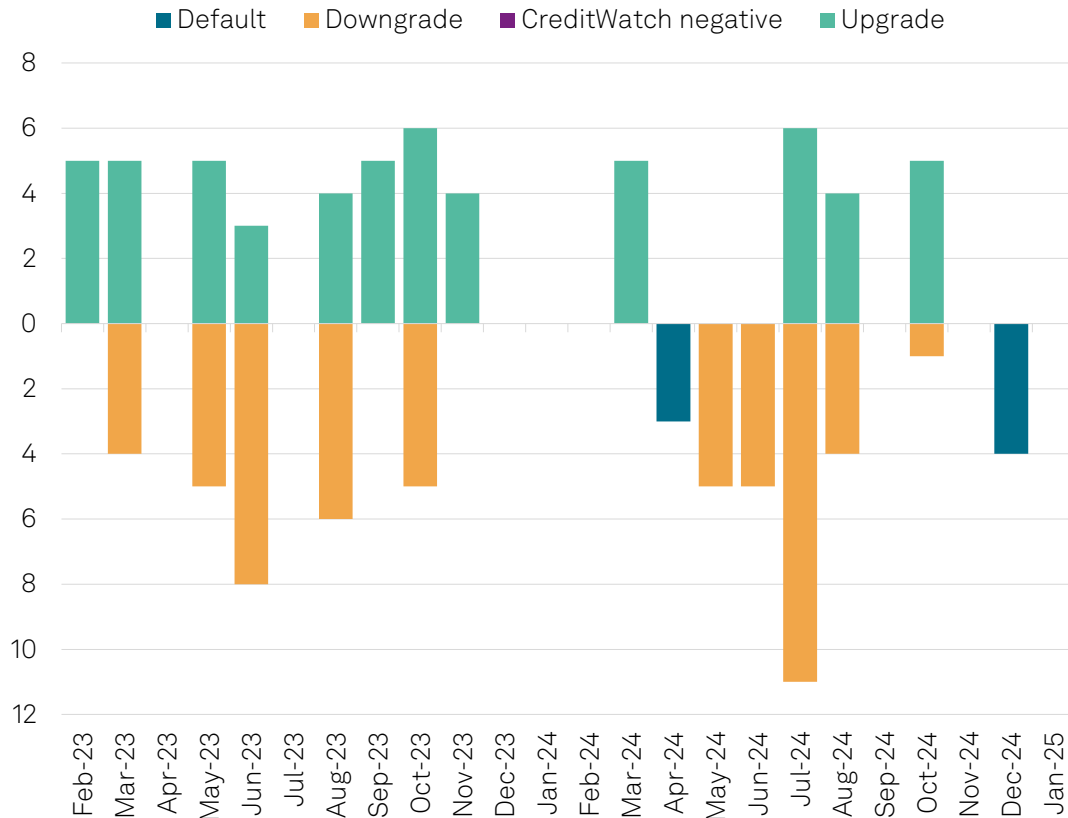
Primary spreads on European CMBS issuance



Year-to-date (YTD) figures as of end-January each year. Bps--Basis points. Sterling spreads are over three-month LIBOR before 2020 and subsequently over Sterling Overnight Index Average (SONIA). Source: S&P Global Ratings.

# CMBS—Rating Actions

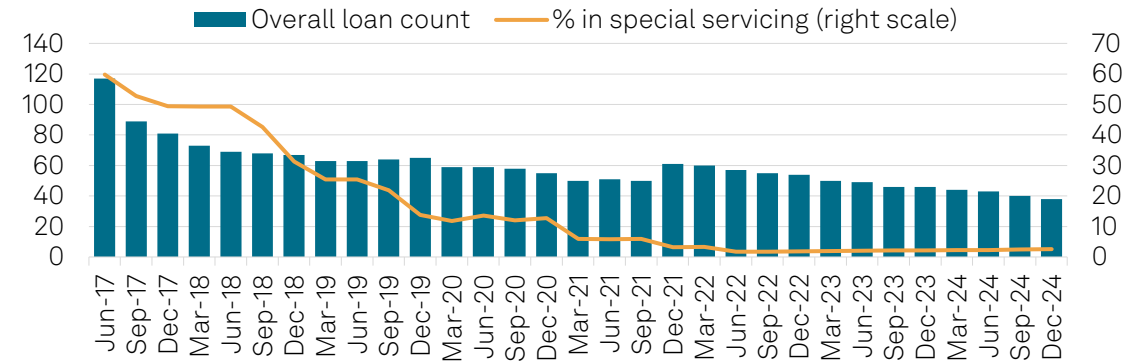
## 1. Monthly rating actions count, last 24 months



## 2. Cumulative rating actions count, last 12 months

	Hotel	Retail	Mixed	Other CMBS
Upgrade	0	8	9	3
CreditWatch neg.	0	0	0	0
Downgrade	0	0	17	9
Default	0	3	4	0

## 3. European CMBS loans in special servicing



1. Excludes confidential ratings. Source: S&P Global Ratings. 2. Excludes confidential ratings. Source: S&P Global Ratings. 3. Based on loans backing European CMBS rated by S&P Global Ratings. Source: S&P Global Ratings.



# Covered Bonds



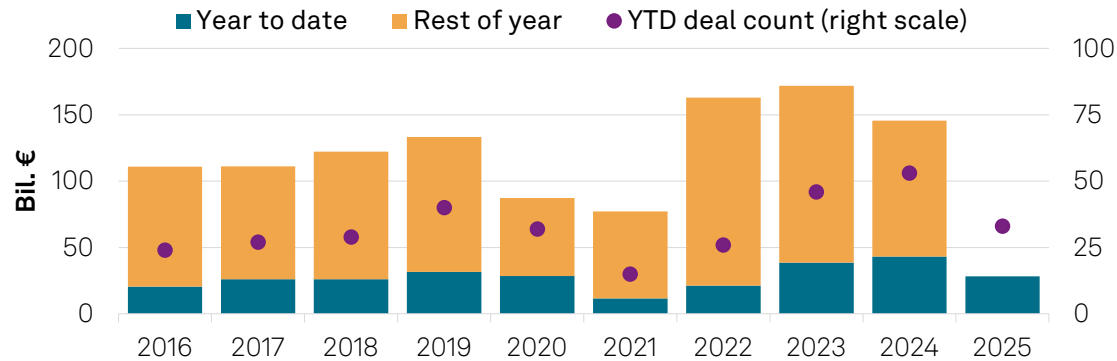
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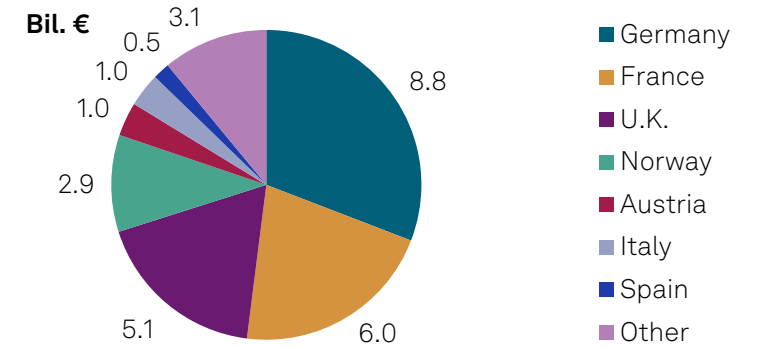
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# Covered Bonds—Issuance

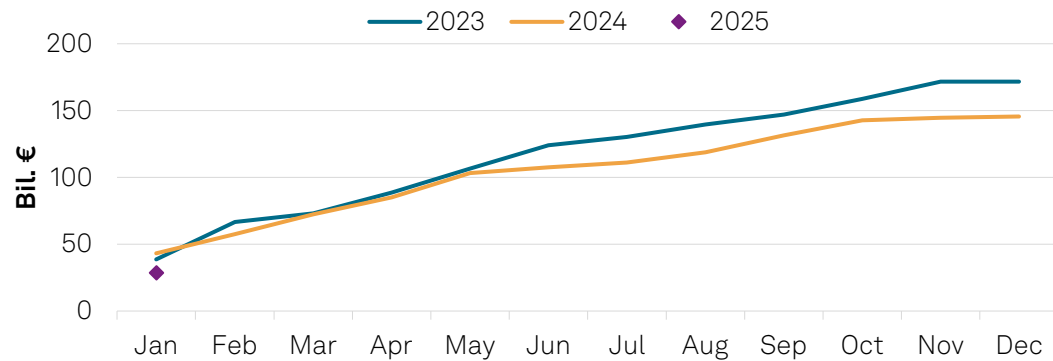
Benchmark covered bond issuance



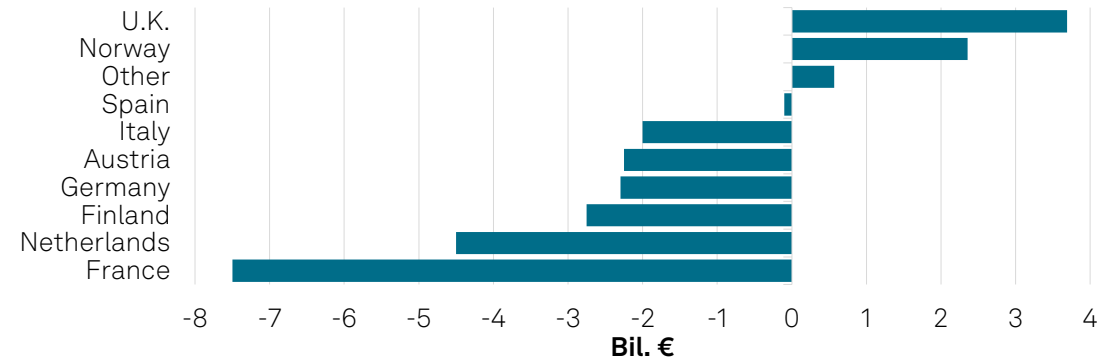
2025 YTD benchmark covered bond issuance, by country



Cumulative benchmark covered bond issuance



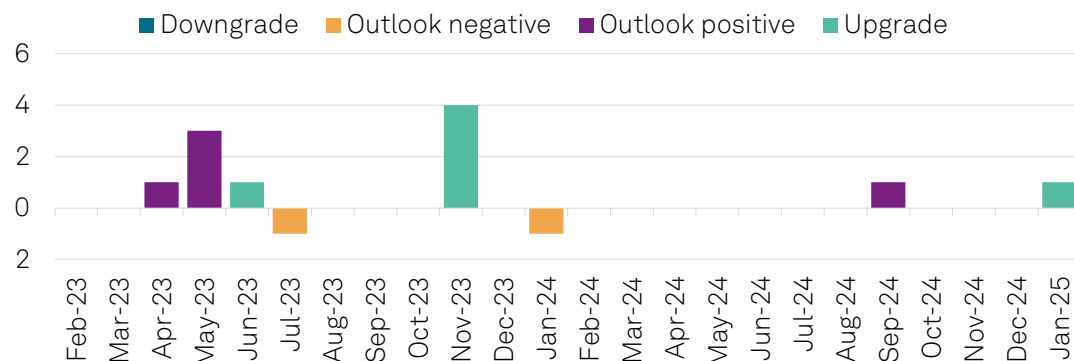
Change in YTD issuance, 2025 versus 2024, by country



Year-to-date (YTD) figures as of end-January each year. Source: S&P Global Ratings.

# Covered Bonds—Rating Actions And Performance Metrics

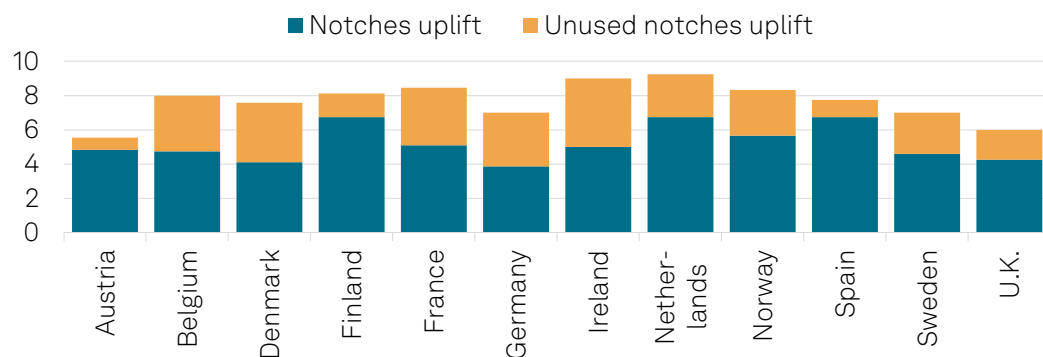
## 1. Monthly rating actions count, last 24 months



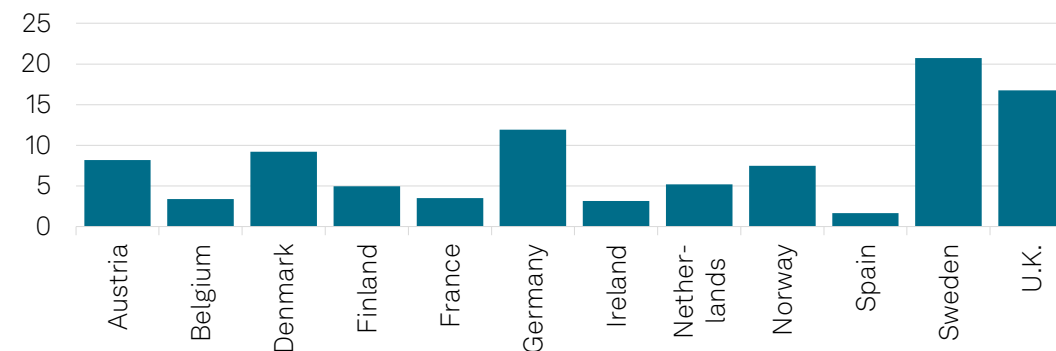
## 2. Cumulative rating actions count, last 12 months

	Northern Europe	Southern Europe	Central & Eastern Europe	Other CB
Upgrade	1	0	0	0
Outlook positive	0	0	1	0
Outlook negative	0	0	0	0
Downgrade	0	0	0	0

## 3. Average notches of uplift



## 4. Average overcollateralization multiple



1. & 2. Based on count of issuers with covered bond rating actions in the time period. Excludes confidential ratings and Spanish multi-cedulas. CB—Covered Bonds. Source: S&P Global Ratings. 3. As of Q1 2025. Source: S&P Global Ratings. 4. Multiple of credit enhancement available over that required for the current rating. As of Q1 2025. Excludes programs with available overcollateralization exceeding 100%. Source: S&P Global Ratings.

# Recent Research (1)

- [European RMBS Index Report Q4 2024](#), Feb. 20, 2025
- [European Auto ABS Index Report Q4 2024](#), Feb. 14, 2025
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- [CLO Brief: Limited Repercussions From Altice Downgrade](#), Feb. 12, 2025
- [European CLO Monitor 2024](#), Feb. 11, 2025
- [Credit FAQ: Germany's First Solar ABS Leads The Way For Europe](#), Feb. 4, 2025
- [European Annual CMBS Monitor 2024](#), Feb. 4, 2025
- [House Price Overvaluation Moderates For Europe's RMBS And Covered Bond Markets](#), Jan. 20, 2025
- [EMEA RMBS And ABS Monitor Q4 2024](#), Jan. 20, 2025
- [EMEA ABS And RMBS Counterparty Monitor Q4 2024](#), Jan. 15, 2025
- [European CLO Monitor Q4 2024](#), Jan. 7, 2025
- [Danish Covered Bond Market Insights 2024](#), Dec. 18, 2024
- [Global Covered Bond Insights Q1 2025: Overall A Healthy Year](#), Dec. 18, 2024
- [European Structured Finance Outlook 2025: Up In The Air](#), Dec. 11, 2024
- [Covered Bonds Outlook 2025: Lower Rates, Higher Uncertainty](#), Dec. 6, 2024
- [Credit FAQ: How We Rate ABS And RMBS Transactions In Non-Established Markets](#), Dec. 3, 2024

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- [U.K. Legacy RMBS Arrears To Be Higher For Longer](#), Nov. 28, 2024
- [Blockchain Meets Covered Bonds](#), Nov. 27, 2024
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- [Dutch Buy-To-Let RMBS Withstand Rate Hikes And Tighter Regulations](#), Oct. 21, 2024
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- [EMEA ABS And RMBS Counterparty Monitor Q3 2024](#), Oct. 2, 2024
- [U.K. Corporate Securitization Issuers Can Withstand Higher Refinancing Rates](#), Sept. 18, 2024
- [Global Covered Bond Insights Q4 2024: On Course For A Strong Year](#), Sept. 18, 2024
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- [Highlights From S&P Global Ratings' European Structured Finance Conference 2024](#), Sept. 9, 2024
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- [European CLOs: Awash With Cash](#), Sept. 3, 2024

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