

EMEA Structured Finance Chart Book

March 2025

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This report does not constitute a rating action



Highlights—News

- Macroeconomic update.** On March 5, 2025, we published a transitional update to our baseline global macroeconomic forecasts, after the U.S. imposed tariffs on many goods imports from Canada, Mexico, and China. While some exemptions were subsequently announced, the economic effects of these tariffs are broadly negative and asymmetric, hitting Canada and Mexico the hardest, while the effects on China are minimal compared with our previous baseline. While Europe was out of scope for this round of tariffs, it seems increasingly likely that the region will not escape, and we assume a future scenario of a 10% across-the-board tariff increase on U.S. imports of European goods, which we believe would shave 0.2% off/ euro area GDP by 2026 (see table). Our new forecasts are a transitional baseline serving as a bridge to our full macro update due at the end of March.
- Issuance.** Investor-placed securitization issuance in February 2025 was €17.6 billion--almost twice the volume in February 2024. Both CLO and RMBS sectors saw significant issuance growth, while CMBS is also seeing some activity, compared with very little last year. This brings year-to-date securitization issuance to €26.1 billion, up 50% on 2024. European benchmark covered bond issuance in February was €12.8 billion--down 11% compared with last year. Combined with a relatively slow January, year-to-date covered bond issuance to the end of February 2025 was €41.1 billion, down 28% on 2024.
- Rating actions.** In February 2025, we raised 30 of our ratings on European securitization tranches in a mix of sectors, including CLOs, as well as Spanish and Dutch RMBS. There were also three downgrades across the repack, CMBS, and U.K. RMBS sectors.

Effects of U.S. tariff policy, deviation from baseline

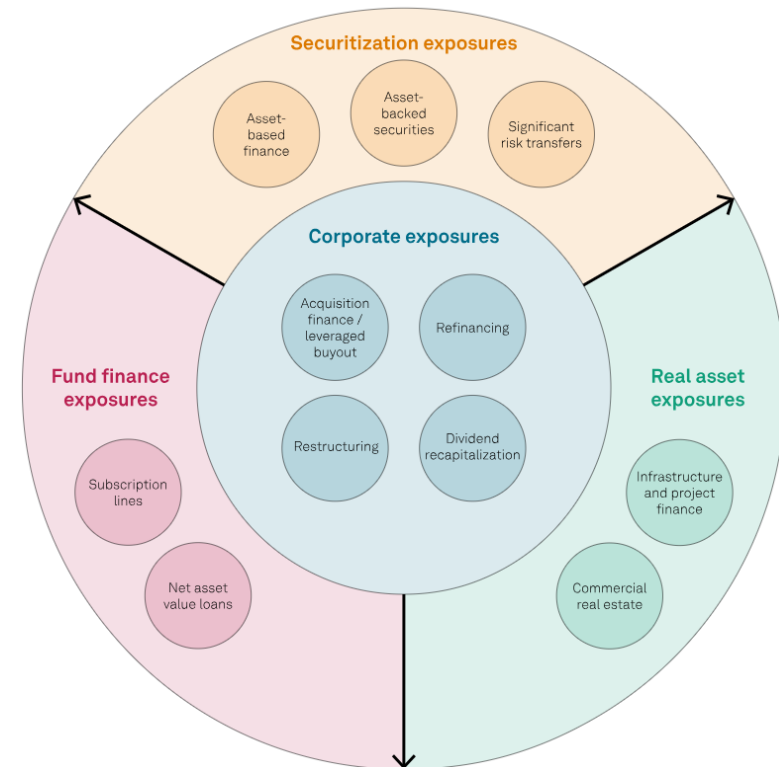
	GDP growth (ppts)		Unemployment rate (ppts)	
	2025	2026	2025	2026
Eurozone	-0.1	-0.2	0.1	0.2
U.S.	-0.3	-0.2	0.2	0.1
Canada	-1.3	-1.1	0.6	0.4
Mexico	-1.7	-1.3	1.0	0.8
China	0.0	0.0	0.0	0.0

ppts--Percentage points. For more details, see "[Economic Research: Growth Prospects Strained After The U.S. Takes The Tariff Plunge](#)," published March 5, 2025. Sources: S&P Global Ratings.

Highlights—ABS Frontiers: Asset-Based Finance Funds Are In Vogue

- Private credit investment vehicles are diversifying beyond direct lending to include securitizations, fund finance facilities, and real assets, such as infrastructure and commercial real estate.
- While similar securitization technology may be used for both public asset-backed securities and private asset-based finance transactions, the latter generally have more bespoke collateral pools and may benefit from enhanced structural protections.
- There is a growing interest in obtaining credit ratings for investment vehicles financing pools of asset-based finance transactions, significant risk transfers, and fund finance facilities. Since the risk profile can vary widely across these exposure types, the investment vehicle's structural features and the manager's flexibility can influence our analysis.
- Key credit risk differentiators across investment vehicles include the creditor class subordination structure and security package, refinancing risk in the capital structure, and documented structural protections, such as interest and principal coverage or portfolio investment tests.

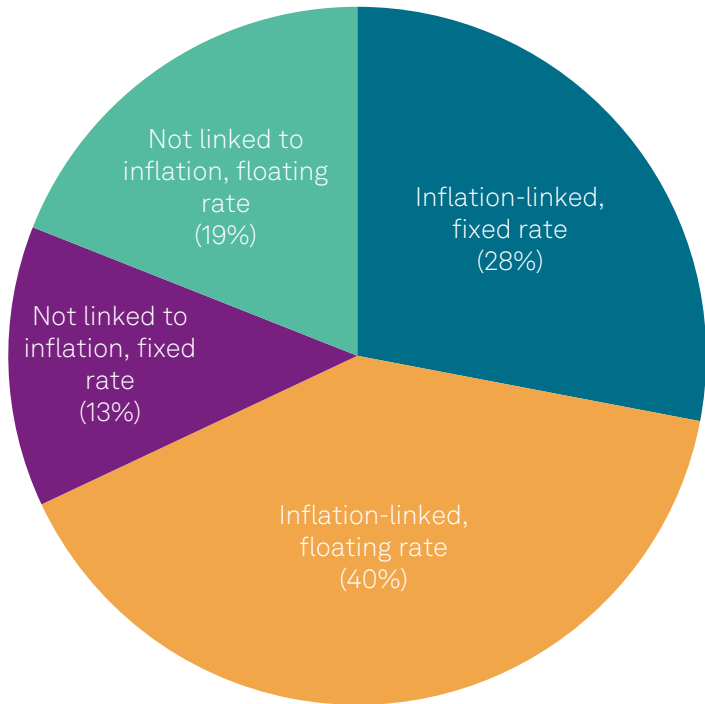
The private credit market is expanding



Source: S&P Global Ratings. For more details, see "[ABS Frontiers: Asset-Based Finance Funds Are In Vogue](#)," published Feb. 24, 2025.

Highlights—Credit FAQ: Israel's Public RMBS Market Takes Off

Outstanding mortgage volumes in Israel, by product type



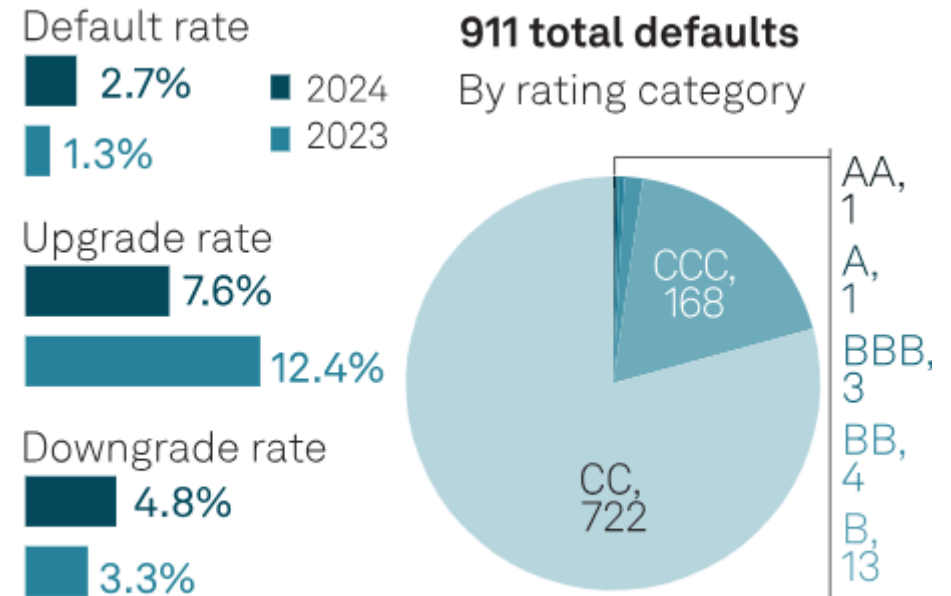
Source: S&P Global Ratings. For more details, see "[Credit FAQ: Israel's Public RMBS Market Takes Off](#)," published Feb. 25, 2025.

- The first public RMBS transaction in Israel closed in August 2024. This followed the Bank of Israel's approval of a memorandum on the country's new securitization law the month before.
- The proposed law for regulating securitization transactions was then published on Feb. 18, 2025, in the Official Gazette of the State of Israel.
- We believe that the new law will support the development of the Israeli RMBS market, and we expect to see further transactions in due course.
- Five major banking groups represent 95% of the Israeli financial market by assets, and we estimate that they have a similar dominant share of the residential mortgage market. However, nonbank lenders have recently entered the Israeli mortgage market.
- In this Credit FAQ, we answer questions we have received since we rated this landmark transaction about the nature of the market and our analysis of Israeli RMBS.

Highlights—2024 Global Structured Finance Default And Transition Study

- The global structured finance default rate more than doubled to 2.7% in 2024 from 1.3% in 2023 as stresses in the U.S. RMBS and European CMBS sectors took their toll.
- The rise in global structured finance defaults was mainly driven by legacy U.S. RMBS (pre-2009), primarily from the 'CC' rating category, and within the subprime and alt-A subsectors, which represented 85% of the year's total defaults.
- Of the 34,243 global structured finance ratings outstanding at the start of 2024, we lowered 4.8% (up from 3.3% in 2023) and raised 7.6% (down from 12.4% in 2023).
- The CMBS sector led downgrades in the U.S. and Europe in 2024, as a percentage of outstanding ratings. The ABS sector led upgrades in both the U.S. and Europe.
- By region, 2024 defaults were concentrated in the U.S. (897), with nine from Europe, five from Latin America, and none from other regions. Latin America had the highest downgrade rate at 8.4%.

2024 global structured finance default and transition snapshot



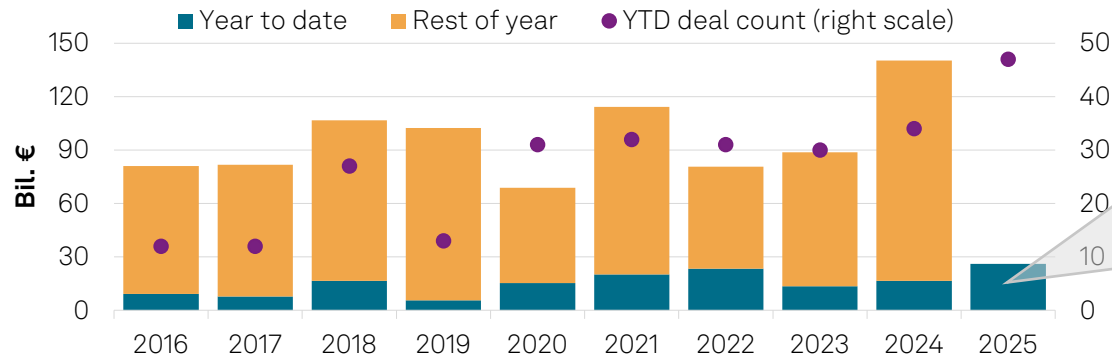
Source: S&P Global Ratings. For more details, see "Default, Transition, and Recovery: 2024 Annual Global Structured Finance Default And Rating Transition Study," published Feb. 21, 2025.

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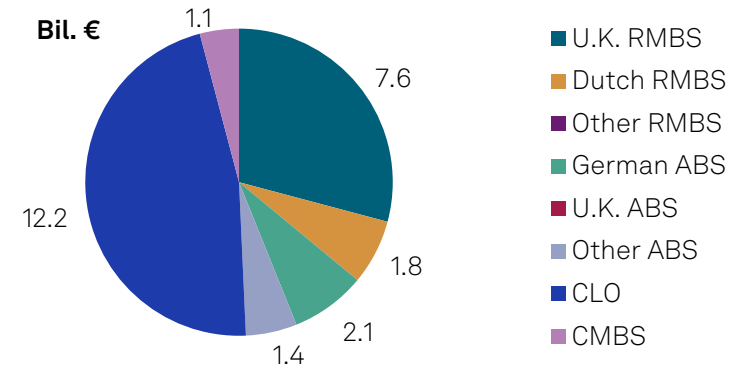
Issuance—Securitizations

1. Investor-placed securitization issuance

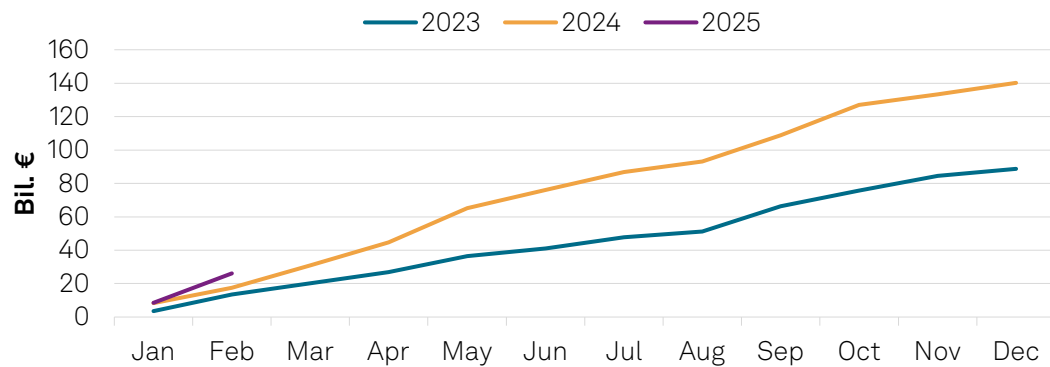


Securitization issuance for the first two months of the year hit a new post-crisis high of €26 billion, mostly due to strong CLO activity.

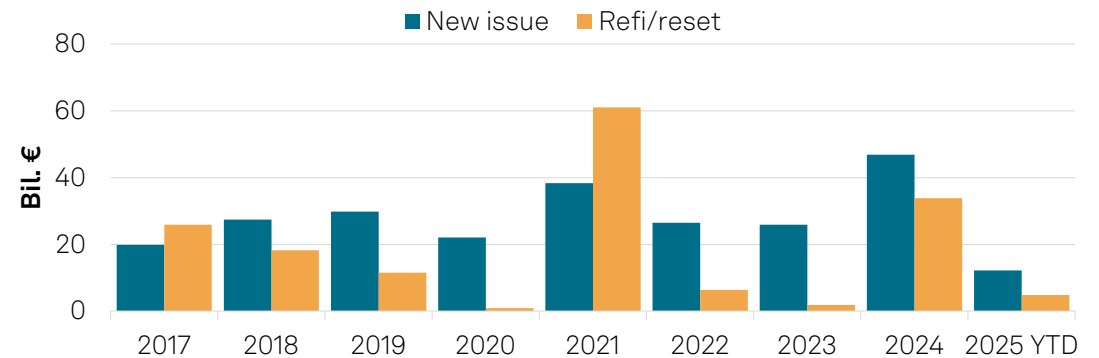
2. 2025 YTD investor-placed securitization issuance, by sector



3. Cumulative investor-placed securitization issuance



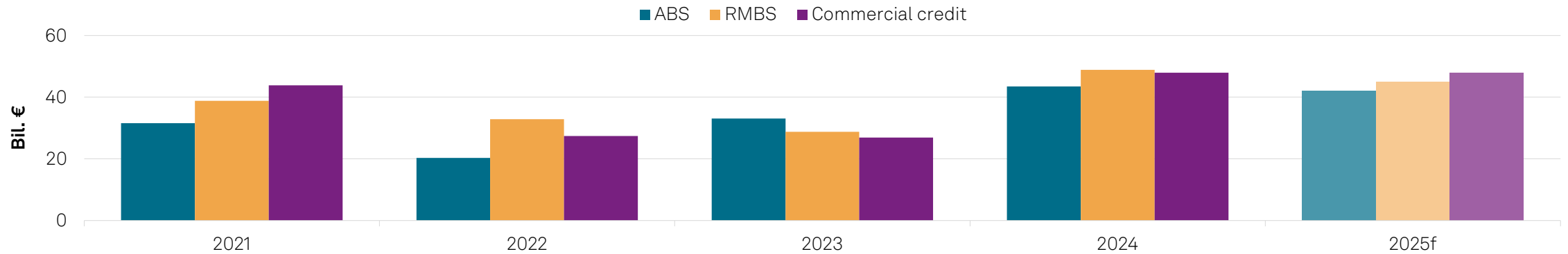
4. CLO refinancing and reset issuance



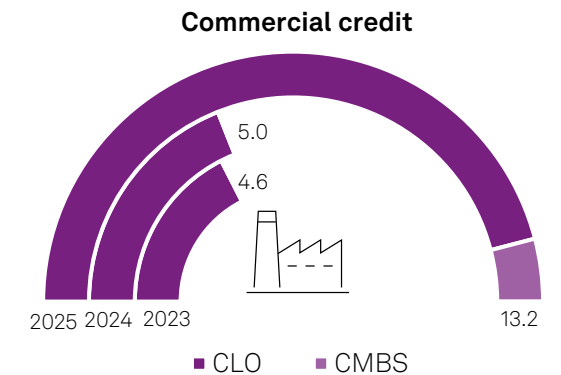
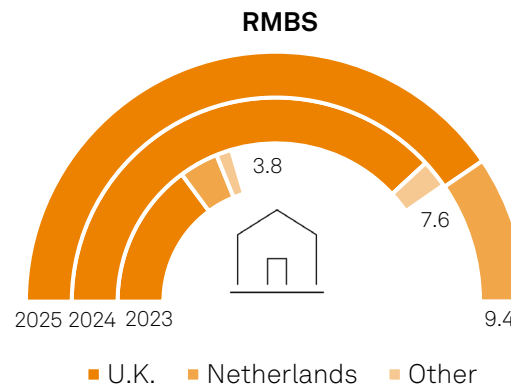
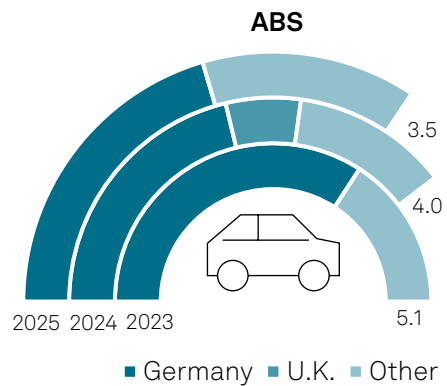
1-3. Year-to-date (YTD) figures as of end-January each year. Excludes CLO refinancings and resets. Source: S&P Global Ratings. 4. Sources: S&P Global Ratings, Pitchbook LCD.

Issuance—Securitizations

Annual investor-placed securitization issuance



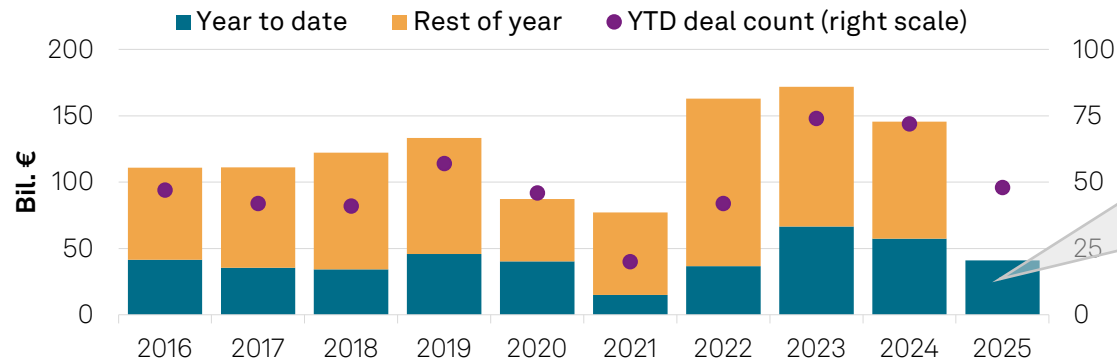
YTD investor-placed securitization issuance, by subsector (bil. €)



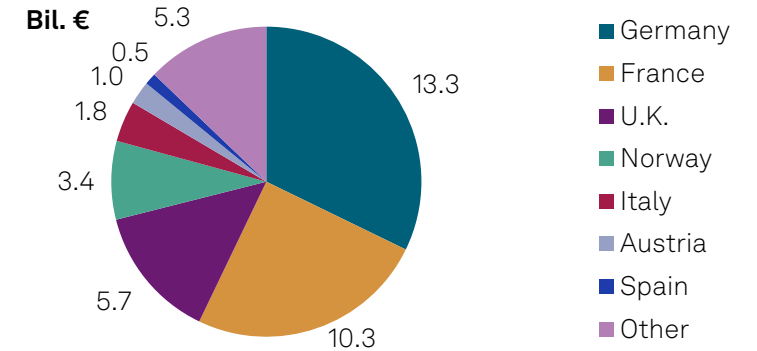
f--Forecast. Year-to-date (YTD) figures as of end-January each year. Commercial credit includes CLOs and CMBS. Excludes CLO refinancings and resets. Source: S&P Global Ratings.

Issuance—Covered Bonds

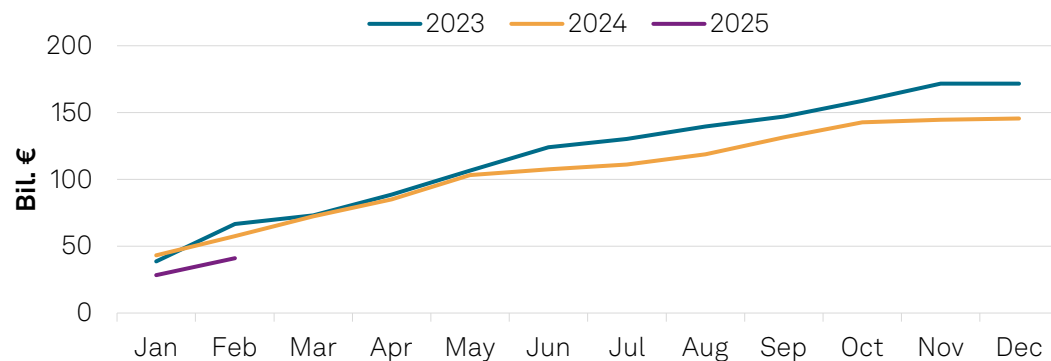
1. Benchmark covered bond issuance



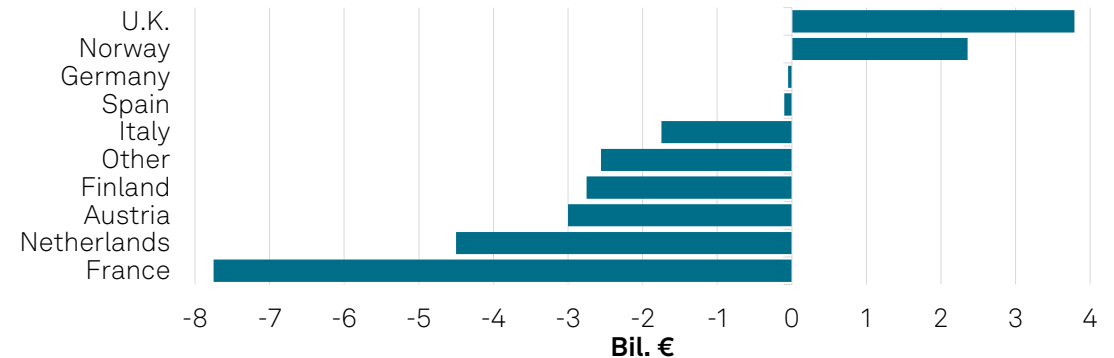
2. 2025 YTD benchmark covered bond issuance, by country



3. Cumulative benchmark covered bond issuance



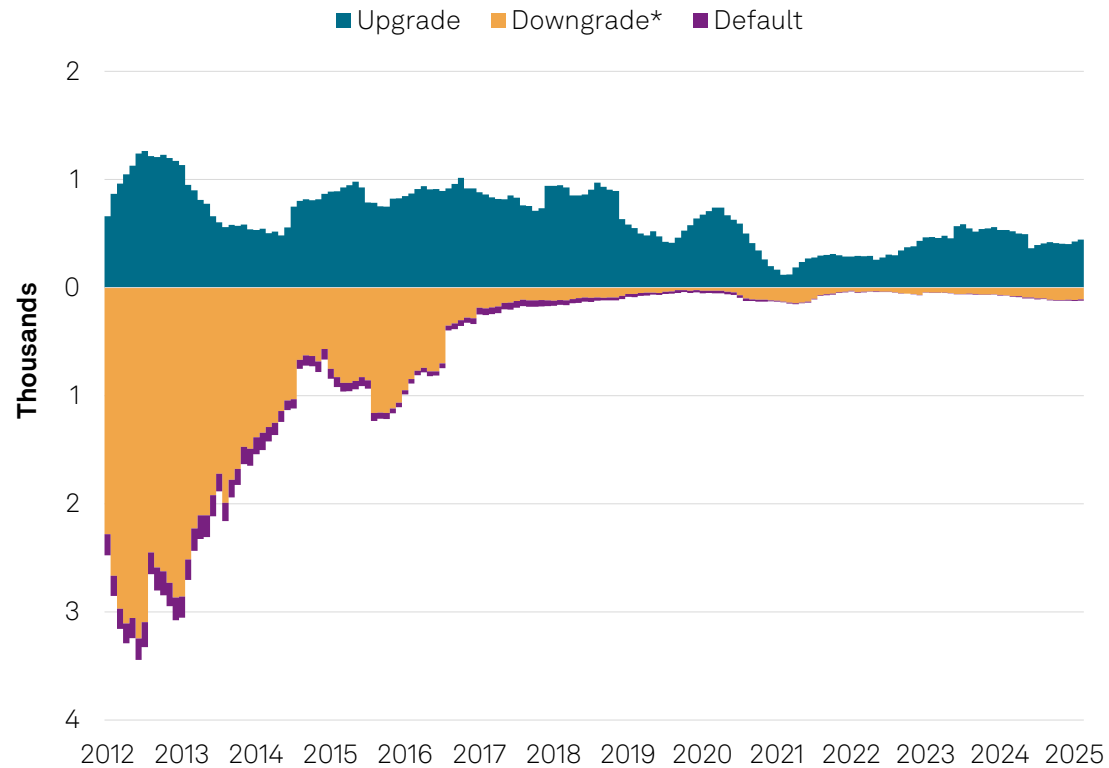
4. Change in YTD issuance, 2025 vs. 2024, by country



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

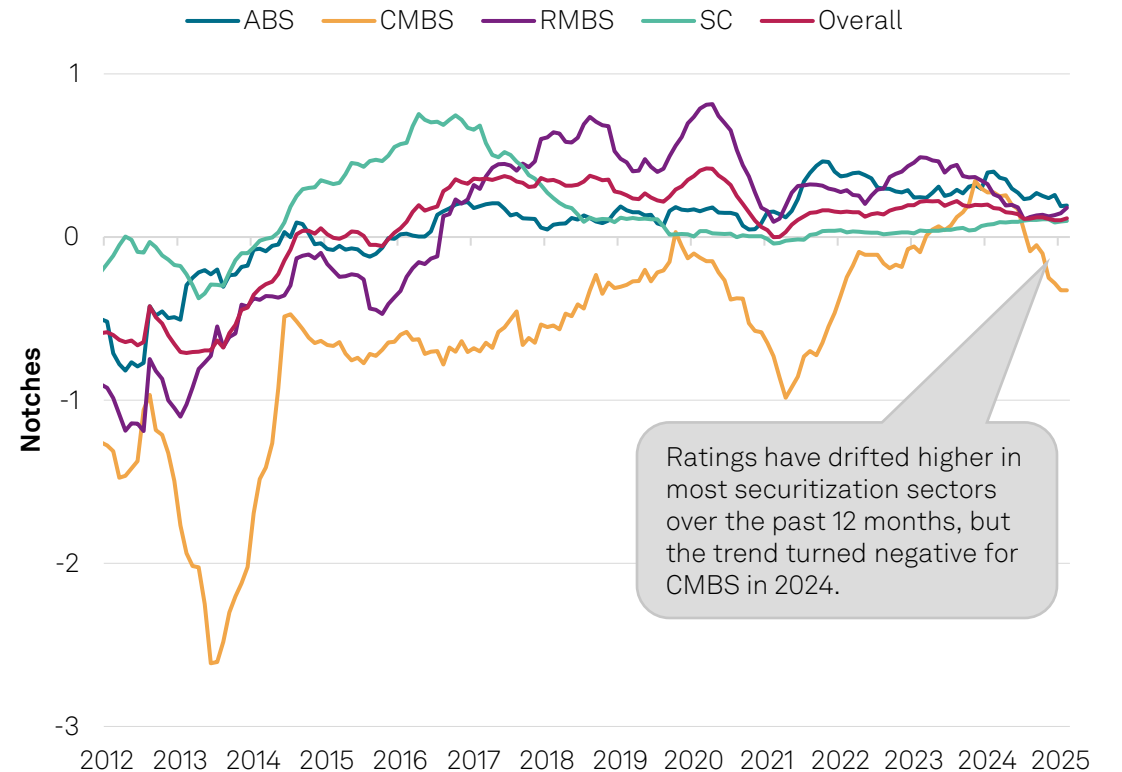
Credit Performance—Long-Term Ratings Drift

Rating action count, 12-month rolling



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

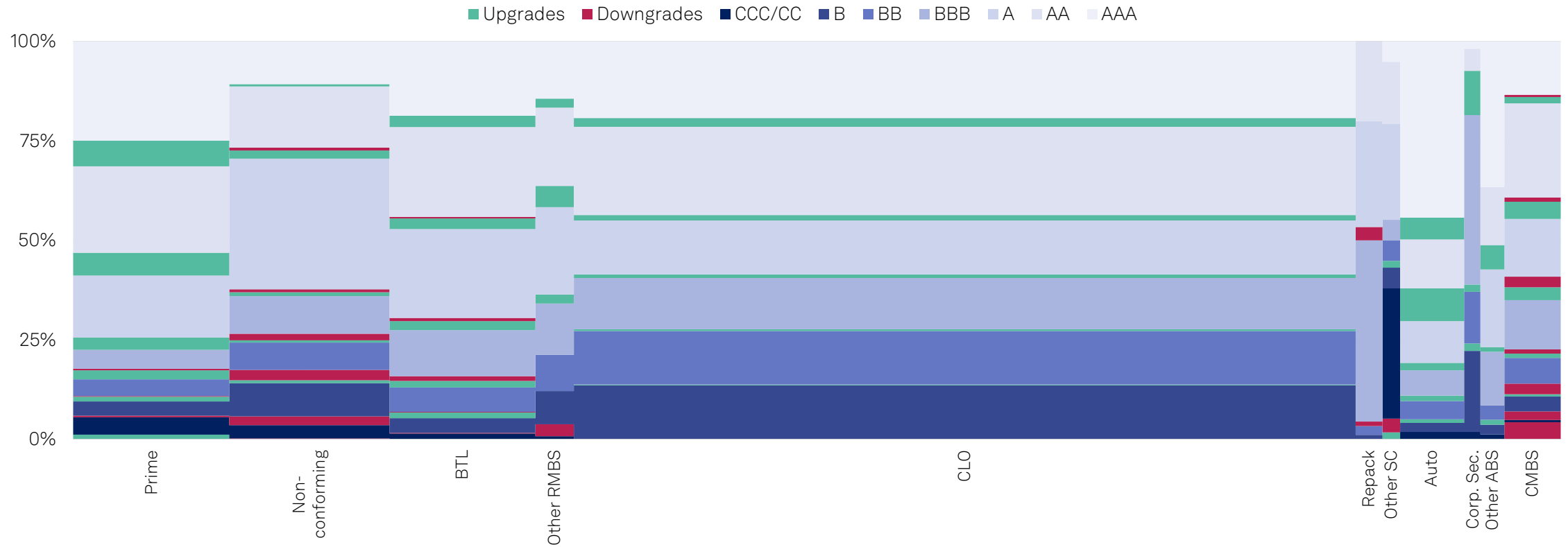
12-month trailing average change in credit quality



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

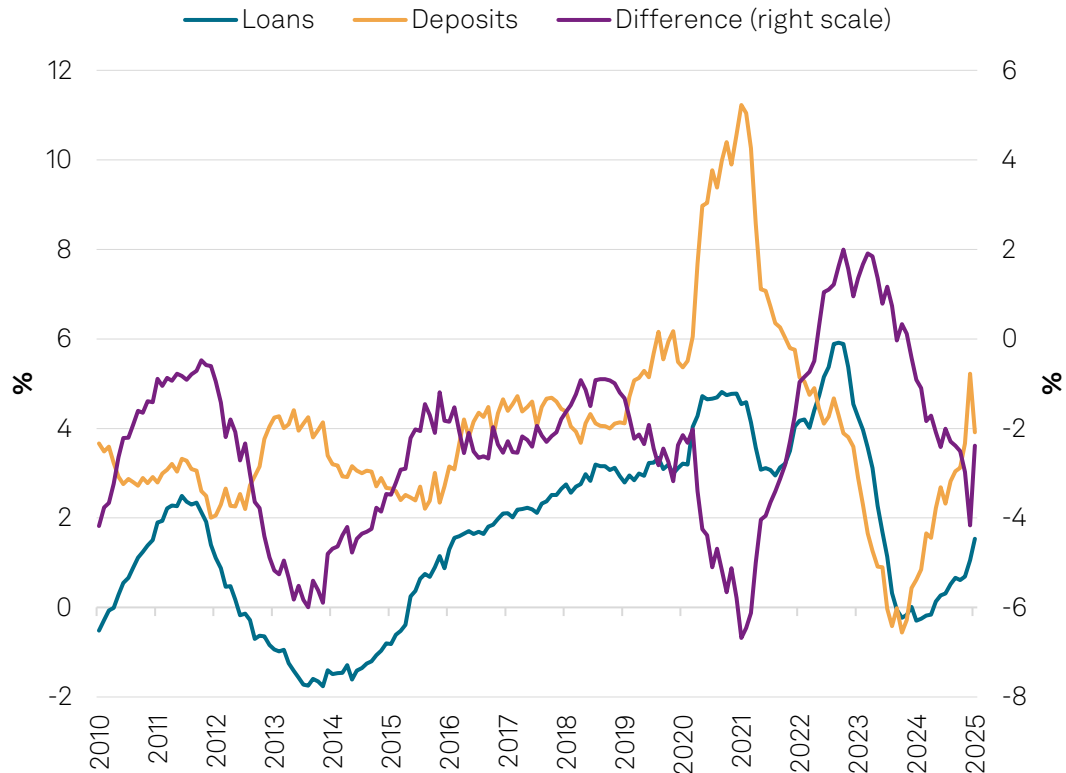
Distribution of ratings and 12-month transitions



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.

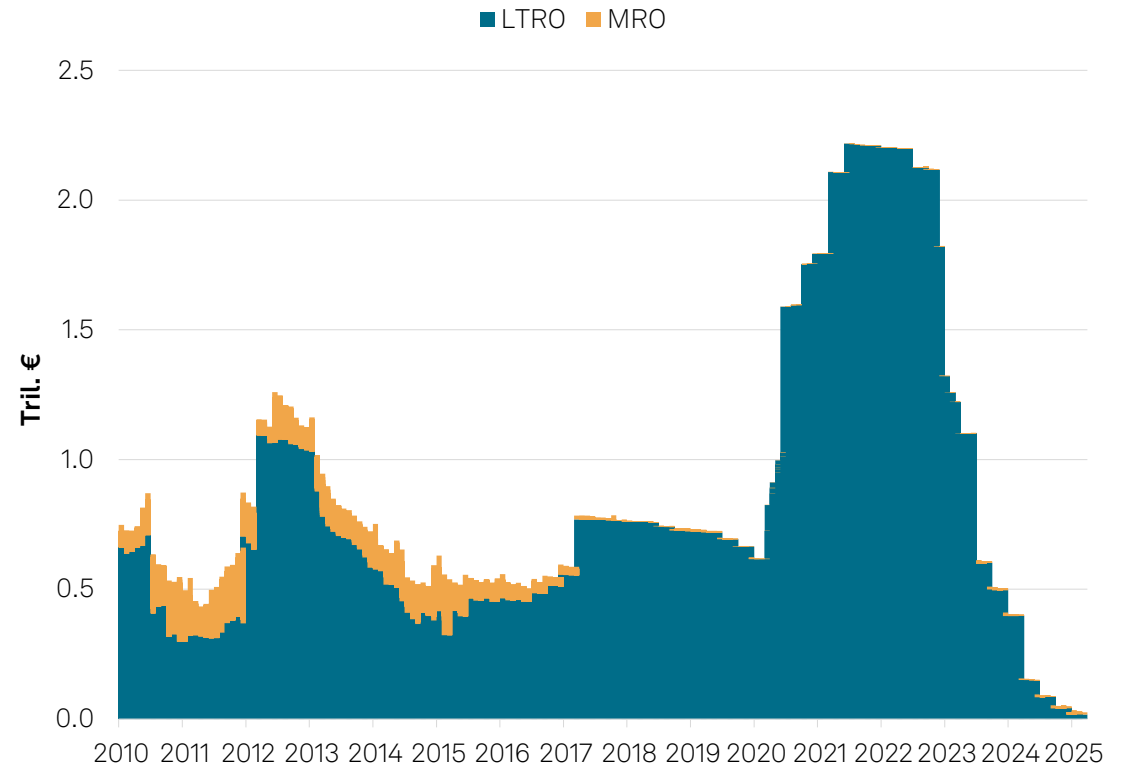
Fundamentals—Issuance Drivers

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



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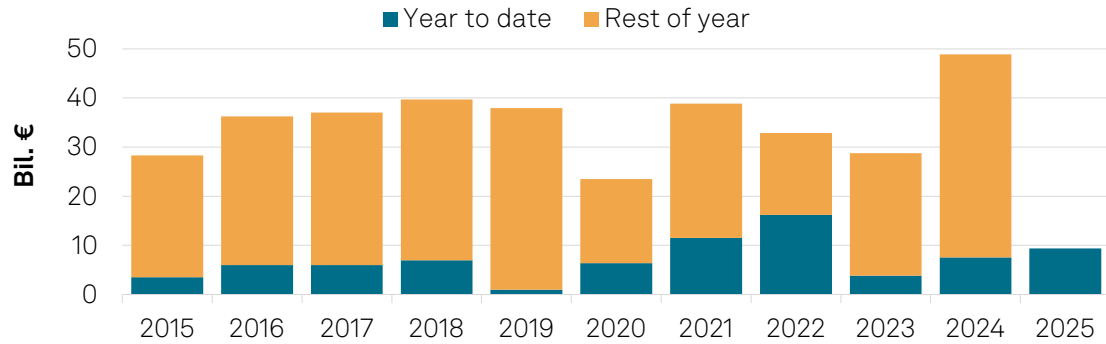
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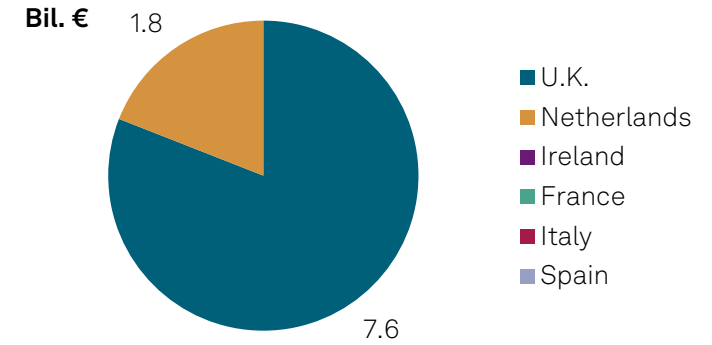
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RMBS—Issuance

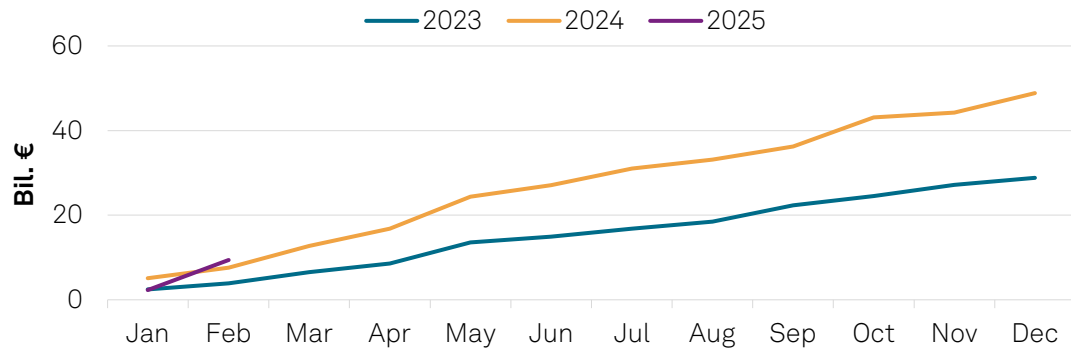
Investor-placed RMBS issuance



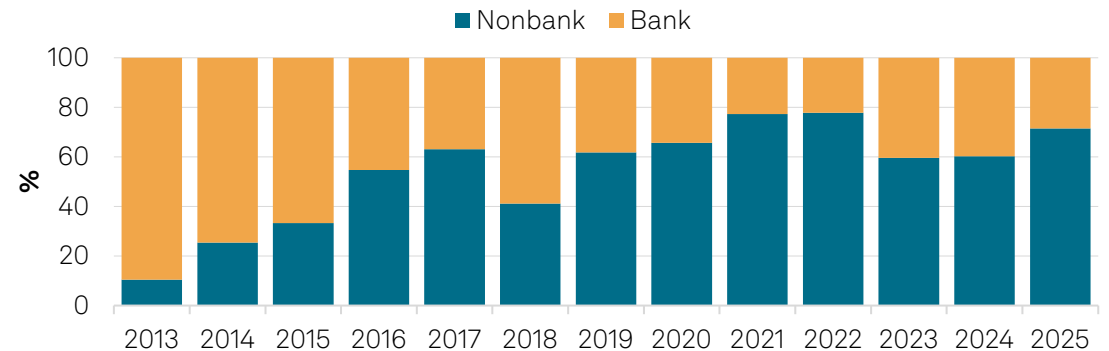
2025 YTD investor-placed RMBS issuance, by country



Cumulative investor-placed RMBS issuance



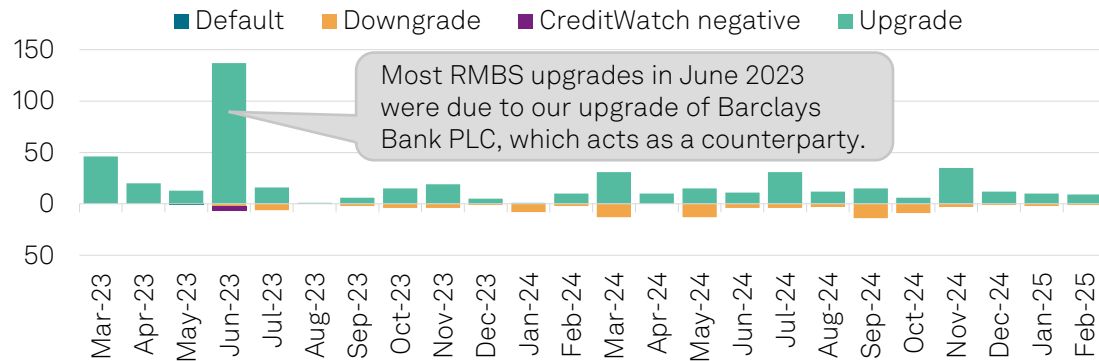
RMBS issuance mix, by originator type



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

RMBS—Rating Actions And Performance Metrics

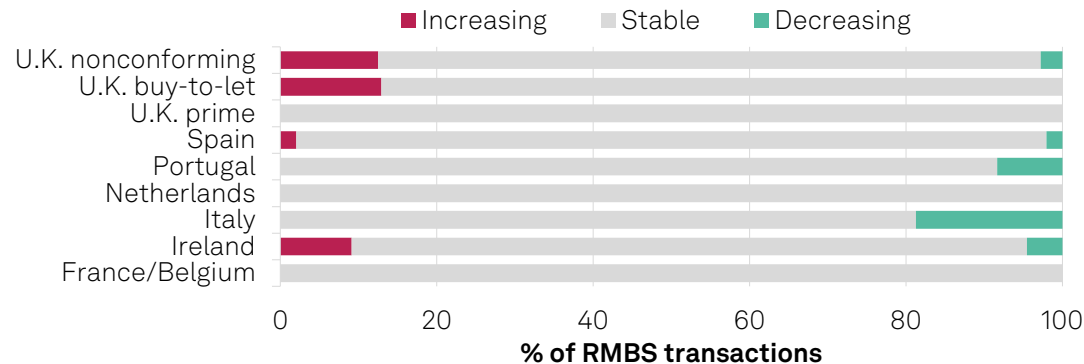
1. Monthly rating actions count, last 24 months



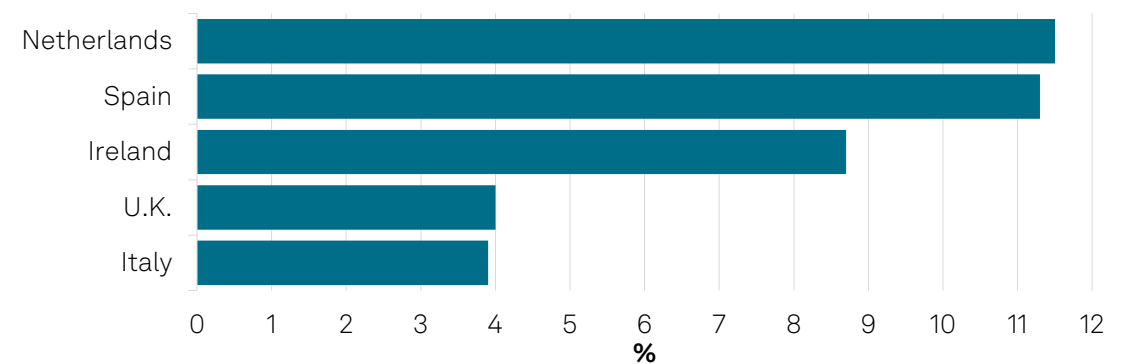
2. Cumulative rating actions count, last 12 months

	Prime	Nonconforming	BTL	Other RMBS
Upgrade	105	26	53	13
CreditWatch neg.	0	0	0	0
Downgrade	5	44	14	4
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



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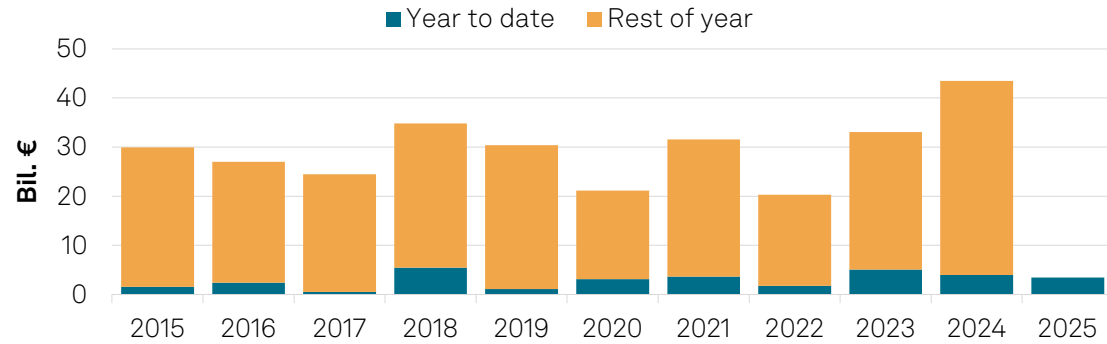
Director

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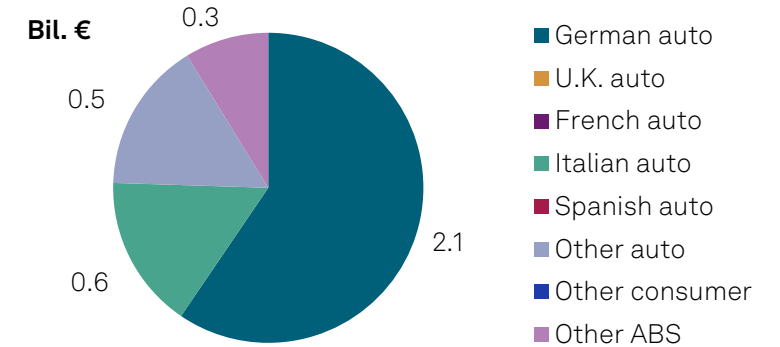
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ABS—Issuance

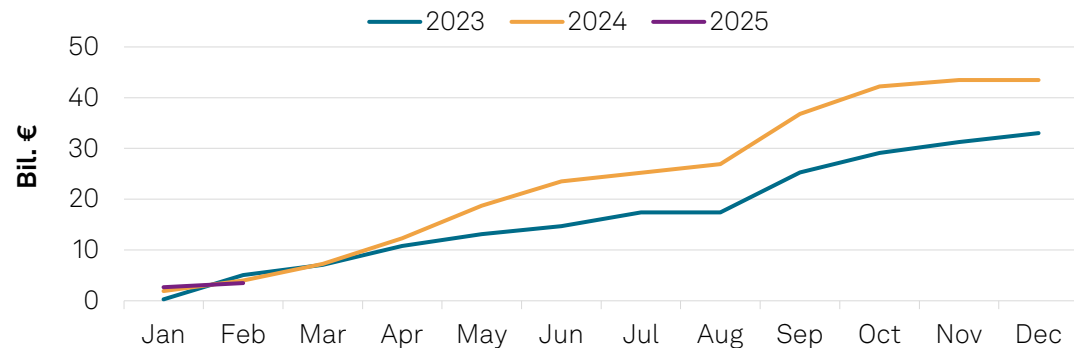
Investor-placed ABS issuance



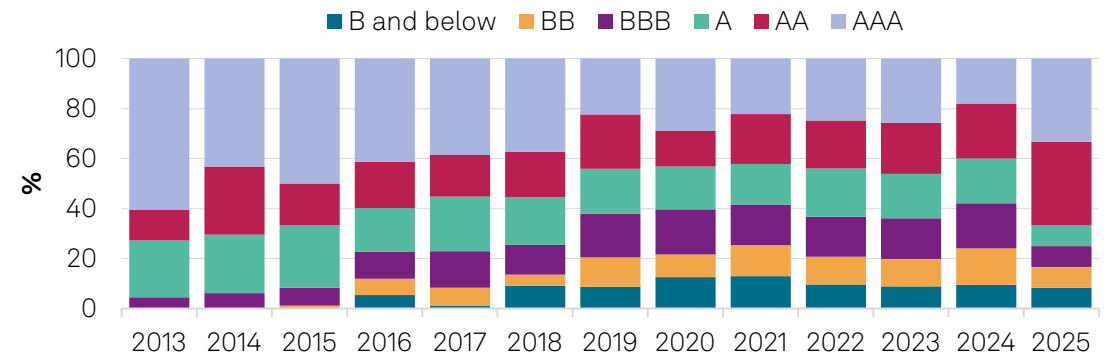
2025 YTD investor-placed ABS issuance, by subsector



Cumulative investor-placed ABS issuance



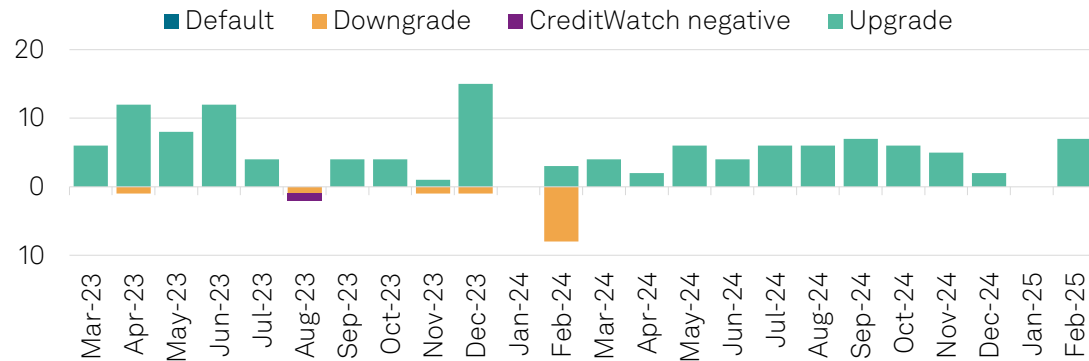
ABS issuance mix, by tranche rating category count



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

ABS—Rating Actions And Performance Metrics

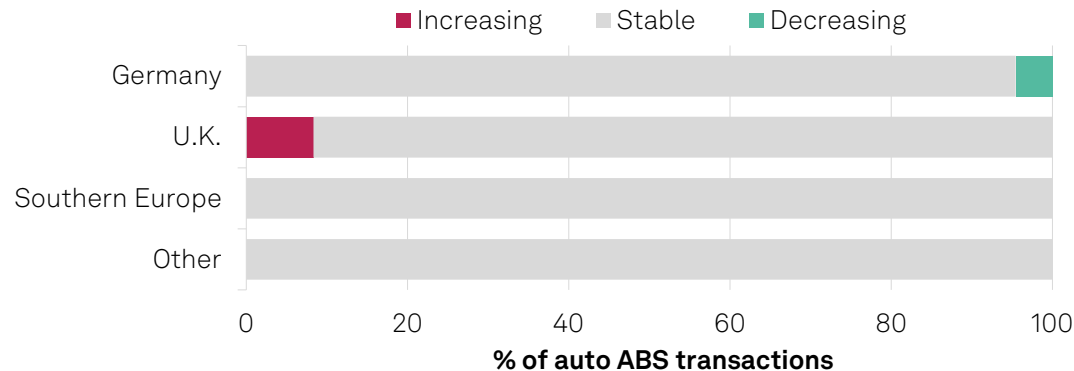
1. Monthly rating actions count, last 24 months



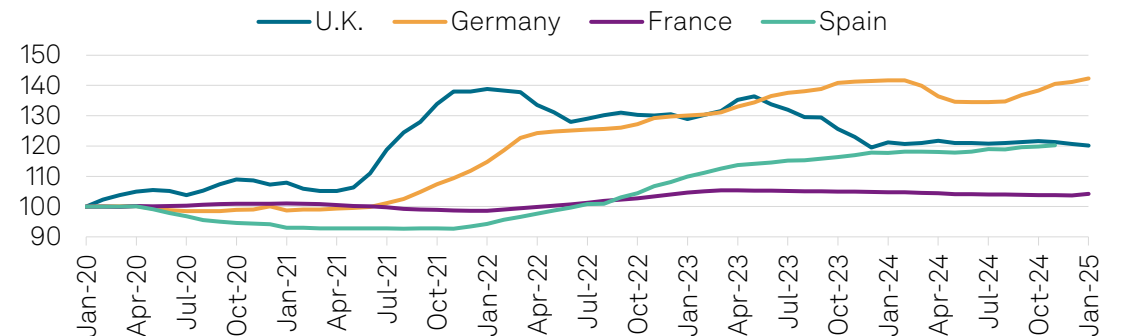
2. Cumulative rating actions count, last 12 months

	Auto/ consumer	Credit cards	Corp. sec.	Other ABS
Upgrade	41	0	9	5
CreditWatch neg.	0	0	0	0
Downgrade	0	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

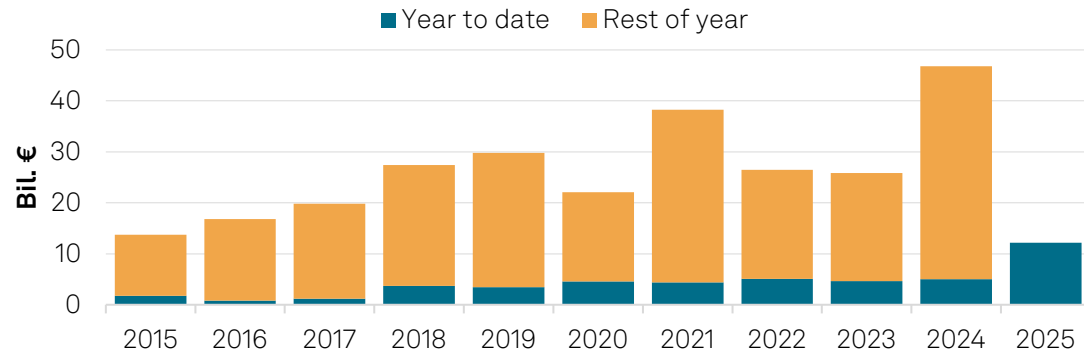
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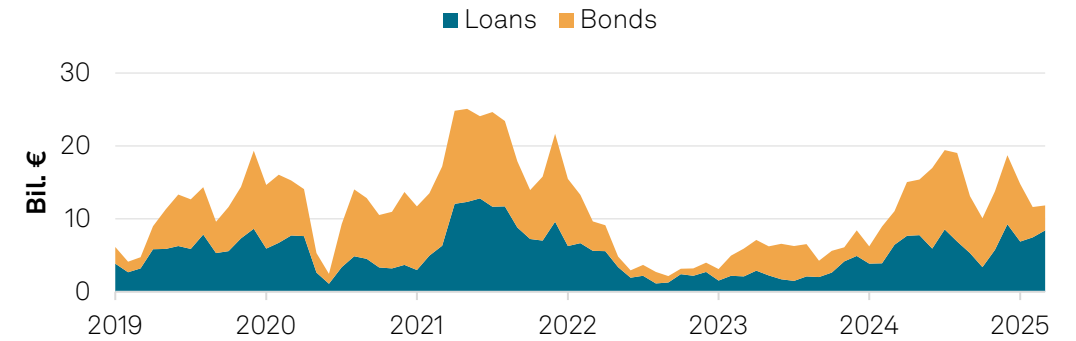
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CLO—New Issuance

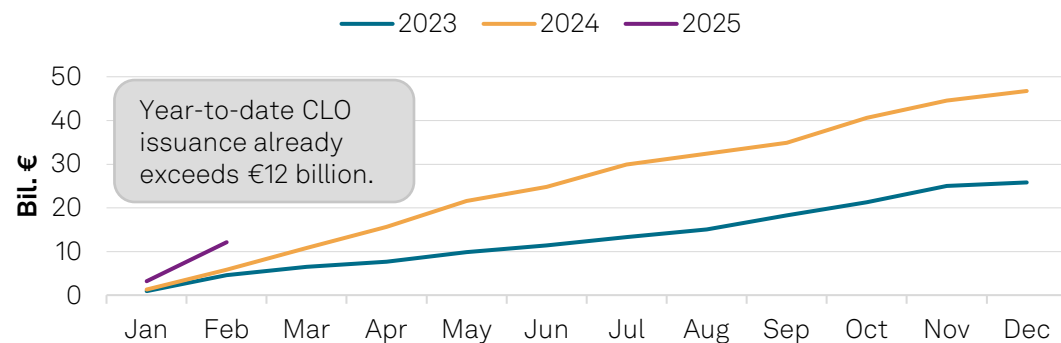
1. Investor-placed CLO new issuance



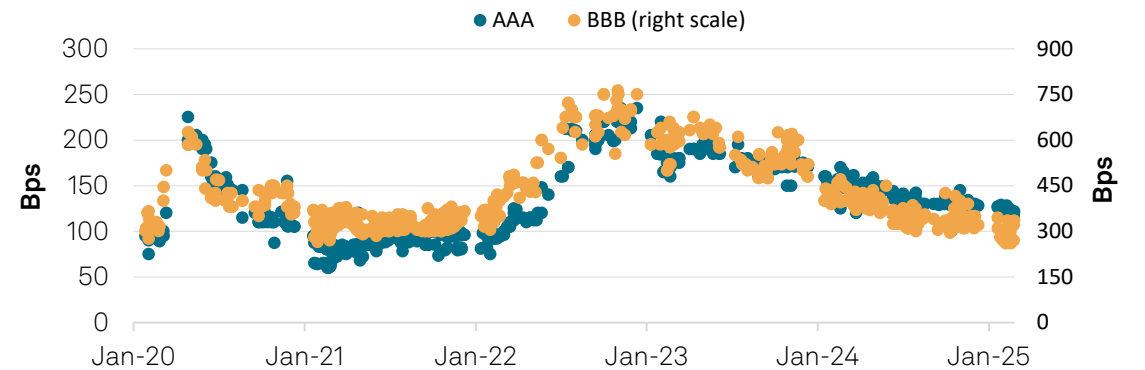
2. Monthly European leveraged finance origination volumes



3. Cumulative investor-placed CLO new issuance



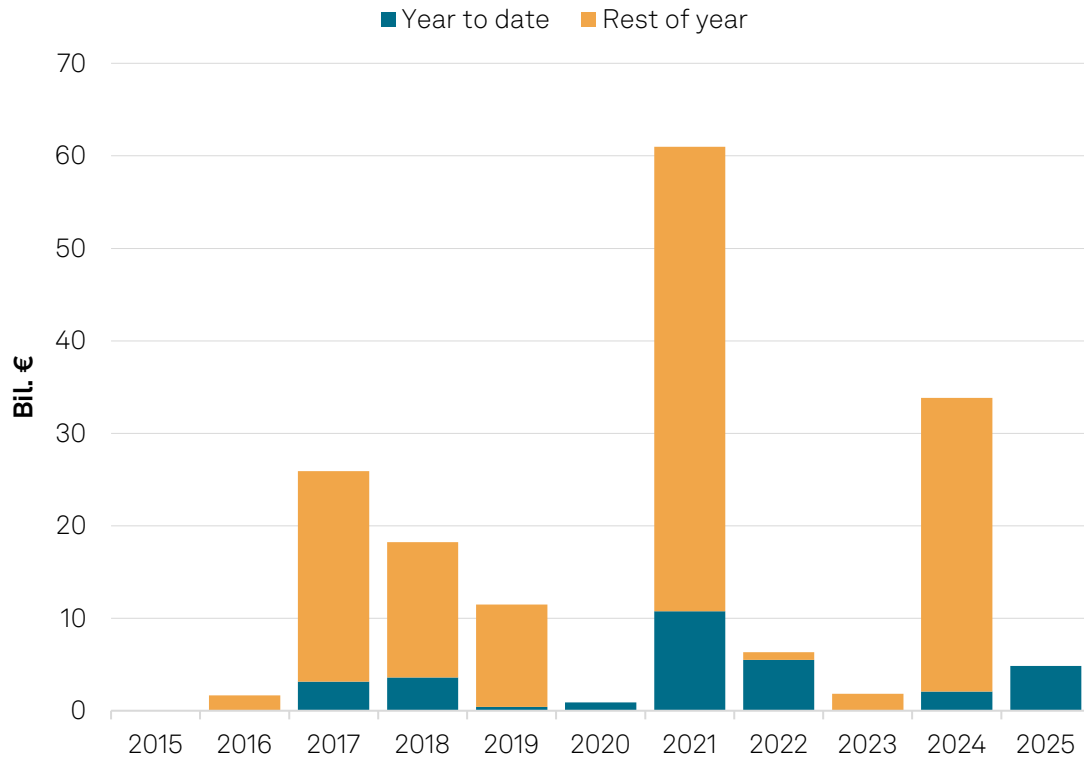
4. European new issue CLO tranche discount margins



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.

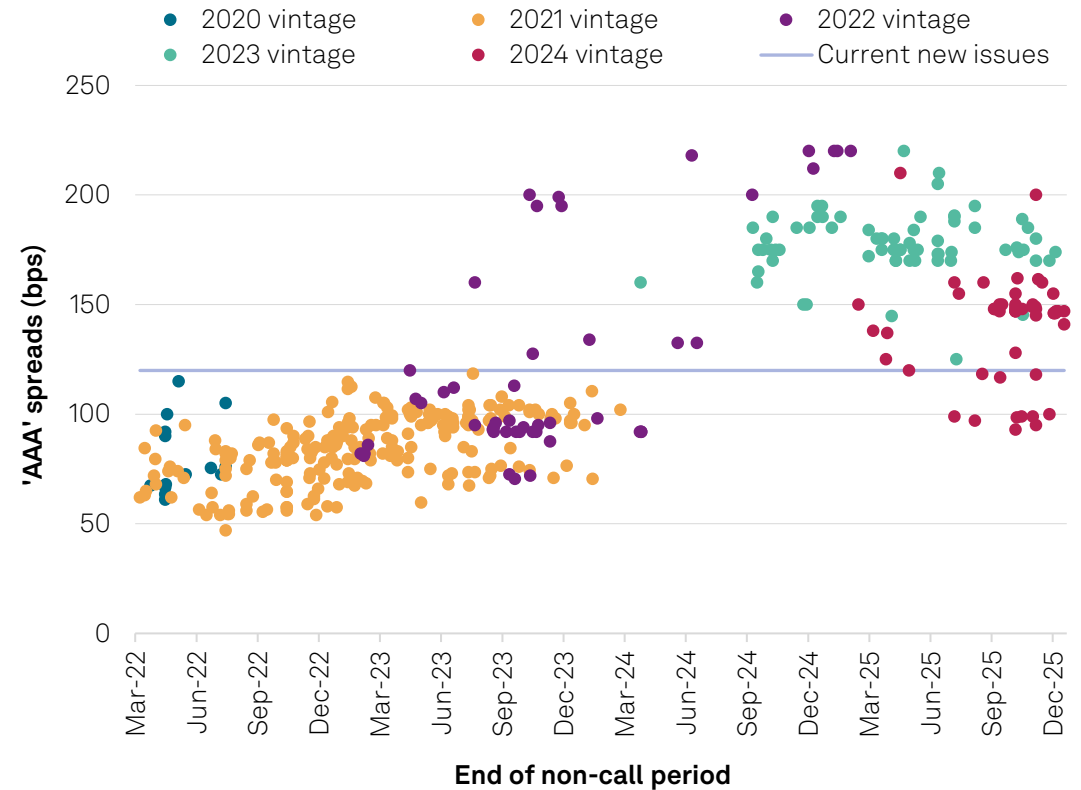
CLO—Refi/Reset Issuance

Investor-placed CLO refi/reset issuance



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

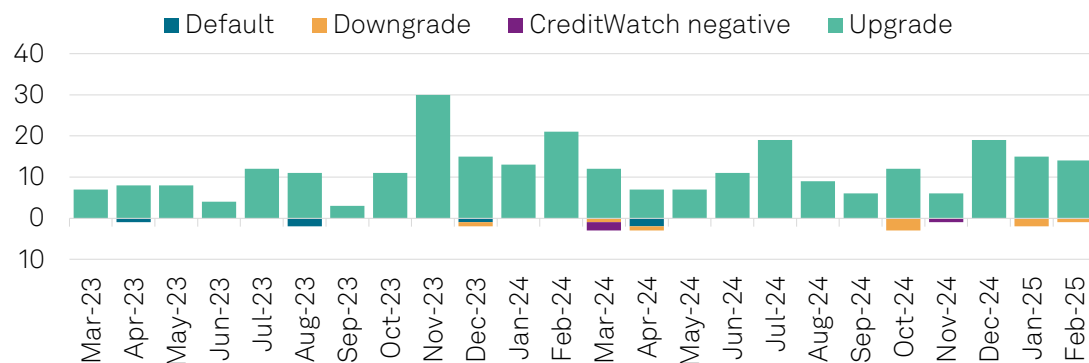
Refi/reset candidates: existing versus current 'AAA' spreads



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

CLO & Structured Credit—Rating Actions And Performance Metrics

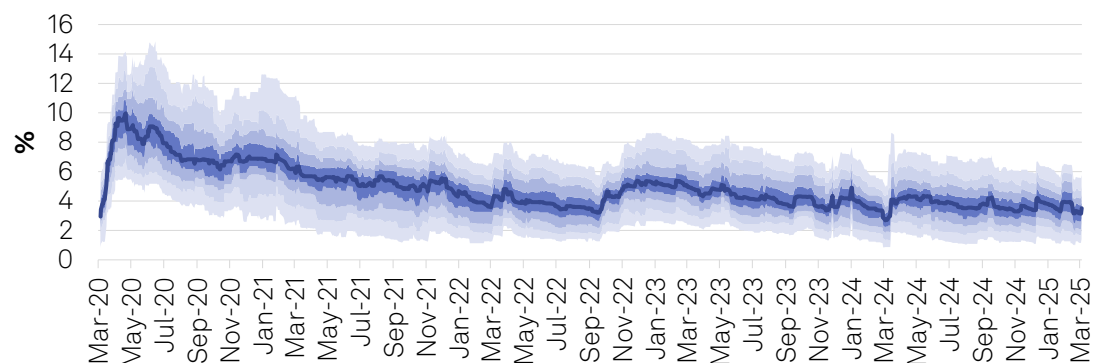
1. Monthly rating actions count, last 24 months



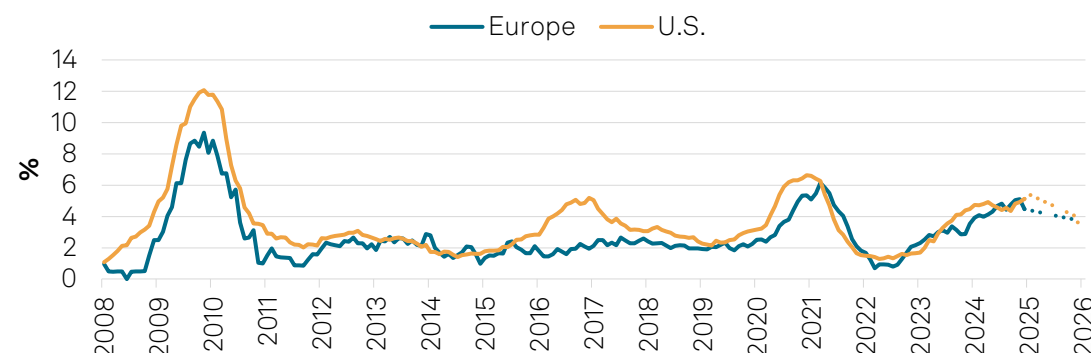
2. Cumulative rating actions count, last 12 months

	CLO	SME	Repack	Other SC
Upgrade	134	2	1	0
CreditWatch neg.	0	0	3	0
Downgrade	1	0	7	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

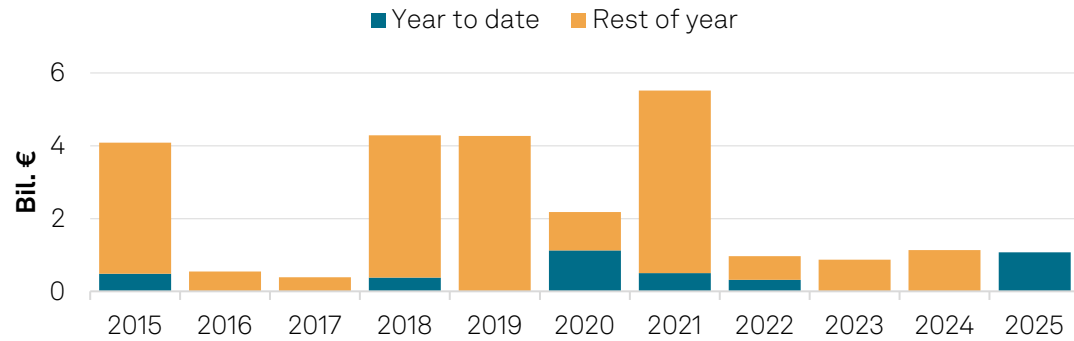
Director

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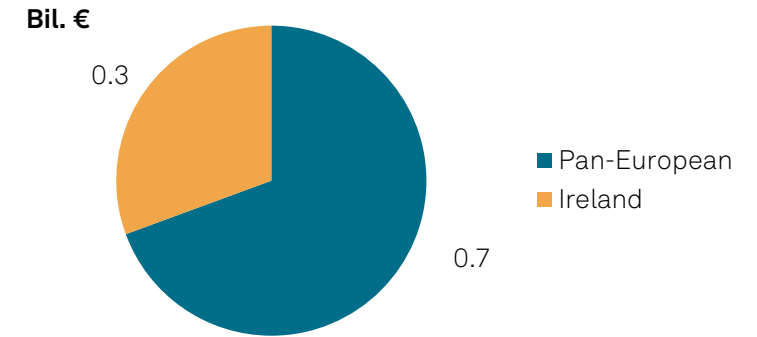
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CMBS—Issuance

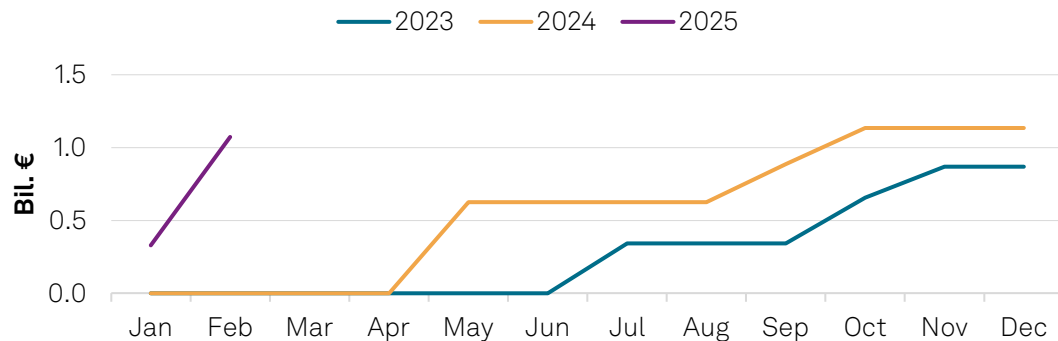
Investor-placed CMBS issuance



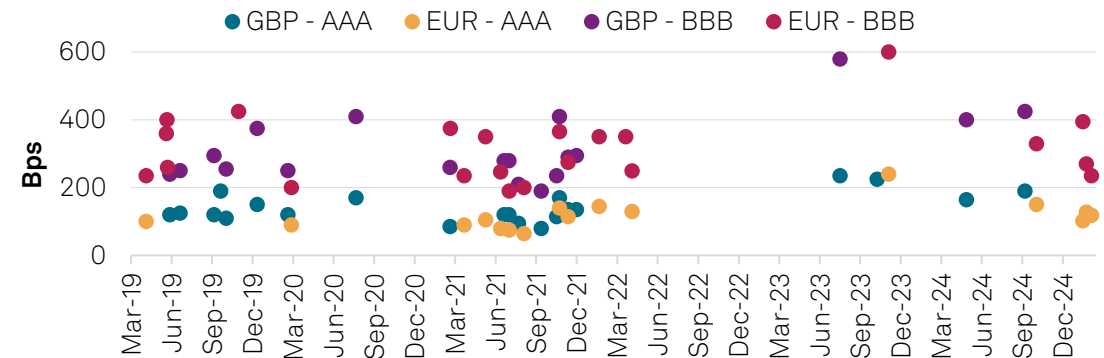
2025 YTD investor-placed CMBS issuance, by country



Cumulative investor-placed CMBS issuance



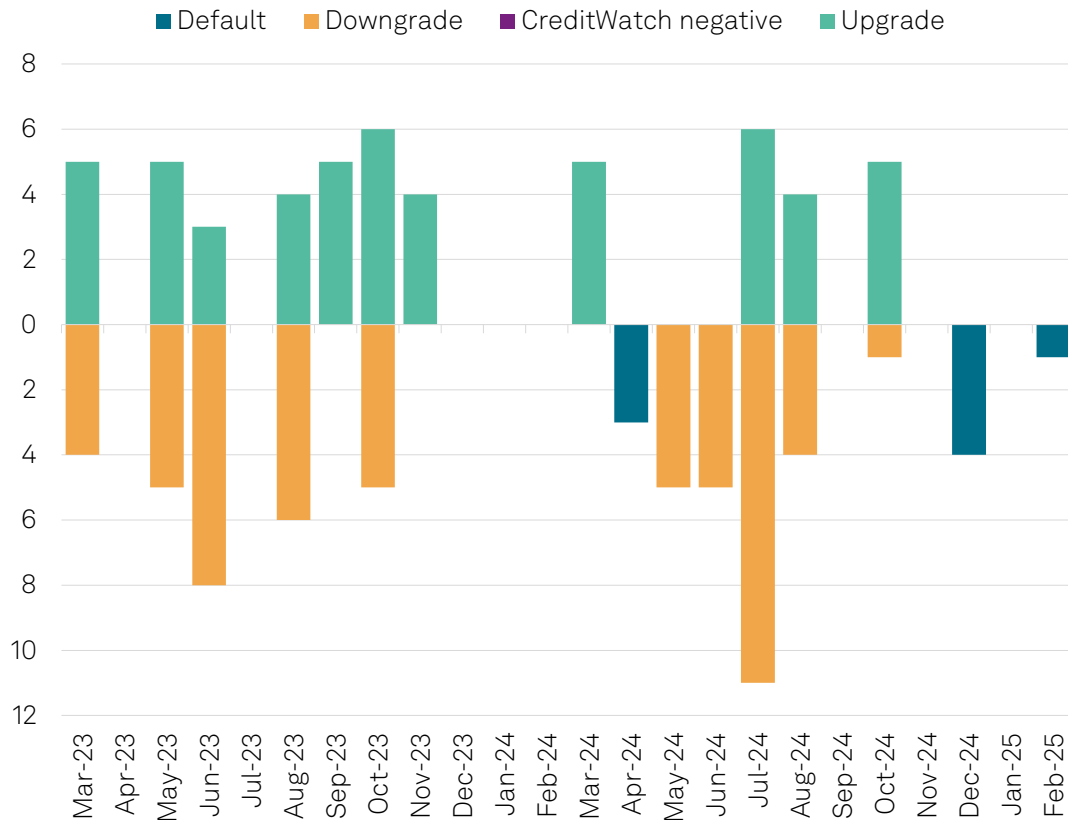
Primary spreads on European CMBS issuance



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

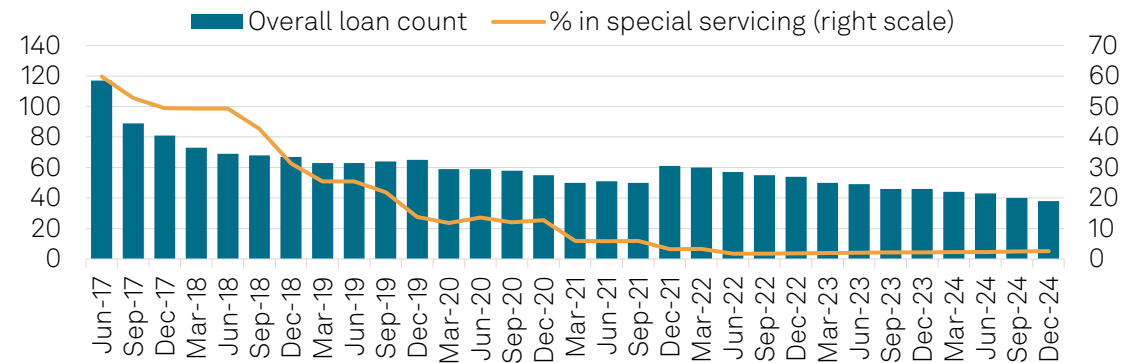
1. Monthly rating actions count, last 24 months



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	5	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



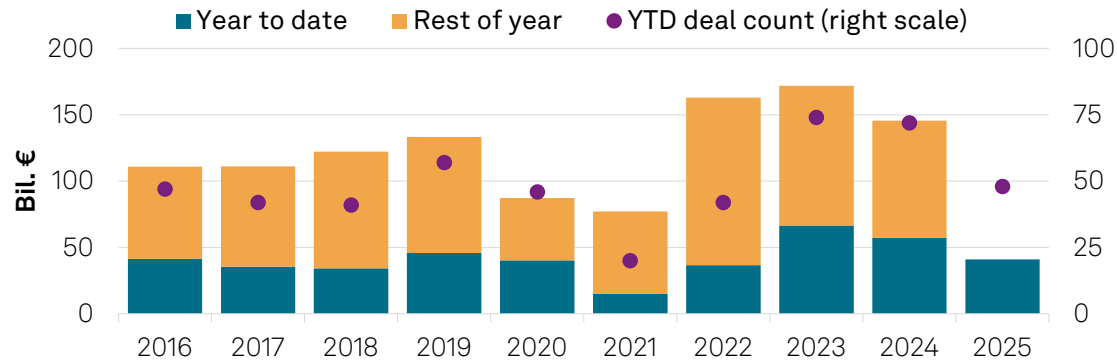
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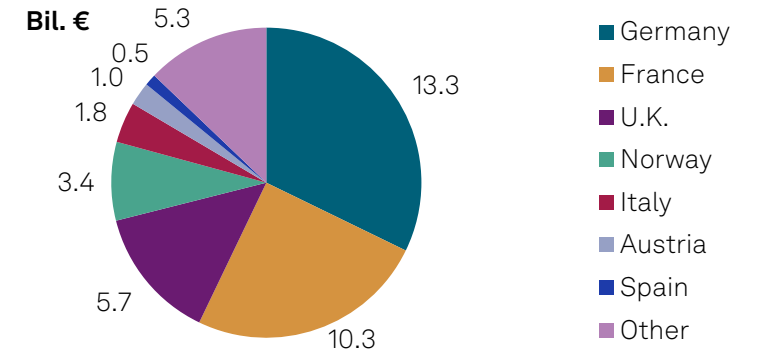
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Covered Bonds—Issuance

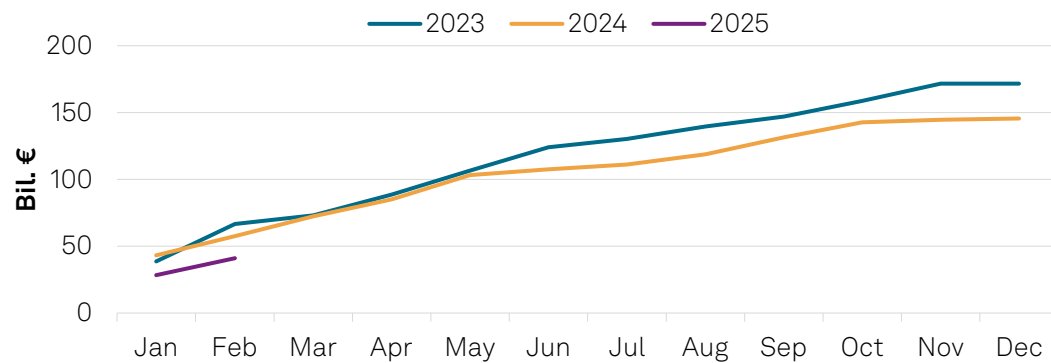
Benchmark covered bond issuance



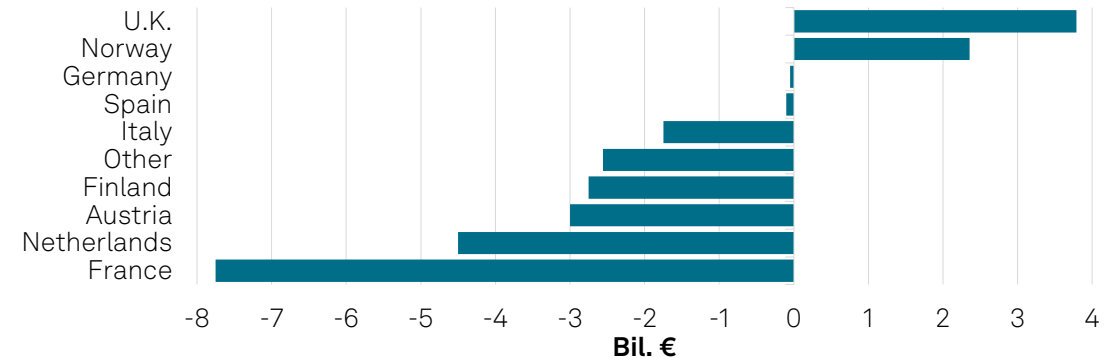
2025 YTD benchmark covered bond issuance, by country



Cumulative benchmark covered bond issuance



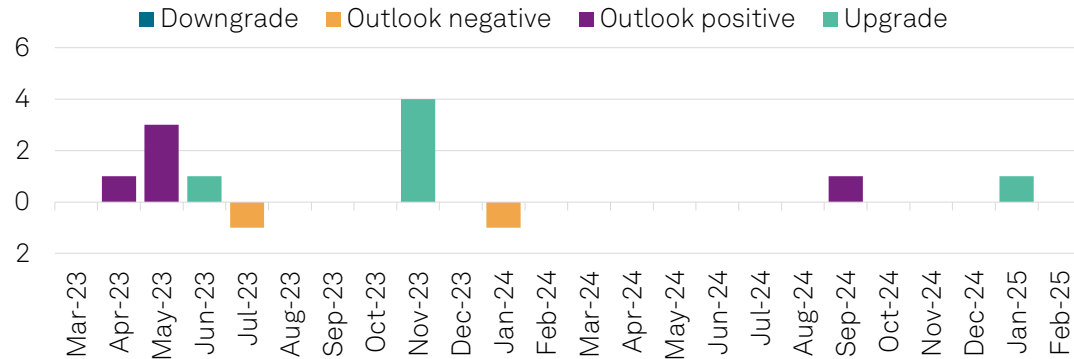
Change in YTD issuance, 2025 versus 2024, by country



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

Covered Bonds—Rating Actions And Performance Metrics

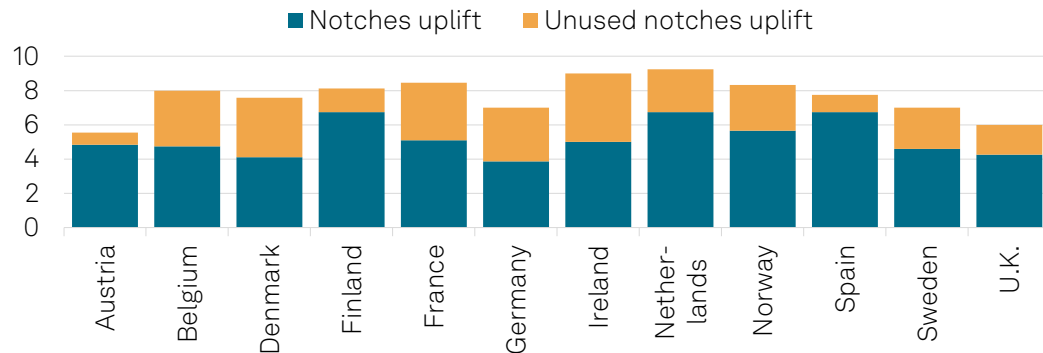
1. Monthly rating actions count, last 24 months



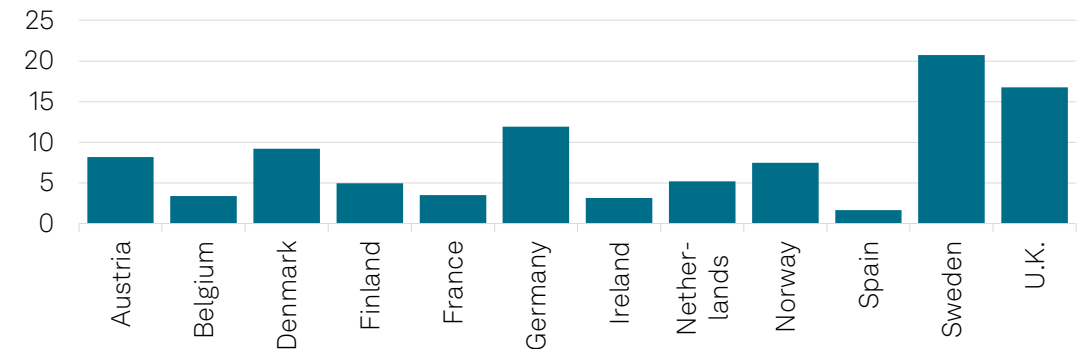
2. Cumulative rating actions count, last 12 months

	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)

- [Credit FAQ: Israel's Public RMBS Market Takes Off](#), Feb. 25, 2025
- [ABS Frontiers: Asset-Based Finance Funds Are In Vogue](#), Feb. 24, 2025
- [2024 Annual Global Structured Finance Default And Rating Transition Study](#), Feb. 21, 2025
- [European RMBS Index Report Q4 2024](#), Feb. 20, 2025
- [European Auto ABS Index Report Q4 2024](#), Feb. 14, 2025
- [European And U.K. Credit Card ABS Index Report Q4 2024](#), Feb. 14, 2025
- [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
- [European CMBS Monitor Q4 2024](#), Feb. 3, 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

Recent Research (2)

- [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
- [U.K. Legacy RMBS Arrears To Be Higher For Longer](#), Nov. 28, 2024
- [Blockchain Meets Covered Bonds](#), Nov. 27, 2024
- [A Primer On Portugal's RMBS Market](#), Nov. 25, 2024
- [Banking Brief: Barclays And Santander Lead European Banks' SRT Activity](#), Nov. 7, 2024
- [U.K. Second-Lien Monitor Q3 2024](#), Nov. 7, 2024
- [Dutch Buy-To-Let RMBS Withstand Rate Hikes And Tighter Regulations](#), Oct. 21, 2024
- [Credit FAQ: Solar ABS Trends: Partially Cloudy Skies](#), Oct. 17, 2024
- [Swedish Covered Bond Market Insights 2024](#), Oct. 10, 2024
- [German Covered Bond Market Insights 2024](#), Oct. 3, 2024
- [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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