

EMEA Structured Finance Chart Book

June 2025

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This report does not constitute a rating action



Highlights—News

- **Securitization regulation.** In early December 2024, the European Commission (EC) closed its comprehensive consultation on reforms to the EU regulatory framework for securitizations. On June 17, the EC published its proposed changes. Based on an initial reading, the EC appears serious about significantly simplifying the rules on investor due diligence and issuer disclosures, which could expand both buy- and supply-side participation. The new rules would also amend calculations in banks' regulatory capital framework, reducing the charges for some securitization exposures by lowering the risk weight floors (see table) and adjusting the so-called p-factor. There are also changes to how securitization exposures can contribute to banks' Liquidity Coverage Ratio (LCR). The review will ultimately include amendments to insurers' Solvency II capital charges, although the changes envisaged in this area are not yet public. While there is still a long road ahead before the new rules are finalized and come into force, these initial indications are promising, in our view.
- **Issuance.** Investor-placed securitization issuance in May 2025 was €16.0 billion--down 22% on May 2024. The RMBS sector saw a significant decline, but issuance across the remaining sectors was on a par with the previous year. Year-to-date securitization issuance of €61.4 billion is down 6% on 2024. European benchmark covered bond issuance in May was €18.9 billion--up 4% compared with last year. Year-to-date covered bond issuance to the end of May 2025 was €79.8 billion, down 23% on 2024.
- **Rating actions.** In May 2025, we raised our ratings on 32 European securitization tranches across a wide variety of asset classes. There were 11 downgrades in the CLO, CMBS, Dutch RMBS, and Italian RMBS sectors.

Proposed minimum risk weight floors for senior tranches		
	STS	Non-STS
Current framework	10%	15%
New framework - "Resilient"	5%	10%
New framework – Other	7%	12%

STS--Simple, transparent, and standardized securitizations. "Resilient" exposures must meet certain criteria in addition to the STS requirements. Based on SEC-SA or SEC-IRBA calculation approaches. Source: European Commission.

Highlights—Tariff Effects On European Structured Finance Are Limited

- European structured finance issuance has held up well during a period of financial market volatility, which was prompted by the U.S. administration's announcements on import tariffs and trading partners' reactions.
- Global trade shifts could have some direct effects on corporate-backed structured finance sectors, such as CLOs and CMBS, although these are likely to be idiosyncratic and limited in scale.
- However, European CLOs' exposures to tariff-related corporate sectors are generally low (see table). For example, the aggregate exposure to automotive companies only amounts to 1.3%.
- The more negative macroeconomic backdrop could also cause indirect tariff effects that would be more widespread across European structured finance.
- Despite these downside risks, the overall ratings performance of the European structured finance sector is set to remain stable.

European CLOs' exposure to corporate sectors

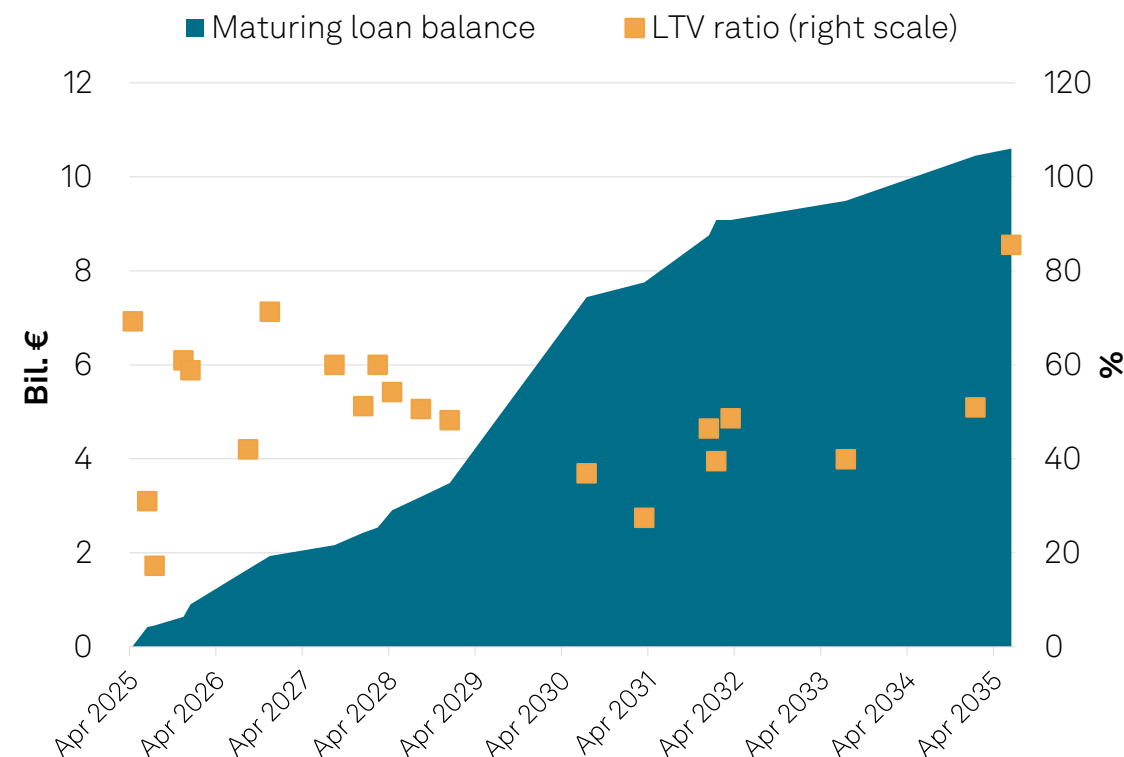
	Exposure (%)	Rated 'B -' or lower (%)	Negative outlook (%)
Automotive	1.3	28.3	4.4
Building products	2.5	59.9	0.0
Capital goods*	9.3	24.2	16.9
Chemicals	5.7	36.8	42.9
Metals and mining	0.3	0.0	79.9
Pharmaceuticals	4.0	22.7	4.8
Shipping	0.4	2.0	0.0
Technology hardware§	1.2	7.3	45.7
Other goods†	18.0	28.1	6.2
Services†	57.5	30.3	11.6

*Excluding building products. §Includes semiconductors. †Less subject to tariff-related risks. Source: S&P Global Ratings. For more details, see "[Tariff Effects On European Structured Finance Are Limited](#)," published May 23, 2025.

Highlights—European CMBS Break Through The Refinance Wall

- Refinancing difficulty is a key risk for commercial mortgage loans underlying European CMBS.
- Despite European commercial real estate (CRE) sector asset values declining significantly, CMBS loans due for refinancing in 2025 have performed better than those maturing in 2024, given their lower leverage and longer tail periods.
- We believe that across the nine CMBS transactions in our surveillance portfolio that have loans maturing in 2025, seven loans carry a low default risk.
- Lower interest rates are enabling more borrowers to refinance even amid declining property values.
- While we maintain a more negative outlook on the office and retail sectors, we believe that most borrowers remain well-positioned to refinance.

Upcoming maturities and LTV ratios for U.K. CMBS

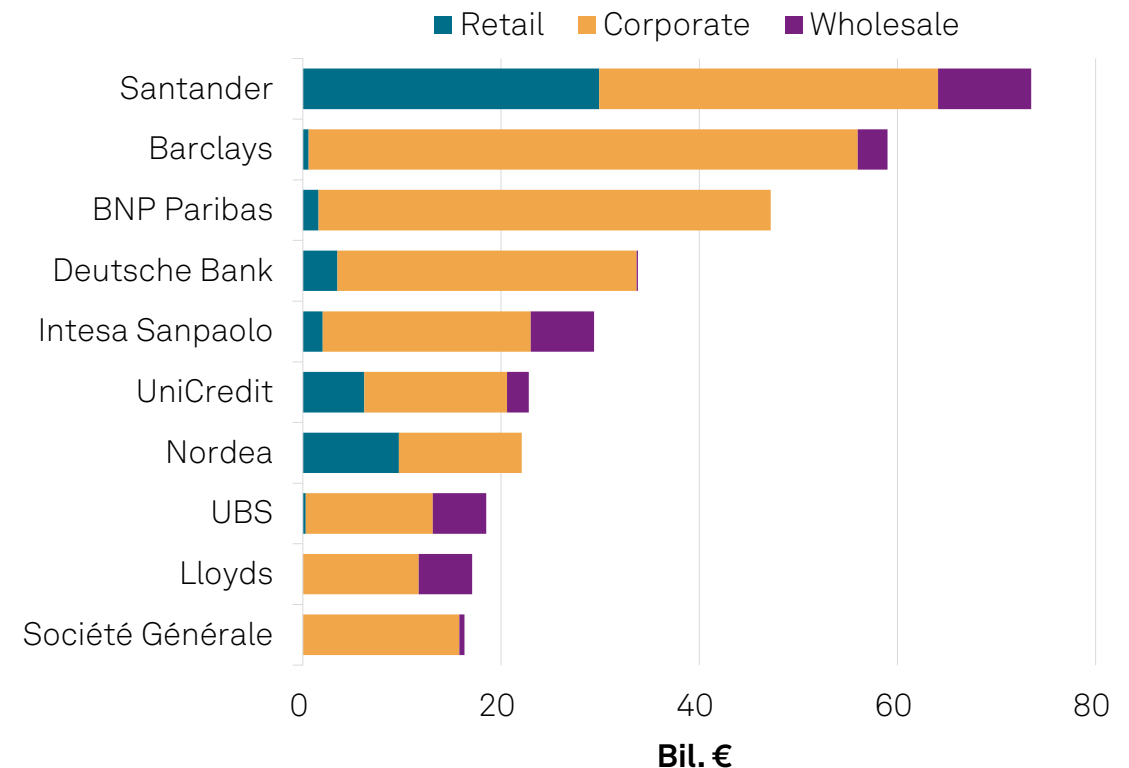


LTV--Loan-to-value. Source: S&P Global Ratings. For more details, see "[European CMBS Break Through The Refinance Wall](#)," published June 4, 2025.

Highlights—European Banks Continue To Embrace Significant Risk Transfers

- The balance of European banks' outstanding significant risk transfer (SRT) securitizations looks poised for further growth in 2025, after a 15% increase in 2024.
- Despite geopolitical uncertainty, investor demand remains strong and provides opportunities for banks to manage their credit portfolios, optimize capital requirements, and enhance returns on equity.
- The region's largest lenders dominate transaction activity, but issuance is becoming broader based as the growing investor base and favorable pricing attract more banks to the market.
- European SRTs are mostly bilateral, synthetic deals in which issuers typically retain the senior tranche representing about 80%-95% of the reference portfolio and sometimes a small first-loss tranche covering the expected losses.
- Santander is the region's most active originator and other national champions complete the top 10. However, various other banks including BBVA, Erste, and NatWest reported notable increases in outstanding SRTs in 2024.

Bank exposures to retained SRT tranches, as of end-2024



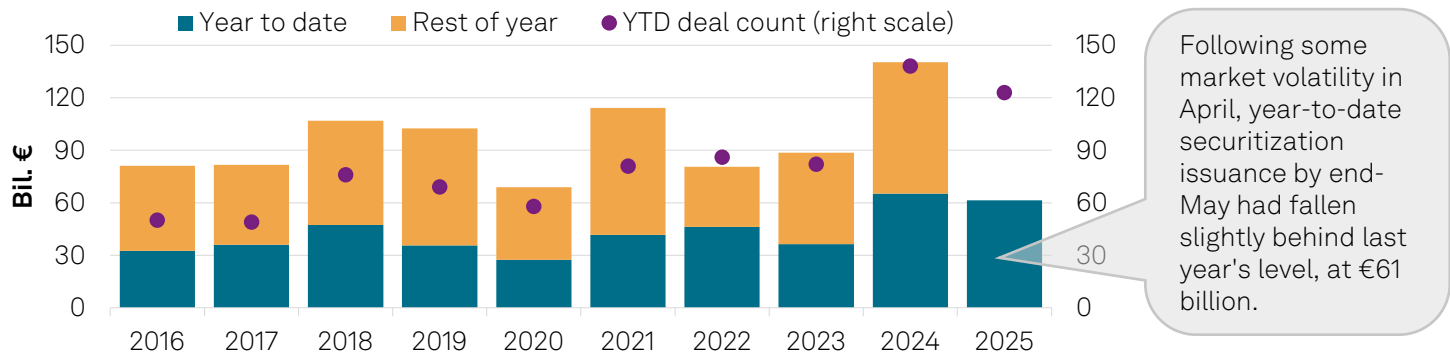
Top 10 exposures in 40 bank sample. UBS data includes all retained tranches, not only SRT. SRT--Significant risk transfer. Source: Pillar 3 disclosures. For more details, see "[European Banks Continue To Embrace Significant Risk Transfers](#)," published May 30, 2025.

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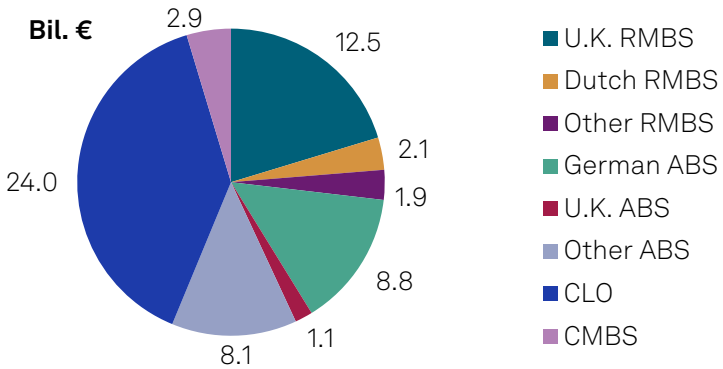
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Issuance—Securitizations

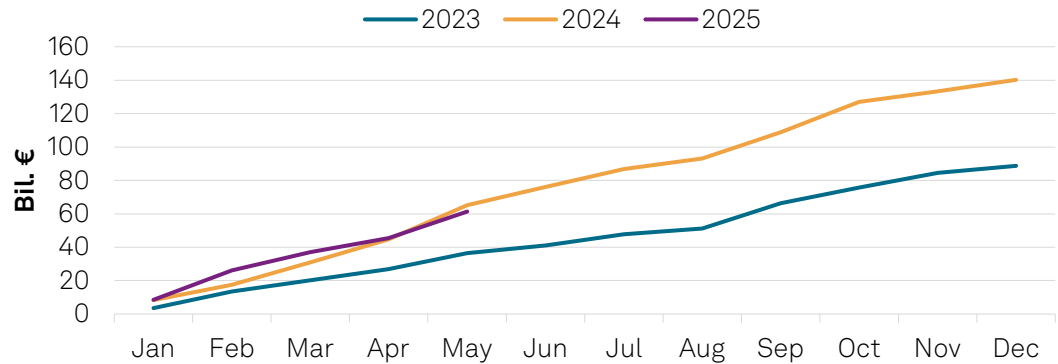
1. Investor-placed securitization issuance



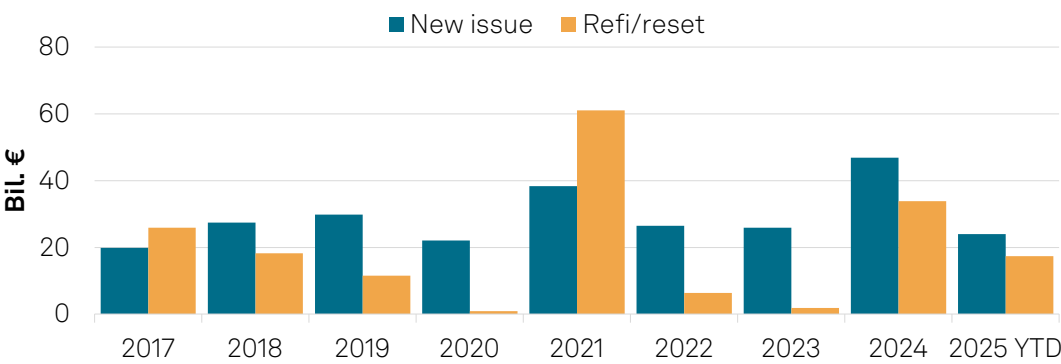
2. 2025 YTD investor-placed securitization issuance, by sector



3. Cumulative investor-placed securitization issuance



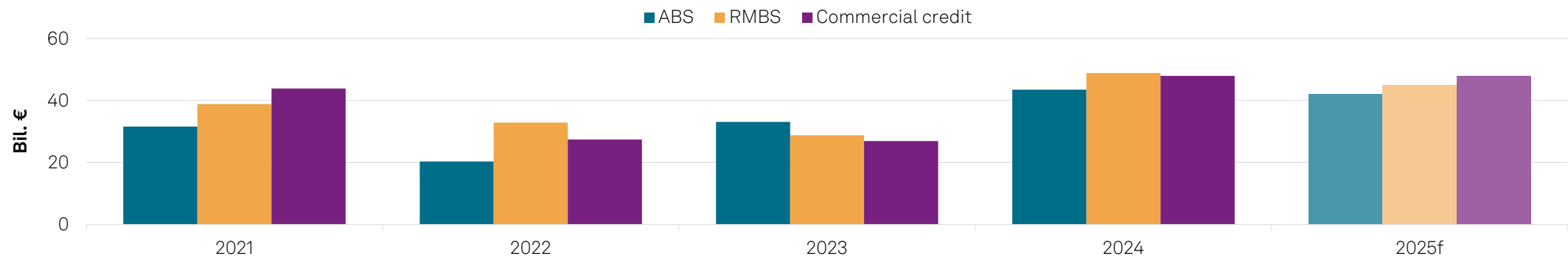
4. CLO refinancing and reset issuance



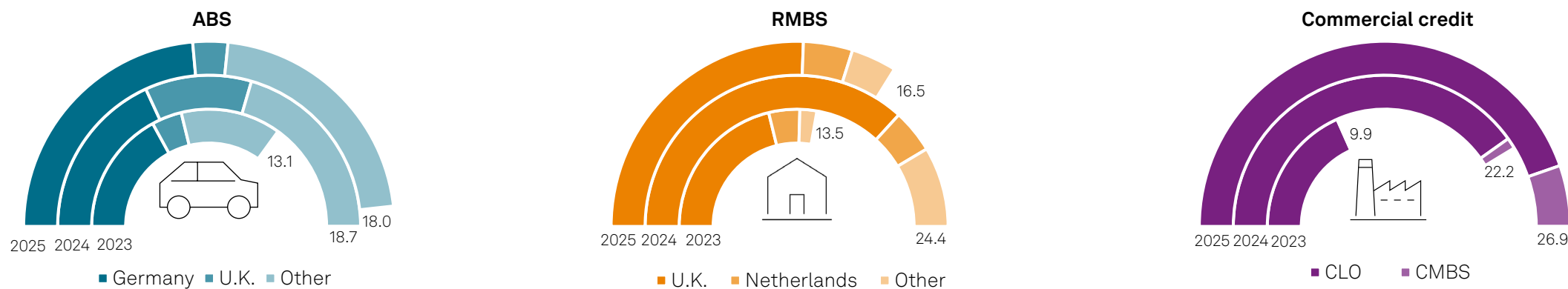
1-3. Year-to-date (YTD) figures as of end-May each year. Excludes CLO refinancings and resets. Source: S&P Global Ratings. 4. Sources: S&P Global Ratings, Pitchbook LCD.

Issuance—Securitizations

Annual investor-placed securitization issuance



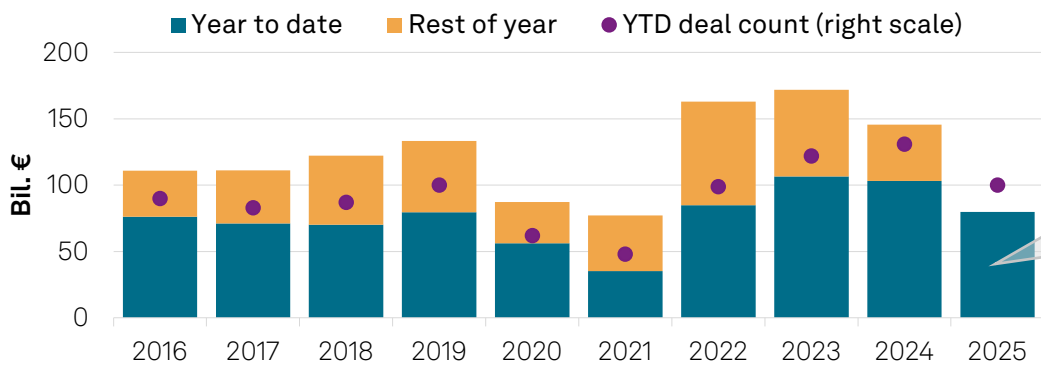
YTD investor-placed securitization issuance, by subsector (bil. €)



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

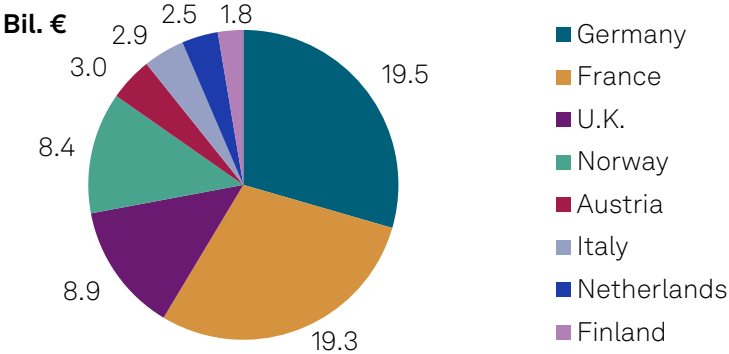
Issuance—Covered Bonds

1. Benchmark covered bond issuance

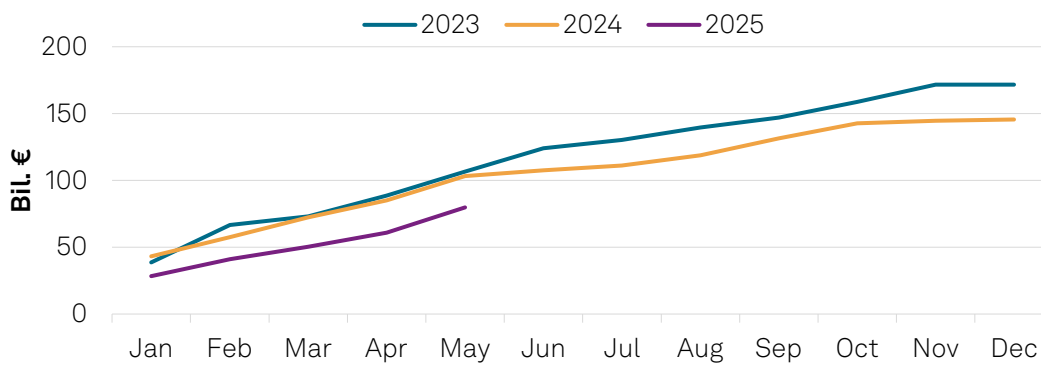


2. 2025 YTD benchmark covered bond issuance, by country

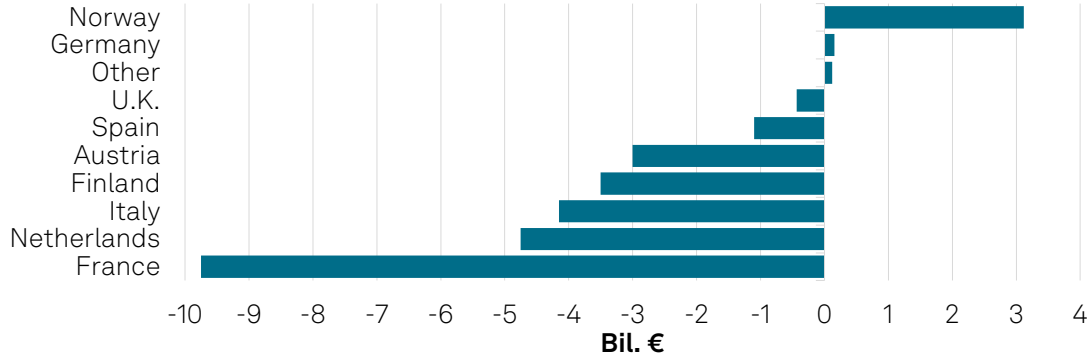
Benchmark covered bond issuance in the first five months of the year was down 23%, at €80 billion, but still close to the 10-year average.



3. Cumulative benchmark covered bond issuance



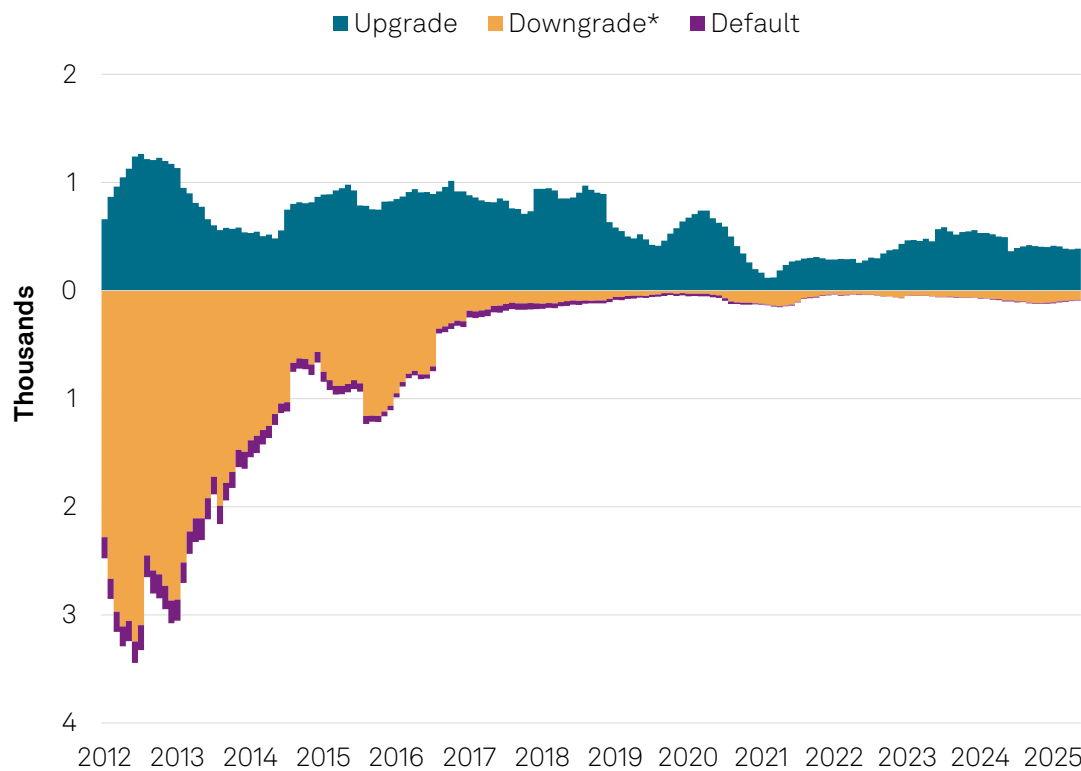
4. Change in YTD issuance, 2025 vs. 2024, by country



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

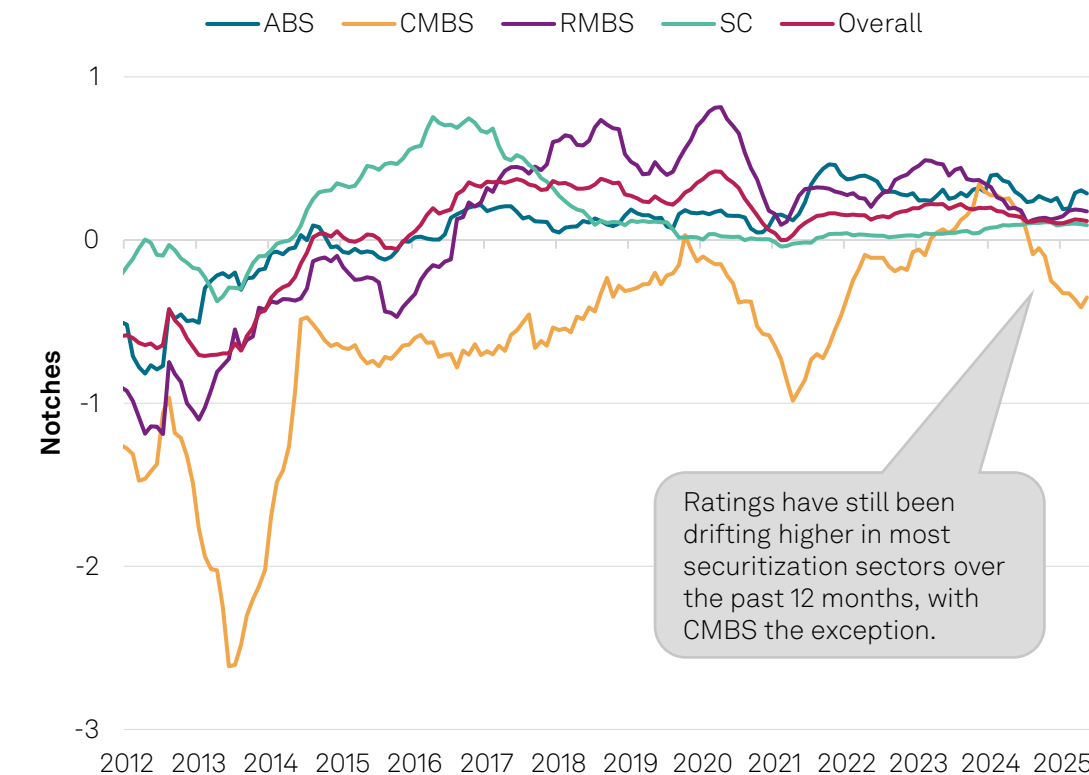
Credit Performance—Long-Term Ratings Drift

Rating action count, 12-month rolling



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

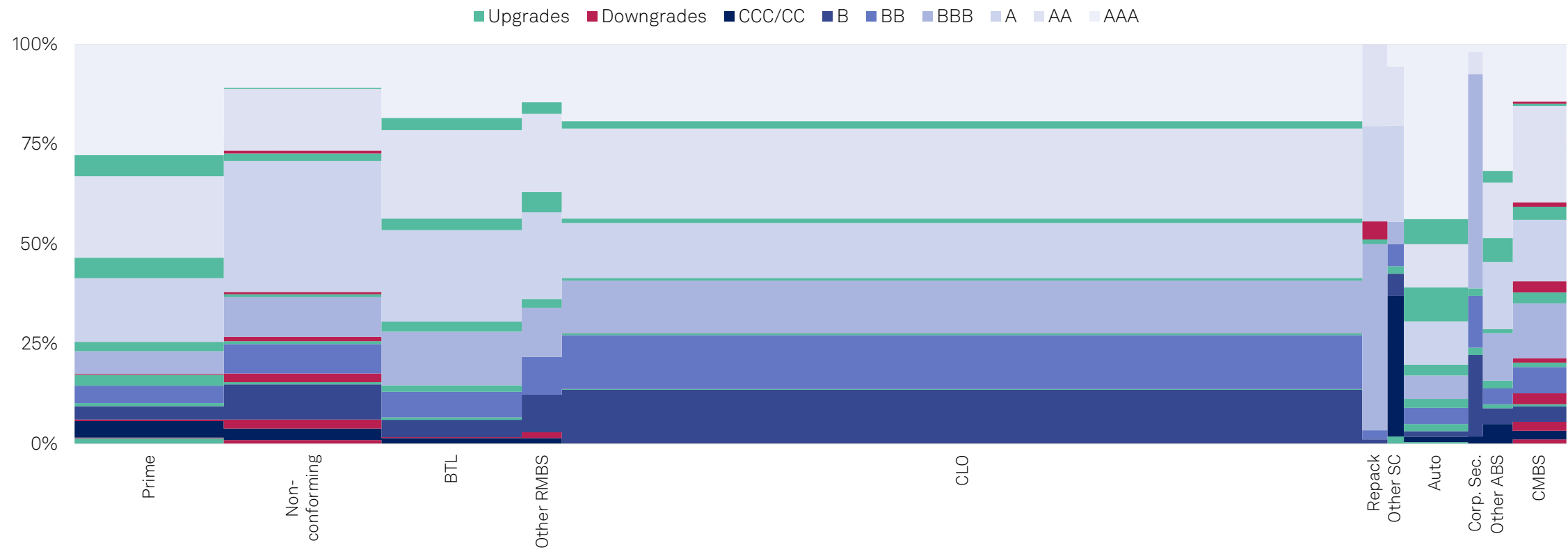
12-month trailing average change in credit quality



As of end-March 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

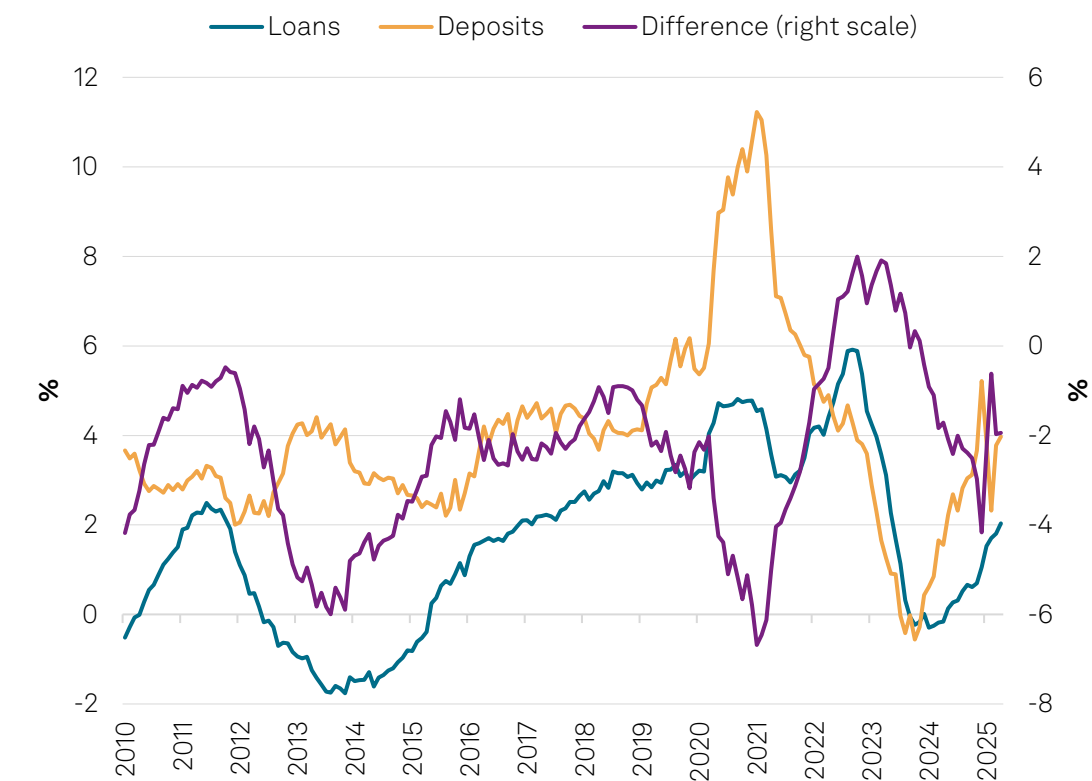
Distribution of ratings and 12-month transitions



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

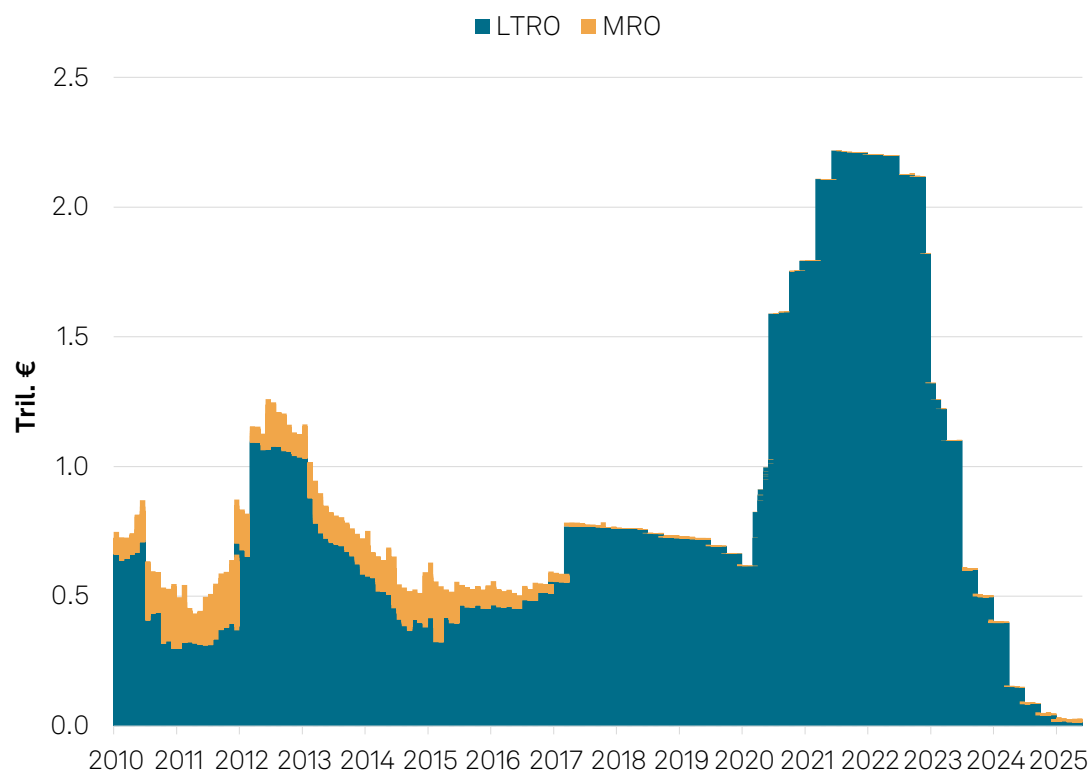
Fundamentals—Issuance Drivers

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

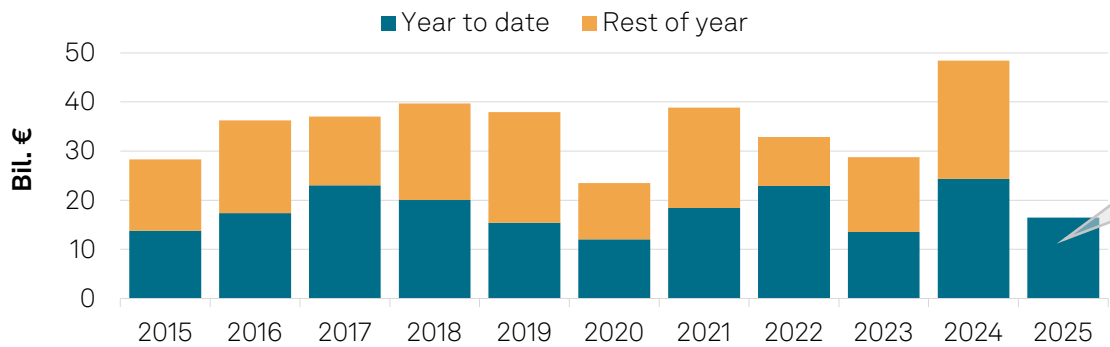
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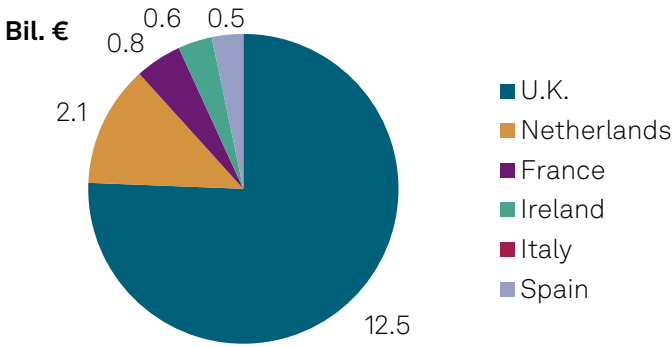
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RMBS—Issuance

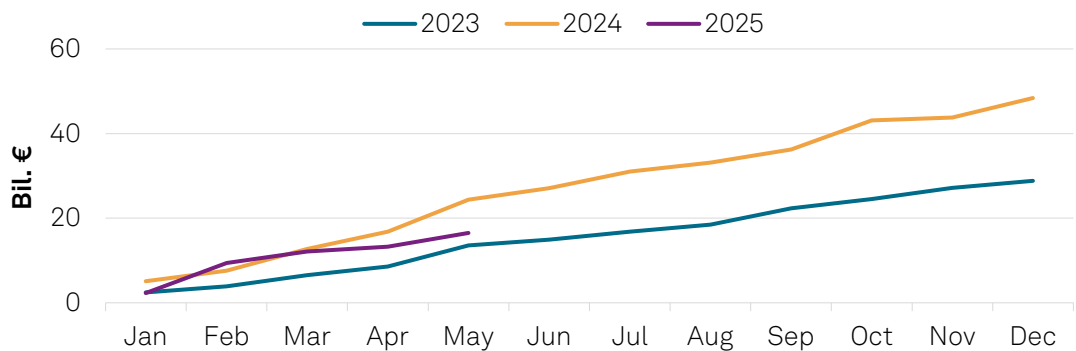
Investor-placed RMBS issuance



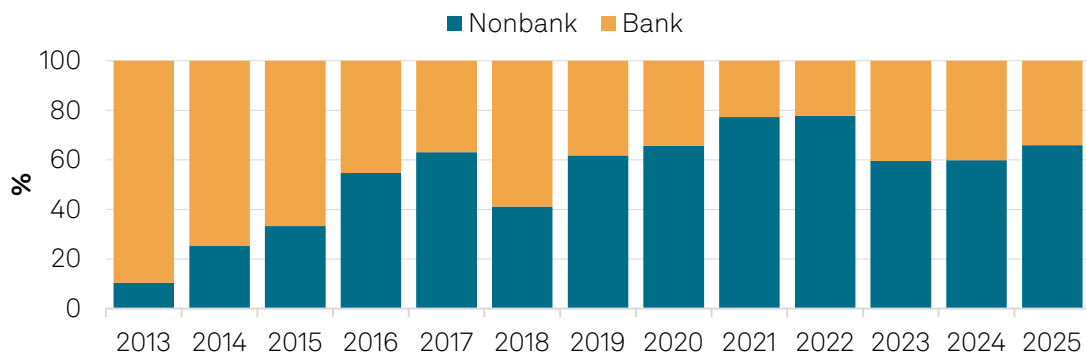
2025 YTD investor-placed RMBS issuance, by country



Cumulative investor-placed RMBS issuance



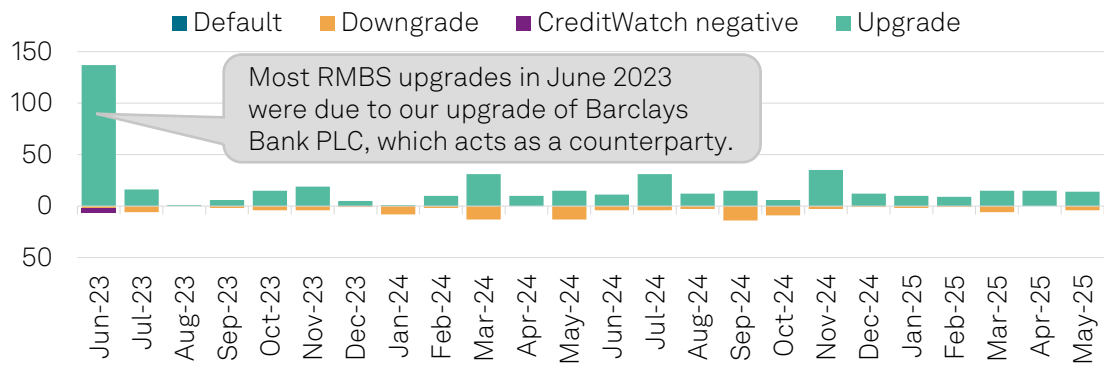
RMBS issuance mix, by originator type



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

RMBS—Rating Actions And Performance Metrics

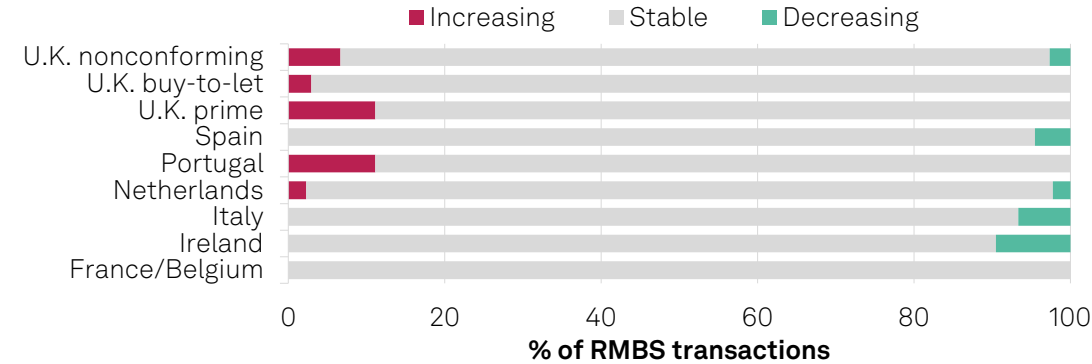
1. Monthly rating actions count, last 24 months



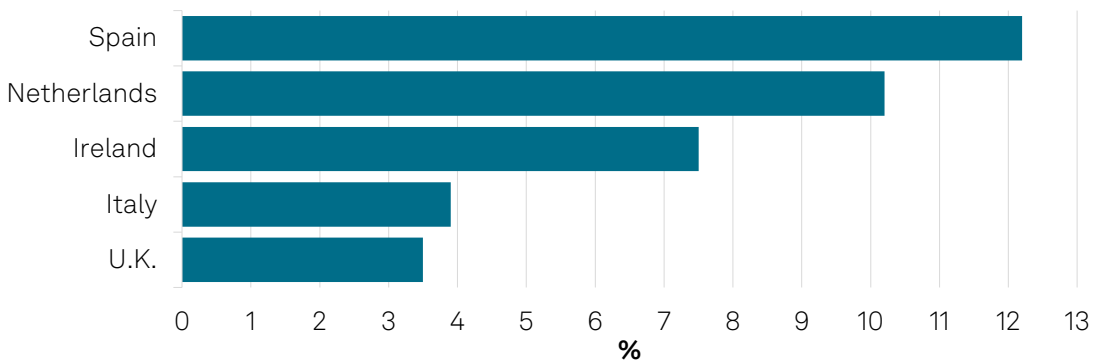
2. Cumulative rating actions count, last 12 months

	Prime	Nonconforming	BTL	Other RMBS
Upgrade	96	23	52	14
CreditWatch neg.	0	0	0	0
Downgrade	6	42	1	2
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 2024 and May 2025. Sources: National statistical offices, Nationwide (U.K.).

ABS



Doug Paterson

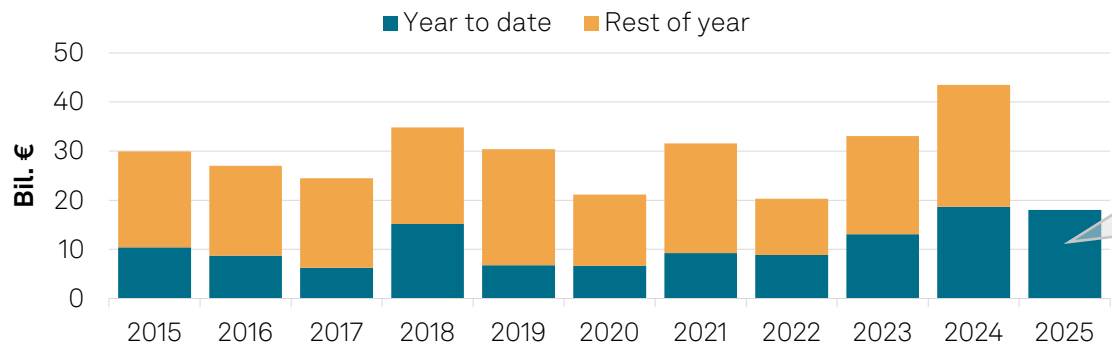
Director

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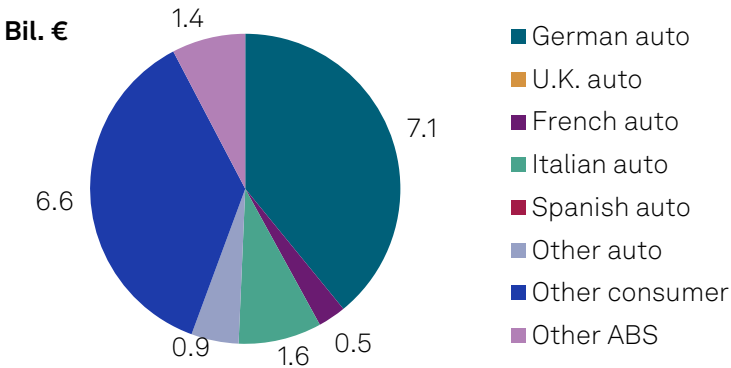
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ABS—Issuance

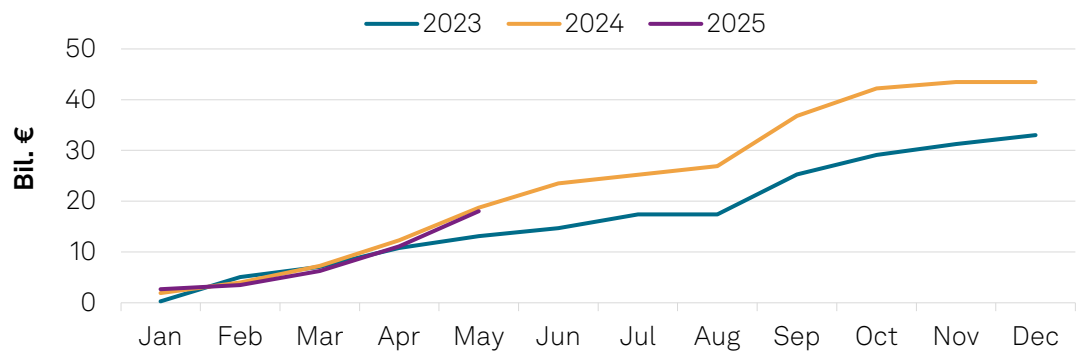
Investor-placed ABS issuance



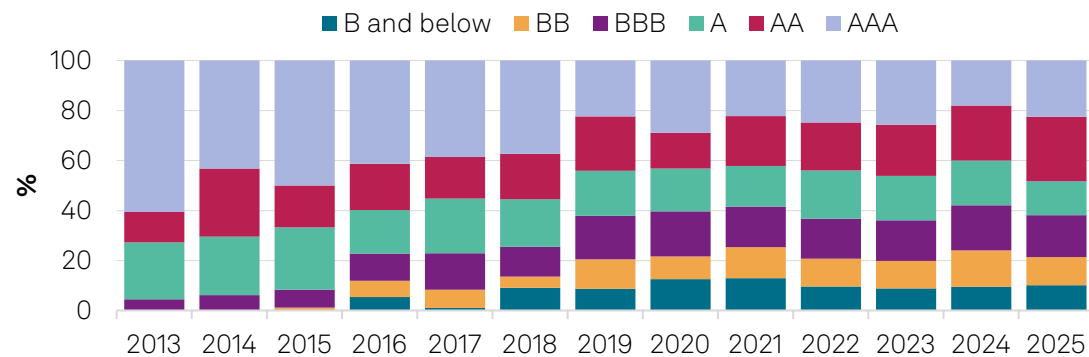
2025 YTD investor-placed ABS issuance, by subsector



Cumulative investor-placed ABS issuance



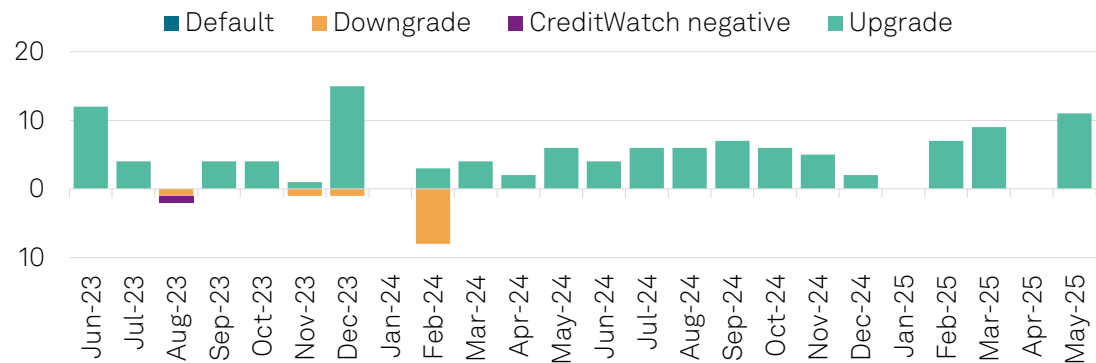
ABS issuance mix, by tranche rating category count



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

ABS—Rating Actions And Performance Metrics

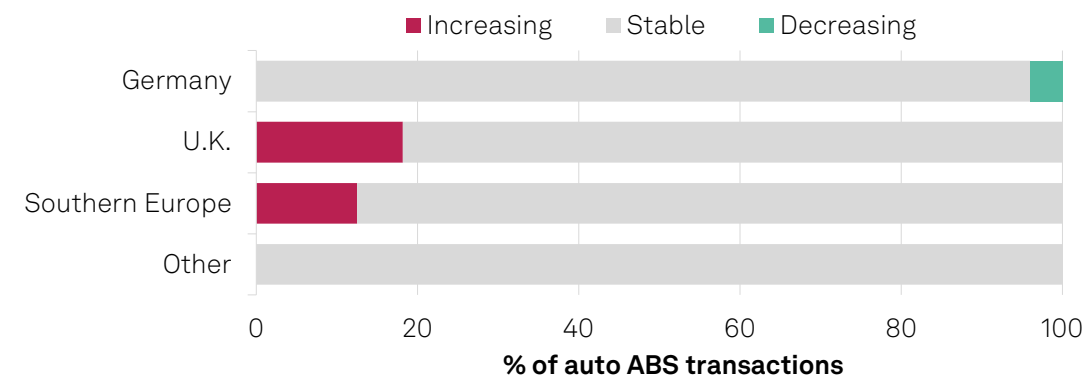
1. Monthly rating actions count, last 24 months



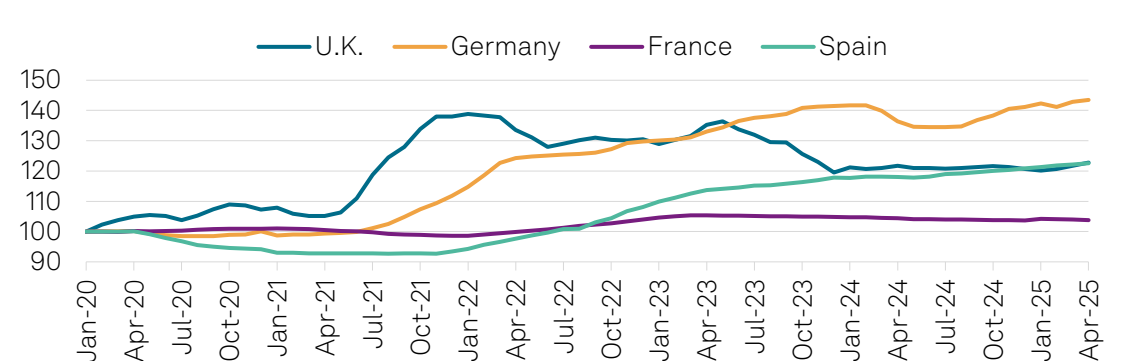
2. Cumulative rating actions count, last 12 months

	Auto/ consumer	Credit cards	Corp. sec.	Other ABS
Upgrade	55	0	3	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

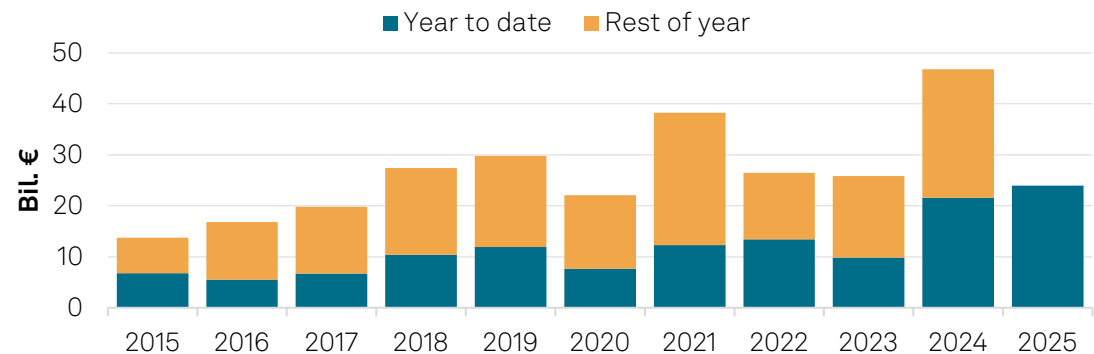
Director

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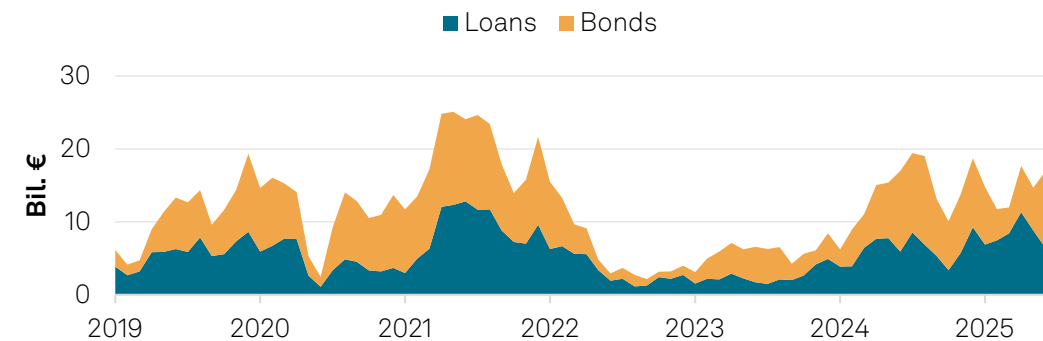
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CLO—New Issuance

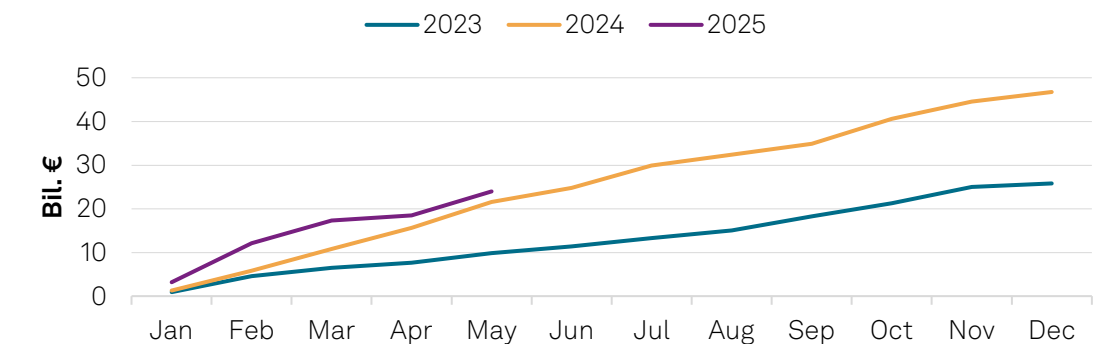
1. Investor-placed CLO new issuance



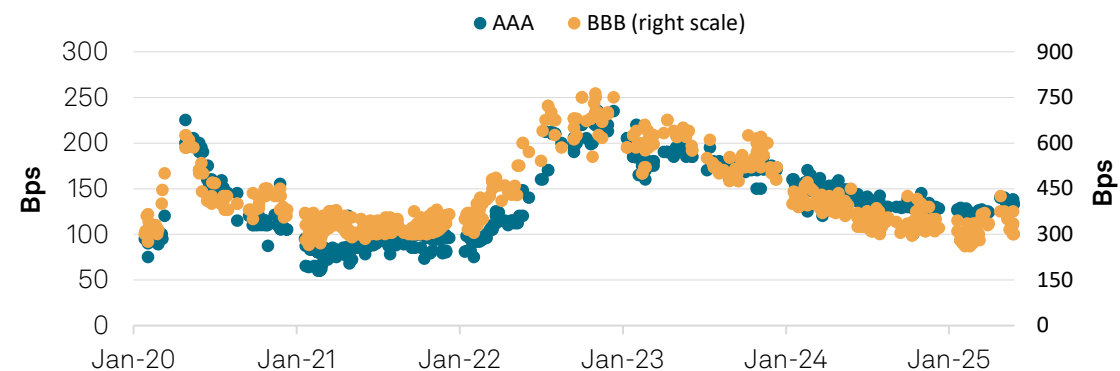
2. Monthly European leveraged finance origination volumes



3. Cumulative investor-placed CLO new issuance



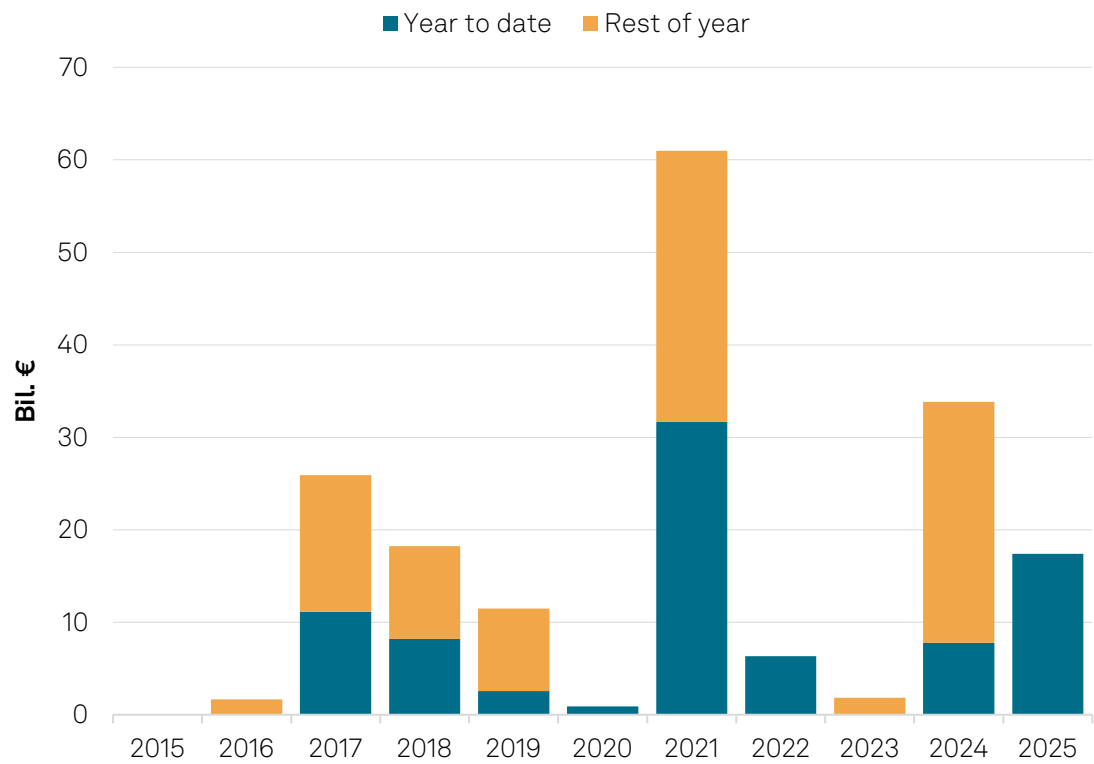
4. European new issue CLO tranche discount margins



1. Year-to-date (YTD) figures as of end-May 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.

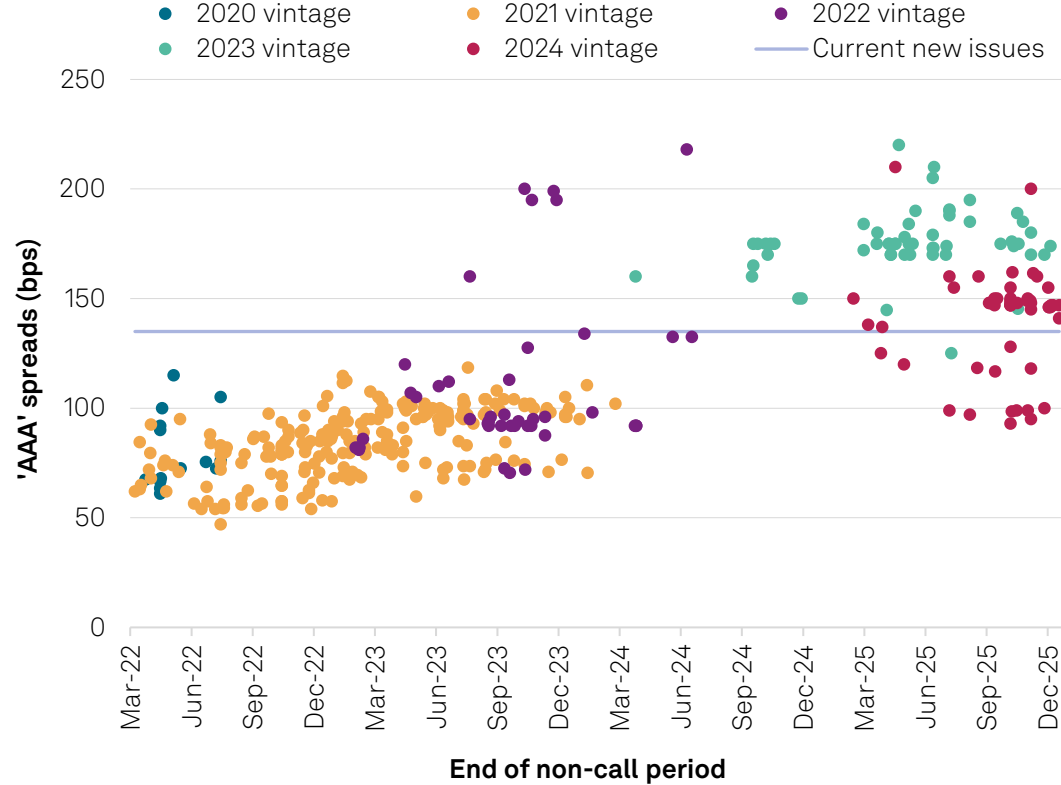
CLO—Refi/Reset Issuance

Investor-placed CLO refi/reset issuance



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

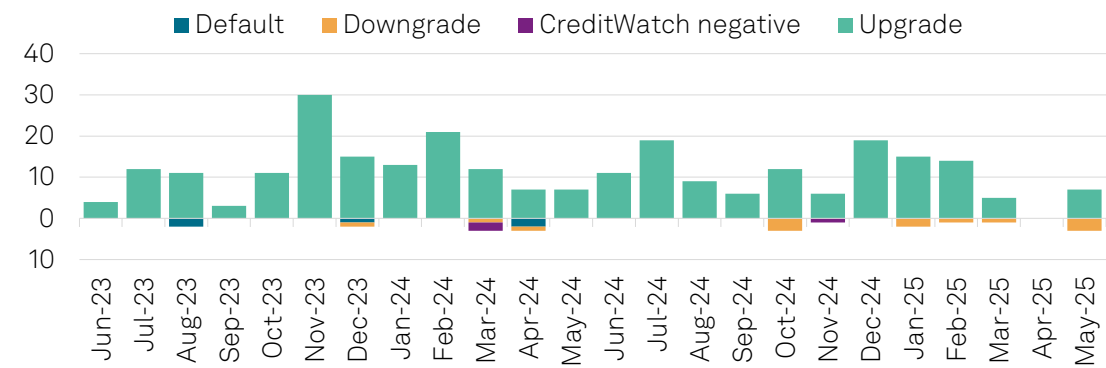
Refi/reset candidates: existing versus current 'AAA' spreads



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

CLO & Structured Credit—Rating Actions And Performance Metrics

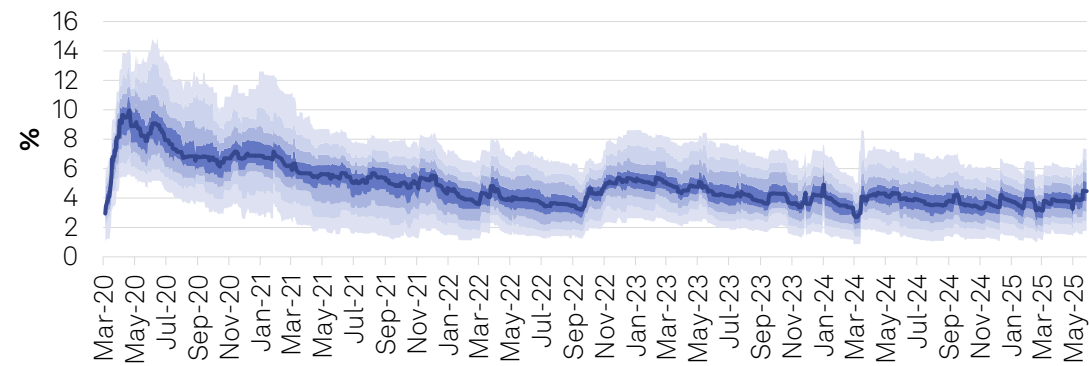
1. Monthly rating actions count, last 24 months



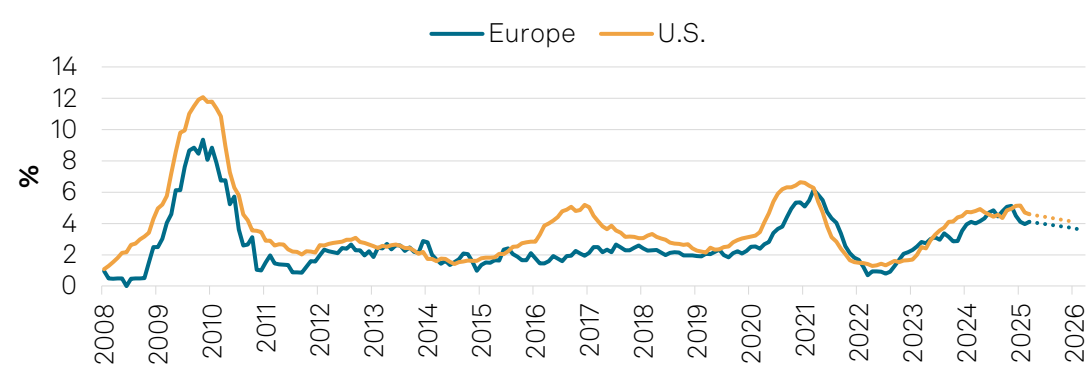
2. Cumulative rating actions count, last 12 months

	CLO	SME	Repack	Other SC
Upgrade	118	2	3	0
CreditWatch neg.	0	0	1	0
Downgrade	4	0	6	0
Default	0	0	0	0

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

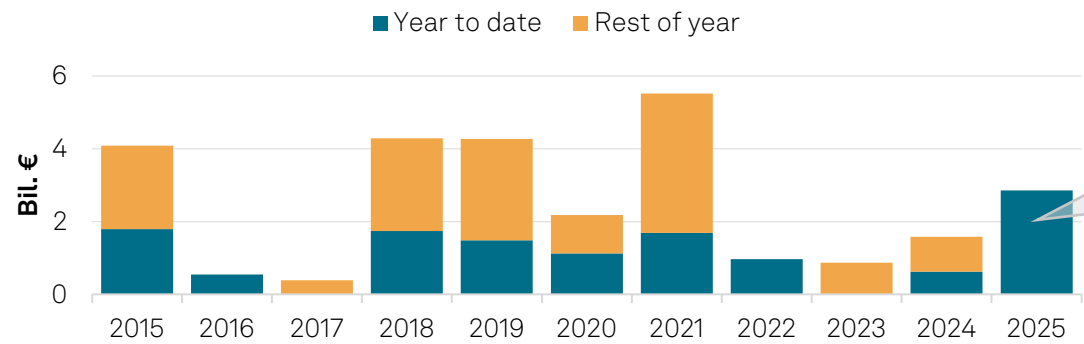
Director

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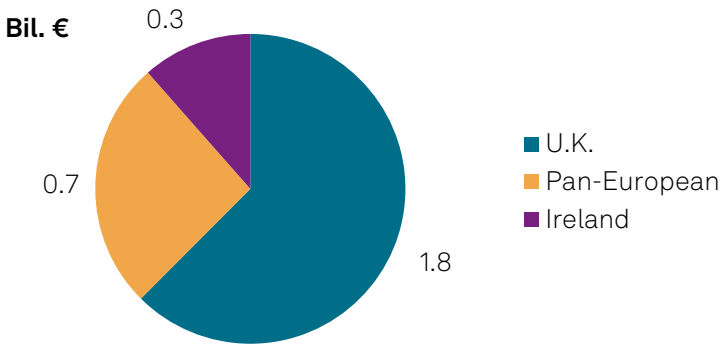
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CMBS—Issuance

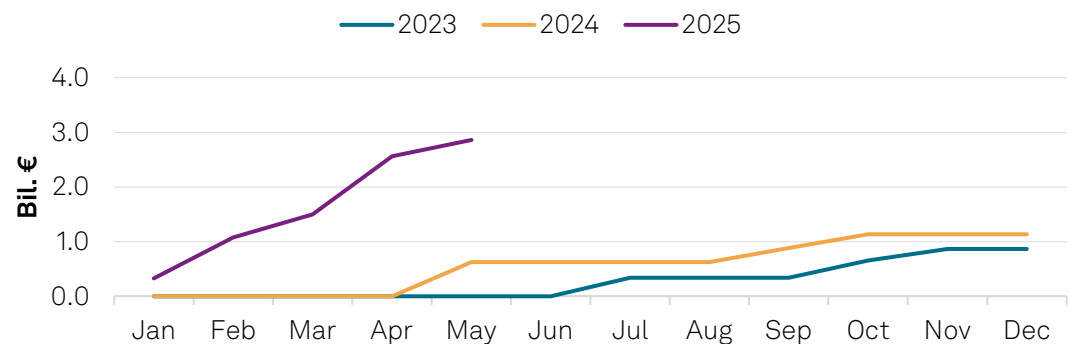
Investor-placed CMBS issuance



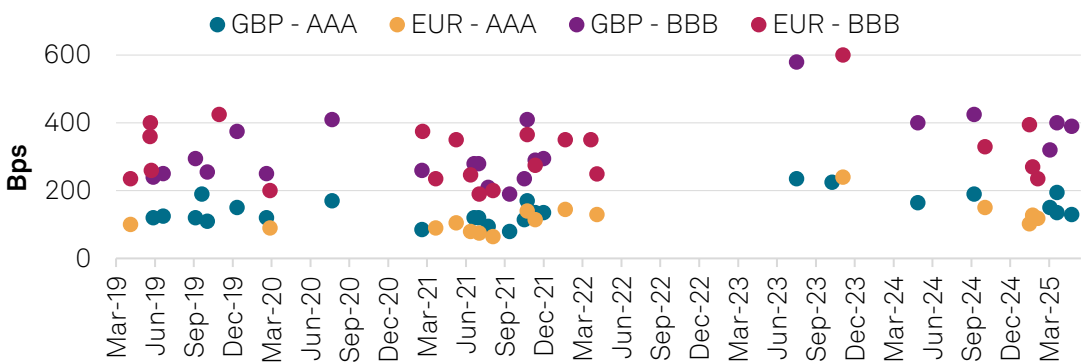
2025 YTD investor-placed CMBS issuance, by country



Cumulative investor-placed CMBS issuance



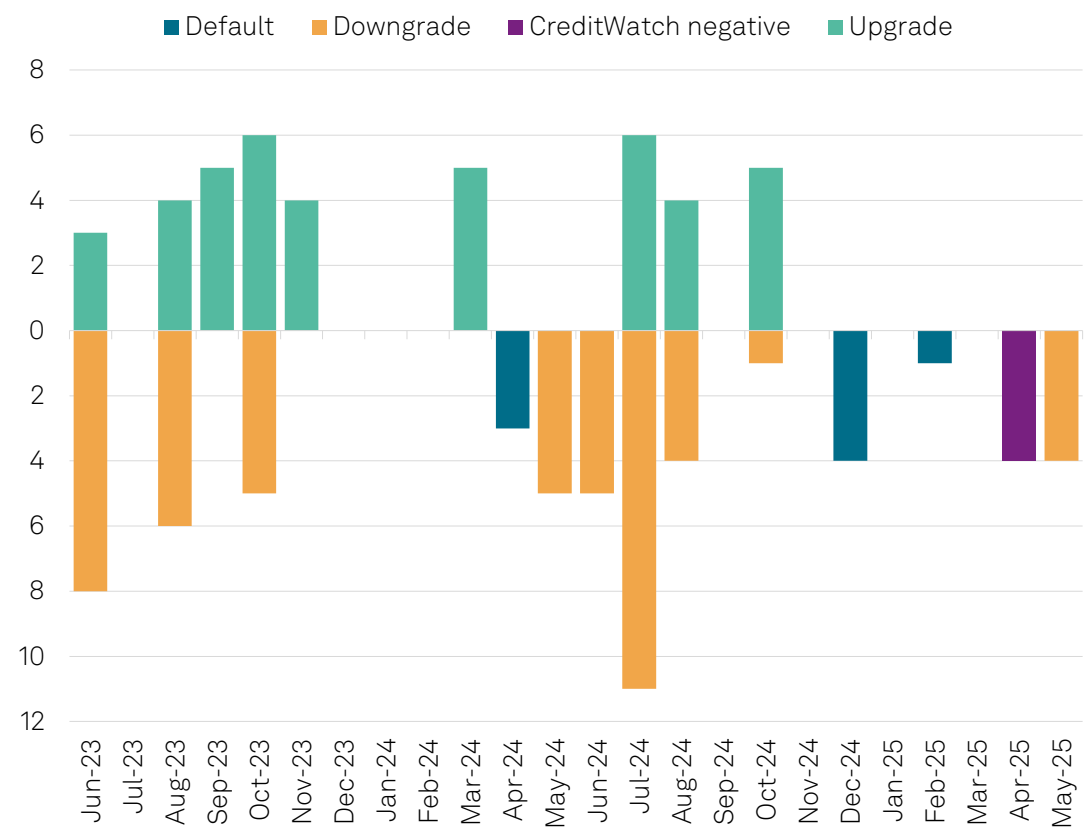
Primary spreads on European CMBS issuance



Year-to-date (YTD) figures as of end-May 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

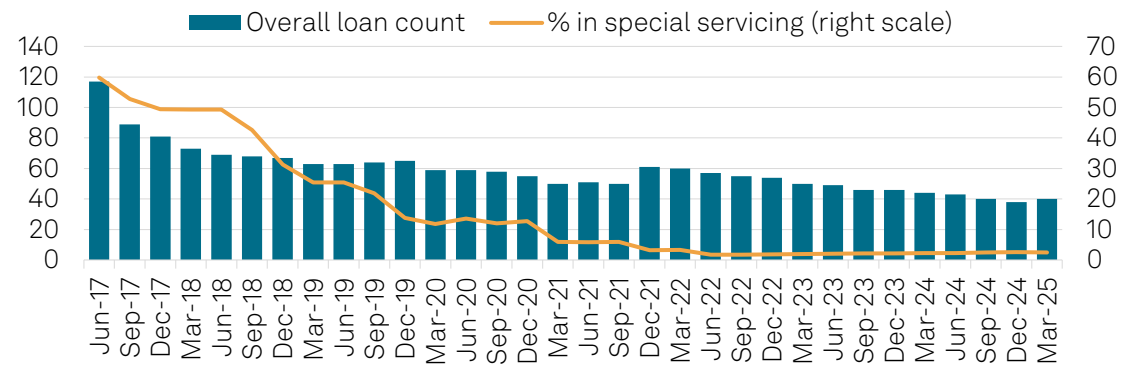
1. Monthly rating actions count, last 24 months



2. Cumulative rating actions count, last 12 months

	Hotel	Retail	Mixed	Other CMBS
Upgrade	0	8	4	3
CreditWatch neg.	0	0	0	4
Downgrade	0	0	12	13
Default	0	0	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



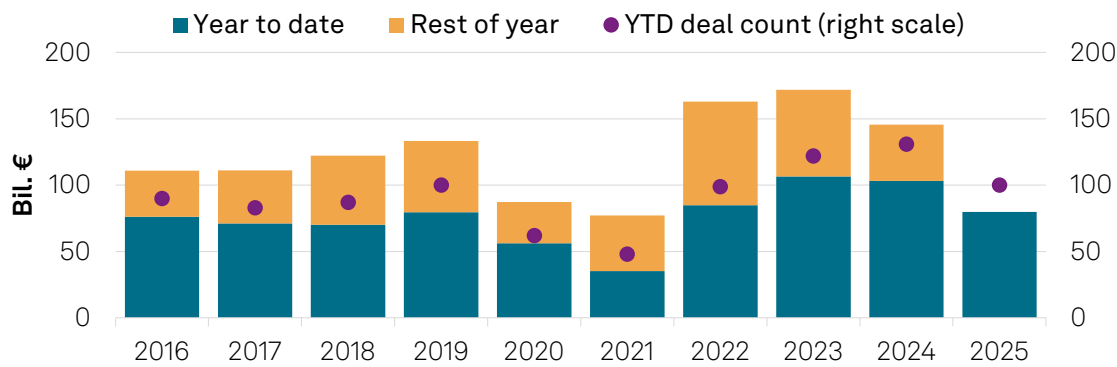
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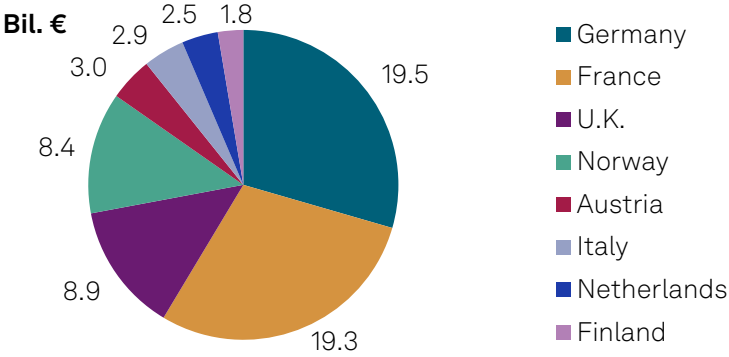
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Covered Bonds—Issuance

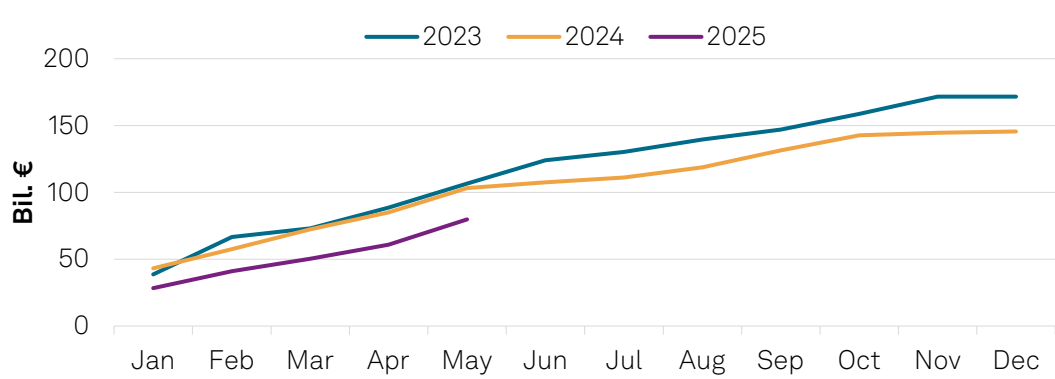
Benchmark covered bond issuance



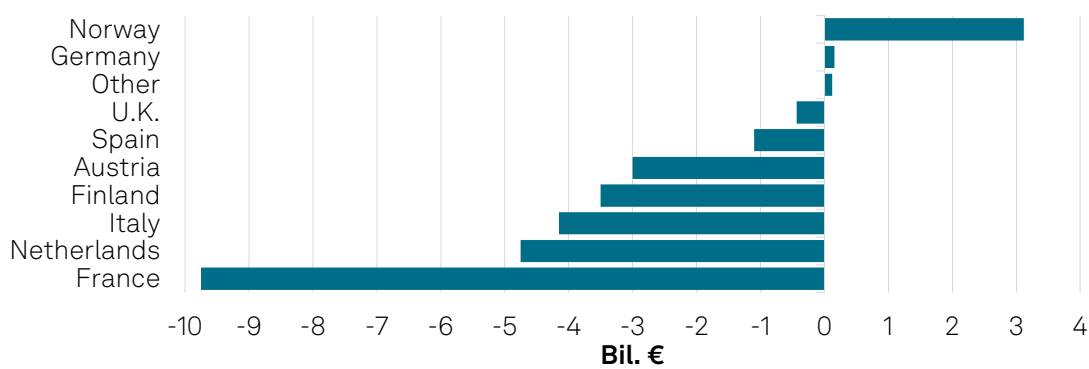
2025 YTD benchmark covered bond issuance, by country



Cumulative benchmark covered bond issuance



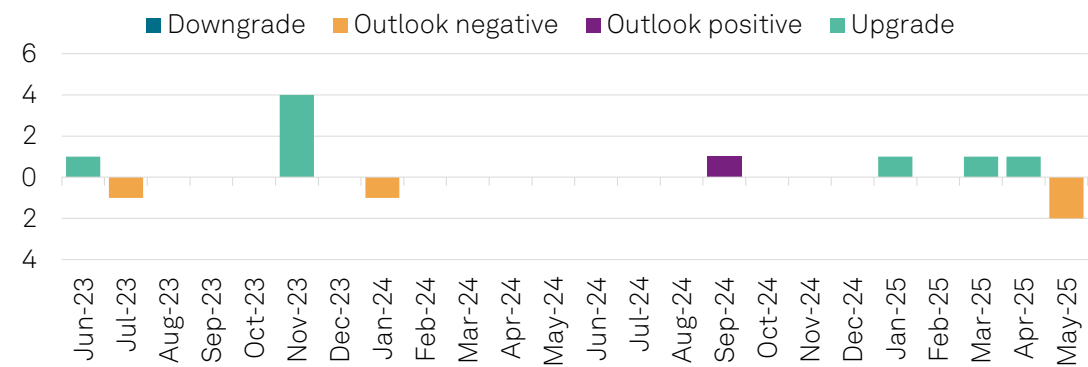
Change in YTD issuance, 2025 versus 2024, by country



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

Covered Bonds—Rating Actions And Performance Metrics

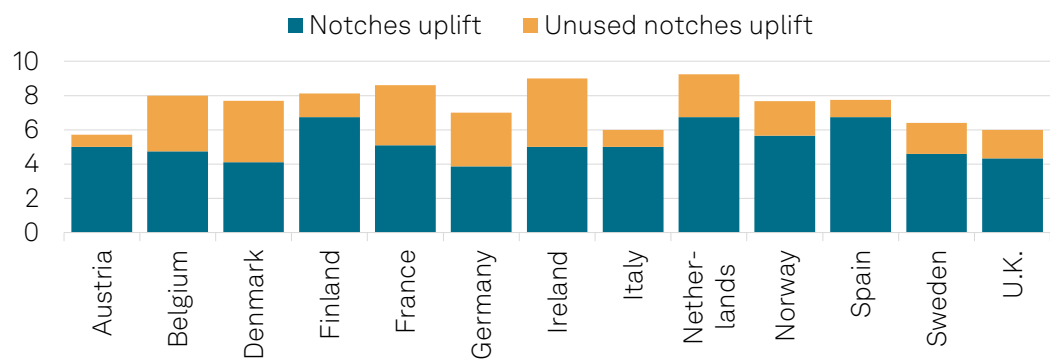
1. Monthly rating actions count, last 24 months



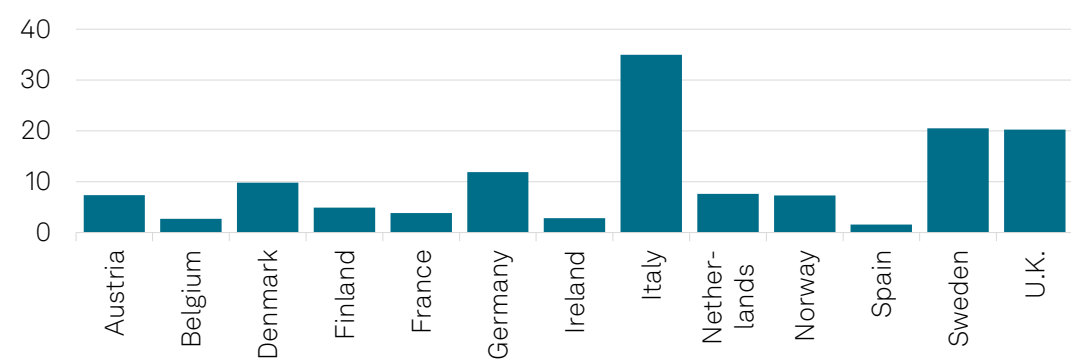
2. Cumulative rating actions count, last 12 months

	Northern Europe	Southern Europe	Central & Eastern Europe	Other CB
Upgrade	1	1	1	0
Outlook positive	0	0	1	0
Outlook negative	2	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 Q2 2025. Source: S&P Global Ratings. 4. Multiple of credit enhancement available over that required for the current rating. As of Q2 2025. Excludes programs with available overcollateralization exceeding 100%. Source: S&P Global Ratings.

Recent Research (1)

- [European CMBS Break Through The Refinance Wall](#), June 4, 2025
- [European Banks Continue To Embrace Significant Risk Transfers](#), May 30, 2025
- [Tariff Effects On European Structured Finance Are Limited](#), May 23, 2025
- [European RMBS Index Report Q1 2025](#), May 22, 2025
- [Global Credit Conditions Special Update: U.S.-China Tariff De-Escalation Brings Some Temporary Relief](#), May 15, 2025
- [European Auto ABS Index Report Q1 2025](#), May 16, 2025
- [European And U.K. Credit Card ABS Index Report Q1 2025](#), May 16, 2025
- [Global Macro Update: Seismic Shift In U.S. Trade Policy Will Slow World Growth](#), May 1, 2025
- [European CMBS Monitor Q1 2025](#), April 30, 2025
- [ABS Brief: Norwegian Securitization Regulation Paves The Way For Future Growth](#), April 23, 2025
- [Explaining Irish RMBS Diverging Performance](#), April 15, 2025
- [ABS Frontiers: Sharia-Compliant Mortgages And RMBS Explained](#), April 14, 2025
- [European CLO Margins: Shocks And Recoveries Are Guides To The Future](#), April 3, 2025
- [Norwegian And Finnish Covered Bond Market Insights 2025](#), March 21, 2025
- [Global Covered Bond Insights Q2 2025: Issuance Holds Steady Amid Market Volatility](#), March 18, 2025
- [Dutch Covered Bond Market Insights 2025](#), March 11, 2025

Recent Research (2)

- [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
- [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
- [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

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