
Press release

New report highlights importance of private securitisation market to real economy & demonstrates high standards of disclosure by market participants

1 December 2021

The Association for Financial Markets in Europe (AFME), the European DataWarehouse (EDW) and True Sale International (TSI) have today published the first in a series of regular reports on the private cash securitisation market in the EU and UK.

The Report demonstrates the importance of the private securitisation market in funding the real economy and aims to further enhance the quality and usefulness of disclosure in the private cash securitisation market in the EU and UK. To do this, it provides transaction-level data from 12 banks active in European private cash securitisation market, both ABCP and non-ABCP funding (it does not cover public term bond securitisations or synthetic securitisations).

Richard Hopkin, Head of Fixed Income at AFME, said: *“Private cash securitisation transactions provide important additional lines of credit to businesses across Europe. Many corporate borrowers favour such transactions because they allow for efficient future amendment, extension and restructuring through direct negotiation between the parties. They can also be an important source of finance for start-ups and new originators, prior to refinancing in the public term bond market. We hope that this report series can provide a further useful tool of reference for market participants and supervisors tracking the evolution of the European securitisation market.”*

Jan-Peter Hülbert, Managing Director of True Sale International GmbH, said *“The report provides further evidence of the huge benefit of private securitisations for financing the real economy. Trade receivables, auto loans and leases as well as equipment leasing are the key asset classes in this segment, and they have performed very well before, during and since the global financial crisis. ABCP and other private securitisations provide access to capital markets financing especially to corporates and non-bank FIs together with their banking partners.”*

The Report highlights how the private cash securitisation market is vital to the real economy, providing:

- an important source of finance to the real economy: over 80% of transactions by volume fund sellers in the EU, and over 70% to the real economy; as well as
- an important source of finance supporting lower rated sellers with cost effective financing, demonstrating the transformative power of capital markets securitisation - 84% of transactions by volume were undertaken by sellers with ratings of BBB and below while the average transaction rating is in the range A to AA.

AFME and TSI members are strongly committed to disclosure that is sensible, proportionate, of high quality and useful for investors and supervisors. The participants in this wide-ranging exercise took part on a voluntary basis, demonstrating their commitment to providing good quality and useful data, in order to reassure market participants and supervisors. These banks, together with all AFME and TSI members, look forward to continuing constructive discussions with the EU and UK authorities on how to improve and make more effective the framework for securitisation disclosure in general in the EU and UK, as set out in their response to the Article 46 consultations.

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About AFME:

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information, please visit the AFME website: www.afme.eu. Follow us on Twitter [@AFME_EU](https://twitter.com/AFME_EU)

About TSI:

Asset Based Finance and TSI - the two terms are closely linked. True Sale International GmbH (TSI) emerged in 2004 from an international banking initiative in Germany to promote the German and European securitisation market. Today, TSI's topics go far beyond this and cover wide areas of the asset-based finance markets. TSI is backed by ten shareholder banks from all three pillars of the banking market and a network of almost 70 partners from the entire asset-based finance market. TSI's mandate covers the implementation of quality standards, operating a German securitisation platform, certification and STS verification of securitisations, specialised training and education offerings as well as supporting public relations work and further development of the legal framework for securitisations, also in the context of events. In addition, TSI supports linking science and practice via the Capital Markets Union foundation project (<https://stiftungsprojekt-kapitalmarktunion.de/en/>). For more information, please visit the TSI website on www.tsi-gmbh.com