

SPANISH COVERED BOND & SECURITISATION STATISTICS

Data provided by AIAF (Rector Society of the Financial Market)

March 2016

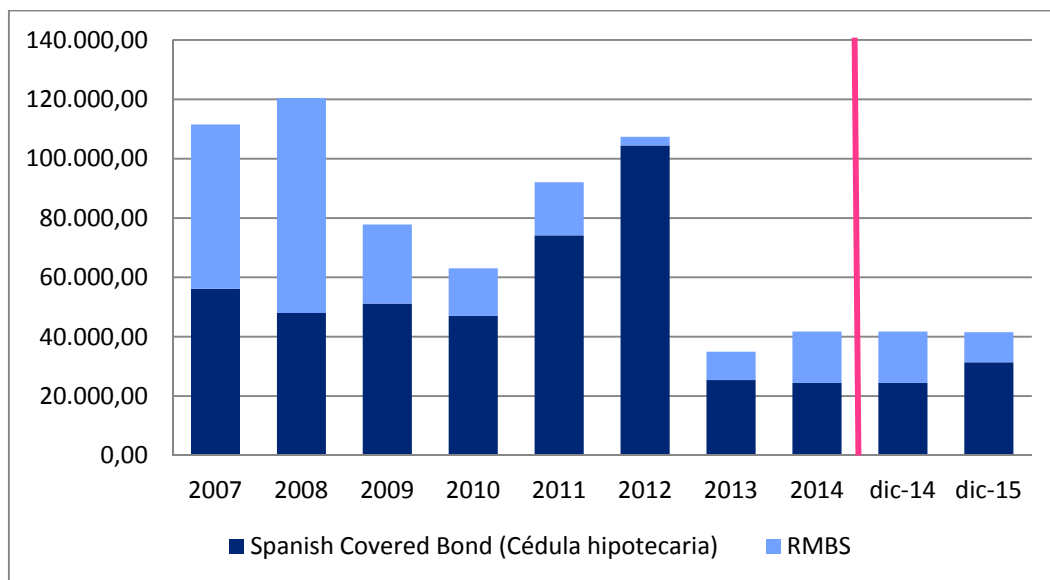
1. Issuance

The total volume of mortgage securities admitted to trading by December 2015 reached EUR 41.5bn in contrast to EUR 41.75bn registered during the same period of 2014, which represents a decrease of less than 1% due to the decline in mortgage securitisations.

Regarding the Spanish Covered Bond (Cédulas Hipotecarias – CH), which amounts to 53% of the outstanding mortgage securities, an issuance level of EUR 31.4bn was reached, which represents an increase of 28% compared to 2014. As in the two preceding years, there was no issuance of multi-seller CH.

Meanwhile, the issuance of mortgage securitisations amounted to EUR 10.13bn as of December 2015 against the EUR 17.3bn in the same period of 2014.

> Chart 1: Yearly development of issuances



Source: Spanish Mortgage Association own calculations based in AIAF data.

2. Outstanding

The outstanding mortgage securities amounted to EUR 367.4bn by December 2015 experiencing a y-o-y decrease of 8.4% (EUR 401.2bn as of December 2014).

Regarding its structure, outstanding covered bonds reached EUR 252.4bn (single and multi-seller), 10.3% less than in 2014; outstanding RMBS (issued both by mortgage securitisation funds and asset securitisation funds) amounted to EUR 115bn, this experiencing a decrease of 4%.

The share of mortgage securities over the total outstanding mortgage loans remained stable at 53% (36.4% corresponding to CH and 16.6% to securitisations).

The performance of issuance activity of covered bonds and securitisations during 2015 was influenced by the European Central Bank's (ECB) different stimulus measures (QE), such as the ABSPP or the CBPP-3, with intend to foster economic growth, promote lending activity into the real economy and reach price stability.

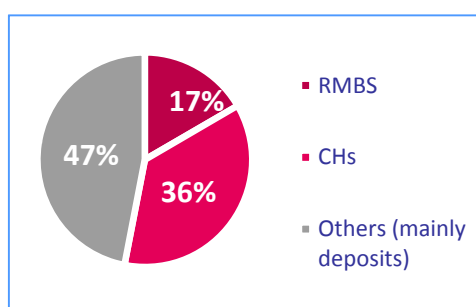
The share of covered bond purchases over the total QE purchases decreased from 20% in March 2015 (approx. EUR 12bn) to 11% in December (approx. EUR 5.4bn).

Looking forward to 2016, as some analysts suggest, refinancing mechanisms set by the ECB (i.e. TLTRO or APP) could produce negative effects on the issuance levels of this securities.

Similarly, it can be expected that the last set of stimulus measures announced by the ECB on March 10 (specially the TLTRO II which will be conducted from June 2016) could imply some consequences, even though not necessarily direct, on the development of mortgage securities issuance. Nonetheless, during the first two months of 2016 EUR 4.75bn of covered bonds were issued in Spain, 10.5% more than in the same period of 2015.

> Annex: Additional information

Mortgage funding composition



Portfolio related information (% and EUR bn)

	dic-15
Total outstanding mortgage loans (DIC)	692,585
Outstanding residential mortgage loans (SEP)	569,005
Eligible pool (% over total mortgage pool)	60%
Private sector NPL (DIC)	10,3%
Residential mortgage lending NPL (SEP)	5,0%
Total outstanding covered bonds (DIC)	252,383
% of the mortgage pool	36%
Total outstanding RMBS (DIC)	114,992
% of the mortgage pool	17%

Source: Spanish Mortgage Association own calculations based in AIAF and Bank of Spain data.

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ISSUANCE (Euro Million)				
	Cédulas Hipotecarias (single)	Multiseller Covered Bonds (*)	Residential Mortgage Backed securitites (**)	Total mortgage securities
2010	32.861	14.160	16.045	63.066
2011	68.347	5.800	17.899	92.045
2012	103.470	1.000	2.893	107.363
2013	25.400	0	9.528	34.927
2014	24.438	0	17.310	41.748
dic-15	31.375	0	10.133	41.508

OUTSTANDING VOLUME (Euro Million)				
	Cédulas Hipotecarias (single)	Multiseller Covered Bonds (*)	Residential Mortgage Backed securitites (**)	Total mortgage securities
2009	185.344	151.406	189.162	525.912
2010	195.735	147.666	182.794	526.195
2011	241.150	128.058	167.537	536.745
2012	293.143	108.397	124.247	525.786
2013	246.968	86.970	117.006	450.944
2014	208.314	72.985	119.931	401.231
dic-15	194.073	58.310	114.992	367.375

Year on year variation of the outstanding volumes (%)				
	Cédulas Hipotecarias (single)	Multiseller Covered Bonds (*)	Residential Mortgage Backed securitites (**)	Total mortgage securities
2009	14,1%	3,6%	1,3%	6,2%
2010	5,6%	-2,5%	-3,4%	0,1%
2011	23,2%	-13,3%	-8,3%	2,0%
2012	21,6%	-15,4%	-25,8%	-2,0%
2013	-15,8%	-19,8%	-5,8%	-14,2%
2014	-15,7%	-16,1%	2,5%	-11,0%
dic-15	-6,8%	-20,1%	-4,1%	-8,6%

Weight of the Mortgage securities over the outstanding mortgage lending (%)			
	Total Cédulas Hipotecarias (single and multiseller)	Residential Mortgage Backed securitites (**)	Total mortgage securities
2009	30,6%	17,2%	47,8%
2010	31,9%	17,0%	48,9%
2011	36,7%	16,6%	53,3%
2012	45,8%	14,2%	60,0%
2013	43,2%	15,1%	58,4%
2014	38,5%	15,5%	54,0%
dic-15	36,4%	16,6%	53,0%

(*) Multiseller covered bonds = Cédulas Hipotecarias in a CDO structure

(**) Estimation