

SPANISH COVERED BOND & SECURITISATION STATISTICS

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

November 2015

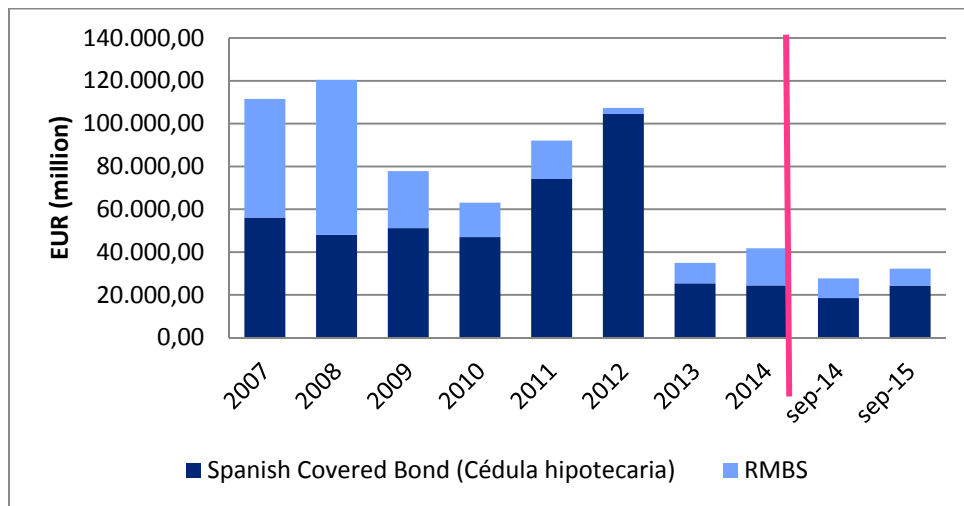
1. Issuance

The **total volume of mortgage securities admitted to trading** by September 2015 reached EUR 32.25bn in comparison to EUR 27.7bn during the same period of the previous year.

On the other hand, the **Spanish Covered Bond (Cédulas Hipotecarias – CH)** remained the main funding tool used by institutions, having reached EUR 24.37bn, which represents a 31.4% increase compared to the first nine months of 2014.

Meanwhile, the issuance of **mortgage securitisations** amounted to EUR 7.87bn against the EUR 9.13bn issued in the same period of 2014.

> Chart 1: Yearly development of issuances



Source: AHE own calculations based on data from AIAF.

2. Outstanding

By the end of September 2015, the **outstanding mortgage securities** amounted to EUR 374.6bn, representing a y-o-y decrease of 8.6% and a 6.6% decrease compared to December 2014.

As regards to its composition, the outstanding covered bonds reached EUR 259bn (both single and multi-seller) while the outstanding RMBS (issued both by mortgage securitisation funds and asset securitisation funds) amounted to 115.6bn.

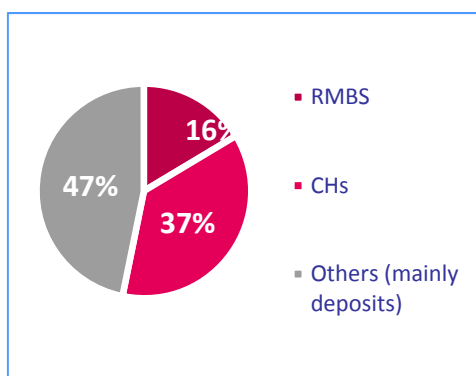
Thus, the share of mortgage securities over the total mortgage credit remained stable at 53.7% (36.7% corresponding to CH and 16.9% to securitisations).

Most of the issuance activity during 2015 has been favoured by the stimulus measures implemented by the European Central Bank (Securitisation and Covered Bond purchase programmes – ABSPP and CBPP3 respectively-, among others). Nevertheless, the fewer funding needs of financial institutions as a consequence of the deleveraging process in the balance sheet, the lower credit activity and the use of other funding mechanisms (TLTROs, bail-in-able debt), suggest that the usage of mortgage securities will remain at low intensity in what's left of 2015.

Thus, the issuance volume in 2015 will remain slightly higher than that of 2014, although the outstanding will remain showing negative rates.

> Annex: Additional information

Mortgage Funding Composition



Portfolio related information (% and EUR bn)

	sep-15
Total outstanding mortgage loans	704,121
Outstanding residential mortgage loans**	575,580
Eligible pool (% over total mortgage pool)	61%
Private sector NPL	11,1%
Residential mortgage lending NPL	5,2%
Total outstanding covered bonds	259,011
% of the mortgage pool	37%
Total outstanding RMBS	115,614
% of the mortgage pool	16%

Source: AHE own calculations based on data provided by Bank of Spain.

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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
sep-14	18.550	0	9.135	27.685
sep-15	24.375	0	7.879	32.254

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
sep-15	194.941	64.070	115.614	374.626

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%
sep-15	-9,9%	-18,3%	0,5%	-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%
jul-15	36,7%	16,9%	53,7%

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

(**) Estimation