

# SPANISH COVERED BOND & SECURITIZATION STATISTICS

Data provided by AIAF (Spain's benchmark market for Corporate Debt and Private Fixed Income)

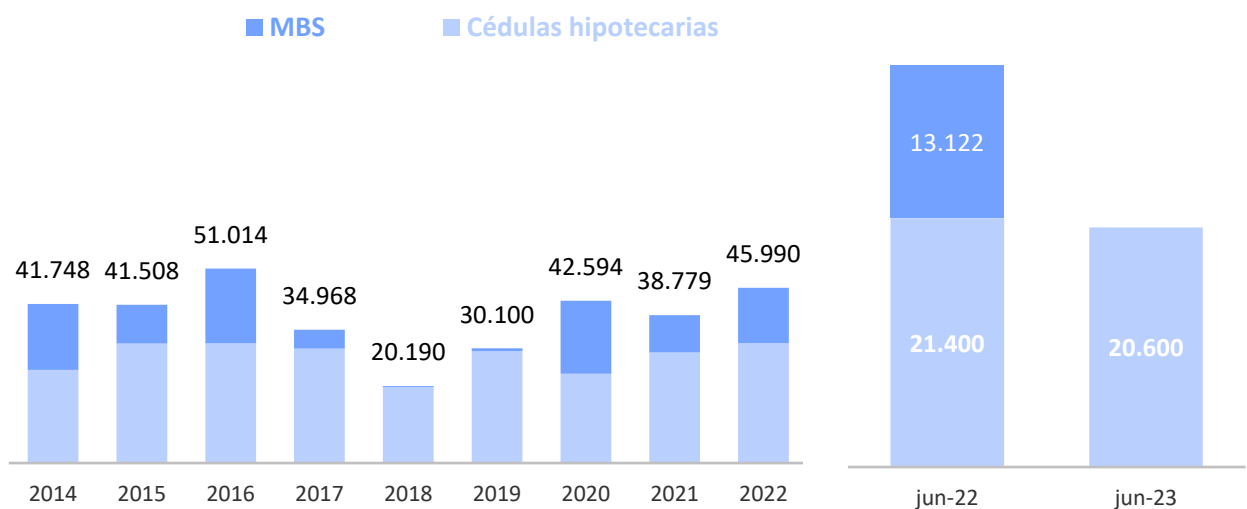
September 2023

## 1. Issuance

In the first half of the current year, financial institutions placed **mortgage securities** (*cédulas hipotecarias* and mortgage back securities) worth **€20.6 billion**, with 100% of the issuance in covered bonds, the main source of funding for the mortgage portfolio. This figure is 40.3% lower than the data for the first half of 2022, when securitizations played a slightly larger role, even if the volume was lower than that of *cédulas*.

Thus, the entire amount of mortgage securities issued during this first half of the year corresponded to *cédulas hipotecarias*, which have gone from registering a volume of €21.4 billion during the same period of 2022 to accounting for **€20.6 billion** in these first six months of the year. This negative deviation of around €800 million corresponded to a decline of 3.7% in relative terms. It should be noted that during this period new laws have come into force that strengthen the covered bond market to make it more competitive and efficient and regulate the issuance and supervisory system of these bonds through mechanisms that improve investor protection. Despite this, for the time being there has been no upswing in the issuance of this type of debt, which could be because financial entities have largely met their liquidity needs at the very time when lending is on a clear downward trend.

### ➤ Chart 1: Yearly development of issuances (EUR billion)



Source: own elaboration from AIAF data

## 2. Outstanding balance

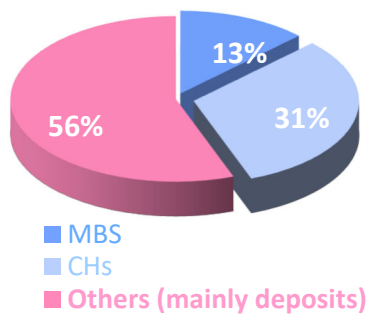
In a context in which the net balance of the mortgage portfolio is increasingly declining, **the outstanding amount of mortgage securities** issued fell by 10.3% year-on-year to **€274.105 billion**. However, compared to the data of the previous half-year, there has been a slight increase in this portfolio of around 0.4%.

Within it, the outstanding balance of mortgage covered bonds and mortgage-backed securities (MBSs) registered a decrease of 10.6% and 9.6%, respectively, even though the first funding tool recorded an increase on a half-year basis. In particular, the balance of **cédulas hipotecarias** stood at **€195.517 billion** as of June 2023, about 6 billion more at the end of 2022, but below the €202.751 billion that was on the balance sheet of financial entities as of June 2022.

For its part, the **outstanding volume of mortgage-backed securitizations**, which is the funding source of around 13% of the mortgage portfolio, showed a decrease both from an annual (-9.6%) and semi-annual (-6.1%) perspective, reaching **€78.578 billion** as of June 2023

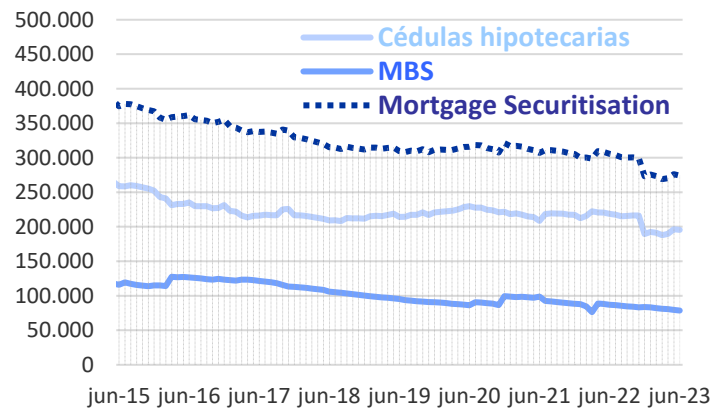
### Annex: additional information

#### Funding mix



Source: AIAF and Bank of Spain

#### Outstanding issuances (Eur billion)



## SPANISH COVERED BOND & SECURITIZATION STATISTICS

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

ISSUANCE (Euro Million)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds <sup>1</sup>	Mortgage Backed securitites (RMBSs)	Total mortgage securities
2017	30.000	0	4.968	34.968
2018	19.935	0	255	20.190
2019	29.375	0	725	30.100
2020	23.408	0	19.186	42.594
2021	29.020	0	9.759	38.779
2022	31.450	0	14.540	45.990
jun.-22	21.400	0	13.122	34.522
jun.-23	20.600	0	0	20.600

OUTSTANDING VOLUME (Euro Million)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds <sup>1</sup>	Mortgage Backed securitites (MBSs)	Total mortgage securities
2017	181.328	35.170	112.938	329.436
2018	183.258	28.495	100.238	311.991
2019	195.699	24.970	90.708	311.376
2020	199.449	22.220	99.401	321.070
2021	200.020	17.160	88.259	305.439
2022	176.086	13.260	83.692	273.038
jun.-23	182.257	13.260	78.587	274.105

Year on year variation of the outstanding volumes (%)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds <sup>1</sup>	Mortgage Backed securitites (MBSs)	Total mortgage securities
2017	-2,8%	-21,8%	-8,5%	-7,2%
2018	1,1%	-19,0%	-11,2%	-5,3%
2019	6,8%	-12,4%	-9,5%	-0,2%
2020	1,9%	-11,0%	9,6%	3,1%
2021	0,3%	-22,8%	-11,2%	-4,9%
2022	-12,0%	-22,7%	-5,2%	-10,6%
jun.-23	-10,1%	-16,4%	-9,6%	-10,3%

Weight of the Mortgage securities over the outstanding mortgage lending (%) <sup>2</sup>			
	Total Spanish Cédulas Hipotecarias (individual and multiseller)	Mortgage Backed securitites (MBSs)	Total mortgage securities
2017	31,7%	16,5%	48,2%
2018	32,1%	15,2%	47,2%
2019	34,2%	14,1%	48,2%
2020	35,0%	15,7%	50,8%
2021	34,4%	14,0%	48,4%
2022	30,6%	13,5%	44,2%
jun.-23	31,6%	12,7%	44,3%

<sup>1</sup> Multiseller covered bonds = Cédulas Hipotecarias in a CDO structure

<sup>2</sup> The entry into force of Circular 2/2020, of June 11, amending Circular 4/2017, of November 27, has introduced a slight variation with regard to the former series of mortgage credit data (denominator in the ratio). Since 2020, inclusively, the data does not include loans granted to Non-Profit Institutions Serving Households (NPISHs), while it does include MBS off-balance sheet assets. The latest available data corresponds to June 2023.