



PRESS RELEASE

20 February 2015

Euro area financial vehicle corporations statistics - Fourth Quarter

2014

In the fourth quarter of 2014, net acquisitions of loans by euro area financial vehicle corporations (FVCs) engaged in securitisation amounted to €1 billion. Over the same period, net issuances of debt securities by euro area FVCs totalled €4 billion.

Selected balance sheet items of financial vehicle corporations

(EUR billions and annual growth rates; not seasonally adjusted; amounts outstanding at the end of the quarter, transactions during the quarter)

	2013	2014			
	Q4	Q1	Q2	Q3	Q4
<u>Securitised loans held by FVCs</u>					
Amount outstanding	1,292	1,255	1,248	1,232	1,231
Transactions ¹	-35	-28	0	-18	1
Annual percentage change	-7.1	-7.3	-6.3	-6.2	-3.5
<u>Debt securities issued</u>					
Amount outstanding	1,542	1,478	1,474	1,452	1,461
Transactions ¹	-40	-44	-4	-25	4
Annual percentage change	-7.2	-8.1	-7.5	-7.2	-4.5

Source: ECB.

¹ Financial transactions are defined as the net acquisition of financial assets or the net incurrence of liabilities. Transactions take the value at which assets are acquired/disposed of or liabilities are issued, redeemed, liquidated or exchanged. This includes the repayment of principal by borrowers on securitised loans or to holders of debt securities issued. Changes in outstanding amounts may be due to transactions, revaluations of securities, write-offs/write-downs of loans and exchange rate effects.

Holdings of securitised loans

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The amount outstanding of **securitised loans** – which account for most of the assets of euro area FVCs – decreased slightly to €1,231 billion at the end of the fourth quarter of 2014, from €1,232 billion at the end of the previous quarter. Transactions in securitised loans amounted to €1 billion in the fourth quarter of 2014. Transactions of **securitised loans originated by euro area monetary financial institutions (MFIs)** were negligible during the quarter.

Turning to the **borrowing sector of the loans originated by euro area MFIs**, securitised loans to **households** stood at €730 billion at the end of the fourth quarter of 2014, with transactions of minus €3 billion. Loans to **non-financial corporations** which were originated by euro area MFIs totalled €189 billion, with transactions of €1 billion.

Holdings of debt securities

Euro area FVCs' **holdings of debt securities** totalled €172 billion at the end of the fourth quarter of 2014, while transactions were negligible during the quarter. Holdings of debt securities **issued by other euro area FVCs** amounted to €39 billion. The latter include "re-securitisations", in which debt securities issued by euro area FVCs are held within the sector and may back new securitisations.

Debt securities issued

Regarding the liabilities of euro area FVCs, issuance of debt securities is the predominant funding source. The amount outstanding of **debt securities issued by FVCs** increased to €1,461 billion at the end of the fourth quarter of 2014, from €1,452 billion at the end of the previous quarter. Over the same period, transactions amounted to a net issuance of €4 billion. The annual growth rate of debt securities issued, calculated on the basis of transactions, was -4.5% in the fourth quarter of 2014. This compares with a growth rate of -7.2% in the previous quarter.

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Notes:

- Euro area-wide reporting under [Regulation ECB/2013/40](#) of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions commenced with respect to the reference period of the fourth quarter of 2014. This Regulation implements the European System of Accounts 2010 for Financial Vehicle Corporations statistics.

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- *Securitisation is a transaction whereby an asset or a pool of assets, often consisting of mortgage loans, consumer loans or loans to non-financial corporations, is transferred from an originator (usually a credit institution) to an FVC. The FVC converts these assets into marketable securities by issuing debt instruments (sold to the public or on the basis of private placements), with the principal and interest being serviced through the cash flows generated by the asset or asset pool.*
- *The latest data on FVCs and on the securitisation transactions of MFIs can be downloaded from the ECB's Statistical Data Warehouse: [Financial Vehicle Corporations](#) and [MFI balance sheets](#). More details on these statistics are available in the "Statistics" section of the ECB's website under [Euro area financial vehicle corporations](#).*