



EUROPEAN CENTRAL BANK

EUROSYSTEM

## PRESS RELEASE

26 May 2015

### Euro area financial vehicle corporations statistics First quarter 2015

*In the first quarter of 2015, net disposals of loans by euro area financial vehicle corporations (FVCs) engaged in securitisation amounted to €30 billion. Over the same period, net redemptions of debt securities by euro area FVCs amounted to €42 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)*

|                                       | 2014  |       |       |       | 2015  |
|---------------------------------------|-------|-------|-------|-------|-------|
|                                       | Q1    | Q2    | Q3    | Q4    | Q1    |
| <u>Securitised loans held by FVCs</u> |       |       |       |       |       |
| Amount outstanding                    | 1,258 | 1,251 | 1,235 | 1,235 | 1,208 |
| Transactions <sup>1</sup>             | -28   | 0     | -19   | -1    | -30   |
| Annual percentage change              | -7.0  | -5.9  | -6.1  | -3.7  | -4.0  |
| <u>Debt securities issued</u>         |       |       |       |       |       |
| Amount outstanding                    | 1,478 | 1,475 | 1,451 | 1,464 | 1,437 |
| Transactions <sup>1</sup>             | -44   | -4    | -26   | 7     | -42   |
| Annual percentage change              | -7.9  | -7.3  | -7.2  | -4.4  | -4.4  |

Source: ECB.

<sup>1</sup> 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.

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### Holdings of securitised loans

The amount outstanding of **securitised loans** – which account for most of the assets of euro area FVCs – decreased to €1,208 billion at the end of the first quarter of 2015, from €1,235 billion at the end of the previous quarter. Transactions in securitised loans amounted to minus €30 billion in the first quarter of 2015. Transactions of **securitised loans originated by euro area monetary financial institutions (MFIs)** equalled minus €31 billion in the same quarter.

Turning to the **borrowing sector of the loans originated by euro area MFIs**, securitised loans to **households** stood at €710 billion at the end of the first quarter of 2015, with transactions of minus €24 billion. Loans to **non-financial corporations** which were originated by euro area MFIs amounted to €183 billion, with transactions of minus €5 billion.

### Holdings of debt securities

Euro area FVCs' holdings of **debt securities** amounted to €176 billion at the end of the first quarter of 2015, 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** decreased to €1,437 billion at the end of the first quarter of 2015, from €1,464 billion at the end of the previous quarter. Over the same period, transactions amounted to a net redemption of €42 billion. The annual growth rate of debt securities issued, calculated on the basis of transactions, was -4.4% in the first quarter of 2015. This compares with a growth rate of -4.4% in the previous quarter.

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#### Notes:

- *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.*

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- *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](#).*

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