

**European Benchmarking Exercise (EBE)
for Private Securitisations**

-

**Report of H1-2023 Results
(11 March 2024)**

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1. Executive Summary

- This report is part of the European Benchmarking Exercise, (“EBE”, thereafter) a market-led initiative organised by AFME, European DataWarehouse (EDW) and TSI.
- Its purpose is to further enhance the quality and usefulness of disclosure in the private cash securitisation market, both ABCP and balance sheet financed, in the EU and UK, in order to assist market participants and reassure supervisors.
- CLOs, synthetic securitisations and public ABS bonds are out of scope of this report.
- This report provides, on a voluntary basis, aggregated transaction-level data gathered from 12 banks across 6 countries.
- The overall market is currently estimated at least €209bn of Total Commitments; specific data received covers €78bn of commitments.
- Private securitisations backed by Trade Receivables and Auto Loans/Leases make up around 72% of the market, of which 34% and 87% respectively are funded through syndicated transactions.
- Over 68% of private cash securitisations fund sellers in the EU, and over 74% directly fund the real economy (non-financial) sectors of the economy.
- As is usual, Trade Receivables contain certain concentrations of debtors, while Auto Loans/Leases have more granular portfolios.
- The majority of transactions were initiated after the Global Financial Crisis but before the Securitisation Regulation entered into force in January 2019.
- Of all transactions by volume, 89% were undertaken by sellers with ratings of BBB and below at inception, and the average seller rating was below BBB. In contrast, the average transaction rating is in the range A to AA, and there has been a notable increase of AAA rated transactions in the past 6 months. This shows that private cash securitisations provide a cost-effective means of financing, especially for lower-rated sellers.
- This is the fifth in a series of such reports to be published biannually over time. All amounts are in million EUR.

2. Overview

- This is the **fifth report** showing the results of our study of the Private Securitisation Market in Europe after the inaugural issue in November 2021 in respect of the cut-off date 30/06/2021.
- We now complete our second year of data-analysis, beginning to generate a robust time series. Therefore, we **enhanced the data analysis by also including delinquencies** (see Section 7).
- The following table depicts the development of the key figures over time.
- Please note that the Δ -Column shows the annualised growth rate¹ over four half-year periods, while the Δ_P -Column refers to the last period only.

Table 1 – Overview

		2023-06	2022-12	2022-06	2021-12	2021-06	Δ_P	Δ
Number of Participants	#	12	12	12	12	12	0.0%	0.0%
Number of Commitments	#	610	556	525	527	504	9.7%	10.5%
Committed Amount	Million EUR	78,590	73,182	67,241	65,064	62,814	7.4%	12.6%
Funded Amount	Million EUR	57,748	60,502	56,400	53,009	50,205	-4.6%	7.5%
Utilisation		73.5%	82.7%	83.9%	81.5%	80.0%	-11.1%	-4.1%
Total Asset Amount	Million EUR	184,765	184,159	183,326	173,016	177,329	0.3%	2.1%
Estimated Market Size	Million EUR	209,400	195,669	194,784	183,830	188,412	7.0%	5.6%
Number of Transactions	#	443	433	412	387	404	2.3%	4.8%

Δ =annualised growth rate, Δ_P =growth in last period

- Since the beginning of EBE, we have seen a solid **annualised growth of 12.6% in Committed Amount**. In the first half of 2023 the Committed Amount increased by 7%. On the contrary, the **Funded Amount**, which closely followed the Committed Amount in the past, has **decreased by 4.6% in H1-2023**.
- Combined this leads to a **two-digit drop in Utilisation (-11.1%)**. We will explore possible causes of this observation in this report.
- The **Total Asset Amount remains flat at €184bn**.
- The **Estimated Market Size**, i.e. available funding, **increases to €209bn** (from €196bn) despite the fact that Utilisation has decreased.

Table 2 – Type of Funding

Funding Type	Committed Amount					Δ_P	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
ABCP	69,635	65,235	59,412	57,491	55,524	7%	13%
BS	8,954	7,947	7,829	7,573	7,291	13%	11%
Total	78,590	73,182	67,241	65,064	62,814	7%	13%

Δ =annualised growth rate, Δ_P =growth in last period

¹ The annualised Rate is calculated without compounding, i.e. growth over the entire period, divided by the number of years.

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(All amounts in EUR million)

- In H1-2023, **ABCP commitments have increased by 7%** after 10% in H2-2022.
- **Balance sheet funding has increased strongly by 13%** after increases ranged between 1% and 4% in the preceding periods.

Table 3 – Evolution of STS share

STS Share	2023-06	2022-12	2022-06	2021-12	2021-06	Δ_p	Δ
Committed Amount	58.6%	56.6%	56.7%	55.0%	ND	3%	4%

Δ =annualised growth rate

- The **STS share** in the market segment **continues to rise** and is now **close to 60% of Committed Amount**.

Table 4 – Asset Type Distribution

Asset Type	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Trade Receivables	47,505	42,523	40,682	38,966	35,689	12%	17%
Auto Loan or Leasing	11,023	11,132	10,162	11,187	13,985	-1%	-11%
Equipment Leasing	4,830	5,096	4,327	4,183	3,417	-5%	21%
Consumer Loans	5,115	4,891	4,704	3,760	3,197	5%	30%
Diverse	10,117	9,540	7,366	6,968	6,527	6%	28%
Total	78,590	73,182	67,241	65,064	62,815	7%	13%

Δ =annualised growth rate

- The **strongest growth** of Committed Amount is observed for **Trade Receivables**. The other Asset Types remain mainly unchanged.
- **Trade Receivables and Auto Loans/Leases** continue to be the **dominant Asset Types** in private cash securitisations and make up approximately 74.5% (up from 73.3%).
- **The top-four Asset Types account for 87% of all commitments**. This remains roughly unchanged over the course of the EBE.

Table 5 – Regional Distribution

Seller Region	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Germany	18,573	17,482	16,286	15,886	16,006	6%	8%
France	13,468	11,903	11,142	11,113	10,115	13%	17%
Italy	11,564	11,165	10,580	10,052	8,541	4%	18%
UK	14,185	10,653	9,263	9,029	9,466	33%	25%
other EU27	9,789	9,884	9,174	8,276	7,926	-1%	12%
other non-EU27	8,619	8,693	8,435	8,204	8,323	-1%	2%
ND	2,393	3,403	2,361	2,504	2,437	-30%	-1%
Total	78,590	73,182	67,241	65,064	62,814	7%	13%

Δ =annualised growth rate

- **France and UK** show the **highest growth** in H1-2023, while **UK commitments have also increased** by an exceptional **33%**.
- **UK** has an **annualised growth rate of 25%** and has now surpassed France by Committed Amount and represents the **second largest Seller Region** in the EBE.

- Italy's growth has slowed down, while Germany is in line with its long-term growth. Other EU27 and other non-EU27 remain stable.

Table 6 – Currency Distribution

Transaction Currency	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
EUR	55,954	53,591	49,630	47,301	46,543	4%	10%
USD	9,922	8,109	7,498	7,511	6,813	22%	23%
GBP	11,460	9,800	8,489	8,707	7,876	17%	23%
Others	1,254	1,683	1,624	1,545	1,583	-25%	-10%
Total	78,590	73,182	67,241	65,064	62,814	7%	13%

Δ =annualised growth rate

- In H1-2023, there was a steep rise in commitments in USD and GBP, both of which increased by around 20%.
- In nominal terms, however, EUR is still the currency that most funds are committed in reaching EUR 55.9 billion.

3. The Market

- As mentioned above, the collected transaction data also contains information on syndicated transactions, but not all banks participating in such syndicates also participate in EBE ("non-EBE participants"). However, based on the reported data, we can extrapolate the amount of assets and the total transaction volume including the non-EBE participants.
- Until the end of H1-2023, the assumption of an 80% Utilisation Rate corresponded to the observed Utilisation rates, which were between 80% and 84%. As the reported Utilisation is now only 73.5%, we have decided to adjust our assumption for H1-2023 to 75%.
- We believe that the following analysis and conclusions are representative of the market as a whole.

Table 7 – Projected Assets (total market) by Asset Type

Asset Type	Asset Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Trade Receivables	80,295	84,240	92,053	88,097	-	-5%	-6%
Auto Loan or Leasing	52,430	48,889	44,477	46,711	-	7%	8%
Consumer Loans	9,098	9,307	9,233	8,321	-	-2%	6%
Equipment Leasing	7,569	7,981	6,743	6,359	-	-5%	13%
Other	35,373	33,742	30,820	23,528	-	5%	34%
Total	184,765	184,159	183,326	173,016	-	0%	5%

Δ =annualised growth rate.

- Overall, the Asset Amount is stable. Auto Loans and Leasing show the highest growth in H1-2023 with 7%.
- Trade Receivable's Asset Amounts have dropped (-5%), which seems commensurate with the drop in Utilisation and Funded Amount.

Table 8 – Asset Amount (total market) by Seller Country

Seller Region	Asset Amount					Δ _p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Germany	48,246	47,784	45,132	41,355	-	1%	11%
France	26,905	27,019	21,709	21,926	-	0%	15%
Italy	18,327	18,871	16,879	15,019	-	-3%	15%
UK	33,543	32,568	28,230	31,165	-	3%	5%
other EU27	19,385	18,036	16,382	14,855	-	7%	20%
other non-EU27	27,653	25,916	36,352	33,327	-	7%	-11%
ND	10,706	13,966	18,642	15,369	-	-23%	-20%
Total	184,765	184,159	183,326	173,016	188,600	0%	5%

Δ=annualised growth rate. Please note that in this table the annualised growth rate relates to the one-and-a-half-year period 2021-12 to 2023-06, only, since the asset type breakdown was not available in the initial data.

- The most remarkable development is that “**other-EU27**” and “**other non-EU27**” assets show the strongest growth in H1-2023 with together additional Asset Amount of €3.1 bn.
- The “**other non-EU27**” assets, which had dropped by more than €10bn in H2-2022, have therefore regained some territory.

4. Simple, Transparent and Standardised

Table 9 – All Commitments by Transaction Start Date

Start Date - All	Committed Amount					Δ _p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
2000-2008	5,645	6,256	5,981	5,731	5,196	-10%	4%
2009-2018	41,988	39,865	39,651	41,205	41,562	5%	1%
2019+	30,956	27,061	21,609	18,129	16,056	14%	46%
Total	78,590	73,182	67,241	65,064	62,814	7%	13%

Δ=annualised growth rate

- New transactions are coming into the **2019+ bucket (+14%, €3.9bn)**, while the changes in other buckets are due to redemptions, increases of existing transactions or currency fluctuations.
- The **2009-2018 bucket** noted a €2.1bn **(+5%)** increase while this bucket indicates that banks have invested in transactions from that period that were not present in the EBE-covered part of the market before.

Table 10 – STS Commitments by Transaction Start Date

Start Date - STS	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
2000-2008	4,179	4,351	4,241	3,547	3,092	-4%	18%
2009-2018	27,139	24,589	23,368	23,466	18,561	10%	23%
2019+	14,772	12,513	10,531	8,771	6,880	18%	57%
Total	46,089	41,452	38,140	35,784	28,533	11%	31%

Δ =annualised growth rate

- Commitments of **STS transactions have grown stronger (+11%) than the overall market (+7%)**, albeit less strongly than before.
- The increase of €2.6bn EUR in the 2009-2018 bucket (corresponding to an increase of number of commitments from 259 to 272) shows that still a significant number of existing transactions are restructured into STS or existing STS transactions have been increased in committed amounts.

Table 11 – STS Share by Asset Type

STS Share	2023-06	2022-12	2022-06	2021-12	2021-06	Δ_p	Δ
Trade Receivables	72.6%	68.8%	66.9%	64.5%	ND	5%	8%
Auto Loan or Leasing	59.2%	64.6%	64.6%	62.8%	ND	-8%	-4%
Equipment Leasing	71.4%	66.4%	71.0%	60.2%	ND	8%	12%
Consumer Loans	4.8%	4.5%	2.6%	3.2%	ND	6%	33%
Other	13.6%	14.4%	2.6%	3.2%	ND	-6%	218%
Total	58.6%	56.6%	56.7%	55.0%	ND	4%	4%

Δ =annualised growth rate

- Overall, the STS-share among the commitments per Asset Type is increasing in H1-2023, with this increase being in line with the annualised growth-rate.
- However, Auto Loans and Leasing are the exception, as the STS-share has dropped in this case, even though the number of commitments has increased, which might be due to term takeouts into the public ABS markets.

5. Transaction and Seller Rating

Table 12 – Transaction Rating

Transaction Rating	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
AAA	22,776	16,293	15,198	14,543	12,707	40%	40%
AA	26,749	25,744	26,781	25,235	21,529	4%	12%
A	15,427	18,938	14,697	15,527	13,180	-19%	9%
BBB	9,687	8,355	7,461	6,487	6,053	16%	30%
BB and lower	255	292	361	289	321	-13%	-10%
NR	3,605	3,469	2,643	2,651	8,228	4%	-28%
ND	90	90	100	332	797	0%	-44%
Total	78,590	73,182	67,241	65,064	62,815	7%	13%

Δ =annualised growth rate

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(All amounts in EUR million)

- We observe a **strong increase** (40%, €6.5bn) of **AAA-rated commitments** which most likely indicates that banks have decided to (re-)structure transactions to achieve AAA ratings for the senior tranche.
- The increase in AAA ratings seems to come **at the expense of A-rated commitments** (-19%, €3.5bn). The remaining €3.0bn are coming from new business (€5.4bn).

Table 13 – Transaction Rating Distribution

Transaction Rating Share	2023-06	2022-12	2022-06	2021-12	2021-06	Δ_p	Δ
AAA	29.0%	22.3%	22.6%	22.4%	20.2%	30%	22%
AA	34.0%	35.2%	39.8%	38.8%	34.3%	-3%	0%
A	19.6%	25.9%	21.9%	23.9%	21.0%	-24%	-3%
BBB	12.3%	11.4%	11.1%	10.0%	9.6%	8%	14%
BB and lower	0.3%	0.4%	0.5%	0.4%	0.5%	-19%	-18%
NR	4.6%	4.7%	3.9%	4.1%	13.1%	-3%	-32%
ND	0.1%	0.1%	0.1%	0.5%	1.3%	-7%	-45%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		

Δ =annualised growth rate

- The **average rating edges up towards AA**, whereas by Commitment Amount the share of the rating buckets AAA-A comes down slightly (82.6% from 83.3%).
- In order to shed some light on this move to AAA-rated transactions we analysed the Transaction Rating Distribution on a per-asset-type basis:

Table 14 – Transaction Rating Distribution (Trade Receivables)

Transaction Rating Trade Receivables	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
AAA	15,601	8,477	7,652	6,470	4,601	84%	120%
AA	17,696	18,380	20,395	19,289	14,539	-4%	11%
A	8,556	10,924	8,168	8,666	9,850	-22%	-7%
BBB	3,945	2,976	2,838	2,737	2,480	33%	30%
BB and lower	255	292	361	289	321	-13%	-10%
NR	1,362	1,384	1,168	1,375	3,718	-2%	-32%
ND	90	90	100	140	180	0%	-25%
Total	47,505	42,523	40,682	38,966	35,689	12%	17%

Δ =annualised growth rate

- For **Trade Receivables**, which account for more than 60% of the Committed Amount, the **AAA-rated portion has increased** by massive **84% or €7.1bn**.
- For the second-largest asset class “**Auto Loans and Leases**”, which is not shown here, we find an **increase of 5%** in the AAA-bucket.
- We therefore conclude that the **shift towards higher transaction ratings** is to a very large extent **driven by Trade Receivables** transactions.

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(All amounts in EUR million)

Table 15 – Seller Rating Distribution (nominal)

Seller Rating	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
AAA	1,081	812	886	868	1,676	33%	-18%
AA	413	424	20	20	815	-3%	-25%
A	7,552	5,499	4,984	4,252	10,267	37%	-13%
BBB	29,244	30,616	27,712	26,432	27,023	-4%	4%
BB and lower	14,319	12,573	13,935	13,283	14,332	14%	0%
NR	10,343	9,996	7,378	6,898	5,186	3%	50%
ND	15,637	13,262	12,327	13,310	3,515	18%	172%
Total	78,590	73,182	67,242	65,063	62,814	7%	13%

Δ =annualised growth rate

Table 16 – Seller Rating Distribution (relative)

Seller Rating Share	2023-06	2022-12	2022-06	2021-12	2021-06	Δ_p	Δ
AAA	1.4%	1.1%	1.3%	1.3%	2.7%	24%	-24%
AA	0.5%	0.6%	0.0%	0.0%	1.3%	-9%	-30%
A	9.6%	7.5%	7.4%	6.5%	16.3%	28%	-21%
BBB	37.2%	41.8%	41.2%	40.6%	43.0%	-11%	-7%
BB and lower	18.2%	17.2%	20.7%	20.4%	22.8%	6%	-10%
NR	13.2%	13.7%	11.0%	10.6%	8.3%	-4%	30%
ND	19.9%	18.1%	18.3%	20.5%	5.6%	10%	128%
Total	100.0%	100.0%	100.0%	100.0%	100.0%		

Δ =annualised growth rate

- The **largest rating bucket is at “BBB”**, albeit the bucket decreased by 4.6 percentage points or 11% since the date of the last report.
- Overall, the **average rating based on rated commitments only remains close to BBB**.
- **ND** does still make up for **nearly 20%**.

6. Asset Types

Table 17 – Asset Type Distribution

Asset Type	Committed Amount					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Auto Loan or Leasing	11,023	11,132	10,162	11,187	13,985	-1%	-11%
Credit-Card Receivables	1,139	1,036	785	981	766	10%	24%
Commercial Mortgages	358	354	535	401	133	1%	85%
Consumer Loans	5,115	4,891	4,704	3,760	3,197	5%	30%
Equipment Leasing	4,830	5,096	4,327	4,183	3,417	-5%	21%
Floorplan Financing	524	698	699	350	650	-25%	-10%
SME Loans	1,411	705	231	113	23	100%	3017%
Mixed?	138	135	-	143	140	2%	-1%
Other	3,508	2,970	2,621	2,332	2,283	18%	27%
Residential Mgt	3,039	3,643	2,495	2,648	2,532	-17%	10%
Trade Receivables	47,505	42,523	40,682	38,966	35,689	12%	17%
Total	78,590	73,182	67,241	65,064	62,815	7%	13%

Δ =annualised growth rate

- **Trade Receivables and Auto Loans/Leases** remain the **dominant Asset Types** in private cash securitisations and make up approximately **74.5%** (up from 73.3%) of Committed Amounts.
- The **top-four asset types account for 87%** of all commitments. Both figures are roughly unchanged over the course of the benchmark exercise.
- In our last three reports report we had highlighted the **very pronounced increase of SME financing**. In fact, the share of **SME loan-backed financings has increased from €20mn to over €1.4bn** over two years now.
- SME transactions have been reported from banks in 3 different countries.

Table 18 – Utilisation for the Main Asset Types

Main Asset Types	Utilisation					Δ_p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Trade Receivables	68%	81%	82%	80%	77%	-11%	4%
Auto Loan or Leasing	92%	93%	91%	89%	89%	1%	3%
Equipment Leasing	94%	91%	91%	89%	92%	0%	-1%
Consumer Loans	76%	81%	88%	85%	83%	-5%	-2%
Average	83%	86%	88%	86%	85%	-1%	1%

Δ =annualised growth rate

- We see a significant **drop in Trade Receivable Utilisation** from 81% to 68%, as well as a notable **drop in Consumer Loan Utilisation** from 81% to 76% (and 88% before) in H1-2023.
- The drop in Utilisation for Trade Receivables may on the one hand be a **combined effect of new and also increased commitments**, which have not yet been fully utilised.
- On the other hand, the lower Utilisation might be due to the economic slowdown in Europe and in particular in Germany in 2023.
- Table 19 supports both assumptions, because we also see an actual drop in Funded Amount by €2.2 bn.

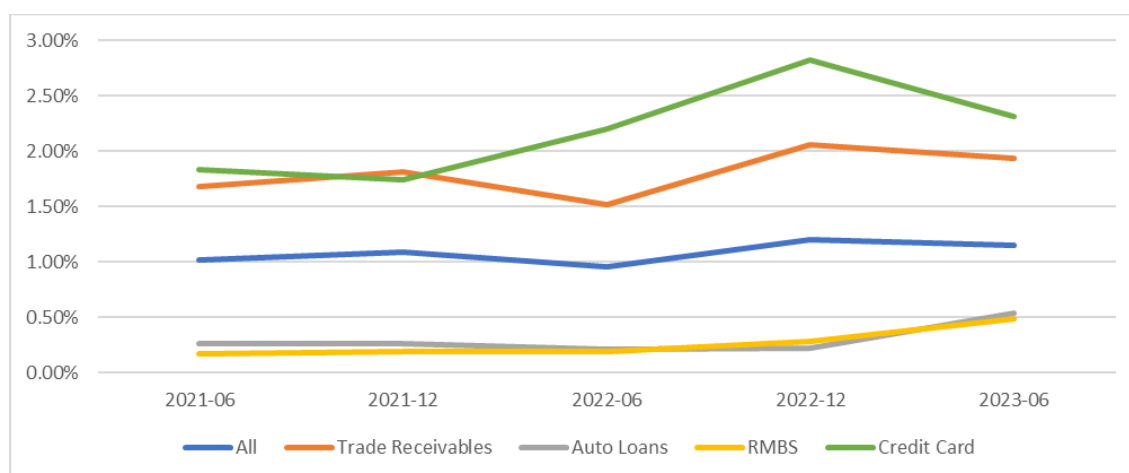
Table 19 – Funded Amount for the Main Asset Types

Asset Type	Funded Amount					Δ _p	Δ
	2023-06	2022-12	2022-06	2021-12	2021-06		
Trade Receivables	32,255	34,484	33,185	31,129	27,417	-6%	9%
Auto Loan or Leasing	10,120	10,322	9,261	9,990	12,448	-2%	-9%
Consumer Loans	3,912	3,950	4,122	3,202	2,655	-1%	24%
Equipment Leasing	4,535	4,613	3,924	3,732	3,155	-2%	22%
Other Types	6,926	7,133	5,908	4,956	4,530	-3%	26%
Total	57,748	60,502	56,400	53,009	50,205	-5%	8%

Δ=annualised growth rate

7. Delinquencies

Figure 1 – Dynamic Delinquency Ratio 90 days +






- The percentage of exposures in arrears is calculated as the total outstanding principal amount in arrears relative to the total outstanding principal amount.
- The series with the **highest delinquencies** are **Credit Cards** in the **consumer space** and **Trade Receivables** in the **enterprise space**.
- **Credit Card Delinquencies** rose notably during **2022**, levelling off in H1-2023.
- Despite showing only a low tendency to be delinquent and maintaining low delinquency ratios during the first three half-year periods H2-2021 through H2-2022, **Auto Loans and Residential Mortgages** show a distinct rise of delinquencies in H1-2023.

8. Conclusion

This is the fifth EBE report on private securitisation in Europe and presents data covering the first six months of 2023 (H1 2023). In this time period and since the end of 2022, the market has grown substantially, with ABCP commitments having increased by 7% and balance sheet funding by 13%. Commitments of STS transactions have grown by 11%, while AAA-rated commitments have also shown a strong increase of 40% driven (most likely) by banks’ decision to (re)structure transactions in order to achieve AAA ratings for the senior tranche. In terms of Utilisation, the rate has dropped from 81% to 68% in respect of trade receivables and from 81% to 76% in respect of consumer loans. This decline may be due to the economic slowdown in Europe, but also due to new and/or increased commitments which haven’t been fully utilised yet.

The information set out above provides, therefore, a unique insight into the private cash securitisation market and appears even more topical now given the ongoing ESMA consultation on the disclosure templates, which closes on 15 March. The report is produced voluntarily by leading market participants. It demonstrates their strong commitment to providing useful data of good quality and reassures other market participants, supervisors and policy makers of the high standard of transparency that can be achieved in this market.

9. Contact Details

Shaun Baddeley Maria Pefkidou	Dr. Christian Thun Dr. Ludovic Thebault Jiamin Lou	Jan-Peter Hülbert Dr. Jürgen Brust Peter Grijsen
Shaun.Baddeley@afme.eu Maria.Pefkidou@afme.eu	christian.thun@eurodw.eu ludovic.thebault@eurodw.eu jiamin.lou@eurodw.eu	jan-peter.huelbert@tsi-gmbh.de juergen.brust@tsi-gmbh.de peter.grijsen@tsi-gmbh.de
		

Appendix I: Glossary

Asset Types: These are in line with the ESMA categorisation for the disclosure templates.

Committed Amount: The aggregate committed amount which was reported by the participating banks as actual current commitments.

Credit Enhancement: Estimated average share of the Total Commitments which serves as credit enhancement. **The Credit Enhancement was estimated for this and all preceding reports with 15%.**

Delinquencies: Balance of receivables due but unpaid for a certain period. This is in line with the ESMA definition for the disclosure templates.

Estimated Market Size: As explained in previous reports, we have estimated the market size based on the inferred asset value, an assumed average credit enhancement of 15% and an assumed Utilisation of 80% which is now adjusted to 75% (see below under “Utilisation”).

Funded Amount: The aggregate funded amount, which was reported by the participating banks as actual, currently outstanding financing amounts.

Other-EU27: All further not explicitly mentioned EU countries.

Other non-EU27: All further not explicitly mentioned Non-EU countries.

Total Asset Amount: This is the total transaction volume including non-EBE participants based on reported information on syndication. Note: The transaction level data reported includes syndicated transactions, but not all banks participating in such syndicates also participate in the EBE.

Total Commitments: Estimated Market Size; calculated as Total Funded Amount divided by estimated Utilisation.

Total Funded Amount: Estimated funded amount of the market, calculated by the Total Asset Amount times (1-Credit Enhancement).

Utilisation: Estimated share of drawn amounts under the Total Commitments. The assumption of the Utilisation corresponds to the reported Utilisations (Funded Amount/Committed Amount). As the reported Utilisation was on average at 73.5%, for the purpose of deriving the market size, we have decided to assume the **Utilisation for this report to be 75%.**

Appendix II: Background, Scope and Objectives

Regulatory background: The European Securitisation Regulation (EU) 2017/2402 (“SECR”) came into force on the 1st of January 2019, and it provides a very detailed and stringent regulatory framework. It has been acknowledged (including by the EBA) as being the global “gold standard”, and as a result securitisation is the first uniformly regulated financial product throughout the EU.

Disclosure & Transparency: Considering the far-reaching transparency and disclosure obligations (which have the force of law) under Article 7 of the SECR, securitisation is also the most transparent of fixed income financial products. The nature and scope of information to be provided by issuers and sponsor banks to investors are extensive and provide a wide range of possible information to allow investors to undertake due diligence (also a legal requirement under the SECR) including proper analysis for investing in and monitoring securitisation transactions.

Private Securitisations: The majority of private cash securitisations comprise ABCP and private non-ABCP securitisations. Like public securitisations, they also must comply with the transparency requirements of Article 7 SECR. Financing banks, investors and supervisors receive all information in a standardised format in the same way as for public securitisations, but this information is not made available to the public. Readers should be aware that:

- The European Securities and Markets Authority (ESMA) has been given a mandate by the European Commission (EC) to undertake a consultation with the industry with the objective of rationalising disclosure requirements for both private and public securitisations. This consultation started in December 2023 and will be closed on 15 March 2024.
- A similar consultation is also expected to be launched by the FCA and the PRA soon.

European Benchmark Exercise (EBE): The EBE is a market-led initiative organised by AFME, EDW and TSI, and supported by the Foundation Project Capital Markets Union (<https://stiftungsprojekt-kapitalmarktunion.de/en/>) to enhance the quality and usefulness of disclosure by providing aggregated transaction-level data on private cash securitisations (both ABCP and non-ABCP) to supervisors, legislators, and the public. Banks active in the European securitisation market (EU27 and UK) have volunteered to provide this data for all securitisations which (i) they have financed directly on their balance sheet or through their ABCP programs and (ii) are not public ABS or synthetic balance sheet securitisations.

Participants and confidentiality: As of 3 June 2023, twelve banks from six countries (Austria, France, Germany, Italy, Netherlands and the UK) have provided data on a voluntary basis: BayernLB, BNP Paribas, Commerzbank, Credit Agricole, DZ Bank, Helaba, HSBC, ING, LBBW, Natixis, RBI and UniCredit. The data provided has been received only by EDW, and all analysis, aggregation and publication of data has been made on the basis that specific data cannot be identified to the contributing bank or to the underlying transaction.