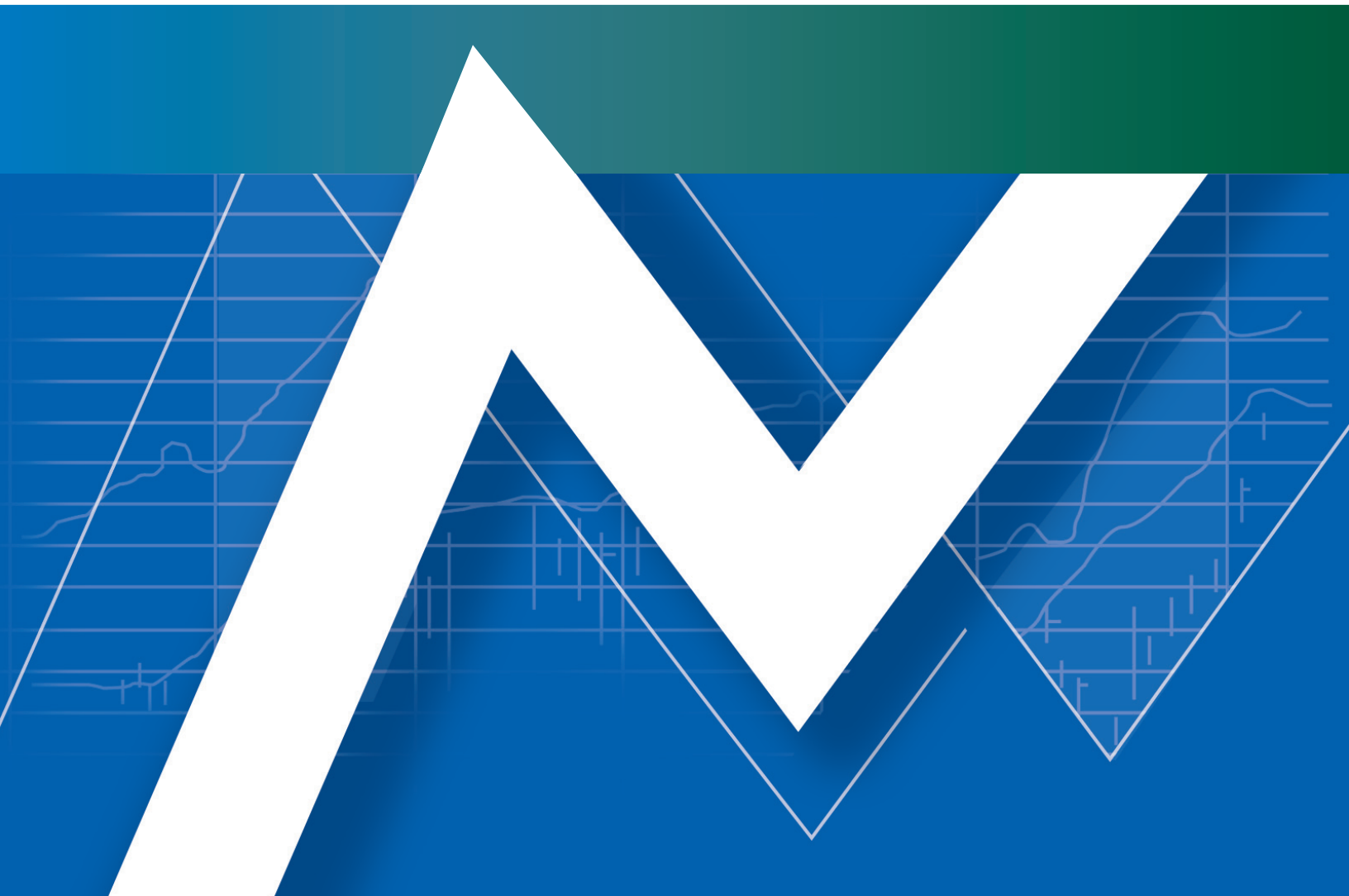




An Affiliate of SIFMA 



CLICK HERE FOR  
**downloadable data**

 **SIFMA<sup>®</sup>**  
Securities Industry and  
Financial Markets Association

London ■ New York ■ Washington ■ Hong Kong

# TABLE OF CONTENTS

## Market Highlights and Summary ..... 1

### 1. Issuance

1.1. European Historical Issuance .....	3
1.2. US Historical Issuance .....	3
1.3. European Issuance by Collateral .....	3
1.4. US Issuance by Collateral .....	3
1.5. Issuance by Country of Collateral .....	4
1.6. Issuance by Collateral and Country .....	4
1.7. European Issuance by Rating .....	5
1.8. US Issuance by Rating .....	5
1.9. Securitisation Issuance by Deal Size .....	5

### 2. Balances Outstanding

2.1. European Outstandings by Collateral .....	6
2.2. US Outstandings by Collateral .....	6
2.3. Outstandings by Country of Collateral .....	7
2.4. European Outstandings by Moody's Ratings .....	8
2.5. US Outstandings by Moody's Ratings .....	8
2.6. Outstandings by Collateral and Country .....	9

### 3. Credit Quality – Rating Changes

Upgrades/Downgrades by Country .....	10
3.1. Fitch Ratings .....	10
3.2. Moody's Investors Service .....	10
3.3. Standard & Poor's .....	10
Upgrades/Downgrades by Collateral .....	11
3.4. Fitch Ratings – Europe .....	11
3.5. Moody's Investors Service – Europe .....	11
3.6. Standard & Poor's – Europe .....	11
3.7. Fitch Ratings – US .....	11
3.8. Moody's Investors Service – US .....	11
3.9. Standard & Poor's – US .....	11

### 4. CMBS Spreads

4.1. European 3-5 Yr AAA CMBS Spreads .....	12
4.2. European 3-5 Yr BBB CMBS Spreads .....	12
4.3. US 3 & 5 Yr AAA CMBS Spreads .....	12
4.4. US 3 & 5 Yr BBB CMBS Spreads .....	12

### 5. RMBS Spreads

5.1. European 3-5 Yr AAA RMBS Spreads .....	13
5.2. European 3-5 Yr BBB RMBS Spreads .....	13
5.3. UK 3-5 Yr AAA RMBS Spreads .....	13
5.4. UK 3-5 Yr BBB RMBS Spreads .....	13
5.5. US AAA Subprime Home Equity Spreads .....	13

### 6. ABS Spreads

6.1. European 1-4 Yr AAA ABS Spreads .....	14
6.2. European 1-4 Yr BBB ABS Spreads .....	14
6.3. US 3 Yr AAA ABS Spreads .....	14
6.4. US 3 Yr BBB ABS Spreads .....	14

### 7. RMBS Prices

7.1. European 3-5 Yr AAA RMBS Prices .....	15
7.2. European 3-5 Yr BBB RMBS Prices .....	15
7.3. UK 3-5 Yr AAA RMBS Prices .....	15
7.4. UK 3-5 Yr BBB RMBS Prices .....	15

### 8. CMBS and ABS Prices

8.1. Pan-European 3-5 Yr AAA CMBS Prices .....	16
8.2. Pan-European 3-5 Yr BBB CMBS Prices .....	16
8.3. Pan-European 1-4 Yr AAA ABS Prices .....	16
8.4. Pan-European 1-4 Yr BBB ABS Prices .....	16

## 9. Indices Data

9.1. Securitised Index Option Adjusted Spreads .....	17
9.2. ABX.HE and CMBX Prices .....	17

## 10. Asset-Backed Commercial Paper

10.1. European ABCP Historical Issuance .....	18
10.2. European ABCP Issuance by Nationality of Issuer .....	18
10.3. European ABCP Issuance by Programme Type .....	18
10.4. ABCP Outstandings by Nationality of Issuer .....	18
10.5. European ABCP Outstandings by Programme Type .....	19
10.6. US ABCP Outstandings by Programme Type .....	19
10.7. ABCP Outstandings Assets Split by Country .....	19
10.8. US AA ABCP to AA Non-financial CP Spread .....	19

## 11. Global Comparative Data

11.1. Global Securitisation Issuance .....	20
11.2. Global Corporate Bond Issuance .....	20
11.3. Global Government Bond Issuance .....	20

## Annex ..... 21

## Disclaimer ..... 24

# 2009 Q1: Regulatory and Policy Measures Reshaping the Securitisation Market

## Market Environment

### Economic Conditions

- General European economic conditions worsened significantly in Q1 2009; according to Eurostat, GDP declined by 2.5% in both the euro-area and EU27 for the first quarter of 2009, representing an annualised decline of 9.6%. Of the large member states, Germany suffered the steepest decline, at 3.8%, while the bulk of deep declines were concentrated in the eastern European countries.
- Also according to Eurostat, unemployment rose to 8.9% in the euro-area in March 2009 (8.3% in the EU27), with the highest unemployment rates recorded in Spain (17.4%), Latvia (16.1%) and Lithuania (15.5%).
- Housing prices continued to fall in several European countries in Q1 2009. According to Nationwide, prices recorded a quarterly seasonally adjusted 4.2% decline in the United Kingdom; in Spain, housing prices fell an additional 3% according to TINSA; and in Germany, prices fell 2.1% from the prior quarter according to Hypoport AG. A general decline in housing prices could also be seen in France, Sweden, Ireland and the Netherlands.

### Term Issuance and Outstanding Volumes

- The European securitisation primary market remained dormant in Q1 2009. As European institutions remain focused on liquidity, they retained issued notes in order to use the eligible securities as collateral for repo transactions with the European Central Bank (ECB) or the Bank of England (BoE). ABS issuance totaled €123.2 billion in the first quarter, a decline from the record setting pace at the end of 2008. Q1 issuance came predominantly from the RMBS and CDO space, with approximately 68.1% of the latter related to SME loans. According to Unicredit, the decline may, in part, be due to a shift toward the issuance of bank senior debt, partially supported by government guarantee schemes; according to Dealogic and the ECB, issuance of debt securities increased overall in the first quarter for both non-financial and financial firms.
- While the BoE's Special Liquidity Scheme (SLS) was retired in the first quarter 2009, with a total of £185 billion drawn upon by UK financial institutions in exchange for £287 billion in assets, repo operations in the UK remain largely unaffected due to the introduction in October 2008 of the Discount Window Facility (DWF), which allowed relatively similar assets to be used. Shortly before the SLS was retired, the

Bank of England introduced 364-day DWF terms to supplement the standard 30-day operations.

### Credit Quality & Lending

- Credit quality continued to decline in Q1 2009. CDOs remain the weakest asset class, followed by CMBS and non-conforming RMBS. Due to increasing unemployment, low consumer demand and the weak retail environment, CMBS have rapidly deteriorated in quality, prompting rating downgrades of both EU and US transactions.
- According to the ECB's April bank lending survey, bank lending to households and corporates continued to tighten in Q1 2009 as a result of both tighter lending criteria and reduced demand, albeit at a slightly slower pace than during the prior quarter. The reduced access to short-term money, debt and securitisation markets continue to hinder banks, although slight improvements were seen in all sectors compared to Q4 2008, with approximately half the banks reporting improved access to the wholesale market thanks to government guarantees and recapitalisations.

### Spread and Price Changes

- In Europe, spreads resumed their widening trend towards the end of Q1 2009 after a brief period of tightening in early January and February. Spreads and prices continue to be affected by high volatility as a consequence of illiquidity in the secondary market.
- In contrast, US spreads tightened significantly as a result of several government measures supporting the securitisation market, most significantly the Term Asset-Backed Securities Facility (TALF), which held its first auction in March. The announcement of the Public-Private Investment Program (PPIP) in February 2009 may have also prompted some spread tightening.

### ABCP Trends

- Asset-backed commercial paper (ABCP) issuance continued to fall in Europe, dropping by an additional 50% in Q1 2009 from Q4 2008, with €43.1 billion issued, according to Dealogic. Market conditions have eased considerably from Q4 2008, allowing companies to access the longer-term segments of the debt markets as an alternative.

### Major Regulatory, Legislative and Policy Initiatives

- In Spain, the Financial Asset Acquisition Fund (FAAF) began purchasing assets in Q4 2008, with four auctions totaling €19.3 billion completed by the end of the Q1 2009. Under FAAF, highly rated (triple-A for outright purchase, double-A for repurchase) covered bonds and

certain securitisations from Spanish credit institutions are eligible for purchase. Beginning in Q1 2009, a separate “non-competitive tranche” set of auctions was introduced in order to award financial institutions for their contribution of new credit to the non-financial sector.

- On 19 January the UK Government announced a comprehensive package designed to reinforce the stability of the financial system, increase confidence and capacity to lend, and, in turn, support the recovery of the economy. Among the measures:
  - *Guarantee Scheme for asset backed securities:* a guarantee scheme for RMBS designed to improve banks’ access to wholesale funding markets, help support lending, and promote robust and sustainable markets over the longer-term. Details of the Scheme were announced by the UK’s Debt Management Office in April.
  - *Asset Purchase Facility (APF):* a £150 billion facility run by the Bank of England designed to increase the availability of corporate credit and promote financial stability. Authorized to purchase commercial paper, corporate bonds, Credit Guarantee Scheme paper, syndicated loans, ABS, and UK gilts, the APF purchased a total of £15 billion in assets in Q1 2009, primarily comprised of corporate bonds, UK gilts, and commercial paper.
- On 19 January the ECB announced change to its collateral framework eligibility criteria for ABS. In summary:
  - The previous rating requirements continue to apply to ABS issued before 1 March 2009;
  - ABS issued after 1 March 2009 must be rated triple-A initially, but are still eligible if downgraded to a minimum of A- or equivalent thereafter; and
  - CDO of ABS issued after 1 March 2009 are no longer eligible for use at the repo facilities, although CDO of ABS issued before 1 March 2009 continue to be eligible through 1 March 2010.
- On 19 February the ESF released *RMBS Issuer Principles for Transparency and Disclosure*, a set of voluntary guidelines for issuers of European RMBS. The Principles apply to disclosure of information by issuers to investors and other market participants, both pre-issuance and post-issuance, on an ongoing basis. The Principles seek to establish a standard of consistency, transparency and data accessibility for investors and to enhance comparability of reporting across Europe.

Version 1.0 of the Principles encompasses all RMBS secured by prime and nonconforming mortgage loans originated by European Economic Area-based issuers, whether issued under stand-alone or revolving structures, including master trusts. The Principles

recommend that issuers comply with the reporting of a required high percentage of industry-agreed data fields by the end of 2009. As of the date of publication of this report, 14 firms have endorsed the Principles covering 19 programmes in the UK and the Netherlands. The credit rating agencies have agreed to begin using a common template in their information gathering processes for new UK non-conforming RMBS transactions closing as from 31 March 2009. The Principles are available on the ESF website at [www.eurosecuritisation.com](http://www.eurosecuritisation.com) and can be downloaded [here](#).

- In the US, the Treasury Department, FDIC and Federal Reserve, announced the Public-Private Investment Program (PPIP) in February 2009, a program designed to repair balance sheets in the financial system and ensure the availability of credit to households and businesses. A two-part program, the PPIP is comprised of:
  - *Legacy Loan Program:* run primarily by the FDIC, the Legacy Loan program was designed to remove troubled loans on bank balance sheets by attracting private capital to purchase these assets through a provision of FDIC debt guarantees and Treasury equity co-investment.
  - *Legacy Securities Program:* run primarily by the Treasury, the Legacy Securities program is designed to restart the market for legacy securities and create price discovery through a combination of debt financing by the Federal Reserve through TALF and Treasury equity co-investment.
- Also in the US, the first auction for TALF in Q1 2009 was held on 19 March, resulting in TALF financing of \$4.7 billion for four new TALF-eligible ABS issues with an aggregate deal size of \$8.3 billion, primarily relating to the auto and credit card sector. At TALF’s inception, eligibility for financing was primarily restricted to consumer loan securitizations such as auto, credit card, small business and student loans; since then, TALF has substantially expanded eligible asset classes to include other types of consumer ABS such as mortgage servicing advances, equipment, vehicle fleets, floorplans, and insurance premiums. In addition to consumer ABS, legacy CMBS and new issue CMBS have also recently become eligible for TALF financing.

# ISSUANCE

€ BILLIONS<sup>1</sup>

## 1.1. European Historical Issuance

	Q1	Q2	Q3	Q4	TOTAL <sup>2</sup>
2000	14.1	16.4	21.4	26.3	78.2
2001	20.5	43.2	22.7	66.2	152.6
2002	24.3	42.6	35.7	55.1	157.7
2003	43.3	51.9	39.7	82.4	217.3
2004	55.8	59.0	53.2	75.5	243.5
2005	47.8	94.4	41.5	143.3	327.0
2006	69.0	114.3	112.8	184.9	481.0
2007	128.7	152.0	98.3	74.7	453.7
2008	40.0	169.4	134.1	367.6	711.1
2009	123.2				

## 1.3. European Issuance by Collateral

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>2</sup>
ABS <sup>3</sup>	17.5				17.5
CDO <sup>4</sup>	40.5				40.5
CMBS	8.9				8.9
RMBS	56.2				56.2
Total <sup>1,2</sup>	123.2				123.2

## 1.4. US Issuance by Collateral

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>1,2</sup>
ABS <sup>5</sup>	11.1				11.1
CDO <sup>6</sup>	0.6				0.6
Agency MBS	259.3				259.3
Non-Agency CMBS	0.0				0.0
Non-Agency RMBS	0.0				0.0
Total <sup>1,2</sup>	271.1				271.1

## 1.2. US Historical Issuance

	TOTAL <sup>1,2</sup>
2000	1,088.0
2001	2,308.4
2002	2,592.7
2003	2,914.5
2004	1,956.6
2005	2,650.6
2006	2,455.8
2007	2,147.1
2008	933.6
2009	271.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>2</sup>
10.1	12.7	11.6	38.6	73.0
2.0	10.0	14.0	21.9	47.9
0.7	0.7	3.4	0.1	4.9
27.2	146.0	105.0	307.1	585.3
40.0	169.4	134.1	367.6	711.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>1,2</sup>
32.6	40.0	14.2	1.9	88.7
12.4	15.0	9.1	3.6	40.1
204.9	239.8	181.0	153.3	779.0
3.5	4.8	0.1	0.0	8.4
7.6	8.7	0.9	0.1	17.4
261.0	308.3	205.4	158.9	933.6

Source: Bloomberg, JP Morgan, Merrill Lynch, Thomson Reuters, Unicredit, SIFMA & Bond Market Association

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>3</sup> European ABS issuance includes auto, credit card, leases, loans, receivables and other.

<sup>4</sup> European CDO issuance numbers only include euro-denominated issuance regardless of the country of collateral. A substantial percentage of CDOs are backed by multi-jurisdictional collateral. Historical CDO issuance totals have been revised due to periodic updates of the sector.

<sup>5</sup> US ABS issuance includes auto, credit card, home equity, student loan, equipment leases, manufactured housing, and other. Historical ABS issuance totals have been revised due to periodic updates of the sector.

<sup>6</sup> US CDO issuance numbers only include US-denominated issuance regardless of the country of collateral and may include European transactions which are denominated in US dollars. Historical CDO issuance totals have been revised due to periodic updates of the sector.

# ISSUANCE

€ BILLIONS<sup>1</sup>

## 1.5. Issuance by Country of Collateral

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>2</sup>
Belgium	5.3				5.3
Denmark					0.0
Finland					0.0
France					0.0
Germany	14.6				14.6
Greece	9.7				9.7
Iceland					0.0
Ireland	3.0				3.0
Italy	13.9				13.9
Kazakhstan					
Luxembourg					
Netherlands	12.0				12.0
Portugal	8.0				8.0
Russia					0.0
Spain	22.7				22.7
Switzerland					
UK	16.2				16.2
Ukraine					0.0
Multinational <sup>7</sup>	17.8				17.8
European Total <sup>2</sup>	123.2				123.2
US Total <sup>1,2</sup>	271.1				271.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>2</sup>
	15.1		19.7	34.9
				0.0
			7.5	
	3.5		10.8	14.2
3.8	1.3	3.3	41.7	50.1
1.0	0.8	3.7	7.2	12.7
		0.2		
2.5	14.0	4.6	19.6	40.7
5.9	15.2	17.1	44.0	82.2
				0.0
				0.0
2.8	10.0	9.6	50.1	72.6
2.0	2.6	3.5	6.7	14.8
0.5	0.4			0.9
9.8	22.7	9.1	39.1	80.7
				0.0
8.8	73.8	79.6	109.7	271.9
	0.1			0.1
2.9	10.1	3.4	11.4	27.7
40.0	169.6	134.1	367.6	703.5
261.0	308.3	205.4	158.9	933.6

## 1.6. Issuance by Collateral and Country<sup>2 14567</sup>

2009:Q1

	ABS <sup>3</sup>	CDO <sup>4</sup>	CMBS	RMBS	TOTAL <sup>2</sup>
Belgium				5.3	5.3
Germany	1.3	7.6	5.7		14.6
Greece	5.9	3.3		0.4	9.7
Ireland				3.0	3.0
Italy	4.0	3.4		6.6	13.9
Netherlands	0.7			11.2	12.0
Portugal	1.3			6.8	8.0
Spain	1.0	14.6		7.1	22.7
UK	3.2		0.9	12.1	16.2
Multinational <sup>7</sup>	0.1	11.6	2.3	3.8	17.8
European Total <sup>2</sup>	17.5	40.5	8.9	56.2	123.2

	ABS <sup>5</sup>	CDO <sup>6</sup>	AGENCY MBS	NON-AGENCY CMBS	NON-AGENCY RMBS	TOTAL <sup>1,2</sup>
US Total <sup>1,2</sup>	11.1	0.6	259.3	-	0.0	271.1

Source: Bloomberg, JP Morgan, Merrill Lynch, Thomson Reuters, Unicredit, SIFMA & Bond Market Association

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>3</sup> European ABS issuance includes auto, credit card, leases, loans, receivables and other.

<sup>4</sup> European CDO issuance numbers only include euro-denominated issuance regardless of the country of collateral. A substantial percentage of CDOs are backed by multi-jurisdictional collateral. Historical CDO issuance totals have been revised due to periodic updates of the sector.

<sup>5</sup> US ABS issuance includes auto, credit card, home equity, student loan, equipment leases, manufactured housing, and other. Historical ABS issuance totals have been revised due to periodic updates of the sector.

<sup>6</sup> US CDO issuance numbers only include US-denominated issuance regardless of the country of collateral and may include European transactions which are denominated in US dollars. Historical CDO issuance totals have been revised due to periodic updates of the sector.

<sup>7</sup> Multinational includes all deals, including CDOs, in which assets are originated from a variety of jurisdictions.



# ISSUANCE

€ BILLIONS<sup>1</sup>

## 1.7. European Issuance by Rating<sup>3</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>2</sup>
AAA	68.2				68.2
AA	8.5				8.5
A	21.5				21.5
BBB & Below	4.5				4.5
Not Rated	20.6				20.6
European Total <sup>2</sup>	123.2				123.2

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>2</sup>
27.8	145.2	115.2	266.5	554.7
3.5	2.4	1.4	21.4	28.7
0.9	3.2	7.1	46.9	58.1
1.1	4.1	2.4	3.6	11.2
6.7	14.6	8.0	29.1	58.4
40.0	169.4	134.1	367.6	711.1

## 1.8. US Issuance by Rating<sup>4</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>1,2</sup>
AAA	8.2				8.2
AA	0.0				0.0
A	0.0				0.0
BBB & Below	0.2				0.2
Not Rated	3.4				3.4
Agency MBS	259.3				259.3
US Total <sup>1,2</sup>	271.1				271.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>1,2</sup>
39.0	46.2	16.2	2.5	103.9
0.5	1.9	1.1	0.4	4.0
0.8	1.9	1.1	0.5	4.4
0.7	1.3	0.8	0.0	2.8
15.1	17.2	5.0	2.1	39.5
204.9	239.8	181.0	153.3	779.0
261.0	308.3	205.4	158.9	933.6

Source: Bloomberg, JP Morgan, Merrill Lynch, Thomson Reuters, Unicredit, SIFMA

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>3</sup> European CDO issuance numbers only include euro-denominated issuance regardless of the country of collateral. A substantial percentage of CDOs are backed by multi-jurisdictional collateral. Historical CDO issuance totals have been revised due to periodic updates of the sector.

<sup>4</sup> US CDO issuance numbers only include US-denominated issuance regardless of the country of collateral and may include European transactions which are denominated in US dollars. Historical CDO issuance totals have been revised due to periodic updates of the sector.

## 1.9. Securitisation Issuance by Deal Size<sup>1</sup>

2008:Q4

INCLUDING RETAINED DEALS <sup>2</sup>				
	EUROPE		US	
	# of Issues	€ Billions	# of Issues	€ Billions
Less than 0.1 Billion	9%	0%	9%	2%
0.1-1.0 Billion	31%	4%	20%	30%
More than 1.0 Billion	60%	96%	2%	8%
Agency MBS	N/A	N/A	70%	60%
Total <sup>3</sup>	100%	100%	100%	100%

2009:Q1

EXCLUDING RETAINED DEALS <sup>2</sup>					INCLUDING RETAINED DEALS <sup>2</sup>			
	EUROPE		US		EUROPE		US	
	# of Issues	€ Billions	# of Issues	€ Billions	# of Issues	€ Billions	# of Issues	€ Billions
Less than 0.1 Billion	9%	1%	3%	0%	1%	0%	3%	0%
0.1-1.0 Billion	45%	17%	9%	8%	39%	10%	9%	8%
More than 1.0 Billion	45%	82%	7%	23%	59%	90%	8%	26%
Agency MBS	0%	0%	80%	69%	0%	0%	80%	66%
Total <sup>3</sup>	100%	100%	100%	100%	100%	100%	100%	100%

Source: Dealogic

<sup>1</sup> The European data includes all asset classes – ABS, CMBS, RMBS and euro-denominated CDOs. US data includes ABS, non-agency CMBS and RMBS, and US dollar-denominated CDOs. US agency MBS, which includes agency CMBS and RMBS, is shown separately. All data except for CDOs is included based on the country of collateral.

<sup>2</sup> Dealogic provides data for retained deals based on available market information, sourcing further details from a wide base of syndicate desks wherever possible. Further statistics on retained deals are added based on intelligence from other market participants.

<sup>3</sup> Percentages may not sum to 100% due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

## BALANCES OUTSTANDING

€ BILLIONS<sup>1</sup>

### 2.1. European Outstandings by Collateral

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
<b>ABS<sup>2</sup></b>	194.0			
<b>CDO<sup>3</sup></b>	315.1			
<b>CMBS</b>	148.0			
<b>RMBS</b>	1088.6			
<b>WBS<sup>4</sup></b>	37.9			
<b>Total<sup>5</sup></b>	1783.6			

2008:Q1	2008:Q2	2008:Q3	2008:Q4
177.9	183.8	176.1	192.0
254.2	272.6	284.0	297.9
141.5	141.5	139.2	138.4
660.1	789.2	848.4	1069.8
39.8	39.8	39.7	39.5
1273.5	1426.9	1487.5	1737.5

### 2.2. US Outstandings by Collateral

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
<b>ABS<sup>6</sup></b>	1961.2			
<b>Agency MBS</b>	3843.8			
<b>Non-Agency RMBS</b>	936.5			
<b>Non-Agency CMBS</b>	470.1			
<b>Total<sup>1,5</sup></b>	7211.6			

2008:Q1	2008:Q2	2008:Q3	2008:Q4
1705.6	1828.9	1982.8	1911.9
3002.6	3105.5	3534.9	3631.8
912.2	862.4	931.6	917.3
416.9	413.1	406.2	450.3
6037.3	6209.9	6855.6	6911.4

Sources: Bloomberg (US & Europe), Fannie Mae (US), Federal Reserve (US), Freddie Mac (US), Ginnie Mae (US), JP Morgan (JPM), Loan Performance (US), Thomson Reuters (US), SIFMA Estimates (US & Europe)

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> European ABS outstanding collateral types include auto loans, credit cards, loans (consumer and student), and other.

<sup>3</sup> Includes euro-denominated CDOs issued after July 2007, regardless of country of collateral, and prior to this, only CDOs confirmed by market participants with known European collateral.

<sup>4</sup> Whole Business Securitisation: a securitisation in which the cashflows derive from the whole operating revenues generated by an entire business or segmented part of a larger business.

<sup>5</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>6</sup> US ABS outstanding collateral types include auto loans, credit cards, loans (home equity, equipment and student loans), CDOs, and other. CDOs outstanding cannot be broken out within the ABS outstanding collateral type but represents dollar-denominated issues.



## BALANCES OUTSTANDING

€ BILLIONS<sup>1</sup>

### 2.3. Outstandings by Country of Collateral<sup>2</sup>

2007 - 2008

	2008:Q1	2008:Q2	2008:Q3	2008:Q4
Austria	3.5	3.4	3.3	3.2
Belgium	6.9	22.0	21.8	41.4
Denmark	7.7	7.6	7.4	7.3
France	24.9	27.9	27.2	26.9
Germany	70.1	69.9	70.1	87.3
Greece	9.2	9.9	14.1	21.2
Ireland	18.4	33.2	32.3	48.8
Italy	109.2	119.3	125.5	161.3
Netherlands	143.2	158.3	152.2	202.5
Portugal	26.1	27.3	29.4	35.2
Russia	4.6	4.9	5.1	5.1
Spain	174.6	194.4	198.4	229.2
Sweden	0.9	0.9	0.9	0.7
Turkey	3.1	3.1	3.1	2.9
UK	456.5	513.3	565.1	615.5
Other <sup>3</sup>	0.3	0.4	0.5	8.1
Multinational	214.1	231.1	231.1	240.9
European Total <sup>2</sup>	1,273.5	1,426.9	1,487.5	1,737.5
US Total <sup>1</sup>	6,037.3	6,209.9	6,855.6	6,911.4

	2007:Q1	2007:Q2	2007:Q3	2007:Q4
N/A	N/A	N/A	3.6	3.6
N/A	N/A	N/A	7.3	7.1
N/A	N/A	N/A	6.8	6.1
N/A	N/A	N/A	28.9	27.5
N/A	N/A	N/A	74.1	69.6
N/A	N/A	N/A	9.9	9.5
N/A	N/A	N/A	18.6	18.6
N/A	N/A	N/A	117.6	112.0
N/A	N/A	N/A	131.5	145.8
N/A	N/A	N/A	29.1	27.1
N/A	N/A	N/A	3.3	2.8
N/A	N/A	N/A	173.1	177.5
N/A	N/A	N/A	0.8	0.9
N/A	N/A	N/A	3.1	3.1
N/A	N/A	N/A	492.6	468.8
N/A	N/A	N/A	0.5	0.3
N/A	N/A	N/A	223.0	213.3
N/A	N/A	N/A	1,323.8	1,293.5
6,136.8	6,392.4	6,278.9	6,266.7	

2009

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
Austria	3.1			
Belgium	46.4			
Denmark	7.0			
Finland	6.8			
France	26.1			
Germany	85.0			
Greece	30.6			
Ireland	49.7			
Italy	170.6			
Netherlands	209.8			
Portugal	40.6			
Russia	4.6			
Spain	242.6			
Sweden	0.7			
Turkey	2.7			
UK	604.8			
Other <sup>3</sup>	0.5			
Multinational	251.8			
European Total <sup>2</sup>	1,783.6			
US Total <sup>1</sup>	7,211.6			

Sources: Bloomberg (US & Europe), Fannie Mae (US), Federal Reserve (US), Freddie Mac (US), Ginnie Mae (US), JP Morgan (JPM), Loan Performance (US), Thomson Reuters (US), SIFMA Estimates (US & Europe)

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>3</sup> Other includes countries with outstanding securities that are too small to be displayed, such as Georgia, Iceland, China, Ukraine, Switzerland, and Hungary.

## BALANCES OUTSTANDING

### 2.4. European Outstandings by Moody's Investors Service Ratings<sup>1</sup>

(as a percentage of total Moody's rated securitisations)

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
Aaa/AAA	80.71%			
Aa/AA	6.94%			
A/A	4.66%			
Baa/BBB	3.96%			
Ba/BB	1.27%			
B/B	0.75%			
Caa/CCC	0.80%			
Ca/CC	0.68%			
C/C	0.23%			
Total <sup>2</sup>	100.00%			

2008:Q1	2008:Q2	2008:Q3	2008:Q4
85.45%	84.13%	84.29%	81.09%
5.22%	5.75%	5.41%	6.54%
4.37%	4.82%	4.87%	5.58%
3.85%	3.63%	3.63%	4.18%
0.84%	1.10%	1.04%	1.21%
0.10%	0.20%	0.22%	0.44%
0.05%	0.13%	0.26%	0.57%
0.03%	0.12%	0.11%	0.17%
0.07%	0.13%	0.17%	0.21%
100.00%	100.00%	100.00%	100.00%

### 2.5. US Outstandings by Moody's Investors Service Ratings<sup>1</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
Aaa/AAA	46.19%			
Aa/AA	7.50%			
A/A	6.22%			
Baa/BBB	8.00%			
Ba/BB	5.30%			
B/B	7.21%			
Caa/CCC	10.28%			
Ca/CC	4.93%			
C/C	4.36%			
Total <sup>2</sup>	100.00%			

2008:Q1	2008:Q2	2008:Q3	2008:Q4
81.76%	73.69%	70.43%	62.98%
5.37%	7.26%	8.32%	8.67%
3.95%	5.69%	6.55%	6.75%
4.82%	4.69%	5.09%	7.57%
1.41%	2.13%	2.40%	3.06%
1.09%	2.71%	2.51%	2.71%
0.66%	1.56%	1.25%	3.00%
0.47%	1.26%	2.15%	2.61%
0.45%	1.00%	1.30%	2.66%
100.00%	100.00%	100.00%	100.00%

Source: Moody's Investors Service

<sup>1</sup> The rating distribution is based on current rating and original issuance size. Unrated and defaulted securities are excluded.

<sup>2</sup> Percentages may not add to 100% due to independent rounding.

## BALANCES OUTSTANDING

€ BILLIONS<sup>1</sup>

### 2.6. Outstandings by Collateral and Country

2008:Q4

	ABS <sup>2</sup>	CDO <sup>3</sup>	CMBS	RMBS	WBS <sup>4</sup>	TOTAL <sup>5</sup>
Austria	0.8		0.2	2.2		3.2
Belgium	0.2	0.0	0.1	41.0		41.4
Denmark	1.6	5.4		0.3		7.3
France	9.9	0.6	3.5	12.9		26.9
Germany	35.6	13.6	17.7	20.3	0.1	87.3
Greece	4.6	7.8		8.7		21.2
Ireland		3.3	1.5	43.9		48.8
Italy	56.0	4.4	3.8	94.7	2.4	161.3
Netherlands	2.6	11.0	7.5	181.4		202.5
Portugal	2.2	4.3		28.7		35.2
Russia	1.8			3.3		5.1
Spain	19.2	46.1	1.3	162.5		229.2
Sweden	0.1			0.6		0.7
Turkey	2.9					2.9
UK	45.6	3.2	74.5	455.8	36.4	615.5
Other <sup>8</sup>	0.1	0.2	0.0	7.8	0.0	8.1
Multinational <sup>6</sup>	8.7	197.8	28.1	5.5	0.7	240.9
European Total <sup>5</sup>	192.0	297.9	138.4	1069.8	39.5	1737.5

	ABS <sup>7</sup>	AGENCY MBS	NON-AGENCY RMBS	NON-AGENCY CMBS	TOTAL <sup>1</sup>
US Total <sup>1</sup>	1,911.9	3,631.8	917.3	450.3	6,911.4

2009:Q1

	ABS <sup>2</sup>	CDO <sup>3</sup>	CMBS	RMBS	WBS <sup>4</sup>	TOTAL <sup>5</sup>
Austria	0.7		0.2	2.2		3.1
Belgium	0.2	0.0	0.1	46.0		46.4
Denmark	1.6	5.1		0.3		7.0
Finland				6.8		6.8
France	9.8	0.6	3.4	12.3		26.1
Germany	35.2	12.2	17.6	20.0	0.1	85.0
Greece	9.7	12.0		8.9		30.6
Ireland		3.2	1.5	45.0		49.7
Italy	55.9	10.4	3.8	98.1	2.4	170.6
Netherlands	3.3	10.6	7.5	188.4		209.8
Portugal	1.6	4.2		34.8		40.6
Russia	1.4			3.2		4.6
Spain	17.8	58.2	1.2	165.4		242.6
Sweden	0.1			0.6		0.7
Turkey	2.7					2.7
UK	45.1	3.2	72.2	449.4	34.9	604.8
Other <sup>8</sup>	0.1	0.2		0.2		0.5
Multinational <sup>6</sup>	8.7	195.1	40.6	6.9	0.5	251.8
European Total <sup>5</sup>	194.0	315.1	148.0	1088.6	37.9	1783.6

	ABS <sup>7</sup>	AGENCY MBS	NON-AGENCY RMBS	NON-AGENCY CMBS	TOTAL <sup>1</sup>
US Total <sup>1</sup>	1,961.2	3,843.8	936.5	470.1	7,211.6

Sources: Bloomberg (US & Europe), Fannie Mae (US), Federal Reserve (US), Freddie Mac (US), Ginnie Mae (US), JP Morgan (JPM), Loan Performance (US), Thomson Reuters (US), SIFMA Estimates (US & Europe)

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> European ABS outstanding collateral types include auto loans, credit card, loans (consumer and student), and other.

<sup>3</sup> Includes euro-denominated CDOs issued after July 2007, regardless of country of collateral, and prior to this, only CDOs confirmed by market participants with known European collateral.

<sup>4</sup> Whole Business Securitisation: a securitisation in which the cashflows derive from the whole operating revenues generated by an entire business or segmented part of a larger business.

<sup>5</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>6</sup> Multinational includes all deals in which assets originate from a variety of jurisdictions. This includes the majority of euro-denominated CDOs.

<sup>7</sup> US ABS outstanding collateral types include auto loans, credit cards, loans (home equity, equipment and student loans), CDOs, and other. CDOs outstanding can not be broken out within the ABS outstanding collateral type but represents dollar-denominated issues.

<sup>8</sup> Other includes countries with outstanding securities that are too small to be displayed, such as Georgia, Iceland, China, Ukraine, Switzerland, and Hungary.

## CREDIT QUALITY - RATING CHANGES

### Upgrades/Downgrades by Country<sup>1</sup>

#### 3.1. Fitch Ratings

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
France	0/0				0/0
Germany	4/65				4/65
Italy	1/17				1/17
Netherlands	1/1				1/1
Spain	0/97				0/97
UK	4/123				4/123
Multinational <sup>2</sup>	3/354				3/354
European Total	13/657				13/657
US	48/4001				48/4001

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL
0/0	0/2	0/10	0/2	0/14
4/1	7/17	3/8	3/10	17/36
2/10	0/3	11/8	1/9	14/30
0/0	14/0	2/0	11/18	27/18
0/0	0/13	12/10	4/18	16/41
22/40	8/8	27/190	26/656	83/894
8/10	4/116	8/0	7/15	27/141
36/61	33/159	63/226	52/728	184/1174
335/4901	166/5769	123/6000	94/11005	718/27675

#### 3.2. Moody's Investors Service

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
France	1/0				1/0
Germany	0/5				0/5
Italy	1/3				1/3
Netherlands	0/2				0/2
Spain	0/19				0/19
UK	5/80				5/80
Multinational <sup>3</sup>	4/1460				4/1460
European Total	11/1569				11/1569
US	110/33536				110/33536

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL
0/0	0/1	0/0	0/1	0/2
0/2	2/5	0/14	0/22	2/43
0/1	0/6	0/2	0/6	0/15
0/0	0/0	0/2	0/3	0/5
1/0	0/5	0/0	0/49	1/54
10/7	6/82	0/13	0/109	16/211
11/247	59/556	8/328	1/1009	79/2140
22/257	67/655	8/359	1/1199	98/2470
111/4751	223/16563	413/9545	116/18706	863/49565

#### 3.3. Standard & Poor's

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
France	2/10				2/10
Germany	1/13				1/13
Italy	5/5				5/5
Netherlands	10/18				10/18
Spain	11/33				11/33
UK	23/253				23/253
Multinational <sup>3</sup>	19/901				19/901
European Total	71/1233				71/1233
US	83/6194				83/6194

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL
1/2	0/6	0/0	1/10	2/18
1/7	5/12	5/31	7/13	18/63
10/0	1/7	5/0	11/8	27/15
0/0	6/0	0/0	0/5	6/5
6/1	0/0	0/7	0/57	6/65
6/52	32/107	19/74	8/263	65/496
27/432	21/519	72/374	11/1557	131/2882
51/494	65/651	101/486	38/1913	255/3544
215/8904	106/4860	125/8842	136/7081	582/29687

Source: Fitch Ratings, Moody's Investors Service, Standard & Poor's

<sup>1</sup> Each box contains two numbers: Upgrades followed by Downgrades. Because the three credit rating agencies track different securities and apply slightly different rating criteria, these numbers are not directly comparable.

<sup>2</sup> Fitch's "Multinational" classification includes cross-jurisdictional CMBS issues as well as the aggregated sum of rating actions in other EMEA countries, namely Austria, Belgium, Greece, Ireland, Portugal, and the Russian Federation. Fitch assigns CDO issues to the country in which the majority of the underlying assets are located.

<sup>3</sup> "Multinational" for Standard & Poor's and Moody's ratings is defined as all issues with collateral located in multiple countries. All CDOs are also included in this category.

## CREDIT QUALITY - RATING CHANGES

### Upgrades/Downgrades by Collateral<sup>1</sup>

#### 3.4. Fitch Ratings – Europe

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	2/7				2/7
Credit Card	0/0				0/0
Other ABS <sup>2</sup>	1/24				1/24
CDO	2/425				2/425
CMBS	3/111				3/111
RMBS (prime)	2/70				2/70
RMBS (non-conforming)	3/20				3/20
Total	13/657				13/657

	2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL
Auto	1/0	0/0	0/0	3/6	4/6
Credit Card	0/0	0/0	0/0	0/9	0/9
Other ABS <sup>2</sup>	3/21	1/6	6/7	2/7	12/41
CDO	0/10	3/117	7/179	2/391	12/697
CMBS	5/12	8/4	3/24	3/35	19/75
RMBS (prime)	12/0	16/27	22/10	23/30	73/67
RMBS (non-conforming)	15/18	5/5	25/6	19/250	64/279
Total	36/61	33/159	63/226	52/728	184/1174

#### 3.5. Moody's Investors Service – Europe

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	0/0				0/0
CDO	4/1453				4/1453
CMBS	3/13				3/13
Credit Card	0/0				0/0
RMBS (prime)	1/41				1/41
RMBS (non-conforming)	3/73				3/73
Total	11/1580				11/1580

	2007:Q1	2007:Q2	2007:Q3	2007:Q4	TOTAL
Auto	1/0	1/0	0/0	0/4	2/4
CDO	11/247	57/556	8/325	1/1006	77/2134
CMBS	2/0	9/34	0/7	0/36	11/77
Credit Card	3/0	0/0	0/0	0/22	3/22
RMBS (prime)	0/3	0/10	0/7	0/54	0/74
RMBS (non-conforming)	5/7	0/55	0/27	0/82	5/171
Total	22/257	67/655	8/366	1/1204	98/2482

#### 3.6. Standard & Poor's – Europe

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	1/4				1/4
CDO	12/939				12/939
CMBS	2/38				2/38
Credit Card	0/0				0/0
RMBS (prime)	23/10				23/10
RMBS (non-conforming)	21/150				21/150
Total	59/1141				59/1141

	2007:Q1	2007:Q2	2007:Q3	2007:Q4	TOTAL
Auto	4/0	0/0	4/0	4/10	12/10
CDO	25/475	16/550	68/387	12/1647	121/3059
CMBS	4/0	10/21	1/15	0/67	15/103
Credit Card	0/0	0/0	0/0	0/0	0/0
RMBS (prime)	7/2	6/0	16/35	10/51	39/88
RMBS (non-conforming)	0/1	25/4	0/28	4/90	29/123
Total	40/478	57/575	89/465	30/1865	216/3383

#### 3.7. Fitch Ratings – US

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	8/4				8/4
Credit Card	7/0				0/7
Other ABS <sup>2</sup>	17/145				17/145
CDO	7/1291				7/1291
CMBS	9/392				9/392
RMBS (prime)	0/381				0/381
RMBS (subprime)	0/1441				0/1441
Other RMBS <sup>3</sup>	0/347				0/347
Total	48/4001				48/4001

	2007:Q1	2007:Q2	2007:Q3	2007:Q4	TOTAL
Auto	8/34	6/26	13/0	9/4	36/64
Credit Card	0/3	0/1	0/18	1/0	1/22
Other ABS <sup>2</sup>	242/467	10/248	10/39	8/21	270/775
CDO	0/155	18/486	8/771	2/293	28/1705
CMBS	69/39	132/69	67/78	29/287	297/473
RMBS (prime)	11/100	0/26	2/1961	0/9	13/2096
RMBS (subprime)	0/3683	0/2939	0/30	0/4209	0/10861
Other RMBS <sup>3</sup>	5/420	0/1974	23/3103	45/6182	73/11679
Total	335/4901	166/5769	123/6000	94/11005	717/27675

#### 3.8. Moody's Investors Service – US

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	21/95				21/95
CDO	29/3913				29/3913
CMBS	22/2774				22/2774
Credit Card	1/91				1/91
RMBS	37/26663				37/26663
Total	110/33536				110/33536

	2007:Q1	2007:Q2	2007:Q3	2007:Q4	TOTAL
Auto	0/49	26/79	0/4	3/123	29/255
CDO	3/1637	2/3227	69/1326	17/2552	91/8742
CMBS	93/76	142/47	188/128	26/188	449/439
Credit Card	0/1	0/6	0/34	0/5	0/46
RMBS	15/2988	53/13204	156/8053	70/15838	294/40083
Total	111/4751	223/16563	413/9545	116/18706	863/49565

#### 3.9. Standard & Poor's – US

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL
Auto	1/49				1/49
CDO	8/1457				8/1457
CMBS	16/381				16/381
Credit Card	56/29				56/29
RMBS (prime)	0/1603				0/1603
RMBS (subprime)	2/2675				2/2675
Total	83/6194				83/6194

	2007:Q1	2007:Q2	2007:Q3	2007:Q4	TOTAL
Auto	6/80	6/74	2/1	12/12	26/167
CDO	40/3231	31/1655	62/2501	120/3035	253/10442
CMBS	84/54	35/216	55/571	15/103	189/944
Credit Card	0/0	0/1	0/19	0/0	0/20
RMBS (prime)	80/85	31/637	7/677	39/88	157/1478
RMBS (subprime)	6/5433	3/2320	0/5083	29/123	38/12959
Total	216/8883	106/4903	126/8852	215/3361	663/26010

Source: Fitch Ratings, Moody's Investors Service, Standard & Poor's

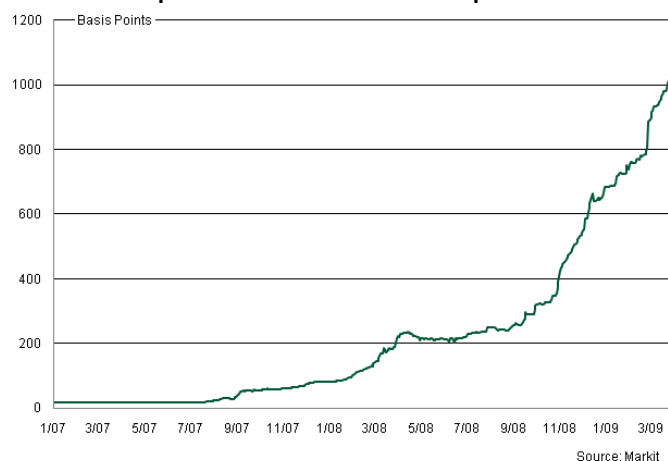
<sup>1</sup> Each box contains two numbers: Upgrades followed by Downgrades. Because the three credit rating agencies track different securities and apply slightly different rating criteria, these numbers are not directly comparable.

<sup>2</sup> May include student loans, equipment leases, home equity, and other.

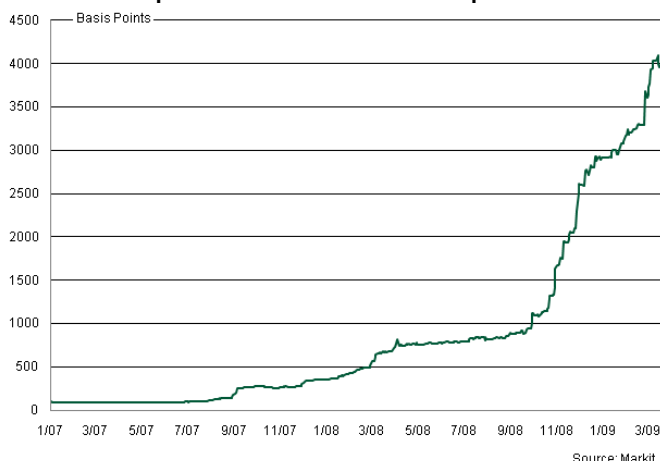
<sup>3</sup> May include other types of RMBS transactions such as ALT-A, reverse mortgages, government RMBS, etc.

## CMBS SPREADS

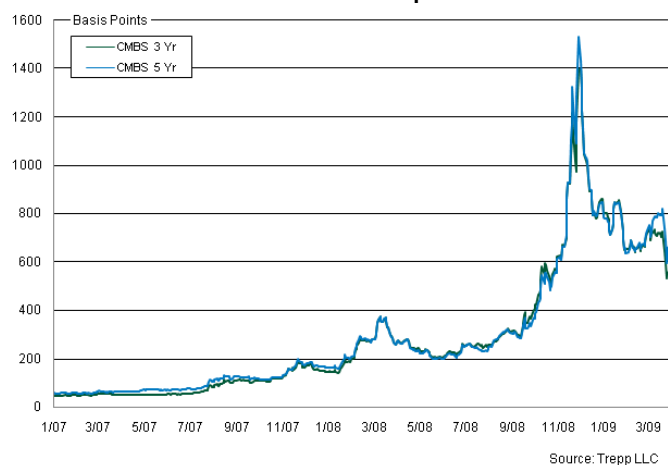
### 4.1. European 3-5 Yr AAA CMBS Spreads<sup>1</sup>



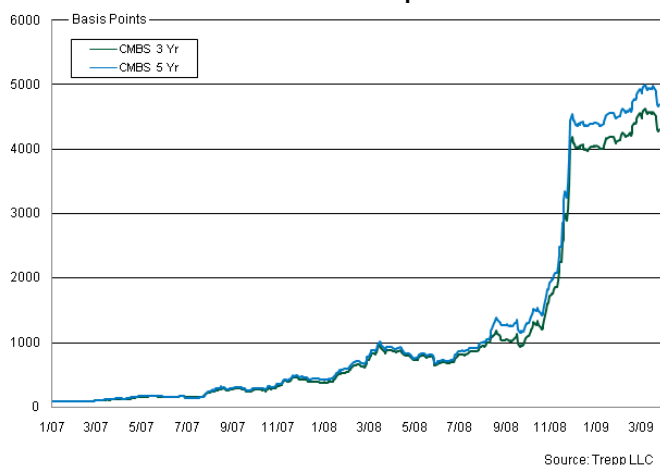
### 4.2. European 3-5 Yr BBB CMBS Spreads<sup>1</sup>



### 4.3. US 3 & 5 Yr AAA CMBS Spreads<sup>2</sup>



### 4.4. US 3 & 5 Yr BBB CMBS Spreads<sup>2</sup>



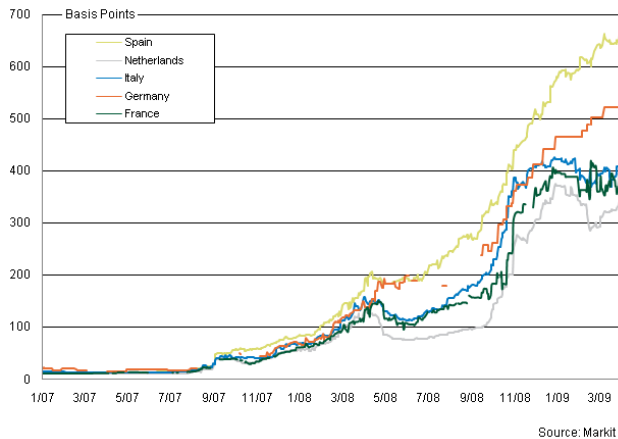
<sup>1</sup> Markit provides independent composite spread levels which are calculated from dealer contributions and are subject to multiple cleaning algorithms. These levels are equivalent to the 'discount margin' which is defined as the effective spread to maturity of a floating rate security after discounting the yield value of a price other than par over the life of a security.

<sup>2</sup> US CMBS spreads are quoted for fixed rate bonds as the spread to the yield on US Treasury Bonds with the same average life as the CMBS bond.

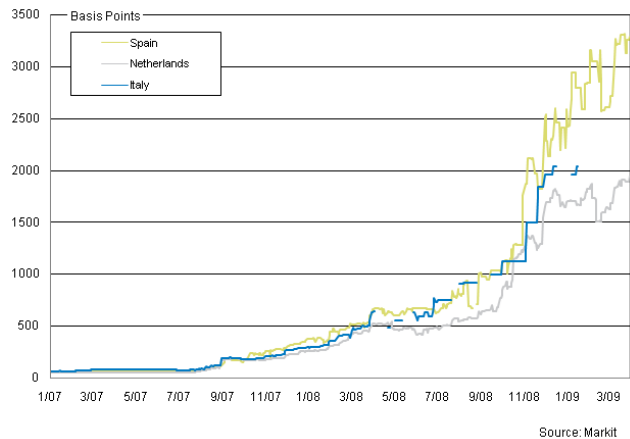
Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

## RMBS SPREADS

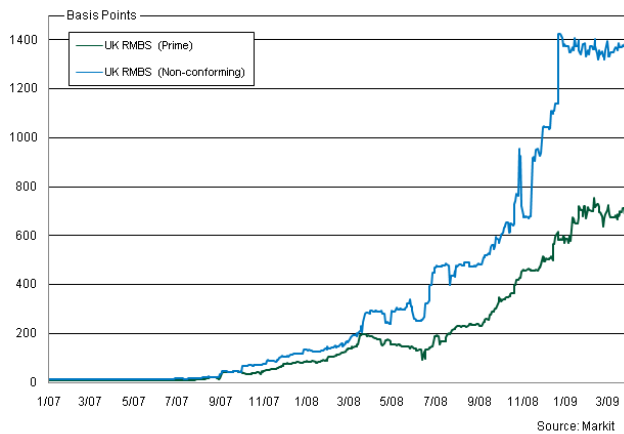
### 5.1. European 3-5 Yr AAA RMBS Spreads<sup>1</sup>



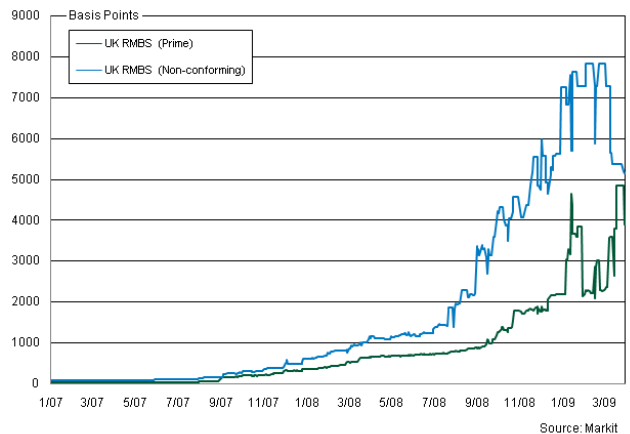
### 5.2. European 3-5 Yr BBB RMBS Spreads<sup>1,2</sup>



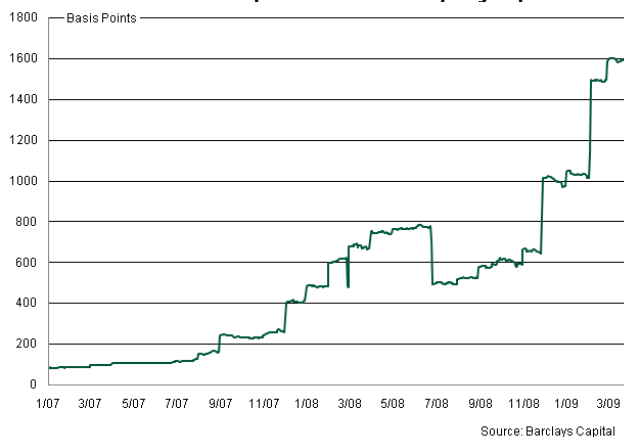
### 5.3. UK 3-5 Yr AAA RMBS Spreads<sup>1</sup>



### 5.4. UK 3-5 Yr BBB RMBS Spreads<sup>1</sup>



### 5.5. US AAA Subprime Home Equity Spreads<sup>3</sup>



<sup>1</sup> Markit provides independent composite spread levels which are calculated from dealer contributions and are subject to multiple cleaning algorithms. These levels are equivalent to the 'discount margin' which is defined as the effective spread to maturity of a floating rate security after discounting the yield value of a price other than par over the life of a security.

<sup>2</sup> French 3-5 year BBB RMBS credit spreads are unavailable.

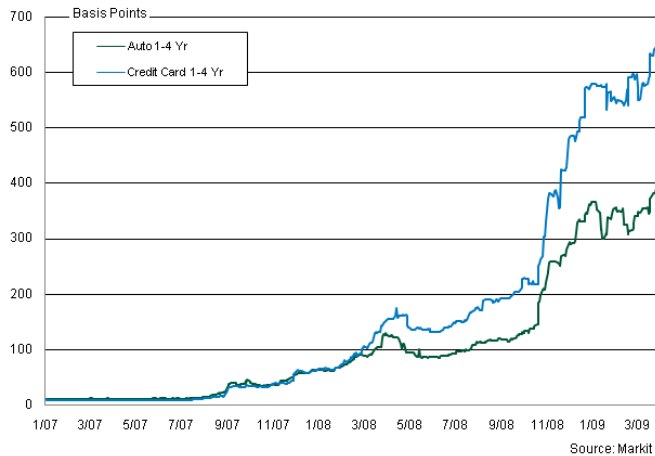
<sup>3</sup> Spread data is calculated over LIBOR. Fifty-five bonds in the US ABS HE Aaa Index (approximately 28% of the index) were downgraded from Aaa on 24 June 2008 and therefore exited the Aaa-rate index on the close of business that day. The average OAS of the 55 downgraded bonds was 1,240 bps, while the average OAS of the remaining Aaa-rated bonds was 494 bps. Therefore, as those higher OAS downgraded bonds exited the index, there was significant tightening in the index on 25 June from 24 June; however, the average OAS of the remaining Aaa-rated bonds in the index did not move between those two days.

Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

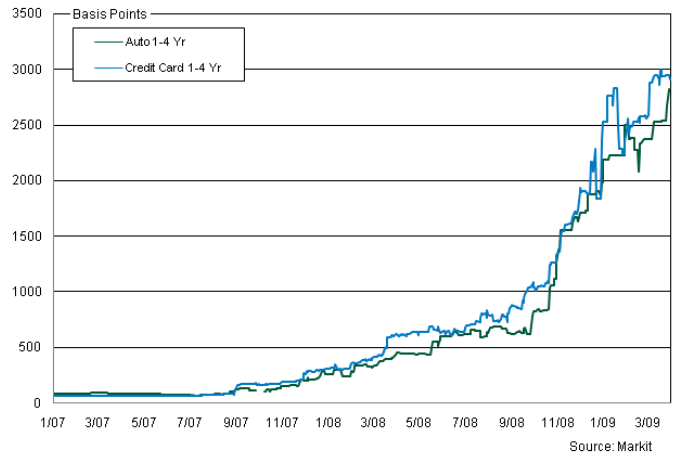


## ABS SPREADS

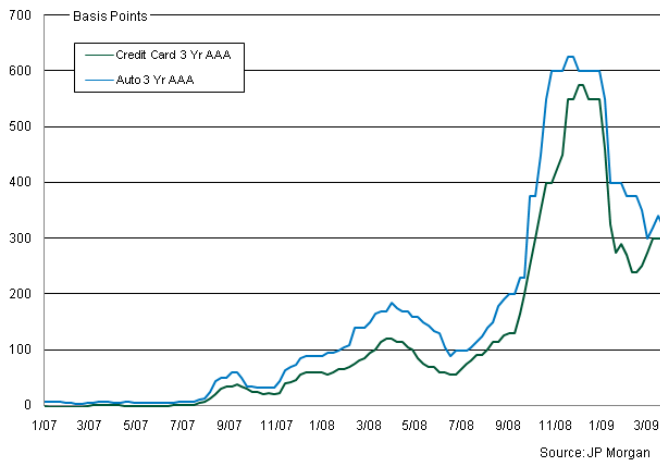
### 6.1. European 1-4 Yr AAA ABS Spreads<sup>1</sup>



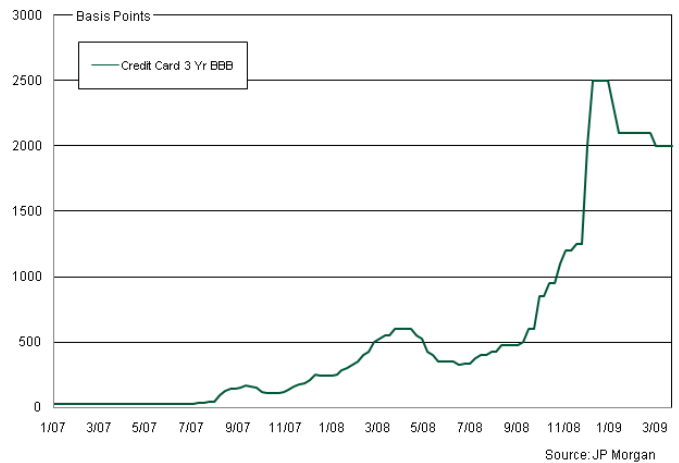
### 6.2. European 1-4 Yr BBB ABS Spreads<sup>1</sup>



### 6.3. US 3 Yr AAA ABS Spreads



### 6.4. US 3 Yr BBB ABS Spreads<sup>2</sup>



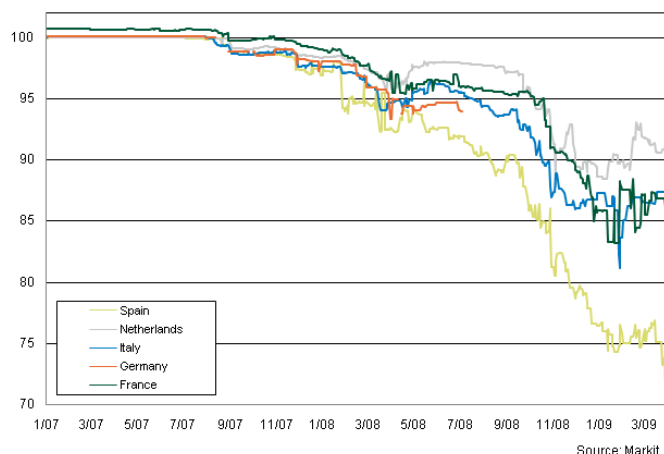
<sup>1</sup> Markit provides independent composite spread levels which are calculated from dealer contributions and are subject to multiple cleaning algorithms. These levels are equivalent to the 'discount margin' which is defined as the effective spread to maturity of a floating rate security after discounting the yield value of a price other than par over the life of a security.

<sup>2</sup> US 3 Yr Auto ABS BBB spreads are not available.

Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

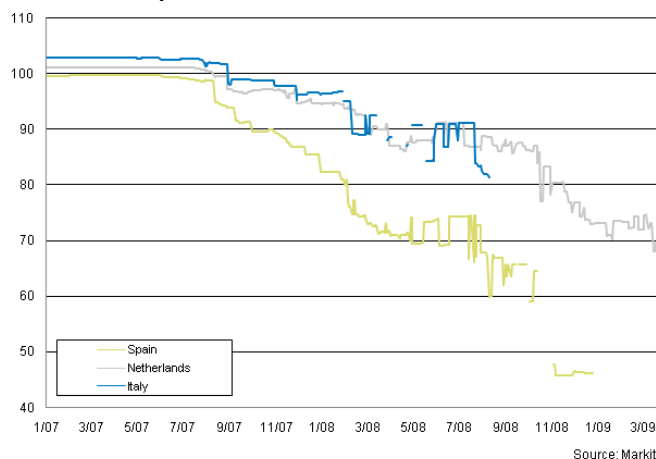
## RMBS PRICES

### 7.1. European 3-5 Yr AAA RMBS Prices<sup>1,2</sup>



1. Spanish AAA RMBS provided: IM Pastor 3, Fondo de Titulizacion Hipotecaria, Class A, Series 3. ISIN# ES0347862007. EUR-denominated.
2. Dutch AAA RMBS provided: Saecure 5 B.V. Class A, Series 1. ISIN# XS0217032738. EUR-denominated.
3. Italian AAA RMBS provided: Vela Home S.r.l. 3, Class A, Series 3. ISIN# IT0003933998. EUR-denominated.
4. German AAA RMBS provided: Hallam Finance plc, Class A, Series 1. ISIN# XS0206470865. EUR-denominated.
5. French AAA RMBS provided: FCC Loggias Compartment 2003, Class A, Series 1. ISIN# FR0010029231. EUR-denominated.

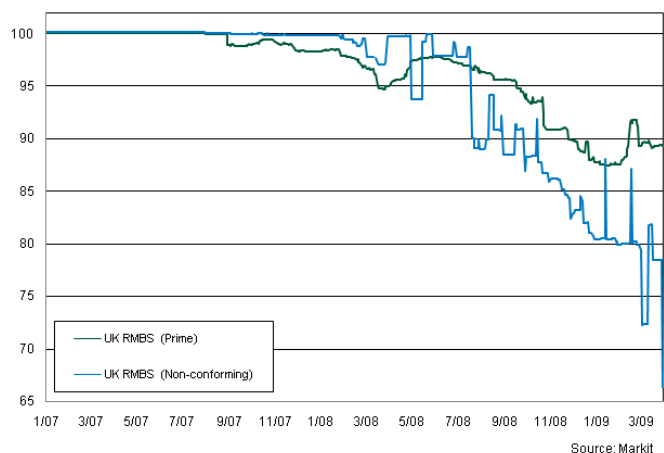
### 7.2. European 3-5 Yr BBB RMBS Prices<sup>1,3</sup>



1. Spanish BBB RMBS provided: Hipocat 8, Fondo de Titulizacion Activos, Class D, Series 1: ISIN# ES0345784047. EUR-denominated.
2. Dutch BBB RMBS provided: Dutch Mortgage Portfolio Loans IV B.V., Class C, Series 1. ISIN# XS0194097670. EUR-denominated.
3. Italian BBB RMBS provided: IntesaBci Sec. 2 S.r.l., Class C, Series 1. ISIN# IT0003428635. EUR-denominated.

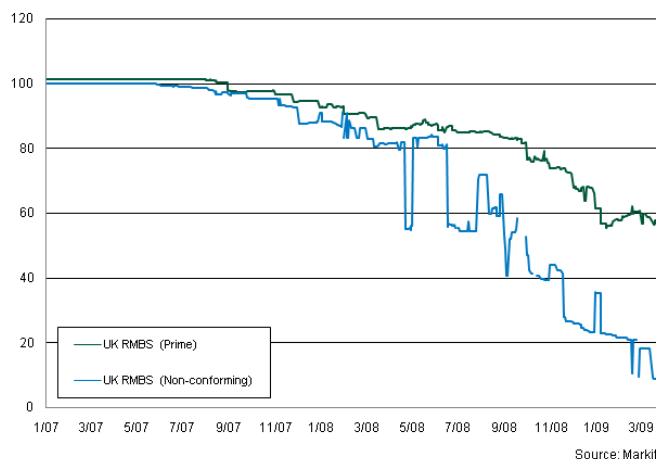
Note: French and German 3-5 Yr BBB RMBS data are not available.

### 7.3. UK 3-5 Yr AAA RMBS Prices<sup>1,4</sup>



1. UK AAA prime RMBS provided: Permanent Financing (No. 9) PLC, Class 4A, Series 9. ISIN# XS0248264060. EUR-denominated.
2. UK AAA subprime RMBS provided: First Flexible No. 4 Plc, Class A, Series 1. ISIN# XS0132692384. GBP-denominated.

### 7.4. UK 3-5 Yr BBB RMBS Prices<sup>1</sup>



1. UK BBB prime RMBS provided: Permanent Financing (No. 5) PLC, Class C, Series 5. ISIN# XS0197070831. GBP-denominated.
2. UK BBB subprime RMBS provided: Leek Finance Number Sixteen Plc, Class Cc, Series 1. ISIN# XS0232829332. EUR-denominated.

<sup>1</sup> Markit prices: Independent composite prices levels are calculated from dealer contributions which have been subject to multiple cleaning algorithms for one sample bond per sector and ratings category where possible. According to the rules we have agreed on previously, the security we have chosen receives the greatest number of contributions for a bond matching the criteria and must receive at least 3 individual contributions. We have included data from the start of 2007 to present.

<sup>2</sup> A composite level of prices for Germany 3-5 year AAA RMBS could not be formed after 7 July 2008.

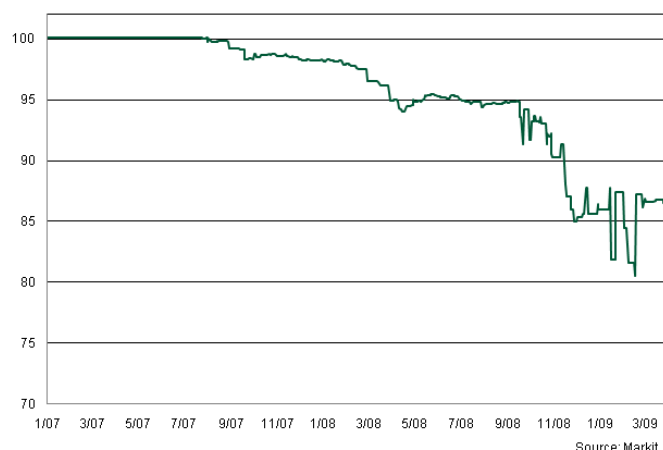
<sup>3</sup> A composite level of prices for Italy 3-5 year BBB RMBS could not be formed after 11 August 2008.

<sup>4</sup> The jump on 06 January 2008 is due to a new addition to the underlying bond, which was then averaged.

Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

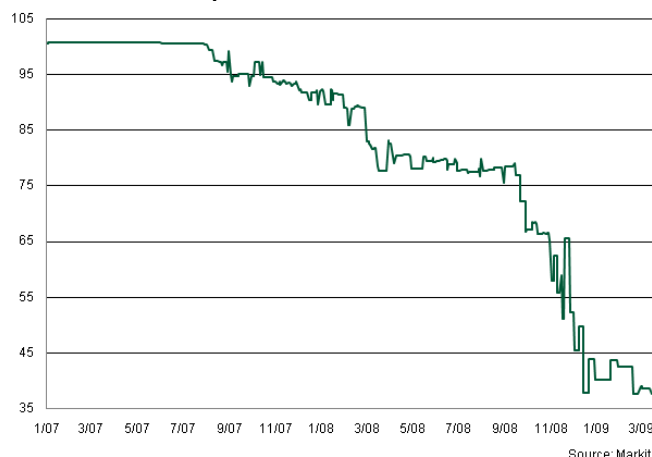
## CMBS AND ABS PRICES

### 8.1. Pan-European 3-5 Yr AAA CMBS Prices<sup>1</sup>



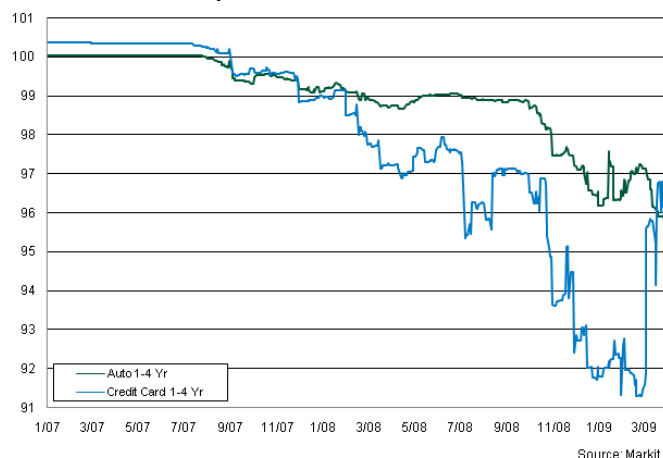
Pan-European AAA CMBS provided: Opera Finance (Lakeside) Plc, Class A, Series 1. ISIN# XS0198555202. GBP-denominated.

### 8.2. Pan-European 3-5 Yr BBB CMBS Prices<sup>1</sup>



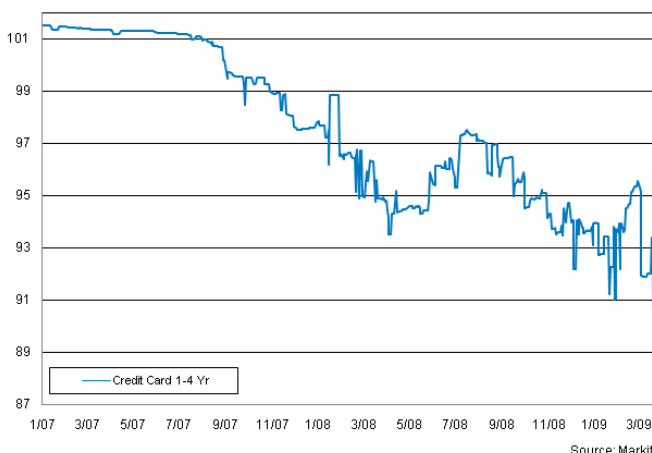
Pan-European BBB CMBS provided: German Residential Asset Note Distributor Plc, Class D, Series 1. ISIN# XS0260143101. EUR-denominated.

### 8.3. Pan-European 1-4 Yr AAA ABS Prices<sup>1</sup>



1. Pan-European AAA Auto ABS provided: Driver Two GmbH, Class A, Series 1. ISIN# XS0228171673. EUR-denominated.
2. Pan-European AAA Credit Card ABS provided: Chester Asset Receivables Dealings 2003-C PLC, Class A, Series UK2003-C. ISIN# XS0178090162. EUR-denominated.

### 8.4. Pan-European 1-4 Yr BBB ABS Prices<sup>1</sup>



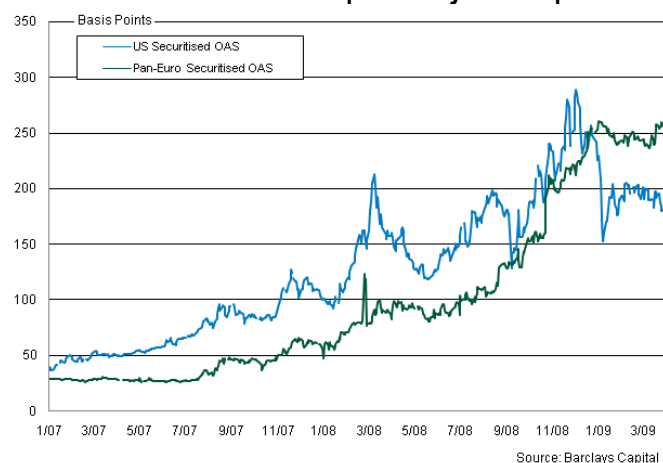
1. Pan-European BBB Credit Card ABS provided: Chester Asset Receivables Dealings 2002-A Plc (CARDS No. 02-A), Class C, Series UK2002-A. ISIN# XS0148915282. EUR-denominated.

Note: Pan-European 1-4 Yr BBB Auto ABS price data is not available.

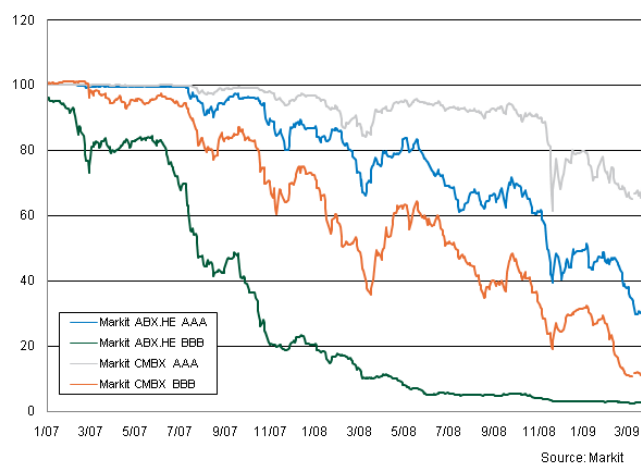
<sup>1</sup> Markit prices: Independent composite price levels are calculated from dealer contributions which have been subjected to multiple cleaning algorithms for one sample bond per sector and ratings category where possible. According to the rules we have agreed on previously, the security we have chosen receives the greatest number of contributions for a bond matching the criteria and must receive at least 3 individual contributions. We have included data from start of 2007 to present.

Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

## 9.1. Securitised Index Option Adjusted Spreads



## 9.2. ABX.HE and CMBX Prices<sup>1</sup>



<sup>1</sup> Due to pricing convention changes occurring on 20 April 2009, ABX.HE and CMBS spreads are no longer available.

Note: Gaps in data availability occur in some places and result in linebreaks for those data series.

## ASSET-BACKED COMMERCIAL PAPER

€ BILLIONS<sup>1</sup>

### 10.1. European ABCP Historical Issuance

	Q1	Q2	Q3	Q4	TOTAL <sup>2</sup>
2004	28.2	29.7	35.8	37.8	131.5
2005	44.9	52.4	51.2	46.6	195.1
2006	61.6	65.8	76.1	84.7	288.2
2007	111.0	108.5	100.9	129.9	450.2
2008	75.0	66.8	73.8	86.2	301.8
2009	43.1				43.1

### 10.2. European ABCP Issuance by Nationality of Issuer<sup>3</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>2</sup>
France	6.9				6.9
Germany					0.0
Ireland	31.0				31.0
Luxembourg	0.1				0.1
Netherlands					0.0
UK	5.2				5.2
Total <sup>2</sup>	43.1				43.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>2</sup>
5.1	8.4	13.4	30.0	56.9
7.8	9.0	7.1	9.9	33.8
34.8	32.5	28.7	24.3	120.3
0.3	0.3	0.2	0.2	1.0
6.3	1.4	0.6	0.8	9.1
20.7	15.4	23.8	20.9	80.8
75.0	66.8	73.8	86.2	301.8

### 10.3. European ABCP Issuance by Programme Type

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>2</sup>
SIVs	0.4				0.4
Single-Seller Conduits	0.1				0.1
Multi-Seller Conduits	28.1				28.1
Unspecified	14.5				14.5
Total <sup>2</sup>	43.1				43.1

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>2</sup>
6.6	4.6	0.6	0.6	12.5
0.5	0.3	0.2	0.2	1.2
41.5	46.4	54.7	68.7	211.3
26.4	15.5	18.3	16.6	76.9
75.0	66.8	73.8	86.2	301.8

### 10.4. ABCP Outstandings by Nationality of Issuer

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
France	1.5			
Germany				
Ireland	8.0			
Luxembourg	0.0			
Netherlands				
UK	1.0			
Ukraine	10.5			
European Total <sup>2,4</sup>	21.0			
US Total <sup>1,2,5</sup>				

2008:Q1	2008:Q2	2008:Q3	2008:Q4
2.3	2.3	3.0	1.6
3.7	3.3	4.0	3.0
10.1	10.1	8.9	8.1
0.1	0.1	0.1	0.1
0.8	0.6	0.3	0.2
9.6	5.9	6.5	1.4
26.7	22.3	22.7	14.3
318.4	327.0	392.7	462.7

Source: Dealogic, Moody's Investors Service

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>3</sup> Dealogic provides the issuer's nationality as the country in which the SPV is domiciled. This data does not represent the seller-servicers of the underlying assets or the bank conduits for ABCP deals.

<sup>4</sup> Outstanding data is restricted to nationality of the issuer to determine the country of collateral. Dealogic provides the issuer's nationality as the country in which the SPV is domiciled.

<sup>5</sup> US ABCP outstanding data is not available for 1Q 2009.

## ASSET-BACKED COMMERCIAL PAPER

€ BILLIONS<sup>1</sup>

### 10.5. European ABCP Outstandings by Programme Type<sup>2</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
<b>SIVs</b>	0.3			
<b>Single-Seller</b>	0.0			
<b>Multi-Seller</b>	7.7			
<b>Unspecified</b>	4.8			
<b>Total</b>	12.9			

2008:Q1	2008:Q2	2008:Q3	2008:Q4
1.9	1.0	0.6	0.5
0.2	0.1	0.1	0.1
15.2	15.1	16.3	9.9
9.4	6.1	5.8	3.8
26.7	22.3	22.7	14.3

### 10.6. US ABCP Outstandings by Programme Type<sup>4,6</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4
<b>Loan-Backed</b>				
<b>SIVs</b>				
<b>Single-Seller</b>				
<b>Multi-Seller</b>				
<b>Unspecified<sup>5</sup></b>				
<b>Total<sup>1,3,5</sup></b>				

2008:Q1	2008:Q2	2008:Q3	2008:Q4
1.9	2.0	2.2	2.2
34.3	38.8	47.0	54.2
257.2	256.6	304.1	369.4
25.0	29.7	39.5	36.9
318.4	327.0	392.7	462.7

Source: Dealogic, Moody's Investors Service

<sup>1</sup> All volumes are denominated in euro. The US volumes were converted from dollar to euro based on the \$/€ exchange rates as of quarter-end.

<sup>2</sup> Dealogic classifies ABCP programmes as European based on the nationality of SPVs.

<sup>3</sup> Numbers may not add due to independent rounding. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>4</sup> Based on US ABCP programmes rated by Moody's NY office ABCP Program Index, regardless of market. Therefore, some euro-denominated ABCP may be included in this figure.

<sup>5</sup> Includes arbitrage and hybrid programme types.

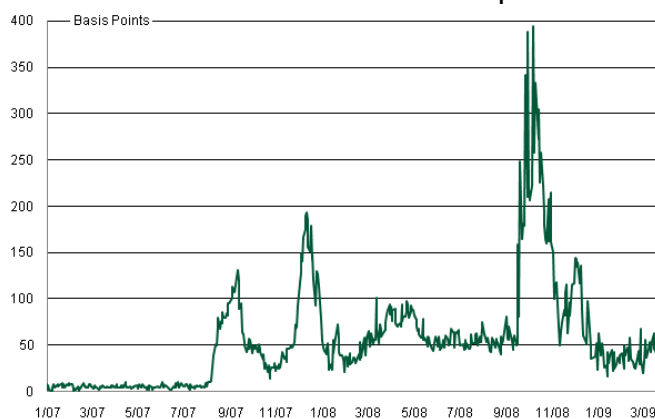
<sup>6</sup> US ABCP outstanding data is not available for 1Q 2009.

### 10.7. ABCP Outstanding Assets Split by Country<sup>1</sup>

Country	
<b>United States</b>	28.3%
<b>United Kingdom</b>	18.5%
<b>Global<sup>2</sup></b>	11.8%
<b>Netherlands</b>	10.6%
<b>Germany</b>	6.8%
<b>Europe<sup>3</sup></b>	5.0%
<b>France</b>	4.4%
<b>Others</b>	14.5%
<b>Total</b>	100.0%

Source: Moody's Investors Service

### 10.8. US ABCP to AA Non-financial CP Spread



Source: Federal Reserve

<sup>1</sup> Percentages shown are as of July 2008.

<sup>2</sup> Refers to ABCP with assets originating from multiple countries, at least one of which is outside Europe.

<sup>3</sup> Refers to ABCP with assets originating from multiple European countries.

## GLOBAL COMPARATIVE DATA

€ BILLIONS<sup>1</sup>

### 11.1. Global Securitisation Issuance<sup>2</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>1</sup>
US	33.2				33.2
Europe	5.0				5.0
Asia	6.7				6.7
Total <sup>1</sup>	44.9				44.9

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>1</sup>
74.4	83.0	39.8	9.3	206.5
10.2	8.1	5.9	21.6	45.8
7.6	8.5	7.4	7.7	31.1
92.2	99.6	53.1	38.6	283.4

### 11.2. Global Corporate Bond Issuance<sup>3</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>1</sup>
US	214.0				214.0
Europe	300.4				300.4
Asia	92.5				92.5
Total <sup>1</sup>	607.0				607.0

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>1</sup>
104.2	138.3	36.7	123.7	402.9
91.0	222.8	97.3	131.7	542.9
40.6	62.3	52.0	60.0	214.9
235.8	423.4	186.0	315.5	1160.7

### 11.3. Global Government Bond Issuance<sup>4</sup>

	2009:Q1	2009:Q2	2009:Q3	2009:Q4	TOTAL <sup>1</sup>
US	181.3				181.3
Europe	188.3				188.3
Asia	31.0				31.0
Total <sup>1</sup>	400.6				400.6

2008:Q1	2008:Q2	2008:Q3	2008:Q4	TOTAL <sup>1</sup>
178.7	146.7	68.6	52.9	446.9
84.9	83.4	39.3	41.4	249.0
16.2	17.7	17.2	26.8	77.9
279.8	247.9	125.1	121.1	773.8

Source: Dealogic

<sup>1</sup> US and Asian volumes were converted to euro based on the average exchange rate of the currency of issue to euro over each given quarter. Historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

<sup>2</sup> Global securitisation issuance includes ABS & MBS, both public and private placements, but excludes any retained volumes. Asia numbers include Japan.

<sup>3</sup> Global corporate bond issuance is for investment grade bonds, public placements only. Asia numbers include Japan.

<sup>4</sup> Global government bond issuance includes all agency and non agency issuances and does not include supranationals. Asia numbers include Japan.



# Summary of the Methodologies Adopted for this Report

## 1. Issuance

### 1.1. – 1.2. European and US Historical Issuance (p. 3)

The tables covering historical issuance in Europe and the US are denominated in euro. The historical issuance volume is the total calculated by adding all transactions in different asset classes including, among others, asset-backed securities (ABS), collateralised debt obligations (CDOs), commercial mortgage-backed securities (CMBS), and residential mortgage-backed securities (RMBS). Please note that numbers may not add due to independent rounding and that historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

### 1.3. - 1.4. Issuance by Collateral (p. 3)

The European issuance volumes are determined based on the review of four data sources: Bloomberg, JP Morgan, Thomson Reuters, and Unicredit as of Q1 2009; in prior quarters our sources were Bloomberg, JP Morgan, Merrill Lynch, and Unicredit. RMBS, CMBS and ABS are defined as European by having underlying assets located in a European country. European securities included in the calculation are the ones for which there is a specific match in terms of size, name, country of collateral and collateral type from at least two sources. Securities that fail to meet this criteria are excluded. With respect to CDOs, securities are designated as European if they are issued in euro, regardless of their country of collateral, due to the limited amount of CDOs denominated in European currencies other than the euro. The data is provided by Thomson Reuters.

The US non-agency RMBS, CMBS, ABS and CDO issuance data source is Thomson Reuters. Agency mortgage-backed securities (MBS) are defined as securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae and are acquired from company statements. US issuance data is generally based on the sum of securities with US collateral; agency issuance numbers do not include securitisations of existing agency securities. US CDO data is defined as USD-denominated CDOs regardless of the country of collateral. The US issuance data is converted to euros based on the USD to EUR exchange rate at each quarter-end indicated below.

The end-of-quarter USD to EUR exchange rates used are as follows:

Q1 2008	.6333
Q2 2008	.6347
Q3 2008	.7096
Q4 2008	.7156
Q1 2009	.7547

These same conversion rates, sourced from Bloomberg, are used on all US issuance and outstanding volume data.

### 1.5. Issuance by Country of Collateral (p. 4)

The tables covering issuance in the US and Europe are presented in euro. For Europe the information is segmented by country of collateral.

The European issuance is segmented by country to the extent that a determination can be made. Securities with the underlying collateral originating from more than one jurisdiction are categorised as Multinational. All CDOs are classified under this Multinational group due to the complexity involved in identifying origin of collateral for each specific tranche. The European issuance volumes are determined based on the review of four data sources: Bloomberg, JP Morgan, Thomson Reuters and Unicredit as of Q1 2009; prior to 2009 the sources were Bloomberg, JP Morgan, Thomson Reuters, and Merrill Lynch.

US CDO data is defined as USD-denominated issues regardless of country of collateral.

### 1.6. Issuance by Collateral Type and Country of Collateral (p. 4)

Issuance information is further specified by country of collateral for European issuance only and by asset class. CDO classification is the same as above.

### 1.7. – 1.8. Issuance by Rating (p. 5)

Issuance is presented by credit rating classification (AAA; AA; A; BBB and Below; and Not Rated) on a quarterly basis for 2007 and 2008. The credit rating assigned is the lowest of the ratings provided by Fitch Ratings, Moody's Investors Service and/or Standard & Poor's. These ratings are intended to represent their corresponding equivalent at each agency; e.g., an AAA rating is equal to an Aaa Moody's rating, AA equal to Aa1, etc. Securities are classified 'Not Rated' if none of the credit rating agencies have provided an opinion on the underlying credit quality of a particular tranche, or if the ratings are unknown. US agency MBS issues are generally not rated and therefore grouped separately under Agency MBS.

### 1.9. Issuance by Deal Size (p. 5)

European and US securitisation issuance volume is segmented by transaction size based on data provided by Dealogic. The European data covers all asset classes and EUR-denominated CDOs. US non-Agency data includes ABS, non-agency CMBS and RMBS, and USD-denominated CDOs. US agency MBS, which includes agency CMBS and RMBS, is shown separately.

All data, except for CDOs, is included according to the country of collateral. The number of issues refers to the number of deals, not the number of tranches within each deal.

Dealogic data for retained deals is based on available information from both European and US dealers' syndicate desks. Further statistics on retained deals are added based on intelligence from other market participants such as regulatory bodies and newswires across Europe.

## 2. Balances Outstanding

### 2.1. – 2.2. Outstandings by Collateral (p. 6)

The outstanding volumes are reported by asset class. Please note that subtotals may not add to totals due to independent rounding and that historical or prior period numbers are revised to reflect changes in classification, refined selection methodology, or information submitted to our data source after the prior period cut-off dates.

For Europe, balances outstanding are calculated by the principal balance outstanding on structured product transactions including public, private, rated, unrated, listed and unlisted securities derived from the Bloomberg database. Balances outstanding are determined by multiplying eligible securities by their pool factor for the quarter and sorted accordingly. Tranches that are non-EUR-denominated are converted to EUR by Bloomberg based on the exchange rate at the time of the pricing date (as specified by the lead manager/arranger), or, if missing, the issue date as specified in each security's original offering documentation. Securities included in the calculations, except for some CDOs, have collateral originating from at least one European country to the extent that a determination can be made. However, for ABS and MBS securities with collateral originating from multiple countries, or where the origin of the underlying collateral is undefined, the following selection criteria will apply: securities will only be considered eligible as European if they are denominated in a European currency, as defined below, and the country of issuer (considered to be the country in which the issuing SPV is registered) falls within Europe. In certain limited cases, the Channel Islands and the Cayman Islands are considered eligible as European jurisdictions for ABS and MBS products if underlying collateral is derived from a variety of jurisdictions and the original currency of issue is EUR only.

For our selection criteria, European currencies include the euro (EUR) and all predecessor currencies, as well as the Turkish lira (TRY), the Danish kroner (DKK), the Swedish krona (SEK), the British pound (GBP), and the Russian ruble (RUB).

Furthermore, our selection criteria considers Europe to include all European Economic Area (EEA) countries and certain non-EEA countries located on the geographic European continent. We have also included Turkey, Kazakhstan, Iceland, Georgia and the Russian Federation.

For the CDO sector, only EUR-denominated issuance is included, regardless of the country of collateral, due to the

limited amount of CDOs denominated in European currencies other than the euro. However, the majority of US-issued, EUR-denominated CDOs with known non-European collateral have been excluded from consideration based on consultation with market participants at the time of the Q3 2007 Data Report production. Subsequent to this time, all EUR-denominated CDOs are included irrespective of the country of collateral, in order to maximise the consistency of the deal selection criteria for inclusion.

CDO information does not include the notional amount of transactions referenced to bespoke portfolios of credit default swaps, which are called "single tranche" or "synthetic arbitrage CDOs" which can be found at [www.creditflux.com](http://www.creditflux.com).

The US outstanding calculations are based on information derived from Bloomberg for ABS; agency balance statements for agency MBS; Loan Performance for non-agency RMBS; and Federal Reserve and JP Morgan for non-agency CMBS. Specific assumptions are developed for prepayment and amortisation frequency based on consultations with the US dealer community. The following asset classes are segmented: agency MBS, non-agency RMBS, non-agency CMBS, and ABS. The agency MBS figures include both RMBS and CMBS. The ABS classification for the US includes CDOs, which contains USD-denominated CDOs regardless of the country of collateral. Non-agency CMBS does not include multifamily housing, which is included among outstanding MBS numbers.

### 2.3. Outstandings by Country of Collateral (p. 7)

The European outstanding volumes are segmented by country of collateral based on the above methodology. For our selection criteria, Europe is considered to include all European Economic Area (EEA) countries and certain non-EEA countries located on the geographic European continent. We have also included Georgia, Iceland, Turkey, Kazakhstan and the Russian Federation. In certain limited cases, the Channel Islands and the Cayman islands are considered eligible for ABS and MBS products if underlying collateral is derived from a variety of jurisdictions and the original currency of issue is EUR only. CDOs issued with collateral from non-European jurisdictions but issued in euro are included under the country category 'Other' for the purpose of determining outstanding balances by country. CDOs issued in EUR with either collateral from multiple jurisdictions or for which the underlying location of collateral is undefined are categorized under 'Multinational' for the purpose of determining outstanding balances by country. However, the majority of US-issued, EUR-denominated CDOs with known non-European collateral have been excluded from consideration based on consultation with market participants at the time of the Q4 2007 first Data Report production. Subsequent to this time, all EUR-denominated CDOs are included irrespective of the country of collateral, in order to maximise the consistency of the deal selection criteria for inclusion.

The US outstandings include both agency and non-agency securities.

#### 2.4. – 2.5. Outstandings by Moody's Rating (p. 8)

The percentage rating distribution for Europe and the US is based on Moody's Investors Service data for balances outstanding. The data provides current ratings as of the end of the quarter. The data presented is based on original issuance volumes for European and US securities, and therefore does not reflect amortised balances. Information on current ratings by outstanding volumes is not currently available. Moody's data has been converted to percentages based on the original issuance size to make it easily comparable with the outstanding volumes provided in this report. Defaulted and unrated issues are excluded from this data.

#### 2.6. Outstandings by Country and Collateral (p. 9)

Outstanding volumes are further specified by asset class and, for Europe only, by country of collateral. CDO selection criteria can be found in the annex under 2.3.

### 3. Credit Quality – Rating Changes

#### 3.1. – 3.3. Upgrades/Downgrades by Country (p. 10)

These tables present the aggregate number of upgrades and downgrades for securitisation (including CDOs) by country of collateral for European deals and in total for US deals. The information is based on data provided by Fitch Ratings, Moody's Investors Service and Standard & Poor's. The upgrade number is shown first followed by the downgrade number. The upgrades and downgrades of each of credit rating agency is shown in separate tables and presented as the number of rating changes. Because the credit rating agencies track different securities and apply different credit rating methodologies, these numbers are not directly comparable.

According to Moody's Investors Service, a security is classified as European or American based on if it is monitored out of Moody's office in Europe or the US. More specifically, European securities are classified within a particular country if all of its assets are located within that country.

The Multinational category includes CDOs and all other cross-jurisdictional securitisations for both Moody's Investors Service and Standard & Poor's. The Fitch Ratings Multinational classification includes cross-jurisdictional CMBS as well as the aggregated sum of rating actions in other countries including Austria, Belgium, Greece, Ireland, Portugal and the Russian Federation. Fitch Ratings assigns CDO issues to the country in which the majority of the underlying assets are located.

#### 3.4. – 3.9. Upgrades/Downgrades by Collateral (p. 11)

These tables present aggregate upgrades and downgrades for securitisation and CDO issues by securitised product type for Europe and the US. The upgrade number is shown first followed by the downgrade number. The upgrades and downgrades of each agency are shown in separate tables and presented by number rating changes. For Fitch Ratings, the

category Other RMBS includes other categories of RMBS transactions such as ALT-A, reverse mortgage, government RMBS, etc. The category 'Other ABS' may include student loans and the whole business securitisations (WBS). For Moody's Investors Service and Standard & Poor's, the total number of European upgrades/downgrades reported by collateral type are not always comparable with the upgrades/downgrades presented by country because there may be securities that experience rating migrations that are backed by collateral originated from a country outside of those specified and will not be captured under the "Multinational" category.

### 4 - 6 Spreads

#### 4.1. - 4.4. CMBS Spreads (p. 12)

These graphs present credit spread data for European and US AAA and BBB 3-5 Yr CMBS. European 3-5 year AAA & BBB CMBS data is provided by Markit. Composite spread levels are calculated from dealer contributions which have been subjected to multiple cleaning algorithms. Spread levels are equivalent to the discount margin. The discount margin is defined as the effective spread to maturity of a floating rate security after discounting the yield value of a price other than par over the life of the security. The spread calculation is based on data provided by dealer trading desks.

US CMBS 3 and 5 year spreads are provided by Trepp LLC. US CMBS spreads are quoted as fixed rate bonds based on the yield of US treasury bonds with the same average life.

#### 5.1. - 5.5. RMBS Spreads (p. 13)

European RMBS credit spreads are provided for 3-5 year AAA and BBB securities based on data provided by Markit. European credit spreads cover Spain, Netherlands, Italy, Germany and France. The UK RMBS spreads are provided for both prime and non-conforming transactions. Markit spread calculations are based on data provided by dealer trading desks.

US subprime AAA home equity credit spreads are calculated over LIBOR and provided by Barclays Capital.

#### 6.1. - 6.4. ABS Spreads (p. 14)

European ABS credit spreads are provided for 1-4 year AAA and BBB securities based on data provided by Markit based on the same calculations described above.

US spreads reflect levels for AAA autos, AAA credit cards, and BBB credit cards; spreads are fixed against swaps and are provided by JP Morgan.

### 7 - 8 Prices

#### 7.1. – 7.4. RMBS Prices (p. 15)

These graphs represent price data for specific European and UK RMBS selected as benchmarks in the respective jurisdictions. The price calculations are provided by Markit and are based on data provided by dealer trading desks.



### 8.1. - 8.4. CMBS and ABS Prices (p. 16)

These graphs represent price data for specific pan-European CMBS and ABS selected as benchmarks in the respective jurisdictions. The price calculations provided by Markit and are based on data provided by dealer trading desks.

### 9.1. - 9.2. Indices Data (p. 17)

The first graph presents daily spreads provided by Barclays Capital for Europe and US ABS indexes from a cross-section of securitised products.

The second graph presents daily prices provided by Markit for the benchmark AAA and BBB rated US ABX and CMBX derivative indices. The ABX (ABX.HE) is an index from reference obligations issued by twenty issuers of RMBS that meet the criteria specified in the ABX.HE Index Rules. The majority of the mortgages backing the security underlying must be first-liens. The index calculation is based on the Markit proprietary methodology calculating the contributed prices from dealers. The CMBX follows a similar methodology as an index for credit derivatives of US CMBS issues. The ABX and CMBX are widely followed benchmarks in the securitised marketplace for subprime RMBS and CMBS market sectors, respectively.

## 10. Asset-Backed Commercial Paper (ABCP)

### 10.1. – 10.2. ABCP Historical Issuance; ABCP Issuance by Nationality of Issuer (p. 18)

Aggregate issuance data covers the period 2008 through 2009 for Europe and the US. European issuance is provided by Dealogic, which identifies the issuer's nationality as the country in which the SPV is domiciled. These data do not represent the seller-servicers of the underlying assets or the bank conduits for the ABCP deals. The US data is provided by Moody's Investors Service. The volumes are converted from dollar to euro based on the end-of-quarter exchange rate.

### 10.3. European ABCP Issuance by Programme Type (p. 18)

ABCP data by programme type is provided by Dealogic and covers the period from 2008 through 2009 for Europe. The programme type classifications included are: SIVs, single-seller conduit, multi-seller conduit and 'unspecified'.

### 10.4. ABCP Outstandings by Nationality of Issuer (p. 18)

Outstanding quarterly data is provided from the first quarter of 2008 through 2009 for Europe and the US. The European outstanding is provided by country through the Dealogic database, and the US data is provided by Moody's Investors Service. Dealogic identifies the issuer's nationality as the country in which the SPV is domiciled. The dollar volumes were converted to euro based on the end-of-quarter exchange rate.

### 10.5. – 10.6. ABCP Outstandings by Programme Type (p. 19)

Outstanding quarterly data is provided from the first quarter of 2008 through 2009 for Europe and the US. The European

data is provided by Dealogic and the US data is provided by Moody's Investor Service. The volumes are converted from dollars to euro based on the end-of-quarter exchange rate. The programme type classifications included are: loan-backed, SIVs, single-seller conduit, multi-seller conduit and 'unspecified'.

### 10.7. ABCP Outstanding Assets Split by Country (p. 19)

Global outstanding ABCP assets percentages are presented by country as of June 2008. The information is provided by Moody's Investors Service. The asset percentage represents the actual amount of assets funded via ABCP and other sources, not including cash and short-term investments. Therefore the asset percentage is not necessarily equal to the ABCP outstanding amount.

### 10.8. ABCP Spreads (p. 19)

The US ABCP spread information is based on data collected and developed by the Federal Reserve. The spread is defined as the difference between AA ABCP and AA nonfinancial CP.

## 11. Global Comparative Data

### 11.1. - 11.3. Global Securitisation Issuance, Global Corporate Bond Issuance, Global Government Bond Issuance (p. 20)

These statistics are provided by Dealogic and present issuance volumes for securitisation, corporate bonds and government bonds in Asia, the US and Europe. Securitisation and government bond figures represent gross issuance; corporate bond issuance is provided on a gross, not net, basis. All types of securitisation are included; CDOs are included based on the region of the currency in which they are denominated. The issuance volumes are provided quarterly for 2007 and 2008. These statistics do not correspond to the issuance numbers provided elsewhere in this report as different sources and selection methodologies are used to determine both the European and US securitisation issuance. In terms of geographical description, Europe represents the European, the Middle East and African (EMEA) countries while Asia includes the Pacific countries and Japan.

## Disclaimer

The information and opinion commentary in this Securitisation Data Report (Report) was prepared by the European Securitisation Forum (ESF) an affiliate of the Securities Industry and Financial Markets Association (SIFMA) and SIFMA. The information herein is believed by ESF and SIFMA to be reliable and has been obtained from multiple sources believed to be reliable as of the date of the Report publication. With the exception of information developed internally, ESF and SIFMA make no representation as to the accuracy or completeness of such information. ESF and SIFMA have no obligation to update, modify or amend the information in this Report or to otherwise notify a reader thereof in the event that any information becomes outdated or inaccurate. However, the ESF and SIFMA will make a diligent effort to update such

information as it becomes available and in subsequent reports. As information is collected from multiple sources and estimates by the individual sources may differ from one another, estimates for similar types of data could vary within the Report.

**EUROPEAN SECURITISATION FORUM**

**Rick Watson**, Managing Director

**Marco Angheben**, Director

**Anna Zennaro**, Associate

---

**SIFMA**

**Kyle Brandon**, Managing Director, Research

**Sharon Sung**, Research Associate



An Affiliate of SIFMA 

[www.europeansecuritisation.com](http://www.europeansecuritisation.com)



London ■ New York ■ Washington ■ Hong Kong