

SPANISH COVERED BOND & SECURITIZATION STATISTICS

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

February 2024

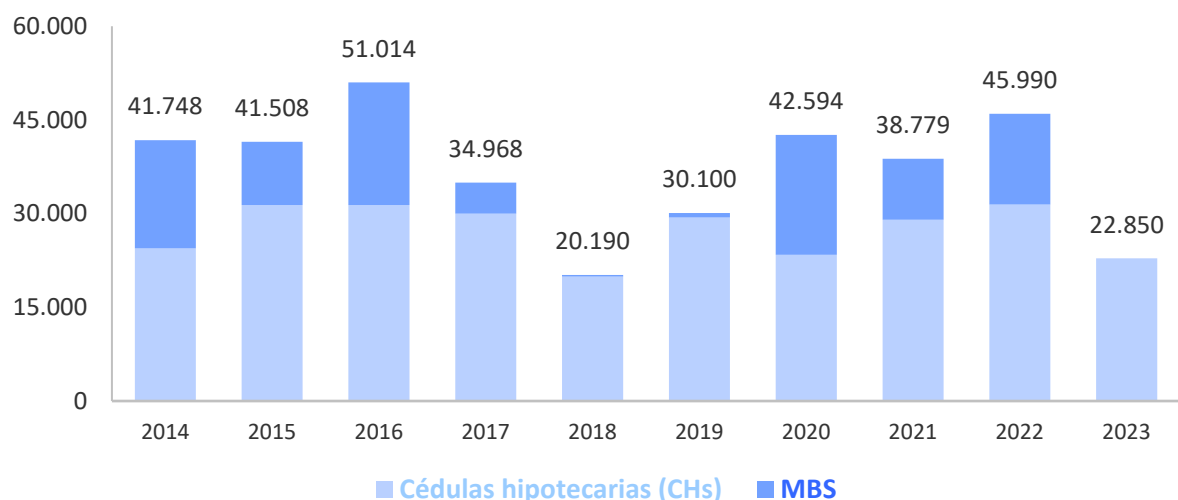
1. Issuance

Over the past year 2023, the volume of **mortgage securitised products issued and admitted to trading** fell by 50%, from nearly EUR 46.00 billion in 2022 to **EUR 22.85 billion**. This figure corresponds entirely to issues of *cédulas hipotecarias* (Spanish Covered Bonds), as mortgage-backed securities (MBSs) did not record any new issues along the year. This contrasts with the levels of the three previous years, when they reached an average issuance of EUR 14.50 billion per year (EUR 14.50 billion in 2022, EUR 9.80 billion in 2021 and EUR 19.00 billion in 2020).

Regarding the **EUR 22.85 billion** issued by *cédulas hipotecarias* throughout the year 2023, it should be noted that this volume was particularly concentrated during the first half of the year, accounting for 90% of the overall issuance for the year. Compared with 2022, this funding tool has shown a decrease of 27%.

This dynamic of reduced issuance activity can be largely explained by lower funding needs stemming from a decline in credit activity in a context of abundant liquidity in the financial markets.

➤ Chart 1: Yearly development of issuances (EUR million)



Source: own elaboration from AIAF data

2. Outstanding balance

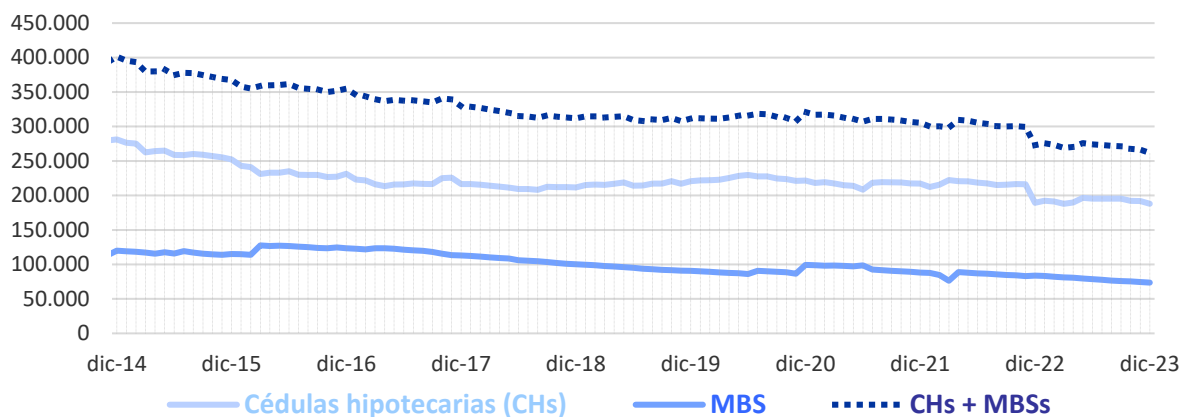
The general downward trend in the total balance of **outstanding issues of mortgage securities (Covered Bonds and MBSs)** has persisted for almost a decade. By the end of 2023, the outstanding volume of issuance stood at EUR 261.64 billion, around EUR 11.00 billion less than a year ago (-4.2%).

Of this volume, about 72% was comprised of **cédulas hipotecarias (Spanish Covered Bonds)** with **EUR 188.00 billion** as of December 2023. This funding resource moderated its decline, although it ended the year with a yearly negative growth rate of 0.7%.

For its part, the **outstanding volume of Mortgage-backed securities**, which account for about 12% of the mortgage portfolio, experienced another negative yearly variation rate, indicating an intensification in the downward trend, from -5.2% in 2022 to -12.0% in 2023. Consequently, over the last 12 months the balance of this portfolio has gone down from EUR 83.69 billion to **EUR 73.64 billion**.

➤ Annex: additional information

Outstanding issuances (EUR million)



Source: own elaboration from AIAF data

Despite the negative evolution of these funding tools in line with the aforementioned lower liquidity needs, this market has increased its appeal among bondholders, both domestic and international, in a context in which yields have rebounded in the heat of the rise in official interest rates. The favorable response from investors is allowing credit issuers to adjust the starting price of placements downwards, although due to cyclical issues this source of financing has become more expensive in recent years.

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ISSUANCE (Euro Million)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds ¹	Mortgage Backed securirites (RMBSS)	Total mortgage securities
2016	31.393	0	19.621	51.014
2017	30.000	0	4.968	34.968
2018	19.935	0	255	20.190
2019	29.375	0	725	30.100
2020	23.408	0	19.186	42.594
2021	29.020	0	9.759	38.779
2022	31.450	0	14.540	45.990
2023	22.850	0	0	22.850

OUTSTANDING VOLUME (Euro Million)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds ¹	Mortgage Backed securirites (MBSs)	Total mortgage securities
2017	181.328	35.170	112.938	329.436
2018	183.258	28.495	100.238	311.991
2019	195.699	24.970	90.708	311.376
2020	199.449	22.220	99.401	321.070
2021	200.020	17.160	88.259	305.439
2022	176.086	13.260	83.692	273.038
2023	176.336	11.660	73.643	261.638

Year on year variation of the outstanding volumes (%)				
	Spanish Cédulas Hipotecarias (individual)	Multiseller Covered Bonds ¹	Mortgage Backed securirites (MBSs)	Total mortgage securities
2017	-2,8%	-21,8%	-8,5%	-7,2%
2018	1,1%	-19,0%	-11,2%	-5,3%
2019	6,8%	-12,4%	-9,5%	-0,2%
2020	1,9%	-11,0%	9,6%	3,1%
2021	0,3%	-22,8%	-11,2%	-4,9%
2022	-12,0%	-22,7%	-5,2%	-10,6%
2023	0,1%	-12,1%	-12,0%	-4,2%

Weight of the Mortgage securities over the outstanding mortgage lending (%) ²			
	Total Spanish Cédulas Hipotecarias (individual and multiseller)	Mortgage Backed securirites (MBSs)	Total mortgage securities
2017	31,7%	16,5%	48,2%
2018	32,1%	15,2%	47,2%
2019	34,2%	14,1%	48,2%
2020	35,0%	15,7%	50,8%
2021	34,4%	14,0%	48,4%
2022	30,6%	13,5%	44,2%
2023	31,0%	12,1%	43,1%

¹ Multiseller covered bonds = Cédulas Hipotecarias in a CDO structure

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