



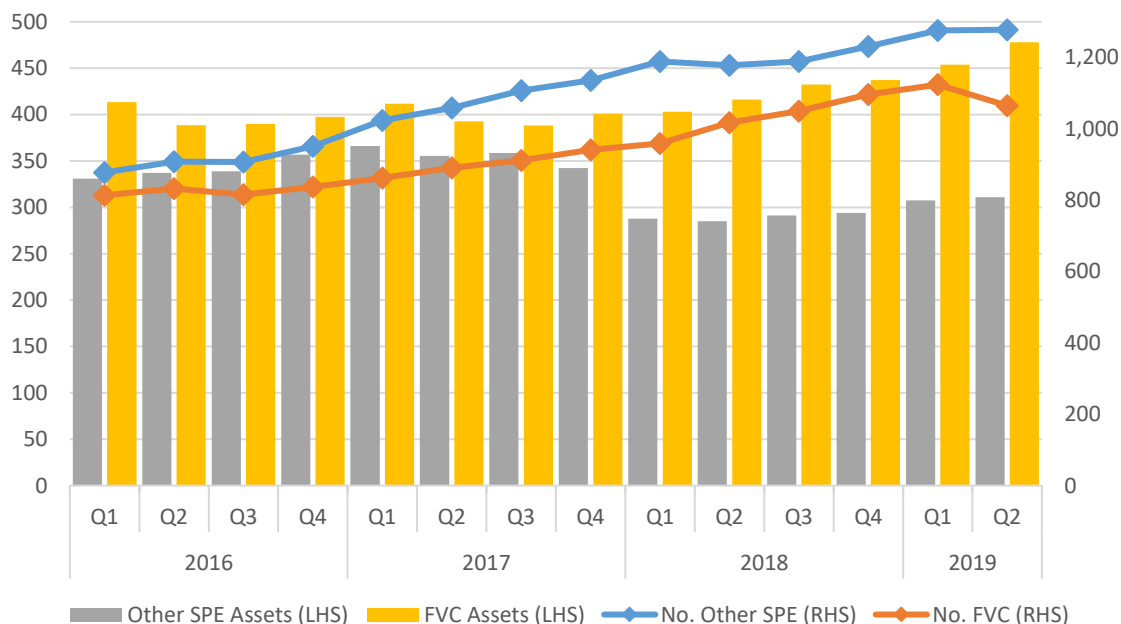
Special Purpose Entities (SPEs)¹ Statistics Q2 2019

- **Total assets of Irish-resident SPEs increased by €27bn to €789bn in Q2 2019.** Despite a net decrease in the number of SPE vehicles, assets increased due to new vehicles with significant initial assets and existing vehicles acquiring more assets.
- **Within Irish-resident Securitisation SPEs, or Financial Vehicle Corporations (FVCs), total assets increased by €24bn, to €478bn in Q2 2019.** The Collateralised Loan Obligation (CLO) category continues to grow rapidly, increasing by €10bn (13%) to €87bn. Residential Mortgage Backed Securities (RMBS) vehicles saw assets increase by €7bn (15%) to €53bn.
- **Within Non-Securitisation Irish-resident SPEs, or Other SPEs, total assets increased by €4bn to €311bn in Q2 2019.** Along with continued growth in investment fund linked entities, Q2 2019 saw the first increase in total assets of intra group financing vehicles in over 1 year with vehicles adding €3bn in assets.

¹ Definition of a SPE, a FVC, other SPEs and a sponsor can be found on page 5, in Notes.



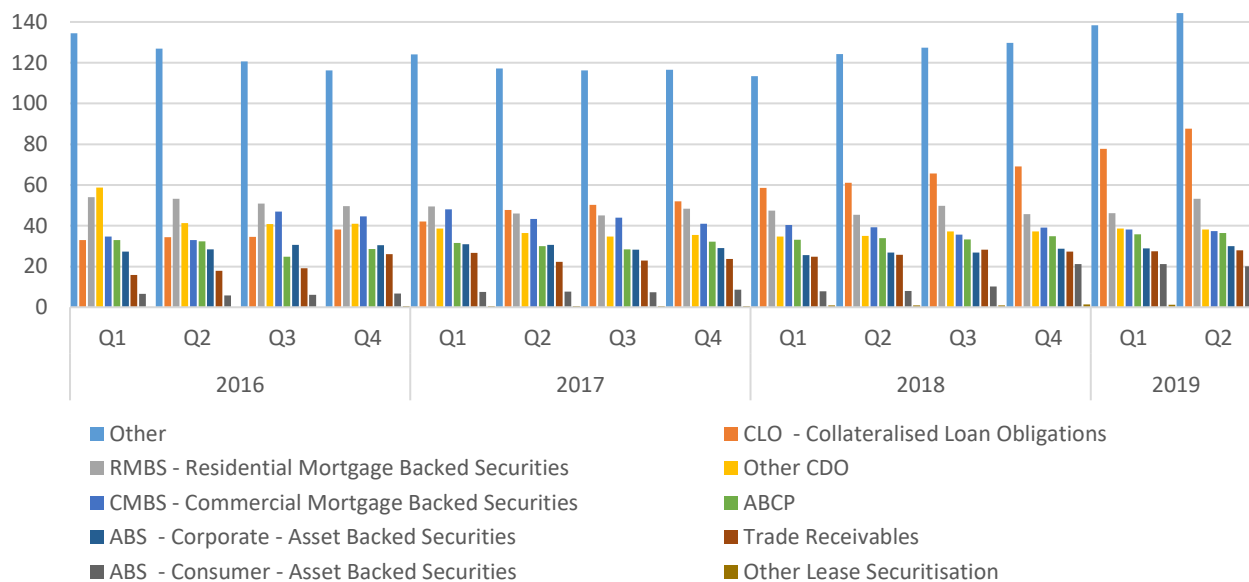
Chart 1: Total Assets €bn (LHS) and Number of SPE's (RHS)



- Total assets of Irish-resident SPE's (FVC's and Other SPE's) increased 3.6 % in Q2 2019, with new vehicles engaging in a wide range of activities driving this longer-term growth trend. The number of SPEs reporting statistical returns declined to 2,343, as a small number of new vehicles came online while a number of others wound down.
- Within the FVC reporting population there was a €24bn increase in total assets from €455bn to €478bn. The FVC population saw a reduction in the number of entities reporting due to their liquidation while the other SPE population remained largely unchanged. Within the Other SPE reporting population, there was a modest increase of €4bn in total assets from €307bn to €311bn.



Chart 2: Top 10 FVC Activity Types (Total Assets €bn)



- Regarding the top 10 FVC activity types, there was a notable increase in Other (4%), CLO (13%), and RMBS (15%) categories over the quarter, indicating increased securitisation activity in these areas.
- Banks, financial auxiliaries, and other financial intermediaries, predominantly based in the UK and US make up the majority of the sponsors involved in the setup of these entities.

Chart 3: FVC Assets By Sponsor Sector

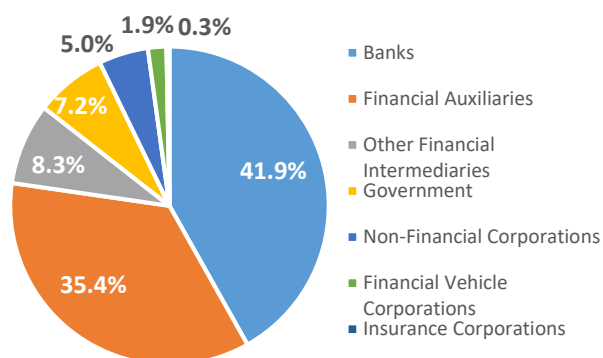


Chart 4: FVC Assets By Sponsor Country

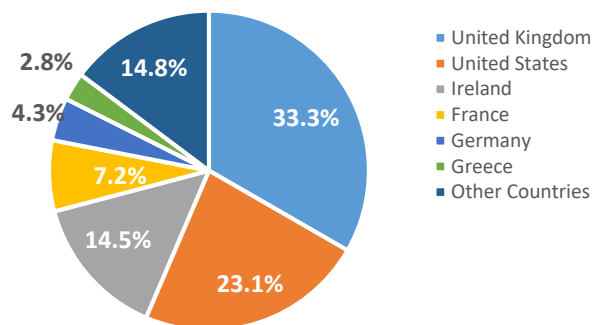
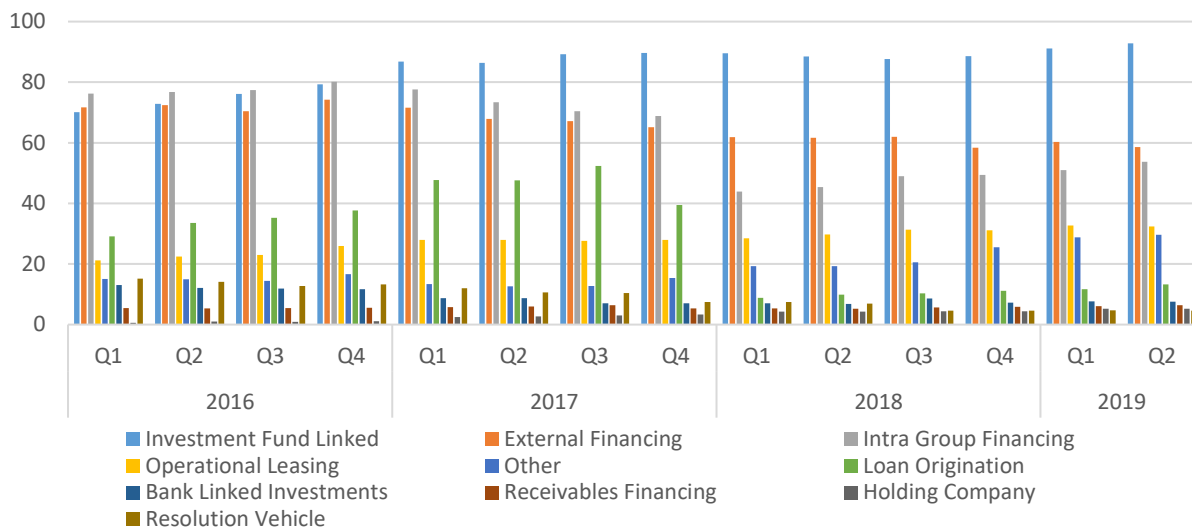




Chart 5: Top 10 Other SPE Activity Types (Total Assets €bn)



- Within Other SPEs, the four biggest vehicle activities represent 76% of the sector, namely investment fund linked, external financing, intergroup financing, and operational leasing. The majority of the sponsors involved in the setup of these vehicles are US and UK Investment funds as well as Non-Financial Corporations.
- Growth in this population was led by the Intra Group Financing category, which rose by €3bn to €54bn. Investment fund linked vehicles saw an uptick of €2bn to €93bn. The “External Financing category” decreased by €2bn to €59bn.

Chart 6: Other SPE Assets By Sponsor Sector

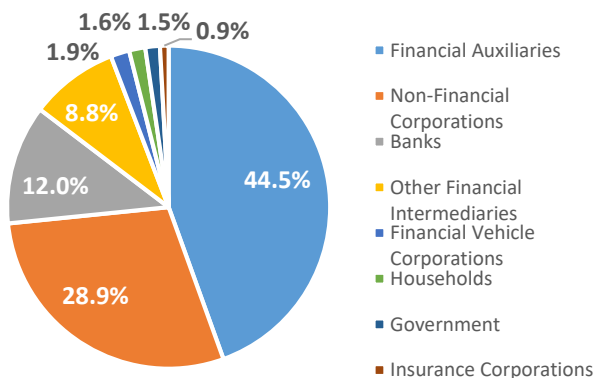
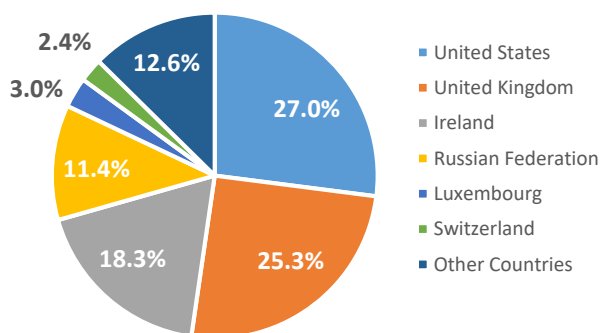


Chart 7: Other SPE Assets By Sponsor Country





FVC RMBS Activity

- Within the FVC population, total assets of entities categorised as “RMBS” vehicles increased by €7bn or 15% in the last quarter to €53bn in Q2 2019. The majority of the assets in this group are held by Irish sponsored vehicles and relate to Irish assets. Asset growth this quarter has predominantly consisted of vehicles acquiring Greek mortgages and consumer loans.

Other SPE Intra Group Financing Activity

- Within the other SPE population there was a noticeable increase in assets for vehicles engaging in intra group financing activities with total assets expanding by 5% or €3bn to €54bn. These entities are predominantly setup by Non-Financial Companies and Financial Auxiliaries to allow them to provide funding for group companies.

Chart 8: RMBS Assets By Sponsor Country

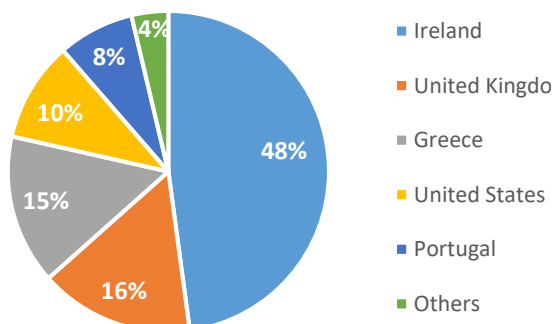
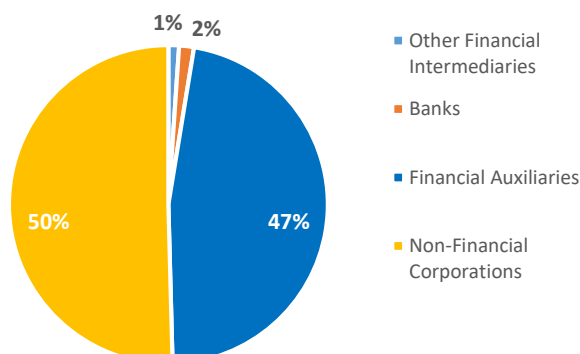


Chart 9: IGF Assets by Sponsor Sector



Statistical Release – Special Purpose Entities Statistics

Appendix Notes

These data was collected under the requirements of Regulation (EC) No. 24/2009 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2008/30), which was passed on 19 December 2008, obliging financial vehicle corporations to report quarterly balance sheets. Reporting is obligatory for all financial vehicle corporations resident in Ireland.

The full data series for Ireland is available on the Central Bank of Ireland website [here](#) and euro area statistics are available from the ECB website [here](#).

A Special Purpose Entity (SPE) is a legal entity created to fulfil narrow, specific or temporary objectives.

Financial vehicle corporations (FVCs) are undertakings which are constituted pursuant to National or Community Law and whose principal activity meets both of the following criteria:

- to carry out securitisation transactions which are insulated from the risk of bankruptcy or any other default of the originator;
- to issue securities, securitisation fund units, other debt instruments and/or financial derivatives, and/or to legally or economically own assets underlying the issue of securities, securitisation fund units, other debt instruments and/or financial derivatives that are offered for sale to the public or sold on the basis of private placements.

Securitisation refers to a transaction or scheme whereby: (i) an asset or pool of assets is transferred to an entity that is separate from the

originator and is created for or serves the purpose of the securitisation; and/or (ii) the credit risk of an asset or pool of assets, or part thereof, is transferred to the investors in the securities, securitisation fund units, other debt instruments and/or financial derivatives issued by an entity that is separate from the originator and is created for or serves the purpose of the securitisation.

Other Special Purpose Entities (Other SPEs) are vehicles not engaged in securitisation.

The Sponsor refers to the entity on whose behalf the SPE was established. This usually the ultimate beneficial owner. However, where an investment fund sets up a vehicle to hold assets, the investment manager would be considered the sponsor. In insurance-linked securitisations, the ceding reinsurer would be considered the sponsor. The term 'Sponsor' does not refer to a charitable trust that owns shares of the SPE in an orphan vehicle structure.

Further information

Queries to: Central Bank, Press Office at media@centralbank.ie or (01) 224 6299.