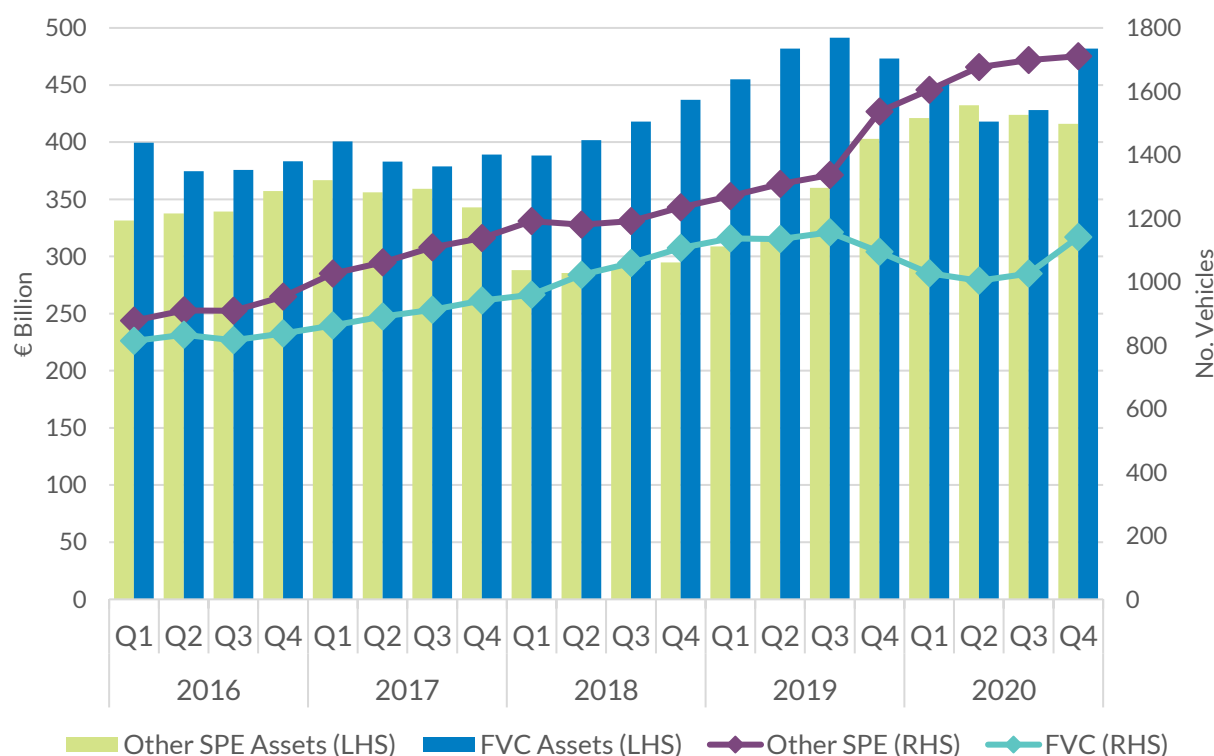




Chart 1: Total Assets and Number of SPEs

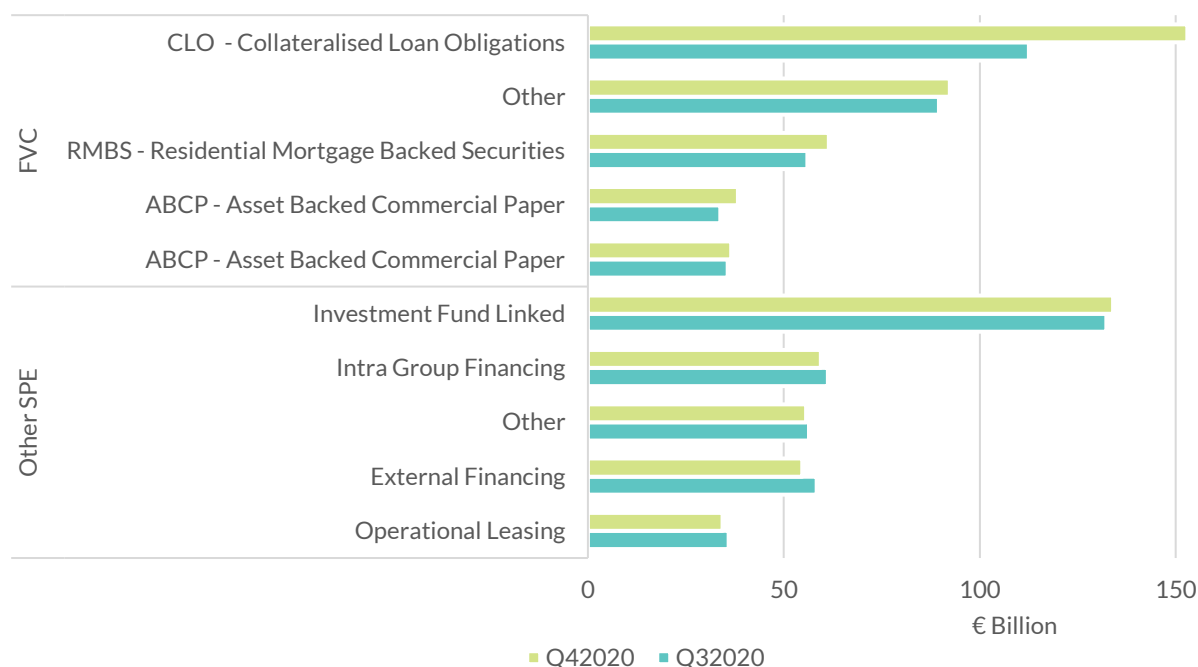


- Total assets of Irish-resident Special Purpose Entities (SPEs) grew by €41bn to €895.9bn in Q4 2020.¹ The number of SPEs rose by 127 to 2,852.
- This increase was driven by Irish-resident Securitisation SPEs, or Financial Vehicle Corporations (FVCs), whose total assets increased by €49bn, to €479.7bn. This is primarily due to an increase in collateralised loan obligation (CLOs) vehicles registered during the quarter, the majority of which migrated from the Netherlands to Ireland.
- Other SPEs experienced a fall of €7.8bn in total assets, bringing the total to €416.2bn in Q4 2020, the second consecutive decrease in total assets experienced by Other SPEs. External financing vehicles saw the largest decrease in assets (€3.7bn), while investment fund linked vehicles saw the largest increase in assets (€1.7bn).

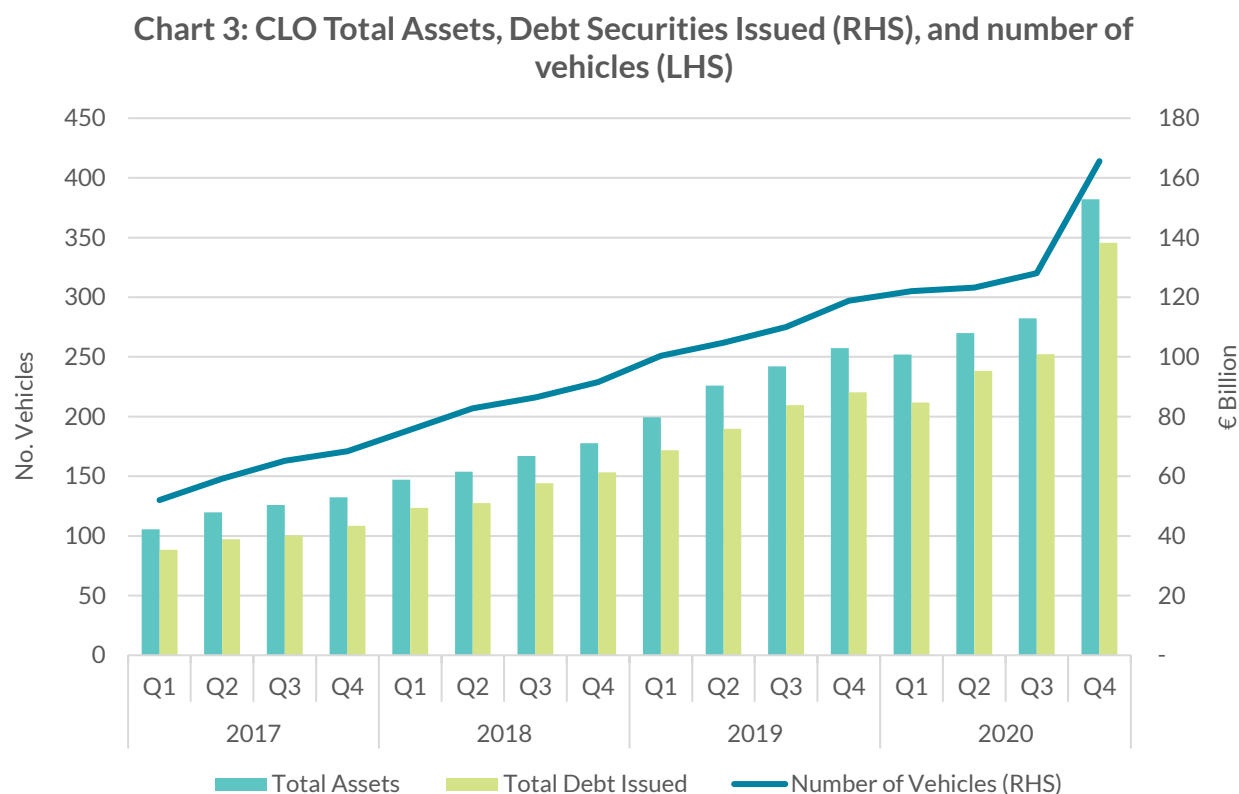
¹ Definition of a SPE, a FVC, other SPEs and a sponsor can be found on page 4, in Notes.



Chart 2: Top 5 SPE Activity Types (Total Assets)



- The top activity types for both FVCs and Other SPEs, CLOs and Investment Fund Linked, both account for 32% of their respective aggregates as at end-2020. For CLOs, this is the result of continued growth in excess of other securitisation activity, with CLOs only accounting for 9% of total FVC assets in 2016 Q1.
- Continuing an underlying trend, euro area bank sponsored FVCs held €88.3bn in total assets in Q4 2020, increasing by €19.7bn since Q4 2019.
- With respect to Other SPEs, operational leasing assets have not declined as much as might be expected given pandemic-related pressures in the aviation sector. Total assets fell 7% between Q4 2019 and Q4 2020, and now stand at €34.3bn. This decline is spread across most entities in the sector, which is primarily composed of aircraft leasing vehicles. Valuations may fall further still if vehicles have not yet struck a final valuation for their assets at end 2020.



- Collateralised loan obligation vehicles (CLOs) closed the quarter with total assets of €152.9bn, an increase of €40bn. The growth in the number of CLOs continued, increasing by 94 to 414 by quarter-end.
- This growth was primarily driven by 79 CLOs, amounting to €31.4bn in total assets, moving from the Netherlands to Ireland in response to a change in Dutch value added tax on management fees.
- In Q4 2020, CLOs issued €37.5bn new securities, of which, 84% were issued by UK non-bank financial sector sponsored entities.

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.