

Financial Vehicle Corporation (FVC)¹ Statistics Q4 2015

The recovery in the Irish securitisation market gathered pace in Q4 2015. Total FVC asset values rose to €431.1bn in Q4 2015, driven mainly by new vehicles. Net transactions inflows were positive for the fifth consecutive quarter and represented the second largest inflow since the series was first collected in Q4 2009.

The total asset value of Irish FVCs stood at €431.1 billion² at end-Q4 2015, up from a revised €414.6bn at end-Q3 2015. This movement consisted of net transactions of €23.9 billion and valuation movements/other adjustments of minus €7.5 billion (Chart 1). Inflows on the assets side were primarily into deposit & loan claims, securities other than shares, and other securitised assets. There were large transactions and valuation movements/other adjustments in other assets and other liabilities, arising from offsetting derivatives contracts and securitised loan sales over the quarter³.

Reporting numbers rose over the quarter by 35 to 821 (Chart 2), indicating increased activity in the Irish FVC sector. This was mainly driven by collateralised debt obligations and corporate asset backed securities-type vehicles. Net inflows into Irish FVCs have been positive for the past five quarters, totaling €53.1 billion. Q4 2015 saw the second-largest inflow into Irish FVCs since the series was first collected in Q4 2009.

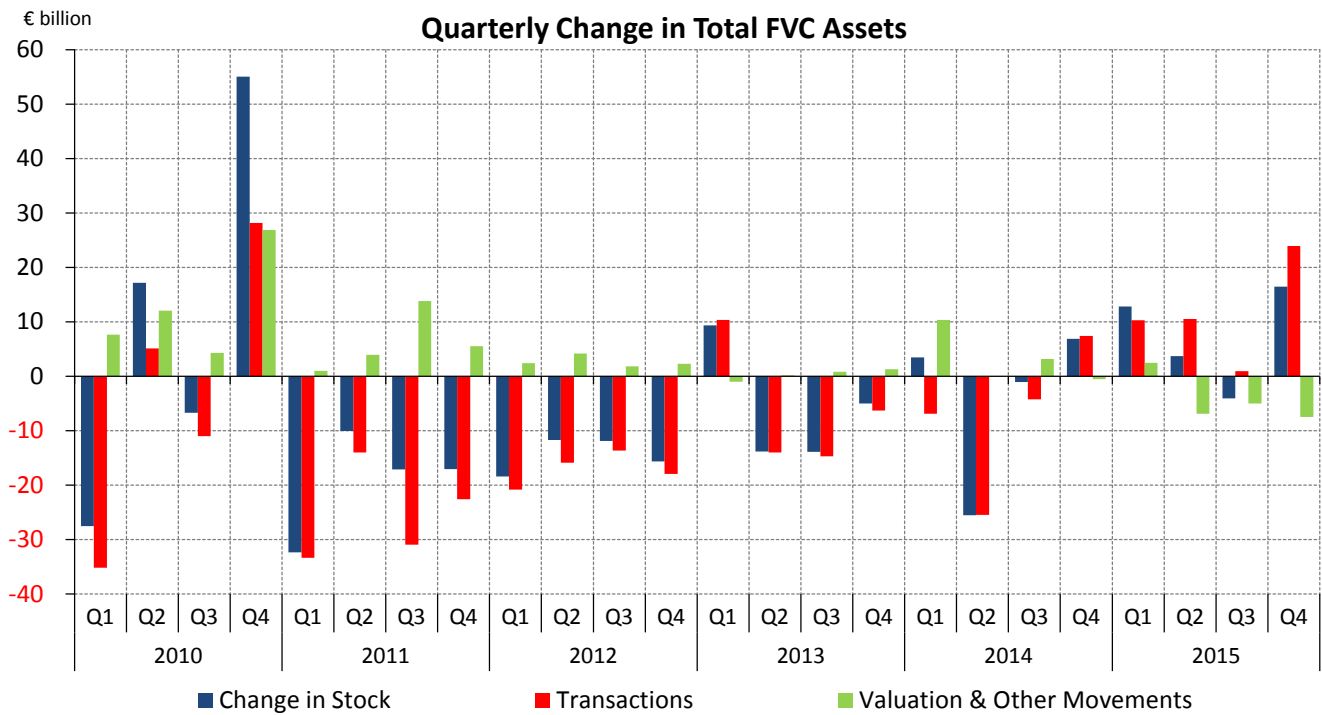
Euro area FVC asset values rose by €4 billion in Q4 2015 to €1,830 billion. Ireland's share of euro area assets rose from 22.7 per cent in Q3 2015 to 23.6 per cent in Q4 2015 (Chart 3), marking the largest share since Q2 2011. Ireland remains a major host location for the incorporation of securitisation vehicles in the euro area.

¹ Definitions of an FVC and 'securitisation' can be found on page 5 – in Notes to Editors.

² FVC data include assets of two NAMA vehicles at nominal value.

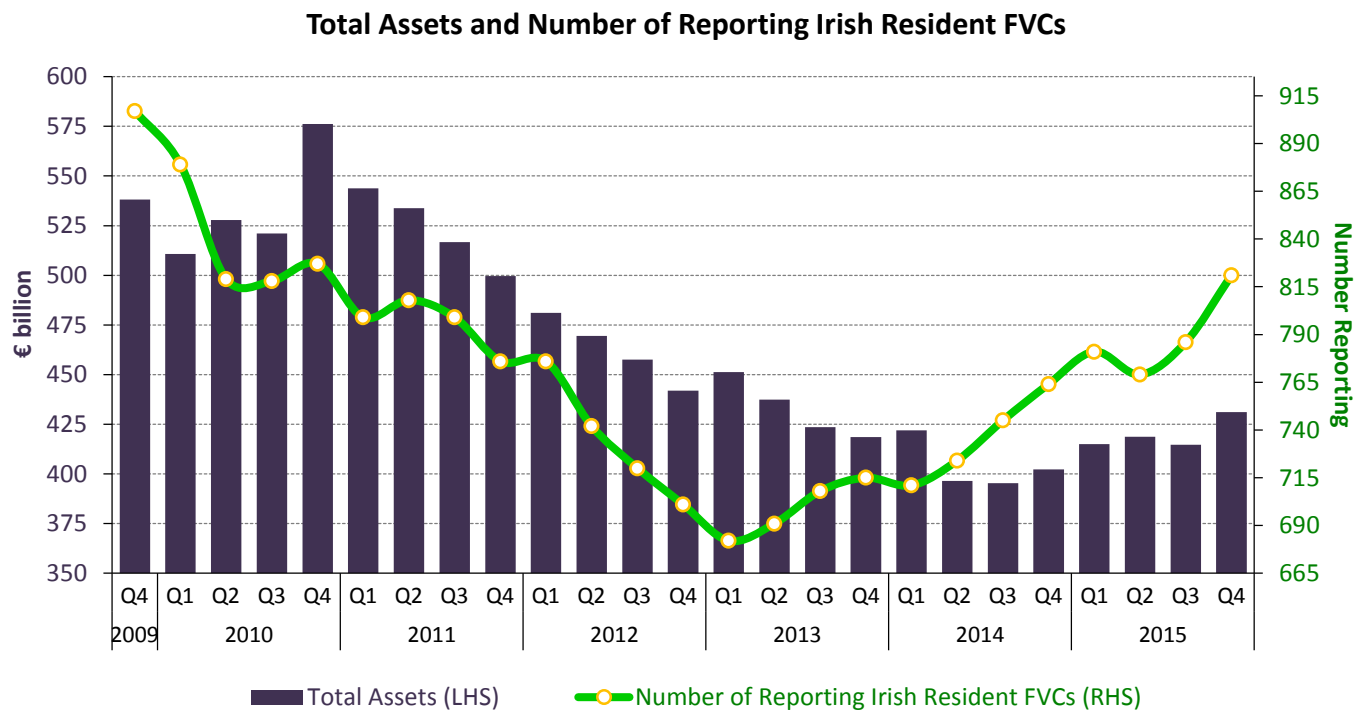
³ Securitised loans are recorded at nominal value in the FVC statistics. Should an FVC purchase securitised loans at below nominal value, an adjustment equal to the difference between the nominal and the purchase price is recorded on the liability side of the balance sheet in order to balance the assets and liabilities. This results in a positive valuation adjustment (affecting the green series in Chart 1) in the securitised loans and other liabilities categories. If an FVC sells on these securitised loans at a price below nominal, both of these categories are then affected by negative valuation adjustments.

Chart 1



Source: Financial Vehicle Corporation Statistics, Central Bank of Ireland.

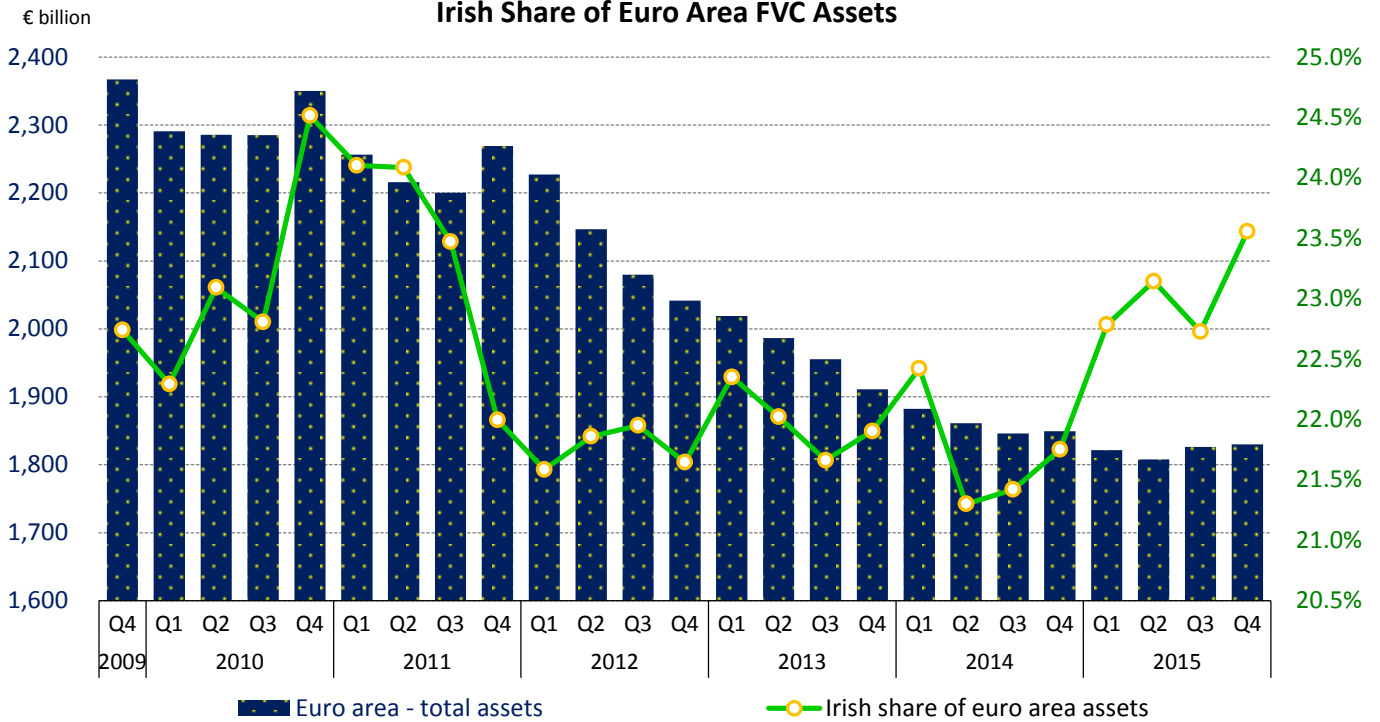
Chart 2



Source: Financial Vehicle Corporations Statistics, Central Bank of Ireland.

Chart 3

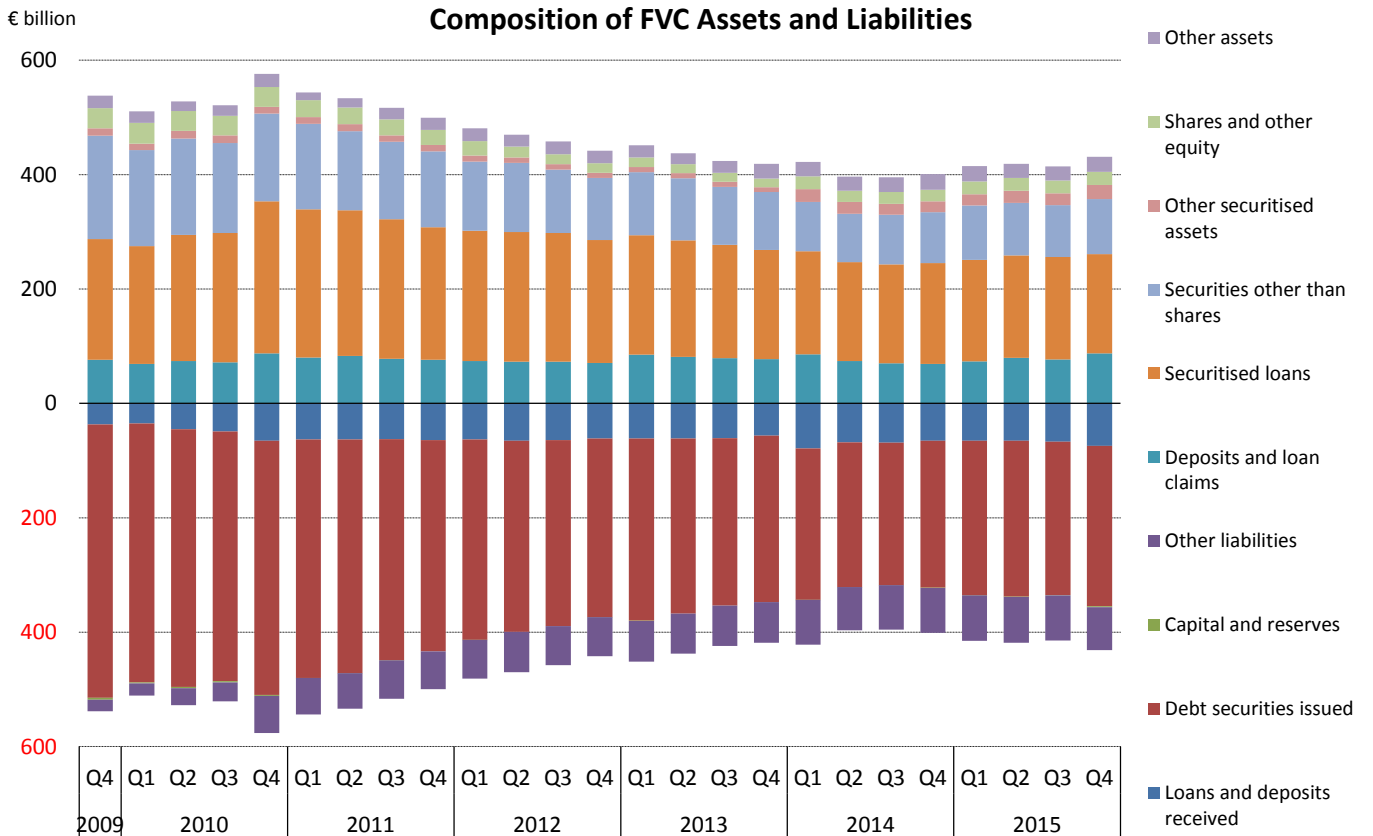
Irish Share of Euro Area FVC Assets



Source: Financial Vehicle Corporation Statistics, Central Bank of Ireland; Financial Vehicle Corporation Statistics, European Central Bank.

Chart 4

Composition of FVC Assets and Liabilities



Source: Financial Vehicle Corporation Statistics, Central Bank of Ireland; Financial Vehicle Corporation Statistics, European Central Bank.

Table 1: Assets and Liabilities of Irish Resident Financial Vehicle Corporations

		Outstanding Amounts - € billions				Transactions - € billions			
		2015Q1	2015Q2	2015Q3	2015Q4	2015Q1	2015Q2	2015Q3	2015Q4
Assets	Deposits and loan claims	73.7	79.6	76.9	87.3	4.4	5.6	-2.6	8.8
	To euro area FVCs	21.8	20.3	19.2	19.3	-1.3	-1.7	-1.2	0.3
	Securitised loans	177.5	178.9	178.9	174.0	0.3	0.7	1.5	1.1
	Originated by euro area MFIs	99.7	100.4	98.9	88.0	-0.7	0.3	-3.2	-4.8
	Domestic households	44.1	44.7	43.8	40.7	-0.4	0.7	-1.0	-2.1
	OMUM households	0.2	0.1	-	-	-	-0.1	-0.1	-
	Domestic non-financial corporations	44.3	43.7	41.9	34.8	-0.1	-0.8	-1.1	-2.2
	OMUM non-financial corporations	1.7	1.6	1.2	1.4	0.3	-0.1	-0.3	0.2
	Euro area residents (*)	-	1.2	1.7	1.7	-	1.3	0.2	-
	Non euro area residents	9.2	8.8	9.7	8.8	-0.5	-0.7	-1.2	-0.6
	Originated by euro area residents *	28.0	27.7	26.9	29.4	-1.2	-0.5	1.4	3.6
	Originated by euro area non-financial corporations	10.3	10.0	9.5	9.4	-0.6	-0.2	-0.4	-0.1
	Originated by non-euro area residents	39.5	40.8	43.6	47.2	2.9	1.1	3.7	2.5
	Securities other than shares	94.9	92.1	91.0	96.0	1.2	-0.7	-0.7	4.8
	Issued by euro area FVCs	11.6	12.1	11.8	12.1	0.2	0.5	-0.4	0.4
	Other securitised assets	19.8	21.2	20.7	24.9	1.0	1.5	-0.6	4.2
	Originated by euro area general government	0.8	0.8	0.7	0.7	-	-	-	-
Originated by euro area non-financial corporations	4.7	5.5	5.1	5.0	-	0.9	-0.5	-0.1	
Shares and other equity	22.0	22.2	22.3	22.5	1.0	0.6	0.3	0.3	
Issued by euro area FVCs	11.2	11.4	11.5	10.5	-0.4	0.2	0.1	-1.0	
Other assets	27.1	24.6	24.9	26.5	2.3	2.7	3.0	4.7	
Liabilities	Loans and deposits received	65.5	65.3	67.0	74.1	0.7	-	1.8	6.5
	From euro area FVCs	25.9	24.1	23.1	24.7	-1.7	-1.8	-0.9	1.6
	Debt securities issued	270.0	272.8	268.1	280.8	6.0	5.7	-3.7	12.0
	Up to 1 year original maturity	23.5	21.6	20.3	23.7	-0.4	-2.1	-1.2	3.3
	1 to 2 years original maturity	7.9	7.7	7.6	8.2	0.1	-0.1	-0.1	0.7
	Over 2 years original maturity	238.5	243.5	240.1	248.8	6.3	7.8	-2.4	8.0
	Capital and reserves	0.1	0.5	0.6	1.6	-0.4	-0.4	0.4	-0.1
	Other liabilities	79.4	80.1	79.0	74.6	4.0	5.2	2.4	5.6
Total		415.0	418.7	414.6	431.1	10.3	10.5	0.9	23.9

Notes to Editors

These data were 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](#).

‘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.

Further information

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