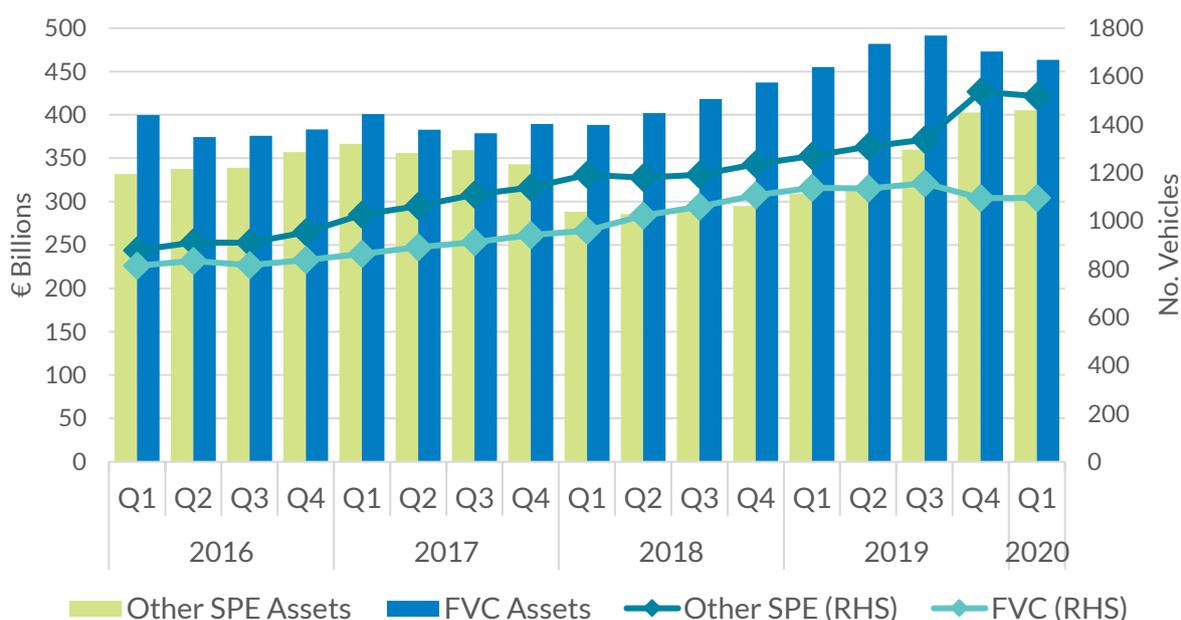




March represents the first month in which the data are impacted by the COVID-19 crisis, with the first known case in Ireland confirmed in late-February and the subsequent containment actions from mid-March. A number of data series already show effects of the reduction in economic activity in March; however it may take time for other series to be impacted.

Chart 1: Total Assets and Number of SPEs

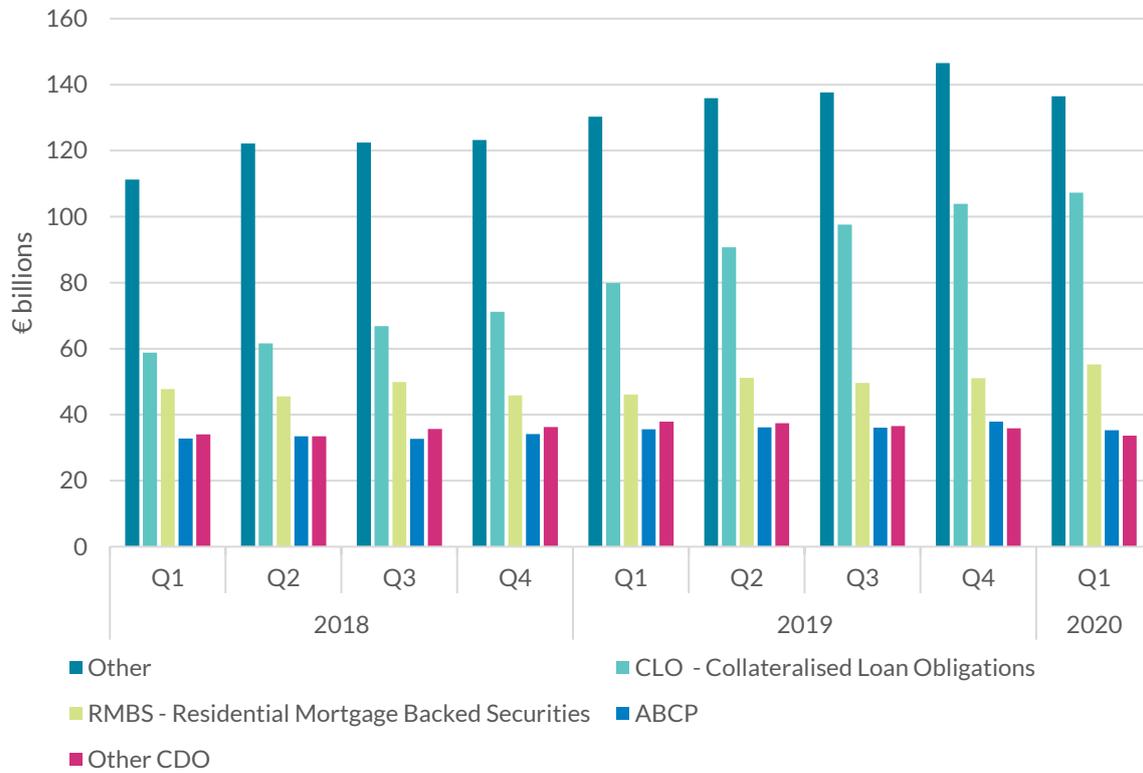


- Total assets of Irish-resident Special Purpose Entities (SPEs) fell by €7bn to €869bn in Q1 2020¹.** This decrease in activity during the quarter is reflected in a fall in the number of SPEs by 18 to 2,613. This is the first quarter to experience a decrease in the number of registered vehicles since Q3 2016.
- Within Irish-resident Securitisation SPEs, or Financial Vehicle Corporations (FVCs), total assets decreased by €9.5bn, to €463bn in Q1 2020.** This change was primarily due to a decrease in total assets (€5.5bn) of UK sponsored vehicles in the reporting population.
- Other SPEs experienced a modest increase of €2.5bn in total assets, bringing the total to €405bn in Q1 2020.** There was a slight increase experienced across most vehicle types and sponsor countries, offsetting a fall in total assets of €4.3bn in UK sponsored entities.

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



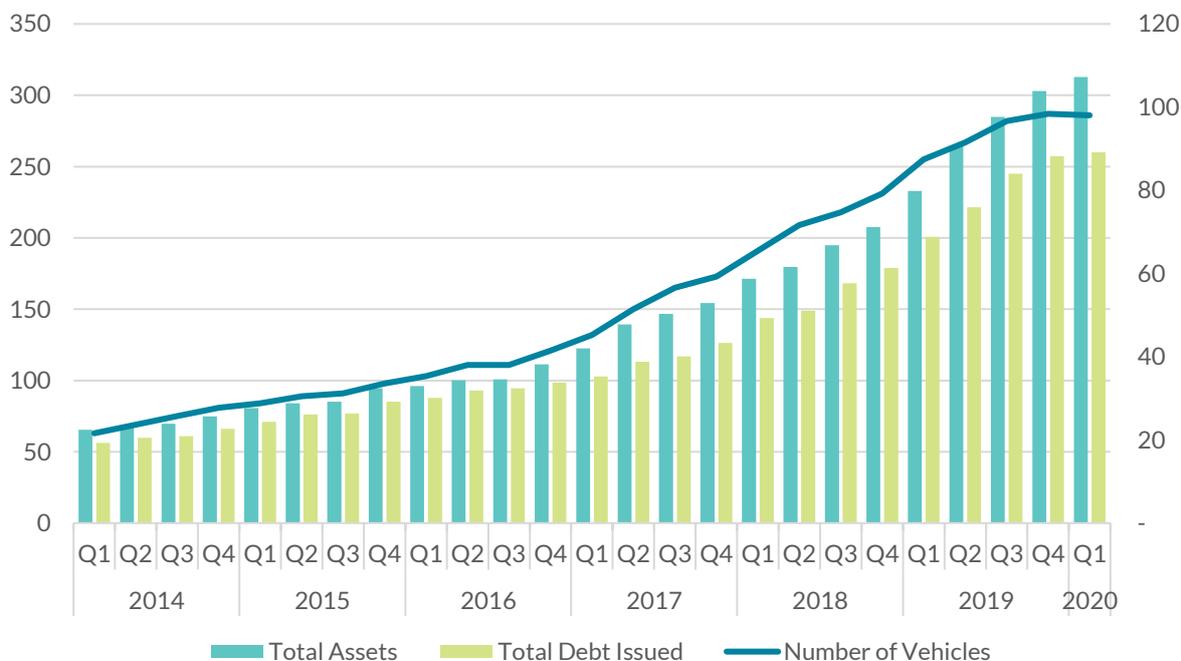
Chart 2: Top 5 FVC Activity Types (Total Assets €Bn)



- Regarding the top 5 FVC activity types, there was a notable decrease, 6%, in the Other category from €146.6bn to €136.6bn. This was primarily driven by UK sponsored vehicles and likely reflects sterling weakness during the quarter.



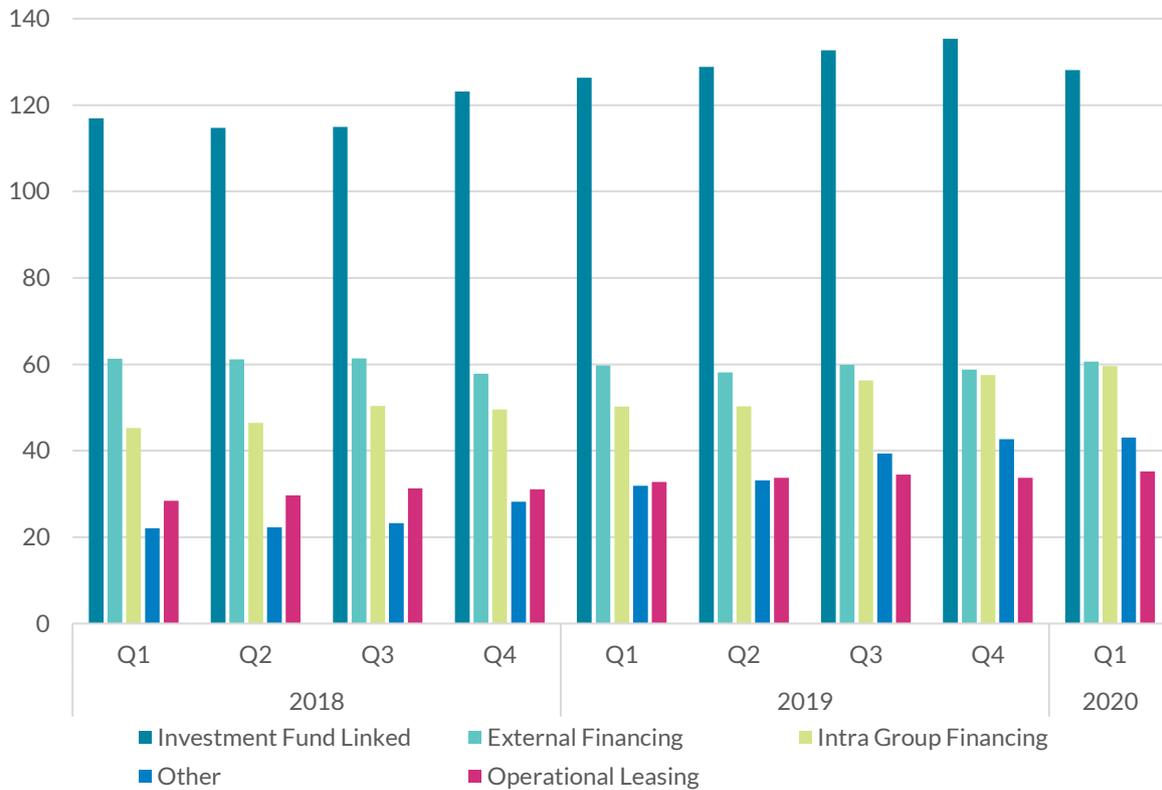
Chart 3: CLO Total Assets, Debt Securities Issued €Bn (RHS), and number of vehicles (LHS)



- Collateralised loan obligation vehicles (CLOs) experienced a €3bn, or 3%, increase, in the value of assets to €107bn in Q1. An increase in net issuances of debt securities (€6bn) was the main driver of this change. The majority of this comprised of new issuance by vehicles exiting their warehousing stage (€5bn). This increase was offset by a €4bn negative revaluation of CLOs' issued debt over the quarter.
- While total debt issued increased by a modest 1%, this masks negative revaluations of €4bn in the quarter, which were offset by net debt issuances of €6bn.



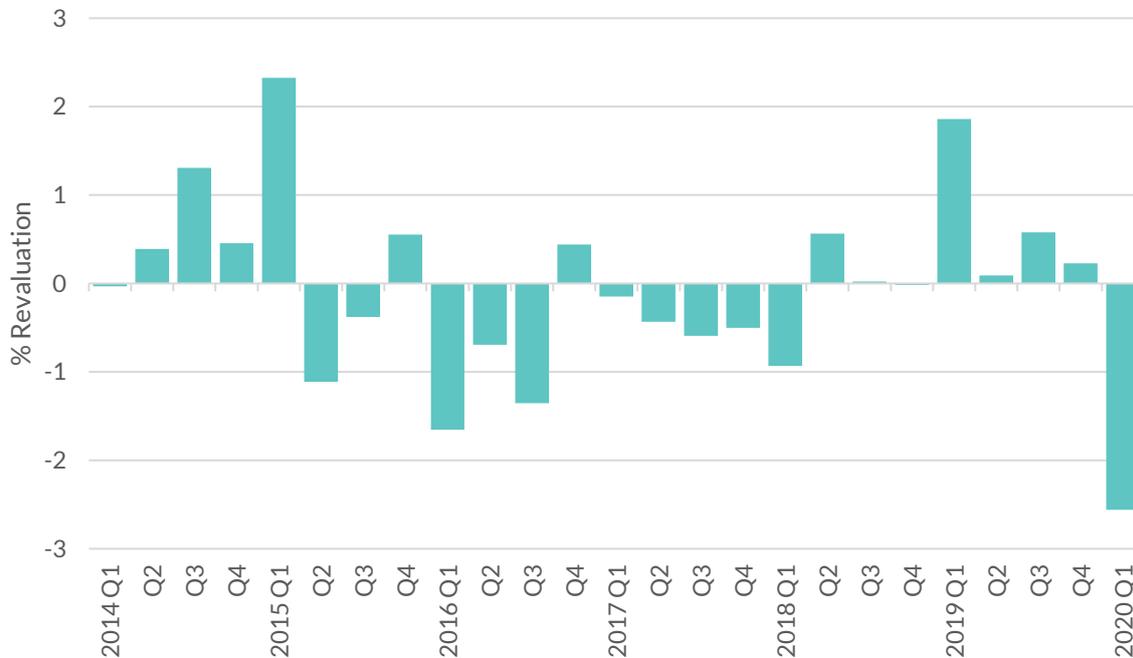
Chart 4: Top 5 Other SPE Activity Types (Total Assets €bn)



- Within Other SPEs, the four largest activity types represent 76% of the sector. The majority of the sponsors involved in the setup of these vehicles are US and UK Investment Funds as well as Non-Financial Corporations.
- Investment Fund Linked vehicles experienced a 7% decline in total assets in Q1, falling from €135.3 to €128.1bn. This was primarily driven by sales and negative revaluations of debt securities held by UK sponsored vehicles.
- Operational Leasing assets grew by 4.4% to €35bn in Q1. This sector is mostly comprised of aircraft leasing vehicles, a sector which is vulnerable in the current crisis. Nonetheless, the potential effects of the current crisis is not immediately observable, possibly reflecting timing and the fact that this sector only uses market data in aircraft valuation on an annual or biannual basis.



Chart 5: Revaluations of Debt Securities Issued



- Securitised debt issued by Financial Vehicle Corporations saw a revaluation of -2.6% during the quarter. Although this is the largest negative revaluation on record, it is still modest given the unforeseen events in the second half of the quarter. However, it is possible that the impact of COVID-19 on FVC issued debt is yet to be fully realised.
- There were some extreme valuation adjustments in the quarter at an individual security level, but these were concentrated in the higher risk equity tranches and other junior tranches.

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.