

European Securitized Products Weekly

Alpha in Retention Compliant US CLOs and ABS Clean-up Calls

- **ECB's TLTRO Ups Cleanup Call Optionality** — The ability to borrow up to €400bn from the ECB at 25bp should motivate Euro-area banks to optimize their wholesale funding mix, increasing the likelihood of clean-up call exercises in legacy ABS deals
- **Rank-Ordering Cleanup Call Candidates** — We identify 62 RMBS and ABS deals that are passing or nearing their clean-up call thresholds and calculate originators' incentive to call these transactions by comparing performing assets with liabilities. Spanish deals dominate the universe of most likely call candidates under this metric
- **Risk Retention Compliant US CLOs May Move Euro Spreads** — Demand-supply imbalance has kept US CLO mezz 50-75bp cheaper than European CLO mezz. If the set of US managers bringing retention-compliant CLOs to Europe increases from the current universe, we expect greater convergence between the two spreads
- **Risk Retention Need for Banks and Funds Limits Manager Choice** — Carlyle's recently announced third deal in less than six months illustrates the advantages that PE firms enjoy, but also points to limits in the potential size of the Euro CLO market
- **Higher Euro CLO 2.0 Overlap in New S&P Study Likely To Continue** — Cleaner collateral and higher subordination go a long way to mitigate investor risks in deals, but the high overlap, due to a smaller loan and manager universe, is likely to remain

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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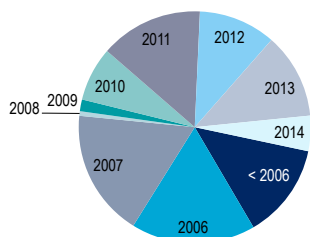
Exploring US CLOs and ABS Clean-up Calls

ECB's TLTRO Ups Cleanup-call Optionality

The targeted long-term refinancing operation (TLTRO) unveiled by the ECB at the June meeting entitles Euro-area banks to initially borrow up to €400 billion for four years at a fixed rate of 25bp (refi + 10bp spread) (see [ECB TLTRO: Ambitious But Probably Not Enough, QE Lies Ahead](#) and [ECB reviving the ABS market, or killing it?](#)). While the ECB mentioned that “a number of provisions will aim to ensure that the funds support the real economy,” we think that the availability of ECB's low cost funding increases the likelihood of originators exercising clean-up calls in ABS and RMBS deals.

The clean-up call feature enables issuers to wind-down securitization structures that are uneconomical to service following significant deleveraging due to high fixed costs and high coupon on subordinate notes. Generally speaking, issuers have the right to call all the outstanding notes at par once the deal balance falls under 10% of the original balance. However, many issuers did not call their deals even after the clean-up call triggers were achieved likely because of the high alternative cost of funding the underlying (residual) assets. For instance, Italian originator Banca Nazionale del Lavoro did not call its VELAH 1 RMBS transaction for a long time even after the collateral balance dropped below the clean-up call threshold ([Italian RMBS - Truffle Hunting Among Poisonous Mushrooms](#)). As our analysis below shows, there are many other deals that are close to clean-up call thresholds. ECB's cheap funding should incentivize originators to optimize their wholesale funding by cleaning up such legacy securitizations, leading to good upside in their bonds trading at discounted prices.

Figure 1. Distribution of Placed European Securitized Market by Vintage



Source: Concept ABS, Bloomberg and Citi Research

A good portion of the placed securitized universe in Europe comprises of legacy deals that were issued prior to 2008 (Figure 1). Many of these deals have amortized significantly and are either passing or approaching their clean-up call triggers. We shortlist 62 such deals whose current balance is below or within five percentage point range of the clean-up call threshold (Figure 2). As can be seen, Spanish RMBS and SME ABS dominate the list and there are a few Italian and Portuguese RMBS, and some consumer ABS deals as well. To gauge the likelihood of the clean-up call being exercised, we compare total performing collateral plus reserve fund balance (assets) to the total outstanding note balance (liabilities). Those deals that have higher net assets relative to liabilities present better economics for originators to exercise clean-up calls. We show the amount of net assets as a percentage of liabilities (originators incentive for exercising clean-up call) in the last column of the below table. A higher number denotes greater incentive for the originator to call the deal. Our analysis shows that 48 of the 62 deals we examine have more assets than liabilities and, as such, are good clean-up call candidates for originators.

Figure 2. List of RMBS and ABS Deals With Pool Balance Below or Close to the Clean-up Call Threshold and Originators' Incentive to Call

Sector	Deal Name	Originator	Current Pool Factor	Clean-up Call	Total Tranche Balance	Performing Pool Balance	Reserve Fund	(Assets-Liabilities) /Liabilities*
French Auto	TTSOC 2011-1	Socram Banque	13.1%	10.0%	59,001,660	64,132,703	4,500,000	16.3%
German Auto	DRVON 9	Volkswagen Bank	13.2%	9.0%	91,730,751	98,635,215	9,000,865	17.3%
Italian Consumer Loans	SUNRI 2	Agos	15.0%	20.0%	195,319,537	249,103,598	21,750,000	38.7%
Italian RMBS	ARCOB 2006-1	Credifarma	10.7%	10.0%	11,977,906	23,266,906	-	94.2%
	BPLR 2004	Banca Popolare di Lodi	13.4%	10.0%	136,289,071	134,037,386	13,545,360	8.3%
	BPSPL 1	Banca Popolare di Spoleto	9.5%	10.0%	18,854,092	19,585,498	4,026,343	25.2%
	FIREN 1	Banca CR Firenze	8.8%	10.0%	46,858,632	45,330,863	1,538,400	0.0%
	VELAH 2	Banca Nazionale del Lavoro	11.5%	10.0%	135,791,577	144,682,684	3,153,750	8.9%
Portuguese RMBS	AZOR 1	Banco Comercial dos Acores	10.1%	10.0%	54,085,293	55,668,734	4,909,023	12.0%
	HIPOT 1R	Banco Santander Portugal	13.4%	10.0%	185,667,062	173,797,315	11,000,000	-0.5%
	PELIC 1	Montepio Geral	9.5%	10.0%	62,954,574	63,714,481	5,774,177	10.4%
Spanish Auto	BBVAA 2	Banco Bilbao Vizcaya Argentaria	3.9%	10.0%	41,292,735	41,292,733	15,700,000	38.0%
	BBVAF 2007-1	BBVA Finanzia	6.1%	10.0%	55,895,054	51,544,199	-	-7.8%
	DRVES 2011-1	Volkswagen Finance	13.3%	9.0%	73,597,109	84,985,114	10,312,500	29.5%
Spanish Consumer Loans	BBVAC 2006-1	Banco Bilbao Vizcaya Argentaria	3.8%	10.0%	62,421,744	62,421,648	21,750,000	34.8%
	BBVAC 2006-2	Banco Bilbao Vizcaya Argentaria	4.8%	10.0%	69,962,909	85,955,107	23,400,000	56.3%
	BCJAC 1	Bancaja	0.5%	10.0%	15,526,988	2,626,987	240,742	-81.5%
	SANFI 2006-1	BSCH	4.5%	10.0%	125,782,549	86,312,770	-	-31.4%
	TDAPC 2007-1	Banco Pastor	9.6%	10.0%	17,892,415	10,596,121	-	-40.8%
Spanish RMBS	BBVAH 3	BBVA	6.5%	10.0%	93,470,416	93,470,380	16,925,398	18.1%
	BCJAF 4	Bancaja	14.3%	10.0%	143,241,165	144,941,858	4,000,000	4.0%
	BCJAM 1	Bancaja	11.9%	10.0%	81,845,216	81,845,216	6,625,420	8.1%
	BFTH 2	Bankinter	8.0%	10.0%	27,482,849	27,482,849	1,923,799	7.0%
	BFTH 3	Bankinter	13.7%	10.0%	186,194,381	186,194,380	13,225,000	7.1%
	HIPO HIPO-4	Caixa Catalunya	15.4%	15.0%	45,175,625	46,808,857	2,569,277	9.3%
	HIPO HIPO-5	Caixa Catalunya	17.7%	15.0%	123,565,108	123,881,381	6,178,255	5.3%
	HMSF X	Santander Central Hispano	12.0%	10.0%	105,857,868	110,338,557	1,103,386	5.3%
	RHIPO 3	Multiple	12.0%	10.0%	39,466,827	39,466,827	3,250,172	8.2%
	TDA 12	Multiple	7.4%	10.0%	37,169,646	36,961,786	5,138,563	13.3%
	TDA 14	Multiple	13.6%	10.0%	81,028,026	62,325,583	4,685,081	-17.3%
	UCI 5	Union de Creditos Inmobiliarios	6.9%	10.0%	18,294,305	18,294,302	2,650,000	14.5%
	UCI 6	Union de Creditos Inmobiliarios	9.3%	10.0%	42,364,510	42,364,515	4,570,000	10.8%
	UCI 7	Union de Creditos Inmobiliarios	11.8%	10.0%	52,090,653	53,901,690	3,412,500	10.0%
	UCI 8	Union de Creditos Inmobiliarios	12.6%	10.0%	73,626,793	75,340,232	6,000,303	10.5%
Spanish SME	AYTPI I	Multiple	6.9%	10.0%	19,432,807	20,370,295	8,500,000	48.6%
	AYTPY II	Confederacion Espanola De Cajas De Ahorros	11.6%	10.0%	54,314,670	54,314,669	11,865,673	21.8%
	BBVAP 3	BBVA	1.8%	10.0%	19,548,209	19,548,206	10,159,537	52.0%
	BBVAP 4	BBVA	2.6%	10.0%	32,551,162	32,551,161	2,805,435	8.6%
	BBVAP 5	Banco Bilbao Vizcaya Argentaria	4.8%	10.0%	97,464,582	85,917,090	-	-11.8%
	BBVAP 8	BBVA	14.4%	10.0%	147,722,044	159,950,051	2,149,352	9.7%
	BCJA 2	Bancaja	4.3%	10.0%	20,571,164	20,571,154	1,128,747	5.5%
	BCJA 3	Bancaja	4.0%	10.0%	31,739,902	30,623,402	-	-3.5%
	BCJA 5	Bancaja	7.5%	10.0%	104,235,901	74,809,802	-	-28.2%
	CIBFT III	Caja de Madrid	5.2%	10.0%	23,408,738	23,507,506	17,404,878	74.8%
	CMBAN 1	Bancaja	10.2%	10.0%	61,425,032	51,250,225	11,742,212	2.6%
	GATGE 2006	Caixa Catalunya	9.9%	10.0%	51,491,633	44,345,166	13	-13.9%
	GCSAB 4	Banco de Sabadell	9.3%	10.0%	70,012,024	76,861,522	-	9.8%
	GCSAB 5	Banco Sabadell	10.3%	10.0%	136,016,489	136,016,489	7,278,458	5.4%
	IMTER 1	Caixa Terrassa	8.8%	10.0%	28,710,498	28,839,967	8,681,947	30.7%
	PAST 3	Banco Pastor	4.8%	10.0%	21,685,902	21,685,899	809,547	3.7%
	PAST 4	Banco Pastor	8.3%	10.0%	63,000,000	56,926,047	-	-9.6%
	POPUP 1	Banco Popular	5.7%	10.0%	116,571,857	116,207,607	9,042,705	7.4%

POPYM 2006-1	Multiple	14.2%	10.0%	304,810,159	278,301,920	41,388,999	4.9%
POPYM 2007-2	Multiple	8.3%	10.0%	210,279,565	173,135,470	25,313,919	-5.6%
PYME 6	Banco Guipuzcoano	9.7%	10.0%	13,343,730	14,107,740	1,348,481	15.8%
SABDL 1	Banco de Sabadell	10.8%	10.0%	54,099,437	59,353,905	8,035,267	24.6%
SANFT 1	Santander Central Hispano	9.5%	10.0%	170,853,499	170,464,918	18,000,000	10.3%
SANFT 2	Santander Central Hispano	13.7%	10.0%	246,873,335	246,873,369	16,782,091	6.8%
SANTM 1	Santander Central Hispano	7.6%	10.0%	235,272,351	235,272,348	23,855,940	10.1%
SANTM 2	Santander	7.6%	10.0%	272,774,550	219,074,553	31,387,147	-8.2%
SANTM 3	Banco Santander Central Hispano	13.8%	10.0%	532,194,953	483,949,526	-	-9.1%
TDCAM 2	Caja de Ahorros del Mediterraneo	8.1%	10.0%	45,580,806	45,931,448	527,498	1.9%

* Assets = Performing collateral balance + reserve fund; Liabilities = aggregate outstanding balance of all tranches

Source: INTEX, Bloomberg, Concept ABS, Investor Reports and Citi Research

Figure 3. Average Pair-wise Obligor Overlap in Euro CLOs, June 2014

	CLO 1.0	CLO 2.0
CLO 1.0	22.0%	19.0%
CLO 2.0	19.0%	30.0%

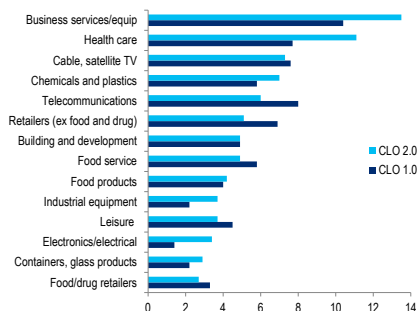
Source: Standard and Poor's

Figure 4. Average Pair-wise Obligor Overlap in US CLOs, December 2012

	CLO 1.0	CLO 2.0
CLO 1.0	21.7%	21.4%
CLO 2.0	21.4%	26.0%

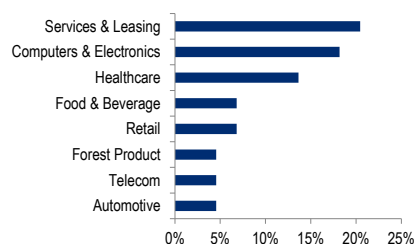
Source: Moody's

Figure 5. Aggregate Exposure By Largest Industry Sectors, %



Source: Standard and Poor's

Figure 6. Sectors by Issuer Count in €14.6bn of issuance across 44 deals in Q1 2014



Source: S&P LCD

Retention May Drive US-Euro CLO Spread Convergence

Standard and Poor's Spotlight on Euro Overlap

Investors will not be surprised at the significant overlap that Standard and Poor's new study¹ finds among Euro CLO portfolios. The degree of overlap is especially high for new Euro CLOs (CLO 2.0s), with an average 30% overlap (Figure 3). For deals that are managed by the manager, the study shows that overlap is even higher at 51%, albeit for a small sample size. Higher overlap in deals managed by the same entity is expected, and is also a feature of the US CLO market. An older study² of the US market by Moody's found lower overlap among US CLO 2.0s than in the Euro product (Figure 4) as well as a higher overlap of 52% in deals from the same manager. As an aside, the study (as with Standard and Poor's Euro study) found significant dispersion from the averages quoted in the two adjacent figures, meaning that CLO investors looking for more diversification (and less tail risk) should focus also on the specific investment strategies of different managers. Minimizing participation in deals from the same manager is not enough.

The overlap is exacerbated by a smaller number of credits that are eligible to form part of CLO 2.0 pools, and the nature of loan issuance that is currently occurring. The limitation on peripheral country credits, as well as on loan ratings derived from other agencies (if a CLO is rated by more than one agency), also puts constraints on the number of credits. Another barrier towards higher diversity derives from constraints on loans originated by the investment manager or its affiliates, and limits on PE portfolio company borrowers. Many CLO managers are backed by PE firms, which have been recently active in originating loans that are used to refinance or recapitalize their portfolio companies. As Figure 5 shows, the leading sector has a higher exposure in CLO 2.0s (13.5% versus 10.4% in CLO 1.0s). The top five sectors comprise 45% of CLO 2.0 pools versus 40.6% for CLO 1.0 pools.

Loan issuance, too, has limited the number of available credits for CLO 2.0s to buy. New issuance typically derives from either refinancings or recapitalizations and comes from a few sectors (Figure 6) and fewer issuers compared with pre-crisis numbers. Moreover, most loan issuance has been from large cross-border activity, which does not lend to more diversified issuance from smaller companies.

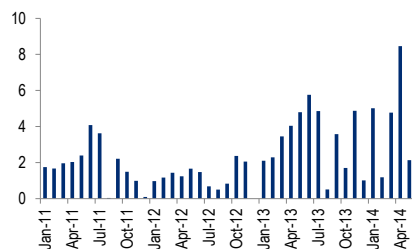
Diversity Unlikely To Increase Significantly Soon

Deleveraging of older deals is likely to decrease diversity in CLO 1.0s. As far as CLO 2.0s go, more LBO, rather than refinancing, activity would be one source of net new issuance that could lead to more diversity, but this is not expected to happen soon. Just 36% of sponsored loan volume came from buyout activity, compared to an average of 50% in 2013, according to LCD data. Low European growth prospects, too, are unlikely to trigger a raft of new deals. On the positive side, tighter loan pricing and the new willingness of investors to accept cov-lite loans may bring PE sponsors back to using loans rather than bonds to finance their buyouts. LCD data also shows that 83% by count of M&A refinancing in Q1 2014 was proposed to be executed in loan-only format, versus 60% by count during 2013. Higher institutional tranche volumes (Figure 7) partly reflect this preference. Tighter loan spreads would certainly not benefit the case for Euro CLO equity (which, from portfolio theory, paradoxically benefits from lower diversity), but an increasing number of borrowers and higher diversity would help senior CLO tranches.

¹ Portfolio Overlap In European CLO 2.0 Transactions Reflects Collateral Scarcity, Standard and Poor's, 10 June 2014

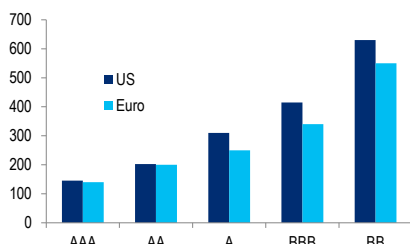
² Obligor Overlap in CLOs Issued After 2009 Is Similar to That of Pre-Crisis CLOs. Moody's Investors Service, December 2012

Figure 7. Institutional tranche issuance, €bn



Source: S&P LCD

Figure 8. US and Euro CLO new issue spreads, bp



Source: Citi Research

Figure 9. Compliance with Retention and Volcker Requirements for 2014 Euro CLOs

Deal	Manager	Retention	Volcker
Jubilee CLO 2014-XI	Alcentra	Vertical	Yes, 3a7
Harvest CLO VIII	3i	Equity	No
Carlyle Euro CLO 2014-1	Carlyle	Vertical	No
Babson Euro 2014-1	Babson	Vertical	No
CVC Cordatus Loan Fund III	CVC	Vertical	No*
St. Paul's IV CLO	ICG	Vertical	No
Holland Park CLO	GSO/Blackstone	Vertical	No
Jubilee CLO 2014-XII	Alcentra	Vertical	Yes, 3a7
Avoca CLO XI	Avoca	Equity	Yes, 3a7
Oaktree Arbour CLO	Oaktree	Equity	No
Carlyle Euro CLO 2014-2	Carlyle	Vertical	No*
Harvest CLO IX	3i	Equity	Yes, Loan-only
ALME Loan Funding II	Apollo	Vertical	No*

*Non-voting senior tranches issued

Source: Citi Research

High CLO Volumes Despite Headwinds Reflect Appetite

Despite the higher overlap and many regulatory headwinds (some of which indirectly contribute to the overlap), Euro CLOs are seeing healthy demand. Deal volume to date stands at €5.7bn, in line with our annual €10bn forecast made at the beginning of the year. Several managers have done repeat deals, with the latest example being Carlyle, who recently announced their third deal in 2014.

The European regulatory initiatives are negative for new CLO activity, however, and are even more punitive than for the US product. The European risk retention requirements ('Capital Requirements Regulation') are binding since January 2014 (unlike the US where risk retention for CLOs is still under discussion). Three European regulatory bodies (EBA for banks, ESMA for investment firms, and EIOPA for insurance companies) affect CLO investment activity for the three investor groups. The rules mean that issuers (including CLO sponsors/originators) have to satisfy retention requirements in one of four ways to be able to sell their deal to European banks and regulated investment firm investors. For CLOs, only two ways (a 5% vertical slice across all tranches, or a 5% horizontal equity slide) are practical. Risk retention has also meant that the number of managers who have the capital to participate is limited ([CLO Risk Retention – Too Big To Fail? – A Tale Of Unintended Consequences](#)). The rule is likely to ensure that a few PE-backed firms such as Carlyle, 3i and KKR, are likely to dominate the Euro CLO landscape in the near future. The relationship between higher overlap and deals managed by the same entity is likely to keep overlap levels among new deals at the higher end. Rules don't end just at risk retention – there are requirements on disclosure and underwriting criteria that will limit investor participation due to high overhead costs.

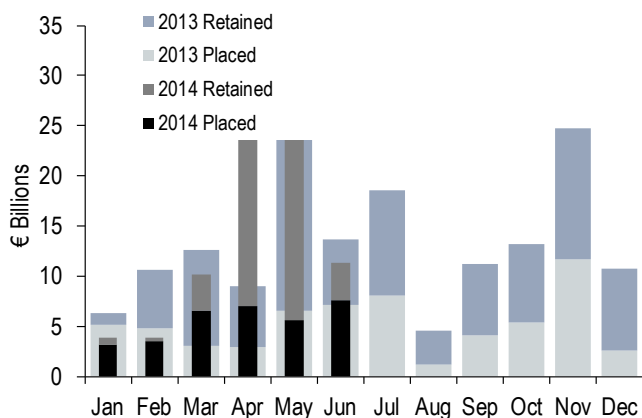
The US Volcker Rule ([The Fed's Volcker Postponement - Getting Banks Back into Triple-As](#)) also impacts the Euro CLO product because it determines whether US banks (or foreign banks with 'significant' US links) can buy the Euro bonds. There is another impact from the relative value between Euro and wider US triple-A spreads (Figure 8) that have persisted since the US rules came into effect earlier this year and led to the withdrawal of several smaller US bank investors. So far, a few European deals have tried to make themselves compliant by either issuing senior notes with no voting rights which avoids an 'ownership' clause in the Volcker Rule, or by structuring deals that follow a '3a-7' exception ([Some Volcker Paths: 3a7 and Second-Lien](#)). Our view of the path that different deals have followed (Figure 9) is based on anecdotal evidence after talking to market participants.

Positive Euro Technicals Vulnerable To US Supply

Euro CLO spreads have remained tight because of limited supply. Conversely, the US CLO market has benefited from wider loan spreads and an improving arbitrage but that has also resulted in substantial bond supply and a softening in liability spreads across the capital structure. The absence of risk retention in US deals has kept many regulated European fund and bank buyers away from the US CLO product, but a greater willingness from USD-based PE investor-managers to satisfy European retention rules may attract European buyers looking for collateral diversification. So far, only a handful of US managers have brought such US CLO deals to market (with the latest being a USD 1bn deal from Onex). Should the more established and larger managers also choose to bring such deals to Europe, we suspect the spread differential between Euro and US deals shown in Figure 8 will start to narrow.

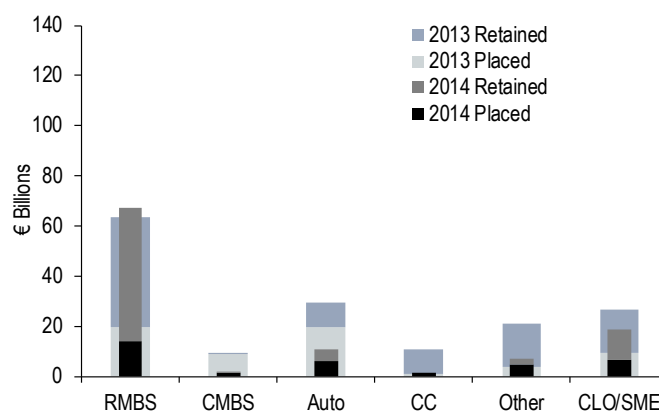
New Issuance

Figure 10. Placed and Retained Issuance by Month, 2013–2014YTD (€ billions)



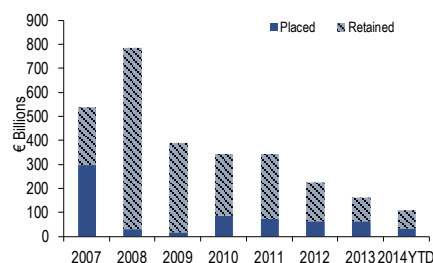
Source: Concept ABS, IFR, Informa and Citi Research

Figure 11. Placed and Retained Issuance by Sector, 2013–2014YTD (€ billions)



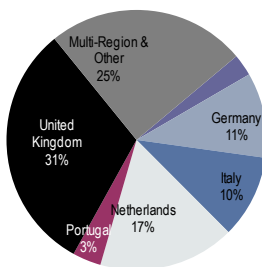
Source: Concept ABS, IFR, Informa and Citi Research

Figure 12. Annual Historical Placed and Retained Issuance, 2007–2014YTD (€ billions)



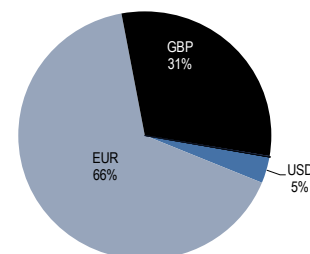
Source: Concept ABS, IFR, Informa and Citi Research

Figure 13. Placed Issuance by Region, 2014YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 14. Placed Issuance by Currency, 2014YTD (% of Total, € Equivalent)



Source: Concept ABS, IFR, Informa and Citi Research

Figure 15. Placed and Retained Issuance by Sector, 2013* and 2014YTD (€ million)

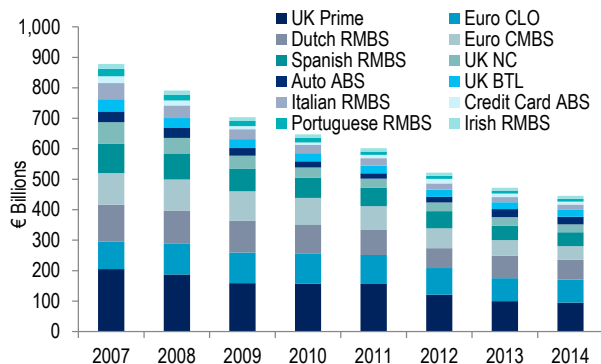
	RMBS(MM)		CMBS(MM)		Autos(MM)		Credit Card ABS(MM)		CLO/SME(MM)		Other(MM)		Total(MM)	
	2014YTD	2013	2014YTD	2013	2014YTD	2013	2014YTD	2013	2014YTD	2013	2014YTD	2013	2014YTD	2013
Placed	13,864	19,507	1,170	9,081	6,119	19,825	1,397	1,122	6,365	9,250	4,480	3,836	33,396	62,620
Retained	53,547	44,189	790	202	4,483	9,465	-	9,650	12,299	17,383	2,655	17,147	73,774	98,036
Total	67,411	63,696	1,960	9,282	10,602	29,289	1,397	10,772	18,664	26,633	7,136	20,983	107,170	160,656

* 2013 complete year

Source: Concept ABS, IFR, Informa and Citi Research

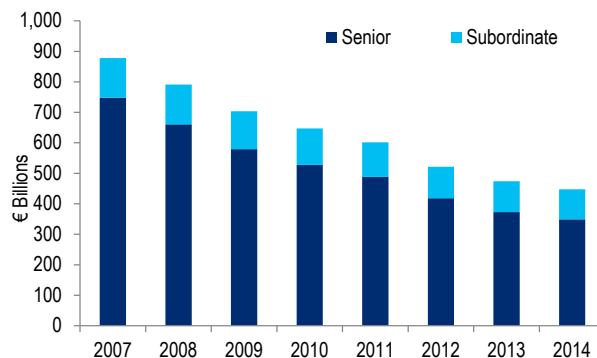
European ABS Outstanding and Technicals

Figure 16. European Securitized Products Outstanding Balance by Sectors, 2007 – 2014 (€ eq billion)



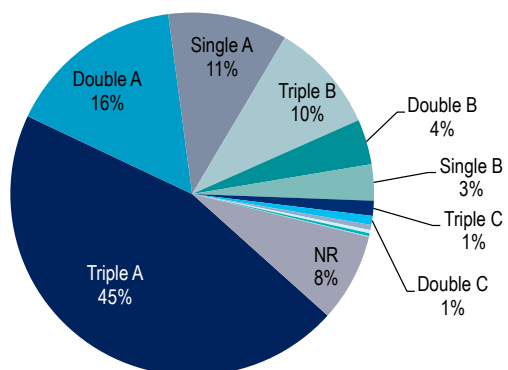
Source: Bloomberg, INTEX and Citi Research

Figure 17. European Securitized Products Outstanding Balance by Senior and Subordinate Notes, 2007 – 2014 (€ eq billion)



Source: Bloomberg, INTEX and Citi Research

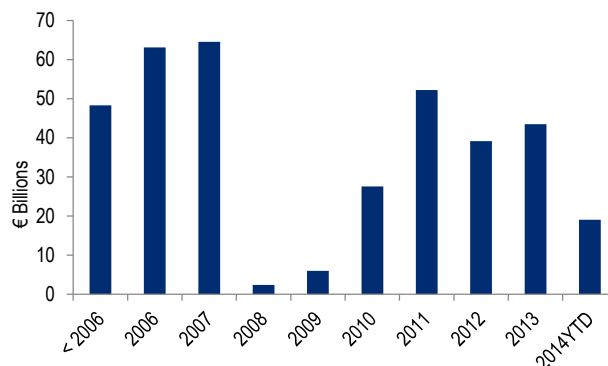
Figure 18. European Securitized Products* Current Placed Outstanding by Rating#



#Bloomberg composite rating, *Excludes Euro CLO

Source: Bloomberg, INTEX and Citi Research

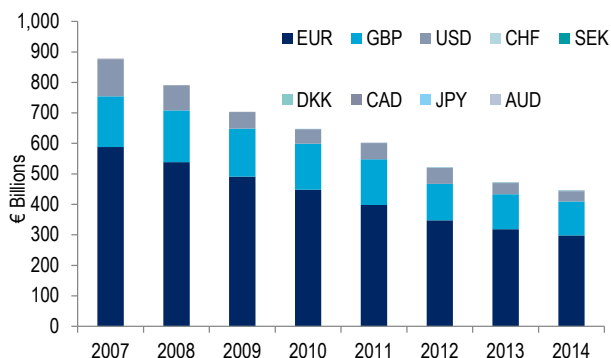
Figure 19. European Securitized Products* Current Placed Outstanding by Vintage (€ eq billion)



*Excludes Euro CLO

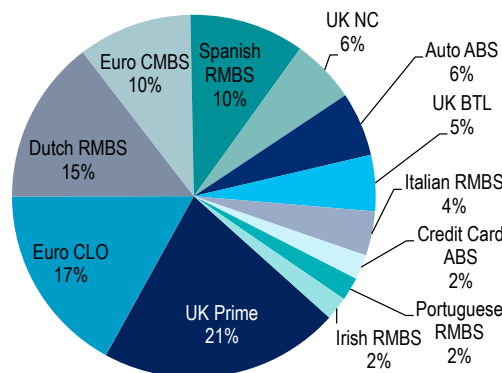
Source: Bloomberg and Citi Research

Figure 20. European Securitized Products Outstanding Balance by Currency, 2007 – 2014 (€ eq billion)



Source: Bloomberg, INTEX and Citi Research

Figure 21. European Securitized Products Current Placed Outstanding by Sector

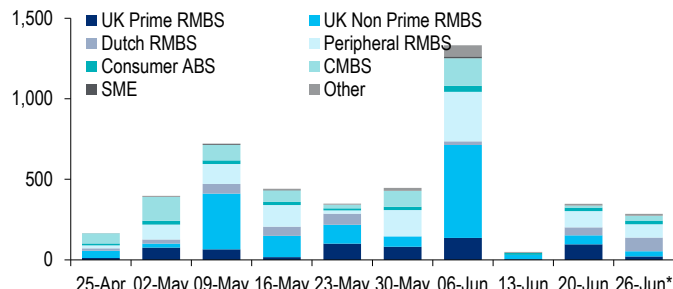


Source: Bloomberg, INTEX and Citi Research

BWIC Tracker

Weekly and Monthly BWIC Volume

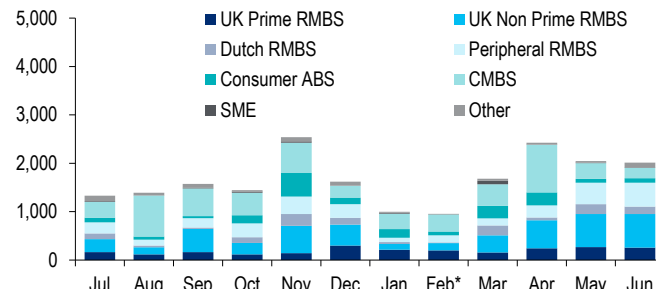
Figure 22. Weekly BWIC Volume by Sector, Apr 2014–Jun 2014* (\$ eq. million)



* Data until 26 Jun

Source: Citi Research

Figure 23. Monthly BWIC Volume by Sector, Jul 2014 – Jun 2014* (\$ eq. million)

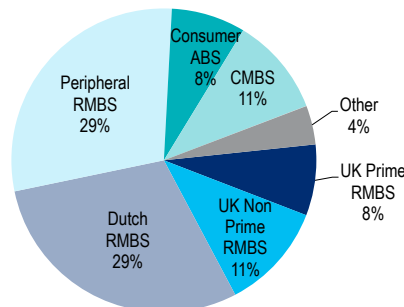


* Data until 26 Jun

Source: Citi Research

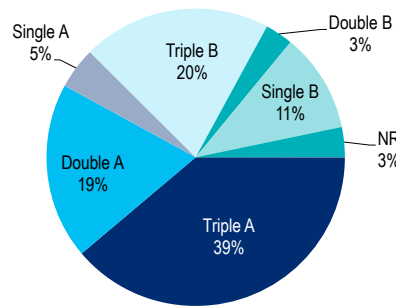
Last Week's BWIC Distribution by Sector, Rating and Currency

Figure 24. BWIC Volume Distribution by Sector, 19 Jun – 26 Jun 2014 (%)



Source: Citi Research

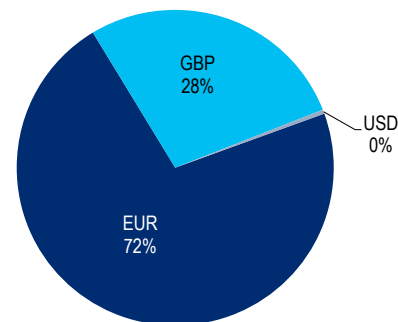
Figure 25. BWIC Volume Distribution by Current Rating*, 19 Jun – 26 Jun 2014 (%)



* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

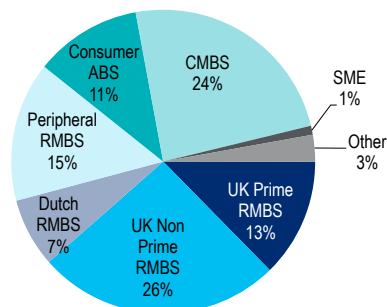
Figure 26. BWIC Volume Distribution by Currency 19 Jun – 26 Jun 2014 (%)



Source: Citi Research

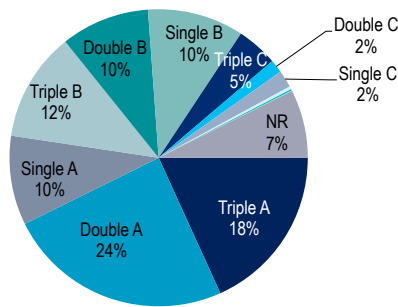
YTD BWIC Distribution by Sector, Rating and Currency

Figure 27. BWIC Volume Distribution by Sector, 2014YTD (%)



Source: Citi Research

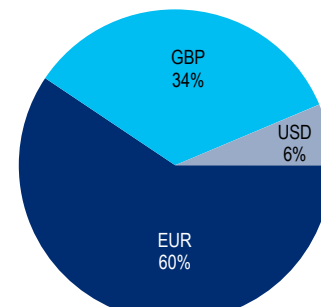
Figure 28. BWIC Volume Distribution by Current Rating*, 2014YTD (%)



* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

Figure 29. BWIC Volume Distribution by Currency, 2014YTD (%)



Source: Citi Research

Figure 30. BWIC Volume and Number of Bonds by Sector and Current Rating*, 19 Jun – 26 Jun 2014 and 2014 YTD

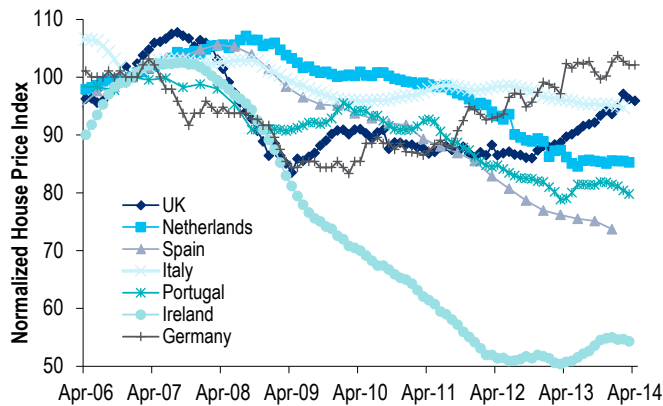
Sector	Rating*	19 Jun – 26 Jun		YTD	
		Volume (MM USD EQ)	Number of Bonds	Volume (MM USD EQ)	Number of Bonds
UK Prime RMBS	Triple A	19.3	4	578	177
	Double A	2.3	5	584	252
	Single A	-	-	66	14
	Lower and Not Rated	-	-	112	21
	Total	21.5	9	1,340	464
UK Non Prime RMBS	Triple A	-	-	150	23
	Double A	23.9	1	1,280	131
	Single A	8.6	2	195	45
	Lower and Not Rated	-	-	952	105
	Total	32.5	3	2,576	304
Dutch RMBS	Triple A	81.3	10	593	116
	Double A	-	-	18	5
	Single A	-	-	27	11
	Lower and Not Rated	2.7	1	34	14
	Total	84.1	11	673	146
Peripheral RMBS	Double A	4.9	1	302	20
	Single A	-	-	214	40
	Triple B	45.7	5	426	56
	Double B	-	-	73	15
	Single B	28.0	1	256	27
	Triple C	-	-	65	13
	Lower and Not Rated	4.5	1	233	41
	Total	83.1	8	1,569	212
CMBS	Triple A	-	-	20	4
	Double A	21.9	2	146	16
	Single A	0.7	2	370	60
	Lower and Not Rated	7.2	2	2,109	290
	Total	29.9	6	2,644	370
Consumer ABS	Triple A	10.2	3	436	193
	Double A	1.4	1	97	26
	Single A	0.9	1	21	22
	Lower and Not Rated	10.0	2	404	44
	Total	22.5	7	957	285
SME	Double A	-	-	15	9
	Single A	-	-	33	10
	Triple B	-	-	3	2
	Double B	-	-	10	2
	Single B	-	-	12	3
	Lower and Not Rated	-	-	39	9
	Total	-	-	113	35
Other	Triple A	-	-	69	43
	Double A	0.4	2	32	19
	Single A	2.5	1	56	15
	Triple B	-	-	19	5
	Double B	4.1	1	36	7
	Single B	2.8	1	8	4
	Triple C	-	-	3	1
	Lower and Not Rated	2.0	1	27	14
	Total	11.9	6	251	108
Grand Total		285.4	50	10,123	1,924

* We use Bloomberg composite ratings

Source: Bloomberg and Citi Research

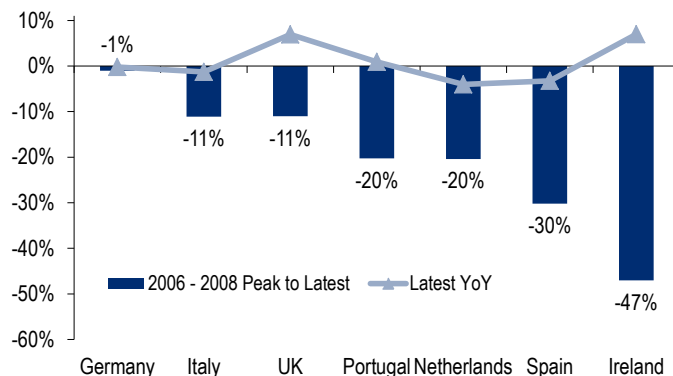
Housing Markets and Mortgage Lending

Figure 31. Normalized House Price Indexes, Apr 06 – Apr 14 (Dec 2006 = 100)



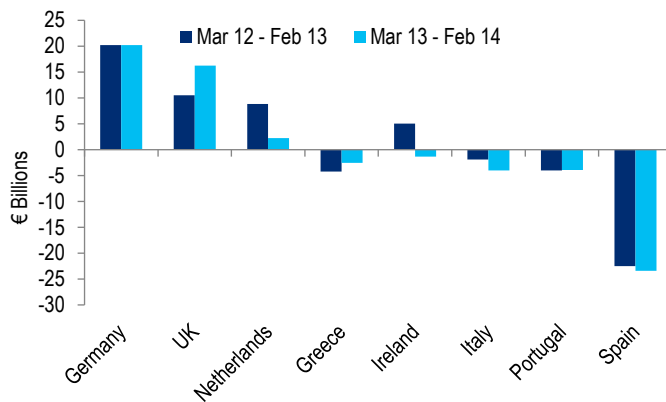
Source: Lloyds, Central Statistics Office Ireland, CBS Statline, Fotocasa, INE Portugal, Scenari Immobiliari Spa and Citi Research

Figure 32. Euro Area 2006 – 2008 Peak to Latest House Price Change and Latest Y-o-Y Change



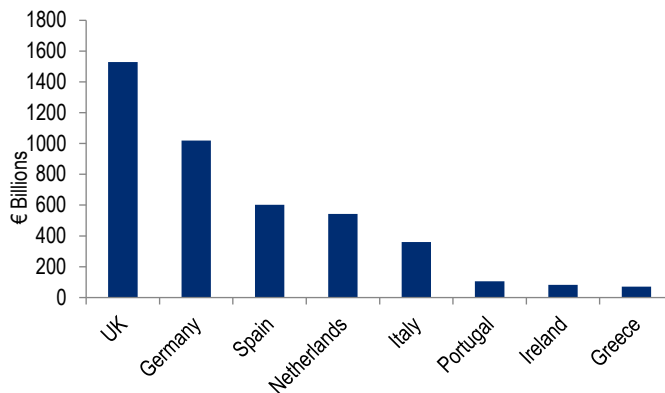
Source: Lloyds, Central Statistics Office Ireland, CBS Statline, Fotocasa, INE Portugal, Scenari Immobiliari Spa and Citi Research

Figure 33. Net lending Rolling Year Totals (€ eq billion)



Source: ECB, BOE and Citi Research

Figure 34. Outstanding Mortgages as of Feb 2014 (€ eq billion)



Source: DNB, BOE, ECB and Citi Research

Figure 35. Recent Housing News and Market Data Releases

Country	Indicator	Period	Current Value	Y-o-Y	2005 - 2012 Peak to Current	Comment
UK	BBA Mortgage Approvals	May 2014	41,757	13%		UK May mortgage approvals for house purchase rise 13% from a year earlier, British Bankers' Association said. Gross mortgage borrowing was up by 26% in May 2014 from a year earlier to £11.1 billion.
Spain	Mortgage Statistics	Apr 2014	15,326	-13%		The total number of mortgages constituted on dwellings stood at 15,326 in April, down by 13.4% from a year earlier. The average value of the mortgages constituted on dwellings increased by 6.2%, standing at €100,394. 93.1% of the mortgages constituted in April used a variable interest rate, as compared to 6.9% that used a fixed rate
Ireland	House Prices	May 2014		10.6%		Residential prices rose 2.3% month on month and were 10.6% higher than in May 2013, marking the largest annual increase for seven years, CSO data showed. Prices rose even faster in the populous Dublin region, and were 22% higher than a year earlier.

Source: INE Spain, Bloomberg and Citi Research

Other Developments

Country	Event	Detail
UK	Bank of England Credit Conditions Survey	Responding to the latest survey, some banks said tighter mortgage standards implemented in the Mortgage Market Review would see the supply of mortgages reduce in the Q3 of 2014. While supply is predicted to fall, appetite among borrowers remains strong and the survey showed that demand for secured lending by households, essentially mortgages - increased significantly in the Q2.
UK	Bank of England Recommendations on Mortgage Lending	The Bank of England announced a cap on large mortgages and a more stringent stress test for house-buyers, in a bid to cool the surging housing market. Under its recommendations, no more than 15% of a mortgage lenders' loans could be worth 4.5 times, or more, of a borrower's yearly income. It also proposed an "interest rate stress test" aimed at evaluating whether borrowers would still be able to afford their mortgages should the interest rate rise by 3 points in the first five years of the loan. The rules are to come into force in October.

Source: Bloomberg, INE Spain, CSO, BOE and Citi Research

CMBS Loan Tracker

Figure 36. CMBS Loan Update

Date	CMBS Deal	Loan Name	Current Loan Size(MM)	Loan as a % of the Deal	Action	Comments
26-Jun-14	DECO 2005-C1X	CPI Retail Active Loan	£26	72.6%	Exercise of Loan Purchase Option	The current holder of subordinate loan has decided to exercise its option to purchase the loan on 24 June 2014 from the issuer at par plus accrued interest and other costs.
25-Jun-14	ECLIP 2006-3	Gemini Loan	£850	100.0%	Further Orders to Disclose Relevant Documents	The court has made further orders for Barclays to disclose certain documents relevant to valuation claim from around the time of Barclays' entry into the loan and the senior interest rate hedging agreement.
24-Jun-14	DECO 2006-E4X	DFK, Edeka, Lubeck, Toom DIY Loans			Investors Call	Special servicer will hold a conference call presentation on 04 Jul, 17 PM (London time) to discuss progress of the current loan work-out strategies related to DFK, Edeka, Lubeck and Toom DIY loans.
24-Jun-14	TITN 2007-3X	Koito Loan	£12	4.9%	Sale of Property	The property, securing loan has been sold for £6,932,000. Net recovery proceeds are £6,799,475.
23-Jun-14	DECO 2007-E5X	Arcadia Loan	€ 106	22.6%	Standstill Agreement	Following loan event of default, a standstill has been agreed for the Arcadia loan until 31 Dec 2014 to allow a consensual sale of the properties.
23-Jun-14	EMC 6	Sunrise II Loan	€ 97	31.0%	Standstill Extension	Situs Asset Management, as issuer sub-special servicer, and the borrower have entered into a further standstill agreement until 10 October 2014 in order to allow the orderly disposal of the assets to continue.
19-Jun-14	WINDM XIV-X				Liquidation Fees Sharing Issue	Even after 1 month of extraordinary resolution being passed to terminate Hatfield from various servicing roles and to appoint Mount Street as its successor, different views come from Hatfield and issuer. Hatfield has stated that no agreement has been reached on sharing of liquidation fees related to specially serviced loans while the issuer stated that sharing of liquidation fees does not remain a condition in termination of Hatfield and can be agreed between Mount Street and Hatfield separately.
19-Jun-14	WINDM VII-X	Adductor, Nordostpark, Mulheim Loans			Investors Call	An investor call will be held on 27 June at 16:00pm (London time) to discuss the progress of the current loan work-out strategies for the Adductor, Nordostpark and Mullheim loans.

Source: Investor Notices and Citi Research

Sovereign Ratings and Economics Forecasts

Figure 37. Citi Euro-Area Economic Forecasts, 2014F – 2017F

	Real GDP (% , YY)				Unemployment Rate (% , Annual Average)				Policy Rate (% , Annual Average)				10 YR Yields (% , Annual Average)			
	2014F	2015F	2016F	2017F	2014F	2015F	2016F	2017F	2014F	2015F	2016F	2017F	2014F	2015F	2016F	2017F
UK	3.5	3.6	2.8	2.2	6.5	5.0	-	-	0.54	1.67	2.5	2.71	2.85	3.20	3.35	3.45
Euro-Area	1.2	1.8	1.9	1.9	11.6	10.9	-	-	0.19	0.15	0.16	0.42	1.56	1.55	1.80	2.05
Germany	2.2	2.5	2.5	2.4	5.1	4.7	-	-	*	*	*	*	1.56	1.55	1.80	2.05
France	0.7	1.3	1.7	2.0	9.7	9.4	-	-	*	*	*	*	2.04	1.95	2.20	2.45
Spain	1.3	1.9	2.2	1.9	24.7	23.2	-	-	*	*	*	*	3.06	2.75	2.85	2.95
Italy	0.2	1.1	1.1	0.9	12.7	12.4	-	-	*	*	*	*	3.12	2.75	2.65	2.75
Portugal	1.2	2.0	1.9	1.9	14.8	13.1	-	-	*	*	*	*	-	-	-	-
Netherlands	0.6	1.4	1.7	2.0	8.7	8.5	-	-	*	*	*	*	1.81	1.80	2.05	2.30
Ireland	2.8	3.4	2.8	3.0	12.1	12.3	-	-	*	*	*	*	-	-	-	-
Greece	-0.6	1.2	1.4	1.5	27.1	26.3	-	-	*	*	*	*	-	-	-	-

* Same Euro-area policy rate

Source: Citi Research

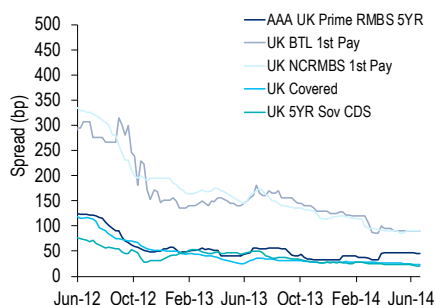
Figure 38. Advanced Economies — Sovereign Long-Term Debt Ratings and Citi Ratings Forecasts

Country	S&P Ratings				Moody's Ratings			
	Current Rating	Current Outlook	Citi Near-term Up to 9 Months) Forecast Rating	Citi Longterm (Next 2-4 Years) Forecast Rating & Outlook	Current Rating	Current Outlook	Citi Near-term (Up to 9 Months) Forecast Rating	Citi Longterm (Next 2-4 Years) Forecast Rating & Outlook
US	AA+	Stable	AA+ (Stable)	AA+	Aaa	Stable	Aaa (Stable)	Aaa
Canada	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
Japan	AA-	Neg	AA- (Neg)	A+ ↓	Aa3	Stable	Aa3 (Stable)	A1 ↓
Germany	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
France	AA	Stable	AA (Stable)	AA	Aa1	Neg	Aa1 (Neg)	Aa1
Italy	BBB	Neg	BBB (Stable)	BBB	Baa2	Stable	Baa2 (Stable)	Baa2
Spain	BBB	Stable	BBB (Stable)	BBB	Baa2	Pos	Baa1 (Stable) ↑	Baa1 ↑
Austria	AA+	Stable	AA+ (Stable)	AA+	Aaa	Stable	Aaa (Stable)	Aaa
Belgium	AA	Stable	AA (Stable)	AA	Aa3	Stable	Aa3 (Stable)	Aa3
Finland	AAA	Neg	AAA (Neg)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
Greece	B-	Stable	B- (Stable)	B-	Caa3	Stable	Caa3 (Stable)	Caa3
Ireland	A-	Positive	A- (Positive)	A ↑	Baa1	Stable	Baa1 (Positive)	A3 ↑
Netherlands	AA+	Stable	AA+ (Stable)	AA+	Aaa	Stable	Aaa (Stable)	Aaa
Portugal	BB	Stable	BB (Pos)	BB+ ↑	Ba2	Pos W	Ba1 (Stable) ↑	Baa3 ↑↑
UK	AAA	Stable	AAA (Stable)	AAA	Aa1	Stable	Aa1 (Pos)	Aaa ↑
Switzerland	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
Sweden	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
Denmark	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa
Norway	AAA	Stable	AAA (Stable)	AAA	Aaa	Stable	Aaa (Stable)	Aaa

Note: Arrows denote expected ratings changes from the current rating. (Neg) denotes negative outlook. (Neg W) denotes negative watch. SD means Selective Default. (P) means Provisional. The number of arrows denotes the expected change in ratings notches from the current level. We show a maximum of five arrows even for countries where we expect more than five notches of ratings change. NA Not available. Sources: Moody's, S&P and Citi Research

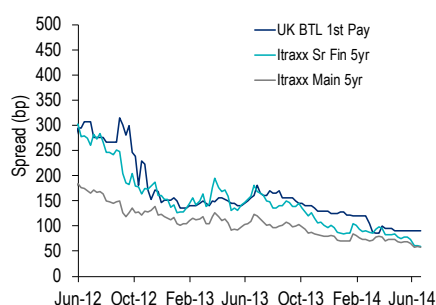
Core RMBS Spreads and Relative Value

Figure 39. UK RMBS Seniors Versus Indexes, Jun 12 – Jun 14



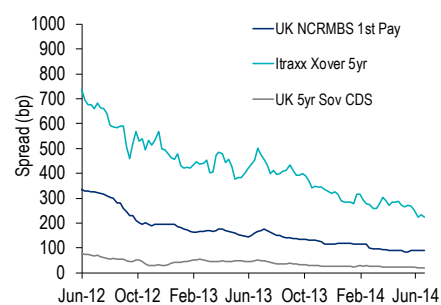
Source: Markit and Citi Research

Figure 40. UK BTL RMBS Seniors Versus Indexes, Jun 12 – Jun 14



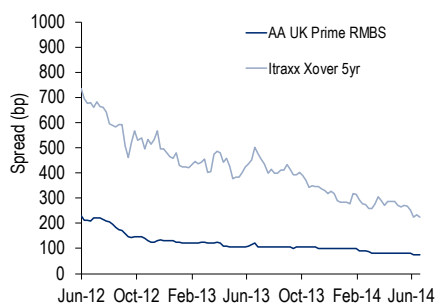
Source: Markit and Citi Research

Figure 41. UK NCRMBS Seniors Versus Indexes, Jun 12 – Jun 14



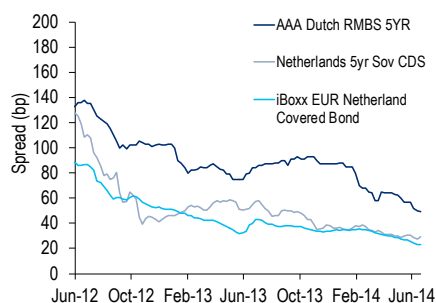
Source: Markit and Citi Research

Figure 42. UK Prime RMBS Subordinates Versus Index, Jun 12 – Jun 14



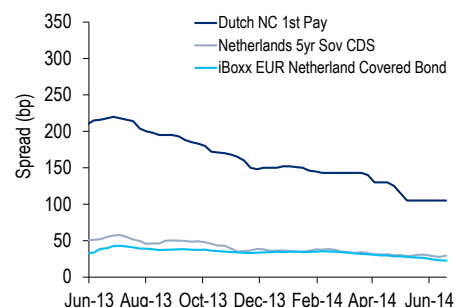
Source: Markit and Citi Research

Figure 43. Dutch RMBS Seniors Versus Indexes, Jun 12 – Jun 14



Source: Markit and Citi Research

Figure 44. Dutch NC 1st Pay Versus Indexes, Jun 13 – Jun 14



Source: Markit and Citi Research

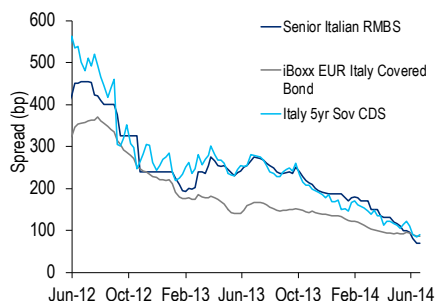
Figure 45. UK Prime, UK NC, UK BTL, Dutch Prime and Dutch NC Spread Changes and Statistics, 2014YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ1-quarter	Δ1-year	2013 Low	Δ From Low	2013 High	Δ From High
UK	Prime RMBS	AAA 1YR	18	-1	-3	-5	-19	18	0	38	-20
		AAA 3YR	28	0	-2	-2	-18	27	1	47	-19
		AAA 5YR	45	0	-2	0	-11	32	13	56	-11
		Mezz	76	1	-4	-4	-44	75	1	125	-49
	Buy to Let	PARGN 1st Pay	90	0	0	-10	-70	85	5	180	-90
		PARGN 2nd Pay	110	0	0	-10	-140	110	0	275	-165
		PARGN 3rd Pay	145	0	0	-15	-205	145	0	375	-230
		AIREM AAA	70	0	2	-12	-80	68	2	160	-90
		AIREM AA	110	0	0	-25	-140	110	0	250	-140
		AIREM BBB	190	0	-10	-60	-120	175	15	350	-160
	Non-Conforming RMBS	NC 1st Pay	90	0	0	-2	-75	85	5	183	-93
		NC 2nd Pay	120	0	-5	-20	-150	120	0	315	-195
	Covered Bonds	iBoxx EUR UK	23	0	-2	-4	-10	23	0	50	-27
	Sovereign CDS	Sovereign 5YR	20	0	-3	-4	-30	20	0	53	-33
Netherlands	Prime RMBS	AAA 1YR	25	-4	-7	-16	-20	25	0	55	-30
		AAA 3YR	34	-4	-10	-16	-27	34	0	76	-42
		AAA 5YR	49	-1	-8	-16	-35	49	0	100	-51
		Mezz	80	-1	0	0	-120	80	0	200	-120
	Non-Conforming	NC 1st Pay	105	0	0	-35	-113	105	0	320	-215
		NC 2nd Pay	135	0	-15	-65	-140	135	0	365	-230
		NC 3rd Pay	225	-15	-35	-115	-270	208	17	675	-450
	Covered Bonds	iBoxx EUR Netherland	23	0	-4	-9	-17	23	0	51	-28
	Sovereign CDS	Sovereign 5YR	30	2	-1	-3	-26	28	2	59	-29

Source: Markit and Citi Research

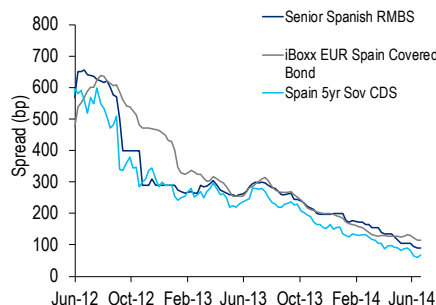
Peripheral RMBS and Relative Value

Figure 46. Italian RMBS Seniors Versus Indexes, Jun 12 – Jun 14



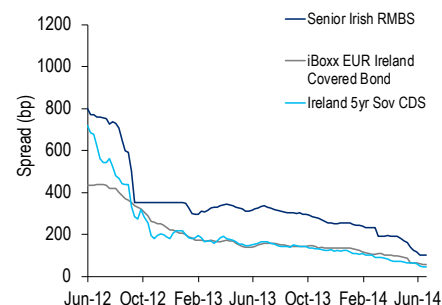
Source: Markit and Citi Research

Figure 47. Spanish RMBS Seniors Versus Indexes, Jun 12 – Jun 14



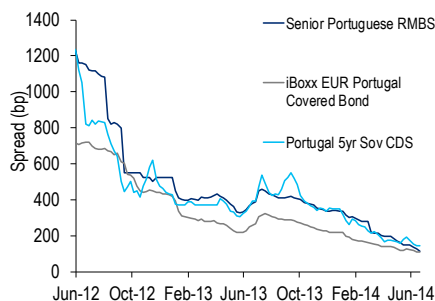
Source: Markit and Citi Research

Figure 48. Irish RMBS Seniors Versus Indexes, Jun 12 – Jun 14



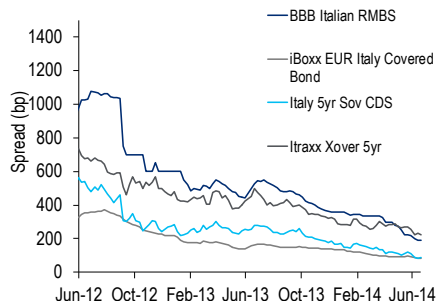
Source: Markit and Citi Research

Figure 49. Portuguese RMBS Seniors Versus Indexes, Jun 12 – Jun 14



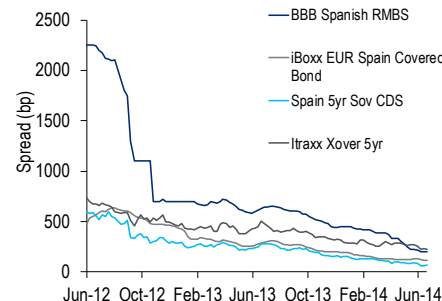
Source: Markit and Citi Research

Figure 50. Italian RMBS Subordinates Versus Indexes, Jun 12 – Jun 14



Source: Markit and Citi Research

Figure 51. Spanish RMBS Subordinates Versus Indexes, Jun 12 – Jun 14



Source: Markit and Citi Research

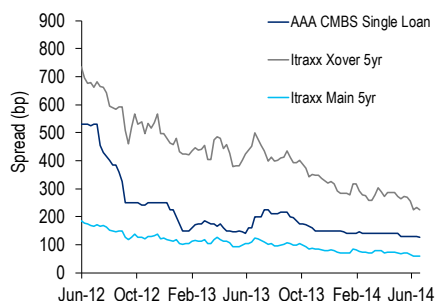
Figure 52. Peripheral RMBS Spread Changes and Statistics, 2014YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Italy	RMBS	AAA Italy	70	0	-30	-65	-195	70	0	275	-205
		AA Italy	110	0	-20	-70	-205	110	0	325	-215
		A Italy	125	0	-25	-100	-270	125	0	440	-315
		BBB Italy	190	0	-35	-135	-335	190	0	600	-410
	Covered Bonds	iBoxx EUR Italy	85	0	-10	-12	-77	85	0	211	-126
	Sovereign CDS	Italy Sovereign 5YR	90	6	-31	-45	-190	84	6	300	-210
Spain	RMBS	AAA Spain	90	0	-15	-50	-203	90	0	305	-215
		AA Spain	115	0	-25	-95	-280	115	0	410	-295
		A Spain	175	0	-25	-165	-380	175	0	690	-515
		BBB Spain	200	0	-25	-175	-430	200	0	725	-525
	Covered Bonds	iBoxx EUR Spain	114	0	-19	-15	-170	114	0	401	-287
	Sovereign CDS	Spain Sovereign 5YR	68	7	-21	-37	-211	61	7	296	-227
Portugal	RMBS	AAA Portugal	115	-10	-35	-85	-265	115	0	460	-345
		AA Portugal	185	-10	-40	-135	-285	185	0	595	-410
		A Portugal	255	-10	-45	-160	-325	255	0	740	-485
		BBB Portugal	280	-10	-45	-210	-380	280	0	840	-560
	Covered Bonds	iBoxx EUR Portugal	109	-2	-16	-33	-148	109	0	392	-283
	Sovereign CDS	Portugal Sovereign 5YR	144	1	-47	-44	-249	144	1	548	-403
Ireland	RMBS	AAA Ireland	100	0	-25	-95	-234	100	0	349	-249
		AA Ireland	225	0	-25	-125	-370	225	0	600	-375
		A Ireland	375	0	-25	-100	-365	375	0	750	-375
		BBB Ireland	400	0	-25	-300	-595	400	0	1000	-600
	Covered Bonds	iBoxx EUR Ireland	55	-1	-9	-46	-96	55	0	200	-144
	Sovereign CDS	Ireland Sovereign 5YR	46	3	-19	-36	-117	43	3	197	-151

Source: Markit and Citi Research

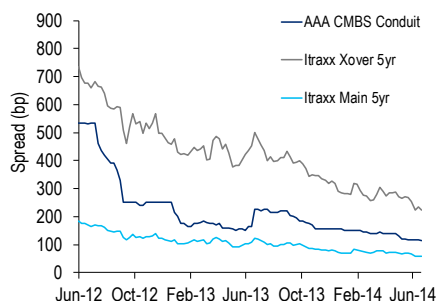
CMBS and CLO Spreads and Relative Value

Figure 53. AAA CMBS Single Loan Versus Indexes, Jun 12 – Jun 14



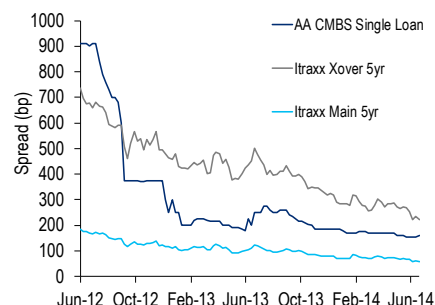
Source: Markit and Citi Research

Figure 54. AAA CMBS Conduit Versus Indexes, Jun 12 – Jun 14



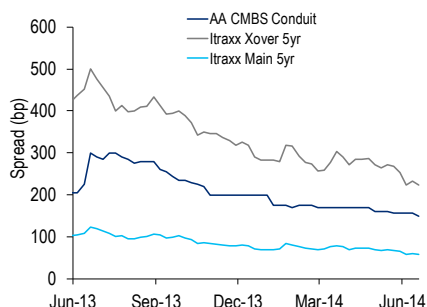
Source: Markit and Citi Research

Figure 55. AA CMBS Single Loan Versus Indexes, Jun 12 – Jun 14



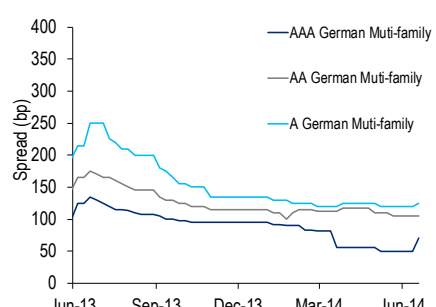
Source: Markit and Citi Research

Figure 56. AA CMBS Conduit Versus Indexes, Jun 13 – Jun 14



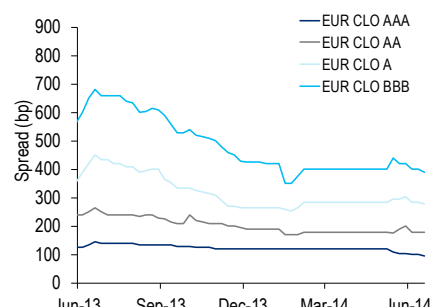
Source: Markit and Citi Research

Figure 57. German Multifamily Spreads, Jun 13 – Jun 14



Source: Citi Research

Figure 58. EUR CLO Spreads, Jun 13 – Jun 14



Source: Citi Research

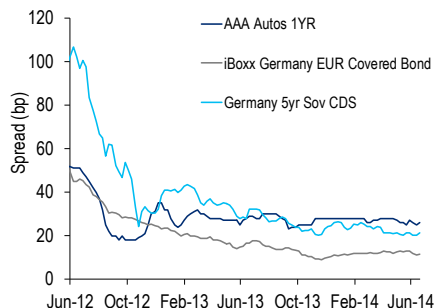
Figure 59. CMBS, WBS and CLO Spread Changes and Statistics, 2014YTD

Country	Product	Product Detail	Current	Δ1-week	Δ1-month	Δ 1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Europe	CMBS	AAA German Multi	70	20	20	14	-65	50	20	150	-80
		AAA Single Loan	125	-5	-5	-15	-75	125	0	225	-100
		AAA Conduit	115	-2	-2	-25	-110	115	0	225	-110
		AAA Fixed	87	2	2	-8	-63	85	2	225	-138
		AA German Multi	105	0	0	-12	-70	100	5	225	-120
		AA Single Loan	160	5	5	-10	-90	155	5	275	-115
		AA Conduit	150	-7	-7	-20	-150	150	0	300	-150
		AA Fixed	105	0	-5	-10	-95	90	15	250	-145
		A German Multi	125	5	5	0	-125	120	5	350	-225
		A Single Loan	275	-25	-25	-45	-125	250	25	450	-175
		A Conduit	250	-65	-65	-75	-150	250	0	475	-225
		A Fixed	145	-5	-15	-20	-155	145	0	495	-350
	CLO	AAA	95	-5	-10	-25	-50	95	0	150	-55
		AA	180	0	-10	0	-85	170	10	300	-120
		A	280	-5	-15	-5	-170	255	25	460	-180
		BBB	390	-10	-30	-10	-290	350	40	800	-410
	WBS	AAA	105	0	0	-10	-120	105	0	300	-195
		AA	112	0	-3	-10	-138	112	0	350	-238
		A	160	0	-5	-15	-190	160	0	425	-265
		BBB	290	0	-10	-35	-310	290	0	600	-310

Source: Markit and Citi Research

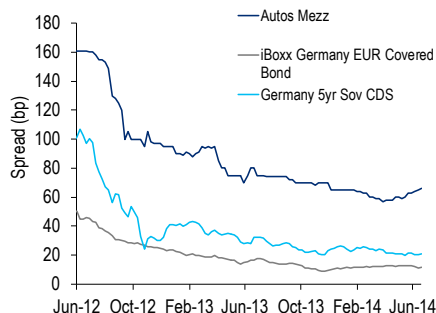
Auto and Credit Card ABS Spreads and Relative Value

Figure 60. European Auto Seniors Versus Indexes, Jun 12 – Jun 14



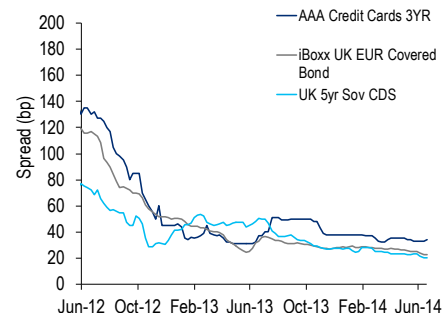
Source: Markit and Citi Research

Figure 61. European Auto Mezz Versus Indexes, Jun 12 – Jun 14



Source: Markit and Citi Research

Figure 62. UK Credit Card ABS Versus Indexes, Jun 12 – Jun 14



Source: Markit and Citi Research

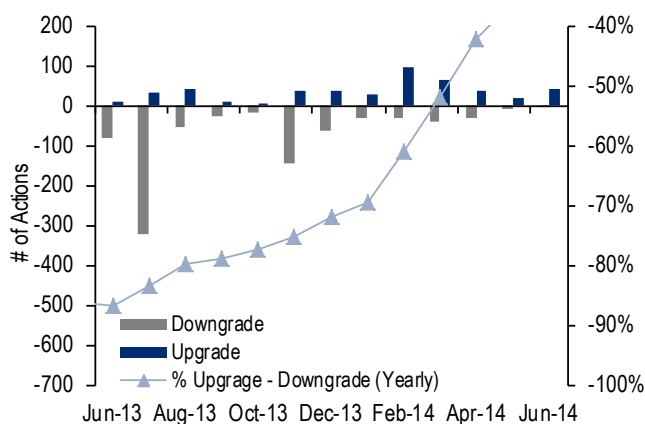
Figure 63. European Autos and UK Credit Card ABS Spread Changes and Statistics, 2014YTD

Country	Product	Product	Current	Δ1-week	Δ1-month	Δ1-quarter	Δ1-year	2013 Low	Δ from Low	2013 High	Δ from High
Europe	Autos	1YR	26	1	1	-2	-3	23	3	32	-6
		3YR	36	1	0	-3	-7	35	1	45	-9
		5YR	46	0	-2	-2	-15	46	0	63	-17
		Mezz	66	1	3	9	-14	57	9	95	-29
Germany	Automobile and Parts Index	iBoxx EUR Automobile & Parts	81	1	-3	10	22	47	34	91	-10
	Covered Bonds	iBoxx EUR Germany	11	0	-1	-1	-5	9	3	23	-11
	Sovereign CDS	Sovereign 5YR	21	1	0	-3	-11	20	1	43	-22
UK	Credit Cards	1YR	22	0	-1	-5	-8	22	0	38	-16
		3YR	34	1	1	0	-3	31	3	51	-17
		5YR	40	-1	0	3	-8	34	6	63	-23
		Mezz	80	0	0	0	-25	80	0	127	-47
	Covered Bonds	iBoxx EUR UK	23	0	-2	-4	-10	23	0	50	-27
	Sovereign CDS	Sovereign 5YR	20	0	-3	-4	-30	20	0	53	-33

Source: Markit and Citi Research

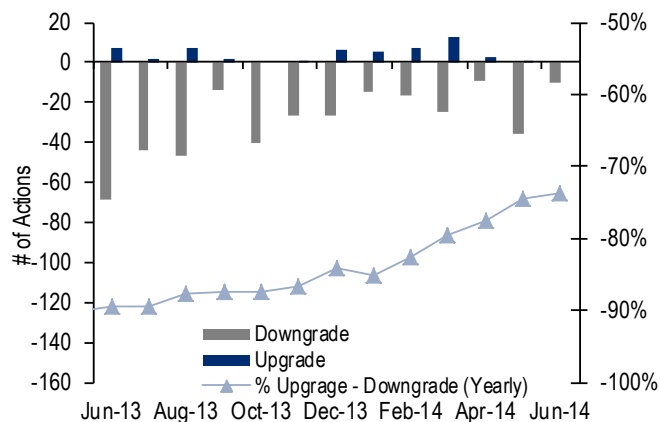
Rating Actions and Trends

Figure 64. European RMBS Rating Upgrades and Downgrades, Jun 13 – Jun 14



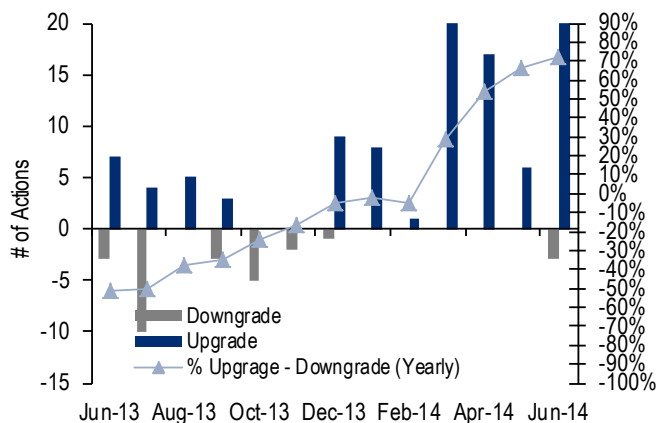
Source: Moody's, S&P and Fitch

Figure 65. European CMBS Rating Upgrades and Downgrades, Jun 13 – Jun 14



Source: Moody's, S&P and Fitch

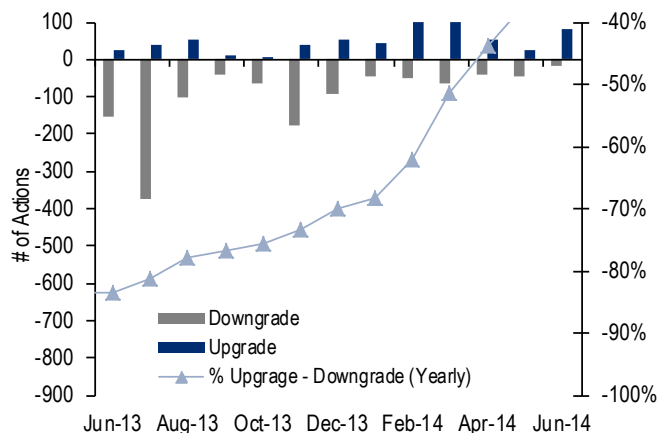
Figure 66. European ABS* Rating Upgrades and Downgrades Jun 13 – Jun 14



* ABS includes – European Lease ABS, European Consumer ABS, SME ABS, Auto ABS, UK Credit Card ABS, NPL ABS

Source: Moody's, S&P and Fitch

Figure 67. European Total Securitized Products Rating Upgrades and Downgrades, Jun 13 – Jun 14



Source: Moody's, S&P and Fitch

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