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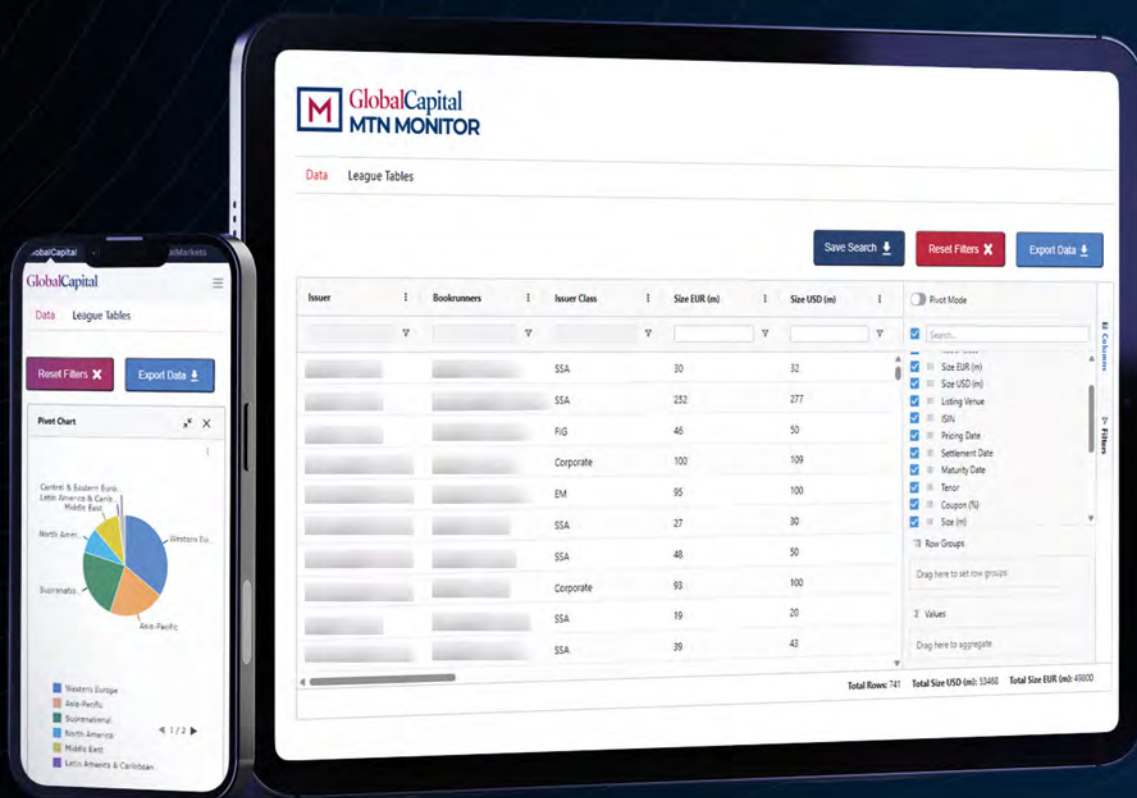
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Securitization enters the ring in the fight for Europe's soul

Although Europe appears ever closer to regulatory reform, staunch opponents of securitization remain in the continent, and as political winds blow unpredictably, there is still an uncertain road ahead, reports **George Smith**

Europe is facing an “existential” threat. So said Mario Draghi in his September 2024 report: *The Future of European Competitiveness*. According to Draghi, a former governor of the ECB and Italian prime minister, the EU needs to grow and become more productive, or its “fundamental values [of] prosperity, equity, freedom, peace and democracy in a sustainable environment” are at risk.

Most agree that the bloc is in a malaise, but opinion differs starkly on why and on how to chart a way out.

What does this have to do with securitization?

The industry may appear to only have a walk-on part in the debate, but questions around its role represent — in some ways — a microcosm of the fight for Europe's soul.

Draghi is clear: “the EU should aim to revive securitization”, backing lobbyists who for over a decade have pressed the case that economic potential is being wasted because disproportionate regulation holds back the market.

In that time, a few tweaks have aimed to help the market grow but have largely failed. Any efforts to effect more radical change had been to little avail — until, in a stroke, the Draghi report galvanised the European Commission into action.

It has since held two consultations on securitization regulation and is expected to publish a draft proposal for a new regulatory framework on June 17.

GlobalCapital understands the proposal is likely to address the major issues the market has raised, but it is unknown how far the Commission will go.

The Association for Financial Markets in Europe (Afme), a trade body, laid out a proposal in paper published at the Global ABS 2024 conference, addressing five key areas. The proposed reforms aimed to boost demand with more proportionate due diligence requirements, recalibrating capital requirements for insurance investors and improving liquidity treatment for banks. To lift supply, Afme also proposed reforms of capital treatment for banks and another look at disclosure requirements.

From within the bubble of the Global ABS event in Barcelona, a relaxation of the rules along these lines can feel like the inevitable end to a long arc of history. At some point, somebody was bound to listen to years of experts pointing out how the regulations are miscalibrated versus other capital markets products.

That is not what has happened. In reality, EU leaders are feeling isolated in the world and are reaching for solutions. Securitization has become almost the low hanging fruit of a plan to make Europeans' savings part of the €750bn-€800bn that Draghi estimates is needed to boost productivity.

In February, when explaining to CNN his plans to put Europe's savings to use, French president Emmanuel Macron mentioned securitization. Such an intervention would have been unimaginable a few years ago.

Yet, many of the market's newfound supporters in the political class have been diminished by recent election results — Macron included.

In September 2023, the French and German finance ministers

— Bruno Le Maire and Christian Lindner — published a column in the *Financial Times* that called for “[revitalising] the EU's sluggish market for securitizations” and was heralded by market participants as a breakthrough moment. Nearly two years on, however, little tangible change has been made to regulations and both Le Maire and Lindner are out of their jobs and out of politics.

A tale of two conferences

As that class of politicians exits, some of those who have replaced them have different ideas about the future of Europe and how it should be funded.

The far right appears more focused on cultural issues and immigration than economics. The far left, however, has well developed ideas that run deeply opposed to loosening the rules on securitization. Although the left has had mixed results in recent elections, it has made gains in places and those new representatives may get opportunities to advance their point of view.

Back on track

Afme's five point plan published on June 5 last year at Global ABS 2024 in a paper called ‘EU Securitisation back on track’:

- Increasing risk sensitivity within the bank prudential framework
- Reviving demand from the insurance sector by adjusting Solvency II calibrations
- Adjusting the treatment of securitization within the Liquidity Coverage Ratio
- Introducing proportionality for investors conducting regulatory due diligence
- Fine-tuning regulatory reporting requirements and simplifying STS criteria for both traditional and synthetic securitizations.

A few months before Global ABS takes place in Barcelona and 1,000 miles away, the Festival of Scotonomics took place in Dundee. The number of attendees ran into the low hundreds, making it Scotland's largest economics festival, the organisers said.

The venue was The Little Theatre, an old jute warehouse converted into a bar and an intimate theatre. As your correspondent stepped into the bar that served as an entrance hall and social space, there was one similarity to Global ABS. A confident-looking crowd were catching up and sharing ideas convivially, while a more nervous looking group of first timers milled around the edges of the room.

Otherwise, it was a world away. The only free swag was a badge on arrival. There was no complementary sushi, but self-service soup was available for £2.50, taken apologetically.

The £50 ticket price included a full schedule of panels featuring academics, politicians and campaigners. The programme ran from Friday evening to Saturday night and included panels titled "Ending Austerity" and "Financialisation".

Securitization was not popular, with the critiques essentially split into two parts: one doubting its usefulness in achieving Europe's ambitions, the second regarding the risk of financial crises.

The best of times

The market's case for securitization is that if Europe needs to find up to €800bn in investment, the securitization market could facilitate at least some of it.

"Securitization makes banks' balance sheets more flexible by allowing them to transfer some risk to investors, release capital and unlock additional lending," Draghi argues. "In the EU context, it could also act as a substitute for lack of capital market integration by allowing banks to package loans originating in different Member States into standardised and tradeable assets that can be purchased also by non-bank investors."

Despite the obstacles that reforming securitization regulation has faced so far, it is in fact a much easier place to start than other more ambitious plans for capital markets integration.

That argument has the ear of key politicians. The Commission, under

Ursula von der Leyen, is providing much of the impetus for reform, while other European leaders remain supportive. Macron told CNN in the February interview that key figures were "totally aligned" on what needed to be done.

"We have to focus on killing some crazy regulations, simplification of the current environment," he added. "Europe has to simplify its rules, make it much more business friendly and synchronise with the United States."

Outside the industry, however, there is pushback on every facet of that plan.

Draghi emphasises growth and boosting productivity. The UK government under Keir Starmer has been pushing a similar agenda, despite open criticism from some in his own ranks about these fundamental aims.

"What kind of growth do we want? No one is answering that question," said Labour MP Clive Lewis in a speech in January in the House of Commons. "Do we want sustainable growth? What is growth about? What are we growing? Are we growing pollution in our rivers? Are we growing roads that go through ancient woodlands? Yes, that is growth, but is it the growth we want?"

Many on the left also dispute the idea that securitization financing really will boost productivity.

"The financial sector is separate from the real economy," says William Thomson, founder of Scotonomics. "Growing the financial sector above a certain point is detrimental to the goals that we're trying to achieve. By pushing an increase in securitization and financialisation, we're actually likely to reduce the productivity of the real economy."

Some research backs Thomson's argument, including a 2014 working paper published by the Bank for International Settlements titled *'Why does financial sector growth crowd out real economic growth?'* written by Stephen Cecchetti and Enisse Kharroubi.

The paper argues that "financial sector growth benefits disproportionately high collateral/low productivity projects [...] like construction, where returns on projects are relatively easy to pledge as collateral, but productivity (growth) is relatively low".

If "skilled labour works in finance, the financial sector grows more



▲ The Little Theatre, Dundee

quickly at the expense of the real economy", the paper says. Hence, "financial growth disproportionately harms financially dependent and R&D-intensive industries".

Of course, plenty of research finds completely the opposite.

"The bulk of the historical evidence suggests that financial development affects economic growth in a positive, monotonic way," said a 2017 ECB working paper called *'Evidence on finance and economic growth'*. "Yet recent research endeavours have provided useful and important qualifications of this conventional wisdom."

Another important note is that Cecchetti and Kharroubi do not consider exporting financial services.

Proponents of securitization may argue that, for exporters of financial services, the distinction blurs between the financial sector and the real economy. Those who disagree contend that exporting financial services often means importing risk and still means that the financial sector competes with other sectors for talent.

In any case, the upshot is that some on the left argue that any shortfall in investment is down to self-imposed limits on government spending. These constraints, they say, are political choices. By relaxing them, governments could directly fund their priorities.

"We don't think there's a lot of demand for securitization," says German MEP Fabio De Masi. "There's not enough demand for loans."

"From our perspective, it's clear why that is. Government spending has been reduced. If you cut government spending, you're directly cutting private sector income. If that falls, why would companies invest?"

Securitization market participants may disagree, but the

European structured finance 12-month trailing default rates

European structured finance has performed well historically compared to the rest of the world

● Europe ● Global



Source: S&P Global Ratings Credit Research & Insights

arguments are an alternative vision for how to run an economy at a time when European politicians are casting around for answers.

In this view of the economy, one of the lessons of the Covid pandemic was just how impactful government intervention can be. Such arguments also have support among some parties that have gained momentum in recent elections, even if they have cut through only a little to those in power.

Draghi himself acknowledges the need for public spending, saying “the private sector will not be able to bear the lion’s share of financing investment without public sector support”, though he argues that increase in productivity will create more “fiscal space” for such an intervention.

There are also more technical criticisms of securitization. One that has traction among European governments is that expanding securitization may come at the expense of covered bonds, meaning it would contribute little to overall levels of financing.

That is salient for countries with large covered bond markets, such as Denmark, which is due to take on the presidency of the European Council at the end of June.

“An increased role for securitizations should not come at the expense of already well-functioning funding instruments such as covered bonds, as little real value would be gained in terms of an increase in total funding supply,” the Danish government said in response to the Commission’s consultation. “It is important to

add that Denmark has a very well-functioning covered bonds market.”

The worst of times

Even if securitization has supporters in the right places in the debate over its usefulness in funding the real economy, any attempt to make a case for the reform of regulation also has to reckon with the legacy of the 2008 financial crisis.

Indeed, the events of that crisis — and their retelling in Michael Lewis’ *The Big Short* — still largely shape the public perception of the market.

The industry has been carefully trying to rebuild its reputation, arguing that what happened in 2008 was mostly linked to US subprime mortgage lending and some limited subsectors of the market of that era.

Securitization does not create risk itself, just transfers it. At least part of the story, then, is that if underwriting of subprime loans had not been so lax, a financial crisis would not have happened.

But the creation of resecuritizations, which obscured risks investors were taking, amplified the subprime defaults. It also would have been difficult to write such volumes of loans if there had not been ready buyers.

For those problems, there were two key mitigants introduced after the crisis. First, a ban on resecuritization, which limits the ability to create products that obscure risks. Second, the introduction of risk retention, which makes originate-to-distribute models uneconomic unless the loans perform.

Other changes to the market have also taken place around disclosure, due diligence and the introduction of the ‘simple, transparent and standardised’ stamp aimed at mitigating risks.

The market’s supporters argue that putting these regulations in place tames the risks of securitization. The US, where the crisis originated, has dusted itself down, taken the pain and got on with it. Europe has thrown the baby out with the bath water.

In fact, many would argue that securitization — as it exists now — actually strengthens financial stability by allowing the allocation of risk to the most appropriate holder. To take the example of SRT, it makes much more sense to transfer illiquid credit risk to a

long lock up fund, than it does for a primarily deposit-funded bank to hold on to it.

But for critics, like De Masi and Thomson, what happened in 2008 was something much more fundamental. They say what happened in 2008 was a ‘Minsky moment’, as theorised by 20th century American economist Hyman Minsky.

“A fundamental characteristic of the economy is that the financial system swings between robustness and fragility,” Minsky argued in an op-ed published by the *Ocala StarBanner* in 1974.

His financial instability theory posited that long periods of stability result in overconfidence, which leads to bubbles then sharp asset price slumps. In 2008, the US housing bubble would appear to be one such example.

In this paradigm, relying heavily on financial services to fund the real economy is heading inevitably for crisis. Securitization is a particular risk because it is complex and features considerable informational asymmetry.

Balancing act

Ultimately, each side makes points that might appeal to European policymakers. The swing constituency in the debate might well be sympathetic to Draghi’s aim of using securitization to channel European savings into boosting productivity, but worried about whether relaxing regulation poses a risk to financial stability.

The dilemma harks back to the keynote speech at Global ABS 2023 given by Jonathan Hill. The former EU commissioner called for “a proper discussion about risk”, adding the 2008 crash “still seems to dominate our thinking”.

“For me, the biggest risk we face today is lack of growth, but we pursue regulatory approaches that make growth more difficult,” Hill said at the time. “We need to be honest about the trade-offs involved and ask ourselves whether we have struck the right balance, particularly when our international competitors are striking that balance in a different, more growth-friendly place.”

Economies can recover from corrections and crashes. In Hill’s framing, you can accept Minsky’s argument about the inevitability of periodic crashes but decide that is a

risk worth taking if the benefits are sufficient.

The Financial Stability Board set the problem up similarly in its July 2024 evaluation of the global regulatory framework.

A review of prudential requirements “involves an assessment of social benefits and costs”, it said. Such an analysis would typically weight expected benefits of tighter regulation “in terms of reducing the likelihood and severity of financial crises”, against “[increased] funding costs of financial institutions that are in turn passed on to borrowers through higher lending spreads”.

In its response to the consultation in December 2024, European non-profit Finance Watch was sceptical that such an assessment had been done.

“We are not currently aware that such a cost-benefit analysis, which would demonstrate and justify the proposed unilateral amendments to the securitization prudential framework, had been carried out in the EU,” it said.

If politicians decide they want to take more risk, it introduces another element to the ‘proper discussion’ about who it is that actually bears that risk.

Economists and others regularly complain that Europeans are not taking enough risk with their investments. In April 2024, Christian Noyer, former governor of the Bank of France, published a report commissioned by French finance minister Bruno Le Maire on *Developing European capital markets to finance the future*.

Noyer said European household savings are mostly “allocated to fixed income products, especially sovereign bonds”, which “alone cannot finance the long-term investments necessitated by the green and digital transition”.

“Most tellingly, Europe exports a significant share of its savings through the acquisition of foreign fixed income products and imports equity financing necessary for the long-term development of its companies,” Noyer’s report adds. “Beyond its collective cost, the misallocation of savings carries individual costs borne by European savers through lower returns.

“Allocating savings to liquid, low-risk products carries a cost, depriving European savers of the returns that long-term investors can achieve on the financial markets.”

Governments could act to incentivise more risk taking, but past schemes to encourage private investment have been accused of privatising profits and socialising risk. Critics invoked that concept in dismissing the idea of a securitization platform for Europe, perhaps with Fannie Mae and Freddie Mac as models — an idea that Draghi proposes.

“Setting up a dedicated securitization platform, as other economies have done, would help to deepen the securitization market, especially if backed by targeted public support (for example, well-designed public guarantees for the first-loss tranche),” Draghi’s report says.

The Commission’s consultation asks for feedback on the idea of such a platform, floating the possibility of pursuing a route “inspired by the US model”. But the plan appears to be on ice after meeting resistance.

“Nearly all the respondents agree that creation of a securitization platform is not the main issue in the market, and it should be addressed at a later stage, following comprehensive feasibility studies and consultations,” the Commission’s summary of feedback says.

Notably in Denmark’s response to the Commission, it declared itself “fundamentally against the use of public guarantees to support a securitization platform, as we firmly believe that the transfer of credit risk should be conducted on market terms”.

The questions about social risk apply more broadly as well, if public money is to be used to reinvigorate the economy after another ‘Minsky moment’ or if institutions deemed ‘too big to fail’ need bailing out.

Securitization’s advocates would argue that it can mitigate that risk, by allowing such institutions to offload risk into more suitable hands.

If most risk, however, is to be taken by those most able to bear it, they will make greater returns. Hence, the rate of returns to capital will increase with the amount of capital available. Any attempts to redistribute would have to be well designed or they may again discourage risk taking.

How that fits with Draghi’s European value of equity and whether the wider benefits brought by the extra financing are

EU rules: the story so far

April 2024	Letta Report — <i>The future of the single market</i>
April 2024	Noyer Report — <i>Developing European capital markets to finance the future</i>
September 2024	Draghi Report — <i>The future of European competitiveness</i>
October 2024	Commission opens targeted consultation on the functioning of the EU securitization framework
December 2024	Targeted consultation closes
February 2025	Commission opens call for evidence on securitization framework
March 2025	Call for evidence closes
June 2025	Proposal expected

worthwhile is a question that will require soul searching, particularly since greater inequality itself is widely considered detrimental to growth.

“If Europe cannot become more productive, we will be forced to choose,” Draghi says. “We will not be able to become, at once, a leader in new technologies, a beacon of climate responsibility and an independent player on the world stage. We will not be able to finance our social model. We will have to scale back some, if not all, of our ambitions.”

Bumps ahead

Even if the Commission proposes changes along the lines the market is hoping for, they face a bumpy road to become law.

The Commission’s draft statute will go to the Council, comprising the governments of the 27 member states, and the European Parliament. Both the council and parliament’s Econ committee will propose amendments.

If the Parliament and Council cannot agree amendments, as sources thought was likely, the proposal will likely end up in trilogue between the Commission, the Council and the Parliament. That is an informal negotiating process, normally held behind closed doors.

Rising geopolitical uncertainty — be that through US tariffs, the war in Ukraine, or challenges from China — adds further urgency to the EU’s need to boost investment. That gives securitization’s advocates their moment of opportunity, but that they will prevail is no foregone conclusion. GC

Citco on deals, discipline and the private credit-structured finance convergence



GlobalCapital: We're seeing increased convergence between private credit and ABS structures, particularly around NPLs. What's driving that trend from a lending and structuring perspective?

Peterson: We've seen this convergence for years. I wouldn't say it's just about NPLs, it's across the board. Given the amount of money raised in broad private credit over the last five to seven years, the market is becoming more institutional. It's now on par with the BSL or high-yield bond markets in the US, which are in the \$1.4trn to \$1.8trn range.

Ten years ago, private credit funds were doing \$50m deals. Now they're doing \$550m or even billion-dollar deals, directly competing with bank balance sheets. If you had a \$500m fund before, that was fine. Now, vehicles are raising \$20bn to \$30bn. You're essentially a de facto bank — in fact you're better, because you don't engage in maturity transformation and therefore don't incur the risk of a run on deposits. Apollo and Blackstone, through their insurance arms, behave more like insurance companies than traditional asset managers. That all flows into how deals are structured and capital is managed.

Furnari: It's always been the issuer who drives what they need. Whoever's structuring the transaction has to adapt to that. When issuers want something that looks like what they're used to — maybe reusing documents or their own counsel — it tends to go that way. So even with different labels, structures are starting to look more alike.

GC: How are institutional investors responding to this convergence?

Furnari: As banks step away, those stepping in to fill their shoes need to be more flexible. Covenant testing is tighter and much more closely monitored. We're finding that technology from our CLO tools can help us test leverage lines and warehouse lines. The standard approach might have been to move a non-performing asset out of the borrowing base. Now, the approach could be to keep it, but the haircut has to increase. A performing asset might have a 5% haircut; a non-performing one might see 10–20%, depending on the asset class,

The lines between private credit and structured finance are blurring, as investor expectations and deal structuring increasingly overlap. To explore what's driving this convergence and what it means for portfolio servicing, *GlobalCapital* spoke to **Citco's** Head of Loans Servicing, **Elaine Furnari**, and Head of Capital Solutions, **Michael Peterson**



Elaine Furnari and Michael Peterson, Citco

covenants, clawbacks and support. The tests have gone from simple LTVs to something far more complex.

Peterson: Investor behaviour hasn't radically shifted, but scrutiny has increased. Over the past 60 days — or even pre-US election — there's been more concern around portfolios. The kinds of questions are: what's your underwriting standard? Do you allow EBITDA add-backs? Are you building a strong mid- to high-yield book, or just effectively creating a BSL ETF? So yes, we're seeing more attention on credit quality.

GC: What are the key challenges in servicing these portfolios and how does the lack of consistent data impact that?

Furnari: Data needs to be collected more frequently. It's no longer just about payments. It's about predictive monitoring. AI is helping us anticipate issues. If a transaction is underperforming, we're seeing more conversations happening outside the regular reporting cycle, with new data points being collected and reported. There's much more focus on getting deeper, more detailed information, especially in volatile asset classes like venture capital or fintech. Everyone's looking for the next Amazon, yet trying to avoid the next WeWork.

Leverage lines are starting to resemble CLO compliance frameworks. We're even using our CLO compliance modules for

ABLs now, which is interesting to see. Those modules let us design custom tests, there's no set checklist. We read the indenture, read the loan or credit agreement, and build accordingly. Operationally, we're leaning more toward a collateral administration role — tracking available cash and making sure it doesn't move inappropriately before a mismatch occurs. Lenders want that cash to stay in place, whether the assets are performing or not.

The lack of a standard reporting package is a major issue. Everyone wants transparency, but there's no shared baseline. That's why we're piloting a standardised reporting pack — moving away from Excel-based models toward programmatic solutions that offer better control and fewer risks.

GC: Looking ahead, do you expect the convergence between private credit and structured finance to accelerate?

Peterson: Some of the more esoteric asset classes that have been funded by private credit are now starting to look for structured exits — for example, portfolio-level ABS takeouts. As long as there's investor appetite and the risk-return profile makes sense, that will keep driving the industry forward. If I'm an institutional investor today, I'm expecting something similar to what I'd get from a high-yield bond package or a AAA CLO tranche. I expect reporting, pulled-out data, transparency — everything I need to assess, in near real-time, what I own and what my risk is.

The idea of a closed-end fund reporting 45-plus days after quarter-end is being challenged. It's not enough anymore, especially for CIOs using co-investments or managed accounts. They want curated, timely data so they can see what's on the books and allocate capital effectively. That demand is only going to accelerate, particularly in an environment where low volatility is likely to persist.

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Optimism grows as UK RMBS proves resilience and adaptability

With asset performance stabilising and investors growing more comfortable with non-traditional assets, expectations are positive for UK RMBS after the asset class easily weathered the April market storm, writes **Tom Hall**

UK RMBS bankers arriving in Barcelona for Global ABS 2025 are in a bullish mood.

After suffering amid the broader market turmoil that followed so-called “liberation day” tariff announcement in the US on April 2, the asset class has quickly recovered and market conditions suggest that their early-year optimism was justified.

With the Bank of England’s Term Funding Scheme for SMEs winding down, which provided cheap liquidity for banks during the pandemic, there is an increasing imperative for issuance.

This is despite some hurdles, such as the UK government’s recent stamp duty increases, which is likely to reduce lending volumes, particularly for the buy-to-let sector.

“We don’t think that issuance can massively increase given the lending constraint,” says Douglas Charleston, partner and portfolio manager at TwentyFour Asset Management. “But there’s a general trend that banks particularly are probably going to use RMBS a bit more prominently in their funding mix than they have done historically.”

Issuance so far this year has been slightly below last year’s run rate, UK RMBS issuance having reached €8.5bn in the first quarter, versus €9.2bn for Q1 2024, according to the Association for Financial Markets in Europe (Afieme). Issuance slowed in April, following the US tariff turmoil.

“The market has jolted,” says Alastair Bigley, managing director for European RMBS at S&P. “Issuance for the year is still relatively robust compared to years prior to 2024. [Last year] was a

record year for investor-placed issuance, so 2025 being down on 2024 needs to be put in context.”

A large amount of mortgage lending, specifically buy-to-let, was brought forward to March to get ahead of the stamp duty tax rise in April, which could subdue lending over the summer.

With interest rates projected to fall, many believe that the worst is behind the market, and that UK RMBS will continue on a positive trajectory after the Global ABS conference.

“We believe Q3 will present a particularly strong window for issuance,” says Hugo Davies, chief capital officer of specialist mortgage lender LendInvest. “If base rates are cut in line with current market expectations, it will inject renewed confidence into the market, making our products more affordable and accessible, and lifting volumes across the sector.”

Credit concerns cool

Moreover, while delinquencies for most non-prime UK RMBS asset types are still increasing, the rate at



▲ Hugo Davies, LendInvest: “Time and again, the market proves more resilient than expected”

▼ Steve Harrison, Together: “The unfair stigma around second charges from the GFC, particularly Helocs in the US, finally seems to have disappeared”

which performance is deteriorating is generally cooling.

“We’re seeing marginal declines in arrears, or stabilisation,” says Steve Harrison, director of debt capital markets at Together, a UK lender. “This is in almost all sectors of our book now in terms of credit performance.”

While legacy collateral is continuing to perform poorly, with a pick-up in delinquencies, there is positive news on recently issued loans.

“We looked at the delinquency roll rate, and the signs are — if you look at non-conforming and buy-to-let — [that] the pace of borrowers moving into early delinquency states is cooling,” says Aritra Banerjee, director of European spread products research at Citi. “On the fundamentals side, I think we are probably past the worst levels that we saw in the last 18 to 24 months.”

While there has been an increase in delinquencies in buy-to-let mortgages, market participants are largely confident in the asset class’s structural integrity, highlighting its resilience since the financial crisis.

“In most cases, concerns around deteriorating credit performance



are linked to legacy BTL portfolios originating before 2008,” says Davies. “I would be very surprised if any post-crisis lending — written under more rigorous standards — presented any structural issues that could pose a real risk to the asset class.”

Indeed, this should set up the asset class for a strong year even considering the headwind of the stamp duty increase.

“Based on our conversations with lenders there seems to be more optimism about BTL lending volumes than last year,” says Bigley. “Although the recent stamp duty hike was not positive, it is still an asset class that offers leveraged upside.

“In other words, a 25% deposit can offer 100% access to house price increases. This feature still makes it an attractive asset class.”

Alternatives stigma removed

One of the trends that has evolved in 2025 has been that the spread differential between prime UK RMBS and buy-to-let or non-conforming has been shrinking as investors get more comfortable with less mainstream asset types.

For example, Enra priced its buy-to-let trade, Elstree 2025-1 1ST, at 72bp over SONIA on February 19, only 16bp wider than Atom bank’s Elvet Mortgages 2025-1 on February 5, the most recent prime RMBS at the time.

In addition, investors are growing more comfortable with traditionally less established assets, such as second lien loan backed RMBS

Together’s second lien backed RMBS, TABS 2025-2ND1, which was priced on February 5, was one of the first signals that investors are becoming increasingly eager to buy assets outside of traditional prime RMBS.

“Often investors get comfortable with an originator or a broader product set,” says Harrison. “Then they ask, ‘how can I get a little bit of a pick-up in yield?’ And second charge is a good example of that.”

Many of those who invested in Together’s first charge shelf saw several similarities when looking at the second charge shelf, such as similar prudent underwriting criteria and low LTVs, according to Harrison.

“I don’t think investors are saying ‘I cannot ever invest in x, y, z,’” says Harrison. “Investors are finding a way to get credit approval to invest in second charges



▲ Aritra Banerjee, Citi: “I don’t see the US tariff news as having a clear, direct fundamental impact on UK RMBS collateral”

because they want to expand their opportunity set.

“I think it’s really encouraging. The unfair stigma around second charges from the GFC, particularly Helocs [home equity lines of credit] in the US, finally seems to have disappeared.”

Tariff troubles

Another reason for confidence is how the UK RMBS market dealt pragmatically with the most significant shock for credit markets this year: the US tariff announcements.

Issuers were wary of approaching the market at the time, and no UK RMBS trades came to market between Lendco’s Atlas Funding 2025-1 trade, which was priced on April 4, and Pepper’s Castell 2025-1 trade, which reopened the market when it was priced on May 7.

Indeed, the likes of Santander and Plata Finance delayed deals as spreads were pushed wider, but particularly robust Pepper and Paratus’ UK RMBS trades — on May 7 and May 8, respectively — signalled that the market had quickly shaken off the concerns.

“In truth, strong underlying assets still attract interest,” says Davies at LendInvest. “But few are willing to test the market and be first. And yet, time and again, the market proves more resilient than expected, quickly moving past recent shocks.”

At least, in the case of US president Donald Trump’s 90-day tariff pause, announced on April 9, issuers had a clear idea of how long they could rely on markets remaining stable.

“One important factor [for issuance timing] is that the tariffs will be revisited after July 7,” says John Millward, managing director, structured finance, at HSBC. “This may drive issuers to strike while the iron’s hot, so I think we will see some people accelerating into this window from now [May 9] until the end of June.”

Despite economic uncertainty, issuers still have to remain active regardless of what tariff news July will bring.

“Platforms such as LendInvest have no choice but to take a longer-term view of the world and can’t be swayed by short-term shocks which haven’t materialised yet,” says Davies. “We definitely don’t plan on tightening our belts for the rest of this year”

Moreover, there seems to be conviction that tariff headlines are unlikely to have any direct impact on the quality of the assets themselves.

“I don’t see the US tariff news as having a clear, direct fundamental impact on UK RMBS collateral,” says Banerjee at Citi. “It has obviously led to spread widening across the market more broadly.”

Funding alternatives

Not all RMBS are created equal. In the case of UK issuers, banks generally have many alternative funding options, such as deposits or covered bonds, which they can move to in the event of spreads being pushed wider. These options are not necessarily available for special lenders.

“Spreads increasing in RMBS might damage the bank issuance market as they look to other cheaper funding sources,” says

▼ John Millward, HSBC: “We will see some people accelerating into this window from now until the end of June”



Bigley. “Bank issuance has been strong in very recent years compared to the historical past, so there’s a question mark as to how the second half of the year may look for bank issuance.”

Even if RMBS spreads are not forced wider, some in the market are still expecting large banks to continue to see the benefits of funding options outside of RMBS.

“Large UK banks are likely to continue benefiting from covered bonds as a funding source,” says Harry Choulilitsas, director of ABS and CLO syndication for Europe and UK at Natixis. “Given their tighter trading levels and deeper investor base relative to securitization, we don’t anticipate a major shift back into RMBS from these institutions.”

However, securitization still offers differentiated value to some of these other asset classes, such as a broader investor universe as well as more flexible structuring, which should remain attractive for specialist and non-bank lenders, Choulilitsas says.

Potential growth source

Another potential tailwind for UK RMBS volumes is the increasing scale of bridging finance.

“Until 2023, the market was typically valued at around £6.5bn,” says Davies. “But today, it’s likely closer to £12bn–£13bn.”

Although the lending market is growing extremely quickly, there are still doubts as to whether securitization is the optimal funding method for these assets versus the more flexible warehouse arrangements with banks that bridging lenders currently favour.

“If I were in a position to add bridging loans into a BTL securitization I would absolutely do that,” says Davies. “But the issue is that bridging is a much more unpredictable asset type, and cashflow is only generated by timely redemptions.

“I certainly think the first step to seeing a bridging securitization would be to mix it with BTL mortgages.”

Regulatory opening

Weighing against the view of those who expect large UK banks to continue to see value in covered bonds, the Prudential Regulation Authority recently announced plans to stop non-UK covered bonds being eligible as Level 2A High

Quality Liquid Assets under the Liquidity Coverage Ratio rules.

This has caught the eye of some securitization market participants.

Although the PRA has said that their plans are on pause, the uncertainty could create an opportunity for securitized assets to step in as a possible alternative while UK banks are uncertain about the future of LRC treatment for non-UK covered bonds.

“There is a possibility that, while that uncertainty prevails, some of that gets repositioned in securitization,” says Millward. “This hasn’t really played out yet, but I think could have a positive impact for UK RMBS, especially prime.”

Reasons to be cheerful

There is another overarching reason to be cheerful: the health and performance of the property finance sector is fundamentally tied to interest rates, and projections are for rates to fall a lot further.

“As rates fall, loans become more affordable, unlocking greater demand and enabling the market to expand,” says Davies. “With this dynamic in play, the sector is well positioned for renewed and sustained growth.”

Still, the positive impact of this is not likely to be immediate, given the time between loans being made and being securitized.

“Interest rates coming down should be a positive for lending volumes,” says Bigley. “But it has a delayed effect, so we probably won’t see it manifest into more securitizations until 2026.”

The rates story isn’t the only reason to feel optimistic about the sector. Harrison at Together highlights the increasing need for lending in the buy-to-let market, which should naturally lead to an increase in issuance.

“One optimistic data point is that from 2008 to 2021 [according to the *English Private Landlord Survey 2023*] there’s been a 42% increase in UK household renting,” says Harrison. “That’s very supportive of the buy-to-let market, which isn’t always recognised given the doom and gloom headlines around the sector in the press.”

Amid the buoyant optimism about 2025, some market participants reiterate the need for discipline and caution.

In recent years, a large amount of capital has flowed into the specialist



▲ Harry Choulilitsas, Natixis: “Securitization still offers differentiated value to some of these other asset classes”

lending market, particularly in the case of bridging. As a result, new platforms with limited track records have entered the lending market.

This brings a need for vigilance. “The concern is that, in chasing growth or meeting investor expectations, these platforms may feel pressure to take on more risk or misprice it entirely,” says Davies.

“With more capital in the market than available deal flow, there’s a risk of increasingly aggressive behaviours across the sector, as platforms compete to deliver on their business plans.”

Safeguards

Amid these concerns, several institutional safeguards on the supply side should protect against this becoming a problem for the sector.

“I think, given the institutional funding nature of most of the mortgage market, being heavily funded by banks means there is limited potential for lenders to enter the market without sufficiently strong underwriting criteria,” says Harrison. “[If they lack this], they will find it more difficult to attract the funding they would require to grow.”

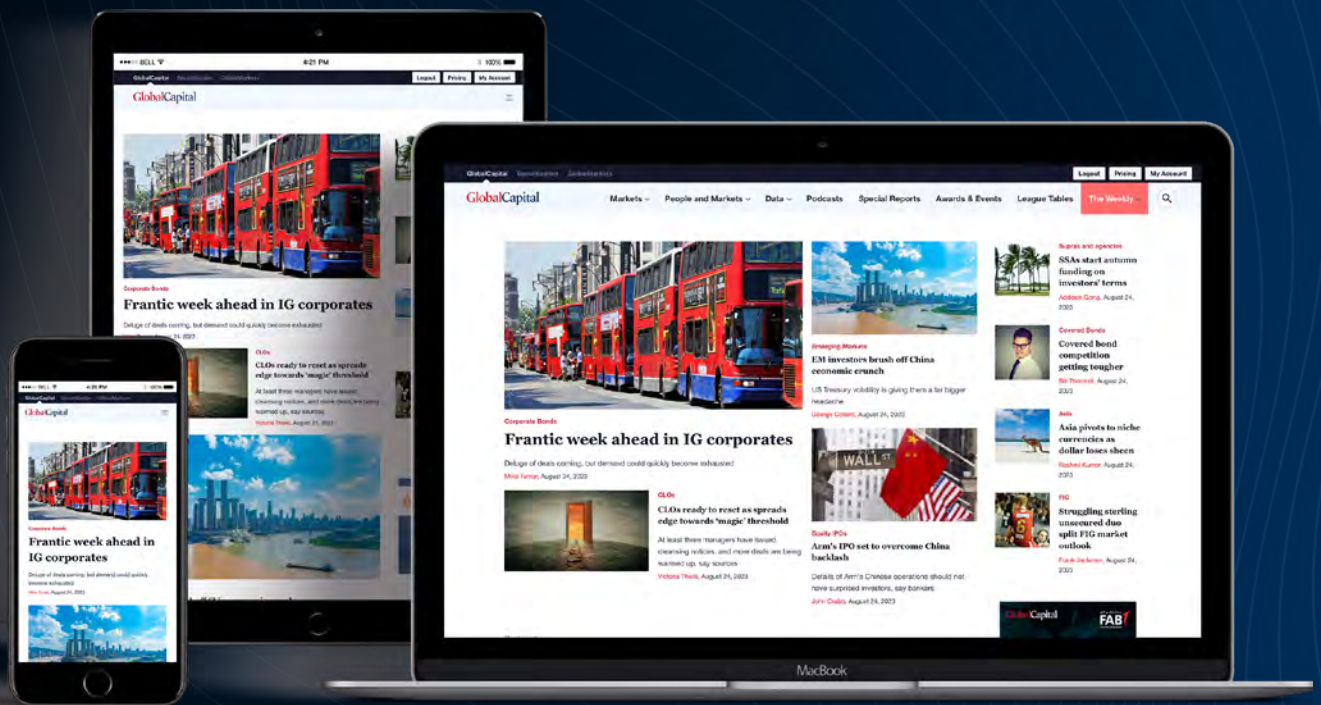
Moreover, the buy-side remains something of a guardrail against poor quality assets finding their way into securitizations.

“The sophistication of the investor base, and their ability to differentiate between different originators from a risk point of view and price accordingly, is very strong for ABS,” says Millward. “If an issuer is going to come, and they’ve got a limited track record, then you can be confident that investors are analysing that and pricing for it or adjusting their appetite for it in an appropriate way.”

Evidently, with these factors in mind, UK RMBS looks set for another strong year. GC

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Morningstar DBRS backs capital markets to sustain Europe's data centre growth

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GlobalCapital: What are the key factors driving the surge in data centre development across Europe and how is supply keeping up?

Iacobucci: The increase in digitalization and data consumption across different sectors — healthcare, finance, retail, manufacturing — is one aspect. Then there's the expansion of cloud computing, edge computing deployment and the adoption of AI. All these factors are supporting strong demand for data centres to the extent that developers are struggling to keep up with demand. In addition, the complexity of building a data centre contributes to exacerbate such shortages.

GC: Which regions or markets do you see as the next major growth areas and what's driving that shift?

Iacobucci: Spain is a strong candidate mainly because it has the cheapest renewable energy in Europe. The Nordic region is another, again because they can provide cheap, straightforward renewable energy. Those Nordic countries also have a track record of developing green, sustainable infrastructure, which makes them a natural location for data centres. There might also be some secondary locations that could become tier-one destinations relatively quickly. I would expect Milan to become tier-one because of the city's role as a Italian financial and economic hub.

GC: What are the challenges for operators and developers around power, land and sustainability?

Iacobucci: Finding suitable land is not easy. It's hard to find available land close to city centres. As you move further out land is typically cheaper, but you might have problems around connectivity or energy availability. It can be a fine line balancing all these aspects. In terms of power, affordable clean energy is one of the most important determinants for operators and developers. We have already seen development projects cancelled or delayed because local communities objected.

You see regulators becoming more and more focused on the sector, and really making sure that the construction of

Europe is witnessing a boom in data centre construction. Developers are struggling to meet soaring demand for cloud and AI infrastructure amid challenges around land availability, energy costs and environmental regulation. *GlobalCapital* spoke to **Mirco Iacobucci**, Senior Vice President and Sector Lead for European Commercial Real Estate Ratings at **Morningstar DBRS**, about key growth markets, risks facing the industry and the growing role of capital markets



Mirco Iacobucci

data centres is in line with environmental regulation. We had a transaction last year where the Welsh government was happy to provide the land through a long leasehold, but they required the operator to comply with quite detailed environmental rules.

GC: What are the most important trends or risks investors and industry stakeholders should watch over the next few years?

Iacobucci: At the moment the main issues stem from bottlenecks — you simply can't build fast enough. The problem isn't just securing enough green energy, but also potential infrastructure limitations that may restrict power availability. That said, I'd also be slightly cautious on the demand side. This is still a relatively new asset class — it's really only seen rapid growth over the past 20 years or so. We don't yet have a long historical track record. Potential overcapacity and market saturation in the future are risks to consider as well.

This is also a high-tech sector — and as with any technology-driven market, change is constant. You always have to be prepared for shifts that could disrupt market dynamics. One example is space requirements. As technology evolves, you may need less physical space. Right now, servers take up a certain footprint, but more powerful and compact hardware could reduce those requirements over time. Then there's regulation and policy. Regulatory requirements are likely to tighten, whether in the form of restrictions on energy or water use, or tougher emissions standards. That too could impact the development outlook.

GC: How will the role of capital markets in funding data centre growth change in the coming years?

Iacobucci: I think capital markets will become an increasingly important source of funding for data centres. Developing this asset type is extremely expensive. And while banks — and to some extent institutional lenders — have played a key role in financing data centres so far, there are limits to how much they can do. Even large banks can't have their balance sheets overly exposed to data centres. So there's a clear need to find alternative sources of funding and capital markets are the natural next step. We're already seeing this trend play out. The number of data centre transactions in the securitization market is growing rapidly and Morningstar DBRS is actively involved through the use of our Rating and Monitoring Data Center Transactions Methodology. And I expect this trend to expand into Europe in the coming months. In short, there's no real alternative — the sector needs more lenders in order to keep up with the current high demand.

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Insurers face tough regs and tight pricing in fight to carve out SRT niche

Supporters of insurers providing credit protection to banks through SRT say it offers diversity to insurance companies, removes risk from the banking sector and frees up capital for more lending. But though deal volumes are growing, the sector is not as developed as it could be — largely because of obstacles in regulation and pricing, writes **George Smith**

As the number of participants in the significant risk transfer (SRT) market has grown, insurance companies have spotted an opportunity.

A survey of 14 insurers and reinsurers by the International Association of Credit Portfolio Managers (IACPM) earlier this year found that, between them, they had insured €2.8bn of European SRT transactions in 2024 — up from €1.2bn the year before.

“There’s room for growth in the insurance sector of the SRT market,” says Nanak Keswani, partner at Mayer Brown in London. “Insurers have the ability to be a key component of the market. Underwriting and assessing risk is part of their DNA.”

While that growth comes from a low base, there is growing awareness of what insurers can offer.

“Issuers are looking for different goals with each transaction,” says Som-lok Leung, executive director of IACPM. “They already shop amongst funded investors, but now they’re also shopping more among unfunded investors, or at least they’re willing to look into it. There are also more insurers who know about this and are interested now.”

Investing unfunded

Yet, taking advantage of opportunities is not always straightforward.

Insurers generally have a lower cost of capital than credit funds, so theoretically they should be able to offer tighter pricing. However, the two types of institutions prefer to structure deals in different ways, and these at least partially offset the pricing advantage.

Most importantly, asset managers provide cash up front, whereas insurers only pay out in the case of losses. Insurance investors can buy highly rated, liquid securitizations with cash for the asset side of the balance sheet, but that is not suitable for SRT. Instead, they have a different team to underwrite SRTs as insurance business on the liability side of the balance sheet.

Hence a typical insurance transaction, dubbed “unfunded”, introduces counterparty risk, reducing efficiency of risk transfer for the issuer. Rather than getting collateral to cover losses, a bank has to swap the risk of the placed tranche with the credit risk of the insurer.

Regulations also steer the market towards funded trades, as in many jurisdictions unfunded transactions do not qualify for capital relief. Indeed, only in the last year has the Bank of England’s Prudential Regulation Authority (PRA) begun to warm up to unfunded trades, while in the EU they are allowed but ineligible for an ‘simple, transparent, standardised’ (STS) stamp and the capital benefits that brings the issuer.



▲ Nanak Keswani, Mayer Brown: “Underwriting and assessing risk is part of insurers’ DNA”

▼ Som-lok Leung, IACPM: “Issuers are also shopping more among unfunded investors, or at least they’re willing to look into it”

The result is that insurers are only a small section of the market in Europe — 5% according to 2023 data from the ECB.

Structural innovation

Some promising developments, however, include a blossoming of structures that both allow a bank to get a funded investment and an insurer to underwrite credit risk without putting up collateral — though most insurance investments are still done on an unfunded basis.

Such structures, known as repacks, require another party to put up funding. That party, usually another bank, is left with exposure to the insurer.

Repacks can give insurers access to the STS market, allowing them to compete for deals against asset managers.

“Some of the specialist and/or larger insurers and reinsurers have become more relevant, but maybe not in the way that was expected,” says Robert Bradbury, managing director at Alvarez & Marsal in London. “I think a lot of people expected a separate unfunded market to develop with a cheaper cost of capital but

perhaps slightly less efficient risk transfer. [In fact, insurers have gained a foothold], by competing on the same terms as everybody else.”

Repacks, however, are not easily scalable, since the structures are complex and the terms bespoke — ironic, perhaps, given they are what is required to meet the STS standard.

There is live debate in the EU over extending the ‘STS’ stamp to unfunded deals. Though the idea has broad industry support, it is not universally popular, with critics highlighting the counterparty risks of an insurer being downgraded or unable to pay a claim.

Adding more transaction parties also increases execution risk, particularly as SRT deals normally take months to put in place.

“[For a repack], you need to align the issuing bank, the insurers, and the funding provider,” says Olivier Renault, head of risk sharing strategy at Pemberton in London. “When the market moves, everyone’s costs can go up and down. We do see deals but it’s not yet a meaningful portion of the types of transactions we focus on.”

Insurers are a small part of the market for corporates but play a bigger role in some sub-sectors such as mortgages.

The complexity is also a hurdle given demand is outstripping supply. Banks do not need to go out of their way to find more demand for their SRTs. The set-up favours larger players, who can bring certainty of execution, perhaps by working with consistent funding partners.

“A lot of the more ad hoc repack vehicles have had more direct competition recently,” Bradbury says. “An insurer needs a cost of risk to be substantially cheaper than the rest of the market to make it competitive on a like for like basis, given costs of funding. Your cost of risk plus your cost of funding has to come out at least the same everybody else is



▲ Robert Bradbury, Alvarez & Marsal: “A lot of the more ad hoc repack vehicles have had more direct competition recently”

pricing. Given where pricing reached, insurers have to be relatively risk-on as an insurer to make it work.”

Leverage alternative

Although tight spreads are squeezing some insurers’ ability to compete on price, indirectly they may open up opportunities to underwrite senior mezzanine tranches.

Many credit funds invest on an internal rate of return (IRR) basis, which means — as spreads have moved tighter — they have had to look for ways to eke out higher returns. A significant minority have been using bank leverage, mostly through repo.

This has met considerable backlash from opponents who argue that the use of bank financing increases systemic risk, because risk offloaded in SRT transactions is re-entering the banking system.

Proponents of banks financing SRTs disagree, arguing the risks of repo financing are far lower than holding the portfolio itself. They highlight several mitigants, including shorter tenors, recourse to the fund itself and daily margining.

Still, the backlash itself is impacting the market. Some banks have cut the amount of financing they provide on SRTs, while others have placed restrictions or disclosure requirements on how investors finance their deals.

Regulators are also interested. In October 2024, the International Monetary Fund warned that bank leverage on SRTs could “retain substantial risk within the banking system but with lower capital coverage”.

The ECB put out a statement along similar lines in February, while the Bank of England warned in April that, for certain portfolios, some banks had adopted “an imprudent approach” by including the lending in their trading book not their banking book.

By all accounts, an outright ban on bank leverage is unlikely. Indeed, the

Bank of England’s statement appeared to accept the principle of such financing if appropriately capitalised.

But there are certainly some looking for alternative forms of leverage. For insurers, it creates an opportunity to work alongside funds. The insurer can guarantee a senior mezzanine tranche, giving the fund structural leverage on its investment lower down the capital structure.

It works because insurers’ business depends on pricing risk rather than the IRR approach taken by many asset managers.

“I think equity tranche [SRT] in insurance form should, for the most part, be fully collateralised,” says Matthew Moniot, co-head of credit risk sharing at Man Group in London. “Unfunded insurance brings greater value at senior mezz where losses are relatively remote, and so it’s harder to justify full collateralisation.”

IACPM’s survey reports “very limited” appetite for the first loss piece of the deal but suggests a growing number of junior mezz investments — 48% of participants in 2024 compared to 27% in 2022.

“There are definitely some insurers who do first loss, but it’s not common,” says IACPM’s Leung. “It depends on their risk appetite. Most of the time they don’t want to be in the expected loss.”

However, Georges Duponchee, senior credit portfolio manager at Munich Re, pushed back on the idea that insurers should confine their activities to higher up the capital structure. He argues that insurers could provide guarantees anywhere in the stack, as long as they were able to price the risk.

He adds that “insurers like to be close to the risk” to allow them better understanding of when claims might be made. GC



▼ Olivier Renault, Pemberton: “For a repack, you need to align the issuing bank, the insurers, and the funding provider”



▲ Matthew Moniot, Man Group: “Equity tranche [SRT] in insurance form should, for the most part, be fully collateralised”

Agent of change: Nordic Trustee brings expertise to UK bonds and loans



GlobalCapital: Nordic Trustee is celebrating the one-year anniversary of its UK business, what has been the experience of expanding in a new market?

Sorin: We launched in the UK with loan agency services. The independent loan agency market is dominated by just a couple of incumbents, and the response to our launch was universally positive. It's clear there's room for providers who bring deep expertise and bespoke system solutions, instead of the relatively commoditised service models. Nordic Trustee is one of the most experienced independent trustees, having operated in the Nordic region for over 30 years. With more than 3,000 live deals, we are one of the largest (if not the largest) independent agents in Europe, and it makes complete sense for NT to expand its European footprint. The business was set up in Oslo, but we now have offices in Stockholm, Copenhagen, Helsinki, Frankfurt — and of course the UK.

Overall, it's been a very good start. We've had a strong reception for the Nordic Trustee name and have already taken on a broad range of transactions — large, medium, and small. We don't have a preference on deal size or industry sector; we can administer all types. We're very committed to continuing to grow our presence here in the UK.

GC: You've recently launched bond trustee services, what prompted that move?

Sorin: Given our history, it was a natural step to extend our bond expertise into the UK. In the Nordics, we've acted on a remarkable 14,000 bond transactions and more than 450 bond restructurings. Now we're bringing that experience to the international — XS-ISIN — bond market. There are some differences in how these are administered, but the expertise behind the scenes remains the same. We've developed a proprietary bond system called *Tillit*, which means “trust” in Norwegian, and that has become the standard-bearer for bond systems in the market.

There are other amazing innovations from the Nordic market we're able to bring to the UK if we see demand

For years the leading provider of trustee and agency services in its home region, **Nordic Trustee** has broken into the UK in stellar fashion. *GlobalCapital* spoke to **Anatoly Sorin**, Nordic Trustee's Head of UK, about the firm's first year in a new market, its recent launch of bond trustee services and what sets a great trustee apart from its peers



Anatoly Sorin, Nordic Trustee

for that. This includes Stamdata, our wholly owned data company. Access to such a large volume of bonds means we can make huge amounts of data available across the portfolio. It's a truly exceptional solution and highlights our distinctive approach to servicing clients — not just with administration, but with analytics and insight. In addition, we have developed a number of digital tools for our clients, including digital portals for bond issuers and borrowers and lenders in loan financings.

GC: Can you outline how Nordic Trustee is able to offer end-to-end services and why this integrated model is so valuable for issuers and lenders?

Sorin: Typically, issuers have to source an SPV provider, an agency provider and a trustee — that can lead to friction. Our partnership with Ocorian and its strength in SPV administration allows us to offer a truly end-to-end model that focuses on removing inefficiencies and costs at every stage: from onboarding and documentation review to closing and ongoing administration. If a client uses Ocorian for SPV services, we can seamlessly integrate agency and trustee services on our side. Typically, clients would need to go find another agent

who then has to onboard the SPV and everyone else. But because we're part of the same group, we've already done that work. Onboarding that might take weeks elsewhere can be done in a couple of days with us. We are a true “one-stop-shop” for bond issuers.

GC: What are the biggest risks for issuers and lenders without a reliable trustee or agent in place and what separates a great trustee from merely a good one?

Sorin: The most important aspect is data, where any mistake can have a significant impact on the transaction. It's essential to work with a provider who has the systems in place to keep that data accurate. What separates a great trustee or agent from a merely good one is how they perform when things go wrong. Restructuring is probably the most complex part of what we do. It's one thing to manage transactions when everything runs smoothly — ensuring accuracy, timely updates and proper payment flows. But when something goes wrong, that's when expertise really matters.

We aim to be proactive problem-solvers who can help all parties reach the best resolution, reduce complexity and avoid unnecessary costs or conflict. We've brought in some of the most experienced market professionals. Juliette Challenger leads our legal team, and Aric Kay-Russell brings years of experience handling restructuring work. We're offering these restructuring services not just for our existing mandates, but also as a third party to support clients through these complex events. This is where great trustees distinguish themselves—by being proactive, bringing in-depth knowledge, and helping solve problems, not just execute instructions. Those are the kind of services we're committed to bringing to the UK market.

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Alcentra's Daire Wheeler on why loans are well placed amid volatility

Investment firm's head of European liquid credit tells **George Smith** he is cautiously optimistic and that Europe should deal better with tariff disruption than the US, while the manager will remain an active issuer of CLOs

George Smith, GlobalCapital: The market endured a double blow in April with tariff-led volatility and the ESAs' clarification of risk retention rules on CLOs. We're speaking on May 14. Is everything back on track?

Daire Wheeler, head of European liquid credit, Alcentra: Let's take a step back. The main driver of volatility was people digesting what tariff headlines mean from a macro point of view. That's evolved in a couple of different ways. The initial reaction was obviously negative, because a blanket tariff from the US on pretty much all its imports created concern around the US GDP outlook, and the global economy clearly isn't immune from that. But at the same time, we did feel that Europe was in a better place given the direct tariff impact is less and Europe should be able to weather it relatively well — especially as we had seen more fiscal support, with the German infrastructure plan as well as increased defence spending.

There was some softness initially, but there followed something of a normalisation. We're not back to where we started, but the US has softened its stance, [giving] the market confidence that the most negative outcome of no negotiations would not play out.

Also, the technical picture for European loans has been quite supportive. There's been supply, but not a huge amount, alongside strong demand from CLOs that have already printed and more deals to price. CLO primary didn't close as long as some of us feared.

Still, we're not fully out of the woods in terms of headline risk.

Take the UK-US trade deal: it still creates a higher baseline for tariffs than before this all started. Overall, we're likely to end up in a better place than initially feared, but with still greater friction on US trade than before. Without a continued scale back in the tariffs there is a risk the macro is going to bite at the company level in terms of delayed investments; however Europe is in a better place to weather this versus the US given much better policy certainty. European GDP forecasts are broadly where they were before the tariff headlines, while US expectations have come down — though still higher than Europe, and not into a recession.

All of it is manageable for leveraged credit, so I'm cautiously optimistic, though there'll be headlines from policy as it evolves.

What about loan supply? Has volatility pushed back this year's much-vaunted pick-up in M&A activity?

Last year we still had €40bn-€50bn of M&A volumes, and the first quarter of 2025 alone had €10bn. On top of that, in Europe we are seeing a trend of some deals being refinanced from the private credit market into the syndicated market. Those deals leaving our market to private credit tend to be CCC assets. That was a trend up to March and continues today. Maybe a couple of deals avoided the syndicated route at the peak of the volatility, but that stopped pretty quickly.

While I don't expect a big normalisation in M&A volumes anytime soon, there will be a gradual increase as PE firms have capital to put to work. Rates are lower in Europe, making for a

"While I don't expect a big normalisation in M&A volumes anytime soon, there will be a gradual increase as PE firms have capital to put to work"

Daire Wheeler



better environment for M&A than the US. If this volatility had lasted longer, there would have been a risk of M&A falling away, but I think we'll continue on a broadly similar path as before. Loan spreads are wider, but not at a level where M&A deals don't work.

I think the gradual normalisation is enough for the market. Including M&A, private credit refinancings, and bolt-on acquisition type deals, the loan market is still growing.

Some predicted 2025 would be a record year for CLO issuance, and there was a lot of positivity about arbitrage. Do you still feel it will be a big year?

Initially we'll see managers with ramped warehouses drive deal activity. Then, although liabilities have widened, assets have widened too, so today [May 14] I think the arbitrage absolutely does work.

However, we need to see where those liabilities evolve, as the structured credit market is a little slower to react in both directions than liquid loan markets. Given we've seen a bit more stability in global markets, my take right now is that liabilities will come in to reflect that and printing will still work — all on the assumption that there continues to be a normalisation of trade policy. There's always a risk of a headline that causes further volatility.

Perhaps certain resets are less likely to work, but my expectation is that we will get to a place where they do, and we will progress to a more normal market again.

Another factor has been the risk retention guidance that the ESAs published. Is that manageable?

It concerned the market for a couple of days, but in reality people use a number of different structures for risk retention, and the majority are compliant anyway. Global managers have different types of risk retention, horizontal or vertical, and it feels like less of a concern than when the headline first emerged. Most managers will have a solution that works or are already able to do it anyway.

What are your issuance plans for the rest of the year?

Ideally, we look to print three deals in a year, so two more this year, but with a heavy caveat that they're subject to market conditions. You

“There's sector overlay, geographic overlay, and also individual credit overlay, and we've been very active in trading across our platform and exiting credits that we think rallied too much”

can plan, but some considerations are out of our control, and it will always depend on how arbitrage, sourcing assets, and cost of liabilities all play out.

We priced a large €579m deal in February that was well timed as we then took advantage of volatility to buy assets after it printed. We also priced a reset in early April at a more difficult time for the market but with a good outcome. Positively, we're not sitting on warehouses with lots of assets, which would risk creating volatility that forces us to print quickly. We have two warehouses open and ramping, but they are low ramped, and we have a third warehouse with no assets. We have optionality.

Resets will be by situation. Some of our deals have fairly wide liabilities and are coming out of non-call, meaning a reset potentially makes sense even at current levels. On end-of-life deals, right now, none are at a level where amortisation makes it immediately obvious we should call or reset. Some will be termed out a little bit, but there are some we could reset too. The volatility has not caused a huge amount of change — maybe a little bit of a terming out or delaying some resets. But we will still look to be active in new issues.

And how have you adapted your loan portfolio?

We had already moved more defensively in February and early March. Our thesis at that time was that there was less of a premium for cyclical credits versus defensive credits, and in our experience, it doesn't make sense to take that beta risk when you're not getting paid as much. This meant we had already raised our cash balances and gone more defensive generally coming into April.

Today I am still constructive on the European macroeconomic outlook. Consensus is for around 0.8% GDP growth for Europe, and in that environment, I think loans continue to perform well. The rolling

12-month default rate for European loans remains below 0.5%, and rates have come down, which helps.

Equally, there are still headline risks, and for us it still makes sense to focus on more defensive sectors such as healthcare, TMT, services and IT. Those sectors perform well and are more European focused; we are a little more cautious on credits with more US exposure — partly because of the tendency for LMEs [liability management exercises] in the US.

There's sector overlay, geographic overlay, and also individual credit overlay, and we've been very active in trading across our platform and exiting credits that we think rallied too much. It's a continuation of what we did pre tariffs. I don't think growth is high enough to warrant leaning into lots of cyclical or junior risk.

What do you make of the LME trend?

How it plays out in Europe versus the US is interesting. It is a lot harder to do in the European market, firstly because restructuring regimes make it more difficult to write down some lenders and not others, or give different recoveries, but also because directors' duties in Europe tend to limit the ability for dividends in companies in more troubled situations. In the US you can extract good value if you're in the tent, but it can be negative if you're not involved. It's often a little bit sponsor-driven in the US, whereas in Europe — if anything — we've seen sponsors putting equity into businesses, which creates a more positive dynamic.

In France, the SFR outcome was quite positive as senior secured lenders ended up a lot better off than people had originally expected. Some of those mechanisms played in our favour. We've had a lower default rate in European loans than US loans for quite a while and that's something we expect to continue, which benefits European CLOs in terms of OC tests and par build. It's definitely a question we spend a lot of time answering. **GC**

GlobalCapital European Securitization Awards: the winners

The winning deals, banks, issuers and other market participants revealed at a gala dinner in London

Players from across the European securitization market gathered together at London's Nobu Hotel Portman Square on March 27 for *GlobalCapital's* annual awards dinner.

More than 250 people from across the industry were in attendance to celebrate their successes over 2024, and to toast the winning deals, organisations and individuals.

The market was celebrating a record year, in which public market issuance shattered the post-crisis record. Despite several macro events and high-profile elections, windows of favourable conditions saw a slew of innovative and landmark deals hit the market, and the awards provided the opportunity to celebrate those behind them.

The *GlobalCapital* Securitization Awards are unique in that they are decided by the market itself. This means that the winners are those the industry considers to be its leading lights.

Research for the awards began back in October, when the market was asked to nominate those that it deemed worthy of inclusion on the shortlist. The nominees were published in December and opened to a market vote to select the winners. Over 2,000 individuals from all corners of the market cast their votes, resulting in over 125 nominees and more than 50 winners.

The exceptions to the vote were three pitched categories: Overall Securitization Bank of the Year, Private Securitization Deal of the Year and the Overall Deal of the Year.

These categories were chosen by our editorial team — after much deliberation — and winners were based on pitches received from the nominees themselves.

Citi scooped the title of Overall Securitization Bank of the Year, standing out for its focus on innovation. The bank brought new issuers and novel structures from across the full spectrum of existing asset classes, as well

as introducing some altogether new assets to the European public market.

Vantage Data Centers was named Overall Deal of the Year. The transaction was the first public data center securitization in Europe, breaking new ground as ABS steps up to finance one of the fastest growing infrastructure sectors in Europe.

The Private Securitization Deal of the Year was won by Project Spyder.

Alongside the pitched categories, *GlobalCapital* also named the 2025 winners of the Outstanding Contribution Award — recognising longstanding excellence and impact in the European securitization market. This year's winners are Georges Duponcheele and William Perraudin, in recognition of their crucial role in framing the debate over reforming the way the market is regulated.

Congratulations to all our winners and nominees, and huge thanks to all those who took the time to pitch and vote in the poll. The full list of winners and nominees is below. [GC](#)

SPECIAL AWARDS

Outstanding Contribution Award

Georges Duponcheele
William Perraudin

Private Securitization Deal of the Year Private Deal of the Year

Project Spyder
Beequip, Apollo, Bank of America

ABS Deal of the Year

Golden Ray 1

Enpal, Bank of America, Barclays, Citi, Crédit Agricole, Clifford Chance, Hogan Lovells

Nominees: BPCE CL 2024-1, Cardiff Auto Receivables 2024-1, Koromo UK 1

PITCHED AWARDS

Overall Securitization Bank of the Year

Citi

Overall Securitization Deal of the Year

Vantage Data Centers UK 2024-1
Vantage Data Centers, Barclays, SMBC Nikko, Clifford Chance, Latham & Watkins

POLLED AWARDS

ABS Bank of the Year

BNP Paribas
Nominees: Bank of America, Barclays, Citi, Santander

ABS Issuer of the Year

Santander Consumer Finance
Nominees: auxmoney, Enpal, NewDay, Toyota Financial Services UK

ABS Law Firm of the Year

Clifford Chance
Nominees: A&O Shearman, Hogan Lovells, Latham & Watkins, Linklaters

Esoteric ABS Bank of the Year

Citi
Nominees: Bank of America, Barclays, BNP Paribas, Deutsche Bank

Esoteric ABS Deal of the Year**Golden Ray 1**

Enpal, Bank of America, Barclays, Citi, Crédit Agricole, Clifford Chance, Hogan Lovells

Nominees: Capital on Tap London Cards No. 2, Hermitage 2024, PCL Funding 2024-1, SBOLT 2024-1

Esoteric ABS Issuer of the Year**Enpal**

Nominees: Haydock, Capital on Tap, Premium Credit

Esoteric ABS Law Firm of the Year**Hogan Lovells**

Nominees: A&O Shearman, Clifford Chance, Hogan Lovells, Latham & Watkins, Linklaters

CRE Securitization Deal of the Year**Vantage Data Centers UK 2024-1**

Vantage Data Centers, Barclays, SMBC Nikko, Clifford Chance, Latham & Watkins

Nominees: Hera Financing 2024-1, Thunder Logistics 2024-1, UK Logistics 2024-1, UK Logistics 2024-2

Secondary ABS/RMBS Trading House of the Year**Barclays**

Nominees: Bank of America, Barclays, BNP Paribas, Deutsche Bank, Natixis

RMBS Bank of the Year**Barclays**

Nominees: Bank of America, BNP Paribas, Citi, Lloyds Bank, Natixis

RMBS Issuer of the Year**Nationwide**

Nominees: Belmont Green (now known as Vida Bank), BPCE, Shawbrook, Together

Specialist RMBS Issuer of the Year**Together**

Nominees: Belmont Green, Dilosk, Foundation Home Loans, Shawbrook, Together

RMBS Deal of the Year**Green Lion 2024-1**

ING, Bank of America, Crédit Agricole, Santander, Freshfields, Hogan Lovells

Nominees: Auburn 15, BPCE HL 2024-1, Ealbrook Mortgage Funding 2024-1, White Rose Master Issuer 2024-1

RMBS Law Firm of the Year**A&O Shearman**

Nominees: Clifford Chance, Herbert Smith Freehills, Latham & Watkins, Linklaters

CLO Bank of the Year**Jefferies**

Nominees: Bank of America, Barclays, BNP Paribas, JP Morgan

CLO Trading House of the Year**JP Morgan**

Nominees: Bank of America, BNP Paribas, Goldman Sachs, Jefferies

CLO Manager of the Year**Blackstone**

Nominees: Arini, Blackstone, Apollo/ Redding Ridge, Palmer Square, CVC Capital Partners, Onex Credit Partners

CLO Deal of the Year**Barings Euro Middle Market CLO 2024-1**

Barings, BNP Paribas, Cadwalader, Wickersham & Taft, Dechert

Nominees: Arini CLO 2, Penta CLO 17, Onex 2024-11, Fair Oaks V

CLO Law Firm of the Year**Cadwalader, Wickersham & Taft**

Nominees: A&O Shearman, Clifford Chance, Milbank, Paul Hastings

CLO Senior Investor of the Year**PIMCO**

Nominees: Apollo, AXA IM Alts, BlackRock, PGIM

CLO Mezz Investor of the Year**Apollo**

Nominees: Aegon, Amundi, AXA IM Alts, TwentyFour Asset Management, Valeur

CLO Equity Investor of the Year**Napier Park Global Capital**

Nominees: Alegria Capital, Apollo, Valeur, YMER

CLO Rating Agency of the Year**S&P Global Ratings**

Nominees: Morningstar DBRS, Fitch Ratings, KBRA, Moody's Ratings

Debut CLO Manager of the Year**Fortress**

Nominees: CIC, Serone

CLO Research Firm of the Year**Bank of America**

Nominees: Barclays, Deutsche Bank, JP Morgan, Morgan Stanley

SRT Bank of the Year**Santander**

Nominees: Barclays, BNP Paribas, Deutsche Bank, Intesa Sanpaolo, UniCredit

SRT Investor of the Year**Chorus Capital**

Nominees: ArrowMark Partners, AXA IM Alts, CRC, European Investment Bank

SRT Deal of the Year**NatWest £1.1bn Renewables SRT**

NatWest Markets, Nuveen Infrastructure, Christofferson Robb & Company, Clifford Chance

Nominees: ARTS Leasing 2024, Consumer Totta 2, DNB green synthetic securitization

SRT Law Firm of the Year**Clifford Chance**

Nominees: A&O Shearman, Linklaters, Mayer Brown, Simmons & Simmons, White & Case

(Re)insurer of the Year**Munich Re**

Nominees: Arch, RenaissanceRe

Debut Issuer of the Year**Toyota Financial Services UK**

Nominees: Enpal, Lender & Spender, LiveMore, Vantage Data Centers

Portfolio Buyer of the Year**PIMCO**

Nominees: Apollo, BlackRock, Carval, M&G Investment

Securitization Senior Investor of the Year**PIMCO**

Nominees: Amundi, AXA IM Alts, BlackRock, La Banque Postale, M&G Investment

Securitization Mezz Investor of the Year**TwentyFour Asset Management**

Nominees: Amundi, AXA IM Alts, Insight Investment Management, PIMCO

Securitization Research House of the Year**Bank of America**

Nominees: Barclays, Citi, Deutsche Bank, JP Morgan, Morgan Stanley

Securitization Rating Agency of the Year**Fitch Ratings**

Nominees: Morningstar DBRS, KBRA, Moody's Ratings, S&P Global Ratings

Securitization Advisory Firm of the Year**Deloitte**

Nominees: EY, KPMG, PwC

Data Provider of the Year**European DataWarehouse**

Nominees: ConceptABS, Euro ABS, Intex, Moody's Ratings

SPV Administrator of the Year**CSC**

Nominees: Cafico International, Maples Group, TMF Group, Trustmoore Group, US Bank

Securitized Derivatives House of the Year**BNP Paribas**

Nominees: DZ Bank, Lloyds Bank, NatWest Markets

Securitization Trustee of the Year**Citi**

Nominees: Bank of New York Mellon, CSC, Deutsche Bank, US Bank, Wilmington Trust

Overall Servicer of the Year**Pepper**

Nominees: Banca Finint, Kensington, Lenvi, Shawbrook Bank

Most Innovative Deal of the Year (brought the market forward the most)**Golden Ray 1**

Enpal, Bank of America, Barclays, Citi, Crédit Agricole, Clifford Chance, Hogan Lovells

Nominees: Barings Euro Middle Market CLO 2024-1, Exmoor Funding 2024-1, Hera Financing 2024-1, Vantage Data Centers

Fintech Provider of the Year**LendInvest**

Nominees: auxmoney, Cardo AI, Findox, Funding Circle

Law Firm of the Year for Private Deals**A&O Shearman**

Nominees: Cadwalader, Wickersham & Taft, Clifford Chance, Hogan Lovells, Latham & Watkins

ESG Bank of the Year**BNP Paribas**

Nominees: Bank of America, Barclays, Citi, Natixis, Société Générale

ESG Issuer of the Year**Enpal**

Nominees: BPCE, ING, NatWest, Obvion

ESG Deal of the Year**Golden Ray 1**

Enpal, Bank of America, Barclays, Citi, Crédit Agricole, Clifford Chance, Hogan Lovells

Nominees: BPCE HL 2024-1, Green Storm 2024, Hometree/Barclays asset-backed debt facility

ESG Investor of the Year**European Investment Bank**

Nominees: Amundi, AXA IM Alts, TwentyFour Asset Management

ESG Law Firm of the Year**Hogan Lovells**

Nominees: A&O Shearman, Cadwalader, Wickersham & Taft, Clifford Chance, Latham & Watkins, Linklaters

ESG Research Firm of the Year**Sustainalytics**

Nominees: Bank of America, Barclays, Natixis

Securitization Rising Star of the Year**Elena Rinaldi, TwentyFour Asset Management**

Penny Tan, Chorus Capital

Nominees: Soojean Choi, Clifford Chance; Fiammetta Granchi, Bank of America; Charles Hatton, BNP Paribas; Niels Las, PGGM; Nathan Levy, Bank of America; Jinisha Patel, Cadwalder Wickersham & Taft; Rebecca Rosegg, MUFG; Scott Spurling, RBC Bluebay

European Securitization Awards 2025: Catching up with record winner Enpal

Enpal.

GlobalCapital: Hi Gregor. First of all, can you give an introduction and a bit of background on what Enpal does and where the company has come from?

Gregor Burkart: Absolutely. We started back in 2017. The vision was to make renewable energy more accessible for everyone. We interpreted that in two ways: being more digital and more affordable.

Previously, access to solar and heating was quite technical, it was entirely offline-based and decentralized. So we came up with a solution that's entirely digital. We have created a seamless, customer friendly user journey from sale to grid connection.

Solar systems or heat pumps are expensive, and not many households have the necessary capital available. So we came up with the idea of offering a payment in monthly instalments through a fully integrated captive financing solution.

We then grew quite rapidly. We are now the largest residential solar player in Europe, with more than 90,000 customers in our portfolio and revenues of more than €900 million in 2023.

GC: Let's talk a bit about the capital markets side of the equation here. Was your vision always that this would end up in some sort of public ABS vehicle?

GB: When I joined Enpal in 2019, I pitched the idea of a solar ABS to the founders — but I would have never thought we would come such a long way that quickly. The initial idea was to develop a captive financing solution for the business, but Enpal didn't have sufficient scale to go through a securitization. We went for project finance as a means of refinancing, which allowed us to scale up the first €5m portfolio in a couple of months.

Ultimately, we introduced securitization in 2022 when we set up our first private warehouse with Citi, which also won a *GlobalCapital* award — as private securitization of the year. Now we are originating €80m to €85m a month, which allows us to fill these structures quite efficiently and do public takeouts.

Berlin headquartered **Enpal** scooped up six awards at *GlobalCapital's* European Securitization Awards on March 27, for its deal in October last year, Golden Ray 1. The deal was Europe's first ever solar ABS. *GlobalCapital's* senior securitization reporter **George Smith** caught up with Enpal's head of refinancing **Gregor Burkart** to discuss the company's journey so far and where it is going next

GC: So, what were some of the challenges you encountered on the way to getting to this point and doing a public deal?

GB: There's a couple of challenges. The first challenge was size — we needed sufficient volume to get into the securitization market.

Another challenge was installation quality. We had to make sure we had a tight grip on quality measurement and control while scaling, which we did, again, through digitalization. We monitor our installers in real time while they're on site via tablet. We can connect with them and make sure everything is done right.

The other pillar was data. We needed to demonstrate to the rating agencies a performance track record. In summer 2024 we had five years of performance data in our portfolio, which allowed us to obtain a 'Simple, Transparent and Standardised' status for our public ABS.

GC: How did the deal go overall? Were you satisfied with the level of engagement from investors? Did they welcome the work you've done?

GB: Yes, definitely. When we came up with the structuring, we carried a lot of responsibility. Do you position a solar ABS closer to an RMBS, in terms of tranching and structuring or do you position it closer to a consumer loan ABS?

Then once we had the tranching right, we had to get the pricing right. There was no benchmark whatsoever, so we had to work with proxy data.

When we went to market, there was a lot of interaction with investors, but there were zero pricing indications. We had to come up with the first pricing whispers, which we deliberately set quite wide. With the US election coming up,

we were also quite tight on timing to close the deal. That allowed us only 10 days in the market.

Once we had the guidance out there, the bids started streaming in. We tightened twice, and potentially could have tightened three times, if time had allowed. We ended up with quite a good result. The seniors were at 85bp over one-month Euribor.

GC: It sounds like the plan from here is to be a regular issuer in the ABS market. What are your other plans to grow the business now?

GB: The plan is to become a regular issuer. If you look at our business, what naturally will follow is a diversification of the underlying assets.

In future deals we'll likely see heat pump loans as well. We are now the market leader in Germany on heat pumps. Last year, we installed about 4,500 heat pumps.

The international expansion is another area.

My real hope would be that we don't remain the only issuer. I hope others follow our example and approach public markets with their assets.

GC: Do you think your work will make it easier for others to follow in your footsteps?

GB: I strongly believe so. The structuring work that we did around tranching, around legal tenures, around first optional redemption dates and on pricing should make it easier now. Also, our performance history should give investors confidence that other business models will be able to perform similarly.

GC: Thanks Gregor. It certainly seems like the sun is shining on the sector at the moment.

GlobalCapital US Securitization Awards: the winners

The leading deals and organizations of 2024 were crowned at a packed ceremony in New York

Participants from all corners of the US securitization industry gathered together at The Metropolitan Club of New York on May 15 for *GlobalCapital's* annual awards dinner.

Sold out for a second consecutive year, almost 250 guests packed into the room to celebrate the market's successes over the last year and to raise a glass to the winning deals, organizations and individuals.

The market was celebrating a remarkable year, which saw several varieties of securitized products enjoy their biggest year of issuance since the 2008 financial crisis and many asset classes truly come into their own. It was undoubtedly a pivotal year in the development of data center ABS, middle market CLOs and non-QM RMBS, among others, while innovations also came to the fore in both on-the-run and esoteric asset classes.

The *GlobalCapital* Securitization Awards are unique in that they are decided by the market itself. This means that the winners are those the industry considers to be its leading lights.

Research for the awards began back in December, when the market was asked to nominate those that it deemed worthy of inclusion on the shortlist. The nominees were published in February and opened to a market vote to select the winners. Almost 2,000 individuals from all corners of the market cast their votes, resulting in over 160 nominees and more than 50 winners.

The exceptions to the vote were three pitched categories: Overall Securitization Bank of the Year, Esoteric ABS Bank of the Year and Innovative Deal of the Year.

These categories were chosen by our editorial team — after much deliberation — and winners were based on pitches received from the candidates themselves.

Morgan Stanley won the coveted Overall Securitization Bank of the Year award. The bank has made strides in RMBS and consumer and esoteric ABS, building on its already strong CMBS and CLO businesses. Above all, its holistic and integrated approach to securitization and structured finance — as the worlds of secured lending, private

credit and capital solutions converge ever faster — stood out. Its strength across the board was highlighted by its role on almost all of the winning deals.

Guggenheim Securities scooped the Esoteric ABS Bank of the Year, standing out in a competitive field for its commitment to innovation, deep client coverage and strength in bringing new issuers to market.

CHASE 2024-DRT was named Innovative Deal of the Year. The transaction moved the US risk transfer market forward in a unique way, providing with a blueprint of how non-agency mortgage risk transfers could be done in the future.

Atlas SP Partners received the Editor's Choice Award, in recognition of its remarkable growth story following its acquisition by Apollo. It has bounced back over the last year, to reframe what it means to be an arranger of securitizations.

Congratulations to all our winners and nominees, and huge thanks to all those who took the time to pitch and vote in the poll. The full list of winners and nominees is below. [GC](#)

SPECIAL AWARDS

Editor's Choice

Atlas SP Partners

Innovative Securitization Deal of the Year

CHASE 2024-DRT1

Chase, JP Morgan

ABS Trading Desk of the Year

Deutsche Bank

Nominees: Bank of America, Barclays, Jefferies, JP Morgan

PITCHED AWARDS

Overall Securitization Bank of the Year

Morgan Stanley

Esoteric ABS Bank of the Year

Guggenheim Securities

POLLED AWARDS

ABS Bank of the Year

JP Morgan

Nominees: Bank of America, Barclays, Citi, Wells Fargo

ABS Issuer of the Year

Bayview Asset Management

Nominees: Ascent Funding, Carlyle, Pagaya, Santander



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Columns

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Results

Deal Name	GlobalCapital Coverage	Class
Prysmian - EUR - 650m - 3.875% - 28/11/2031	Link	Corporate
Worldline - EUR - 500m - 5.25% - 27/11/2029	Link	Corporate
L-Bank - USD - 1250m - 4.375% - 15/02/2028	Link	SSA
Iberdrola - EUR - 800m - 4.247% - Perpetual	Link	Corporate
Prysmian - EUR - 850m - 3.625% - 28/11/2028	Link	Corporate
BayernLB - GBP - 250m - 5.25% - 28/11/2029		FIG
D... - EUR - 500m - 4% - 07/01/2028		FIG

ABS Deal of the Year

Octane Receivables Trust 2024-RVM1

Octane, Atlas SP Partners, Truist, JP Morgan, Mizuho

Nominees: Ascent Education Funding Trust 2024-A, Capital Street Master Trust (Goldman Sachs capital call securitization), Carvana 24-N2, PKAIR 2024-1

ABS Law Firm of the Year

Mayer Brown

Nominees: Clifford Chance, Morgan Lewis, Sidley Austin, Weil Gotshal

ABS Investor of the Year

MetLife Investment Management

Nominees: Apollo, BlackRock, Blackstone, PIMCO

ABS Rating Agency of the Year

KBRA

Nominees: Fitch Ratings, Moody's Ratings, Morningstar DBRS, S&P Global Ratings

Esoteric ABS Deal of the Year

Subway Whole Business Securitization

Subway, Barclays, JP Morgan, Mizuho, Morgan Stanley, MUFG, Rabobank, RBC, Wells Fargo, Truist Securities, UBS

Nominees: Beats 2024-1, OMFIT 2024-1, Sotheby's ArtFi 2024-1, ENFIN 2024-1, TENET 2024-1

Esoteric ABS Issuer of the Year

Affirm

Nominees: DigitalBridge, Pagaya, PK AirFinance, Sotheby's

Esoteric ABS Law Firm of the Year

Kramer Levin

Nominees: Chapman & Cutler, Dechert, Dentons, Latham & Watkins

Esoteric ABS Investor of the Year

MetLife Investment Management

Nominees: Brown Brothers Harriman, CapRe, PIMCO, TPG Angelo Gordon

RMBS Bank of the Year

Nomura

Nominees: Atlas SP Partners, Bank of America, Barclays, JP Morgan, Morgan Stanley

RMBS Trading Desk of the Year

JP Morgan

Nominees: Bank of America, Barclays, Morgan Stanley, Nomura

RMBS Issuer of the Year

Chase

Nominees: Annaly Capital Management, Balbec Capital, Invictus, Rithm Capital

RMBS Deal of the Year

Toorak 2024-RRTL1

Toorak Capital Partners, Deutsche Bank, JP Morgan, Morgan Stanley, Performance Trust, Dechert, Dentons

Nominees: CHASE 2024-DRT1, Connecticut Avenue Securities Trust 2024-R04, Ellington Financial 2024-RM1, Hometap 2024-1

RMBS Law Firm of the Year

Dentons

Nominees: Clifford Chance, Dechert, Hunton Andrews Kurth, Katten, Mayer Brown

RMBS Investor of the Year

Waterfall Asset Management

Nominees: Apollo, BlackRock, Ellington Management Group, PIMCO

RMBS Rating Agency of the Year

Fitch Ratings

Nominees: KBRA, Moody's Ratings, Morningstar DBRS, S&P Global Ratings

CMBS Bank of the Year

Bank of America

Nominees: Citi, Deutsche Bank, Goldman Sachs, JP Morgan, Wells Fargo

CMBS Trading Desk of the Year

Barclays

Nominees: Bank of America, BMO Capital Markets, Citi, Deutsche Bank

CMBS Issuer of the Year

Blackstone

Nominees: Fannie Mae, Freddie Mac, Morgan Stanley, Wells Fargo

CMBS Deal of the Year

ROCK Trust 2024-CNTR

Tishman Speyer, Bank of America, Wells Fargo, Dechert, Sullivan & Cromwell

Nominees: BAHA 2024-MAR, BX 2024-AIRC, COMM 2024-277P, FARM 2024-2, FMBT 2024-FBLU

CMBS Law Firm of the Year

Cadwalader, Wickersham & Taft

Nominees: Alston & Bird, Dechert, Orrick, Sidley Austin

CMBS Investor of the Year

BlackRock

Nominees: Apollo, MetLife, TPG Angelo Gordon

CMBS Rating Agency of the Year

Moody's Ratings

Nominees: Fitch Ratings, KBRA, Morningstar DBRS, S&P Global Ratings

CLO Bank of the Year

Nomura

Nominees: Bank of America, BNP Paribas, Citi, JP Morgan, Morgan Stanley

CLO Trading Desk of the Year

Bank of America

Nominees: Citi, JP Morgan, Morgan Stanley, Société Générale

Broadly Syndicated CLO Manager of the Year

CIFC Asset Management

Nominees: Blackstone, Carlyle, GoldenTree Asset Management, MidOcean Partners, Sculptor Capital Management, Symphony Asset Management (Nuveen)

Middle Market CLO Manager of the Year

Blue Owl Capital

Nominees: Alliance Bernstein, Antares, Blackstone, Deerpath, Golub Capital

CLO Deal of the Year

GoldenTree Loan Management US CLO 23

GoldenTree Asset Management, Bank of America, Morgan Stanley, Wells Fargo

Nominees: Canyon CLO 2024-2, Madison Park 66, Menlo CLO 1, Symphony Loan Funding CLO 1



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CLO Law Firm of the Year

Paul Hastings

Nominees: Cadwalader, Wickersham & Taft, Clifford Chance, Dechert, Milbank

CLO Trustee of the Year

US Bank

Nominees: Bank of New York Mellon, Computershare, Deutsche Bank, Wilmington Trust

CLO Tech Provider of the Year

Intex

Nominees: Kopentech, Valitana, Vichara Technologies

CLO Investor of the Year

Apollo Global Management

Nominees: AIG, Metlife, Nuveen, Vibrant

CLO Rating Agency of the Year

S&P Global Ratings

Nominees: Fitch Ratings, Moody's Ratings

CLO ETF of the Year

Janus Henderson

Nominees: BlackRock, PGIM, VanEck

SRT Bank of the Year

Santander

Nominees: Bank of America, Barclays, Deutsche Bank, JP Morgan, Merchants Bank

SRT Law Firm of the Year

Clifford Chance

Nominees: Cadwalader, Wickersham & Taft, Mayer Brown

SRT Investor of the Year

Bayview Asset Management

Nominees: ArrowMark, Newmarket

Re(insurer) of the Year

Munich Re

Nominees: Arch, RenaissanceRe

ESG Securitization Bank of the Year

Atlas SP Partners

Nominees: Bank of America, BNP Paribas, Deutsche Bank, Wells Fargo

ESG Issuer of the Year

Nuveen Green Capital

Nominees: Fannie Mae, Freddie Mac, Sunnova, SunRun

Sustainable Investor of the Year

Apollo Global Management

Nominees: AIG, MetLife, Newmarket, TPG Angelo Gordon

ESG Deal of the Year

GoodLeap 2024-1

GoodLeap, Atlas SP Partners, Bank of America, Citi, Goldman Sachs

Nominees: ENFIN 2024-1, Freddie Mac Q-027 (Transitional Housing), Tesla Energy ABS 2024-1, Wells Fargo 2024-SVEN

ESG Law Firm of the Year

Mayer Brown

Nominees: Chapman & Cutler, Cleary Gottlieb Steen & Hamilton, Dechert, Kramer Levin

Securitization Research Team of the Year

Bank of America

Nominees: Barclays, JP Morgan, Morgan Stanley, Nomura

Securitization Tech Provider of the Year

Finsight

Nominees: dv01, Oxane Partners, Setpoint, SOLVE

Securitization Trading Data Provider of the Year

Bloomberg

Nominees: Finsight, Intex, Moody's Ratings, SOLVE

Securitization Trustee of the Year

Wilmington Trust

Nominees: Citi, Computershare, US Bank, WSFS Bank

Securitization Rating Agency of the Year

S&P Global Ratings

Nominees: Fitch Ratings, KBRA, Moody's Ratings, Morningstar DBRS

Securitization Accounting Firm of the Year

Deloitte

Nominees: EY, Grant Thornton, KPMG, PwC

Debut Issuer of the Year

Sotheby's

Nominees: Ascent Funding, Clicklease, Hometap, Kobalt Music

Securitization Rising Star

Samantha Batt, Blue Owl Capital

Nominees: Charlie Dann, Truist Securities; Will Graboyes, Jefferies; Dylan Majka, JP Morgan; Ryan Singer, Balbec Capital; Anna Truong, Grant Thornton



KBRA Named ABS Rating Agency of the Year

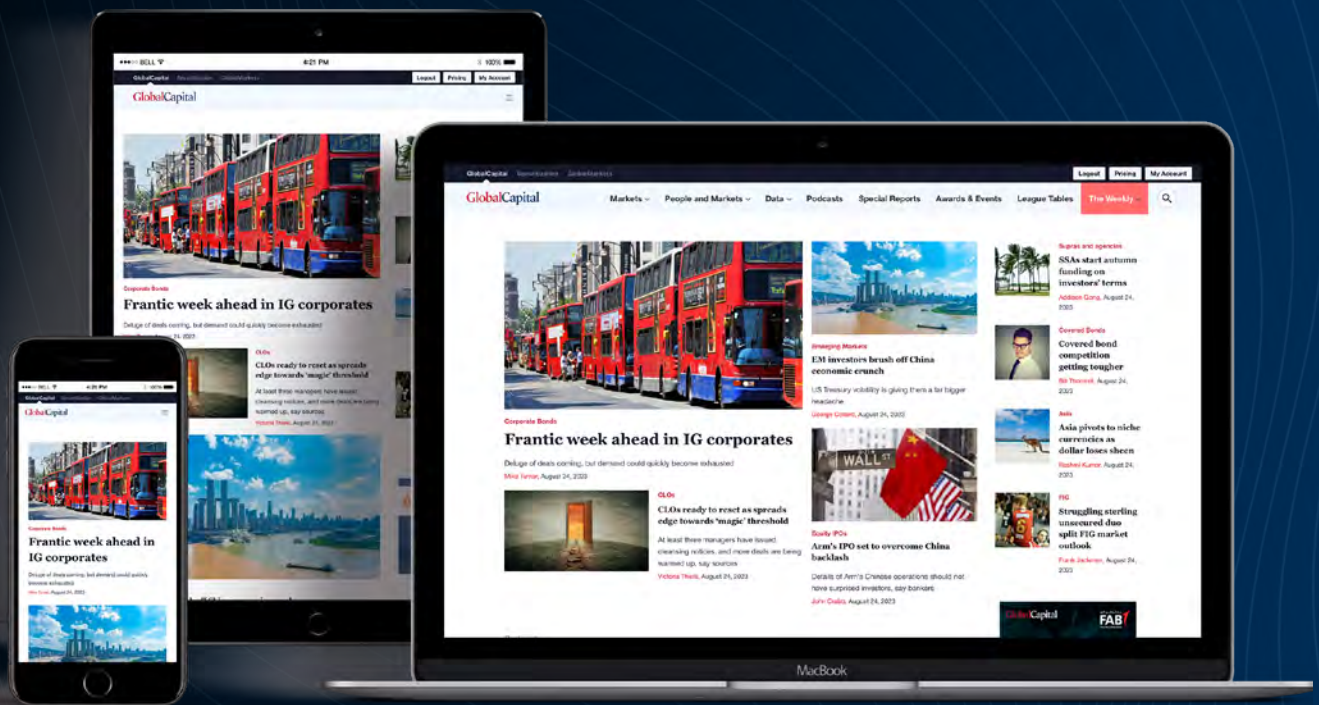
The award honors KBRA's industry leadership in the ABS market, where the agency continues to stand out for its transparent and practical approach to credit ratings, a deep understanding of both traditional and esoteric ABS, and consistent responsiveness to investors and issuers.

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