

# EMEA RMBS And ABS Monitor Q2 2024

July 22, 2024

*This report does not constitute a rating action*

## Key Takeaways

- During Q2 2024, rating actions were up 19% quarter-on-quarter to 192, comprising 133 affirmations, 17 downgrades, and 42 upgrades. While affirmations exceeded last quarter's total (81), downgrades almost dropped by half (from 31), and upgrades decreased slightly (from 49).
- We reviewed 34 ABS and 98 RMBS transactions--28% of our total rated ABS and RMBS universe--through rating actions and our annual review surveillance process.
- We rated almost double the number of new transactions compared to the first quarter of the year (33 new rated deals versus 17). We rated 11 new ABS (Q1 2024: 2) and 22 new RMBS (Q1 2024: 15) transactions. We also rated new notes issued from three existing transactions. The issuances were geographically diverse. The RMBS transactions comprised assets from jurisdictions infrequently seen, Italy and Spain. We rated the first European data center transaction.
- Rating actions mainly covered affirmations (69% of classes reviewed), upgrades (22%), and downgrades (9%), with negative actions affecting classes originally rated from 'AA+(sf)' to 'B-(sf)'.
- Rating action severities were 1.5 notches for downgrades and 1.6 notches for upgrades.
- Most RMBS affirmations were concentrated in U.K. transactions (58%), followed by Netherlands (20%), Portugal (13%), and Ireland (9%). U.K. transactions accounted for 58% of upgrades, followed by Portugal and Ireland (17% each), and Netherlands (8%). A significant proportion of downgrades were in U.K. transactions (88%, of which 73% related to BTL legacy deals and the rest to non-conforming deals), followed by Netherlands (12%, related to a legacy deal).
- We upgraded six ABS tranches and affirmed 63 tranches. No negative actions were taken on ABS transactions. Most upgrades were driven by increased credit enhancement and good performance. Two upgrades related to the guarantor's upgrade.

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Our report includes a downloadable data set covering surveillance actions, new ratings, rating transitions, and a list of our recent publications (available to RatingsDirect on Capital IQ subscribers only).

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