



Webinar

## Synthetic Securitization Insights

Relevance and Evolution over Time | August 8, 2024

[www.iacpm.org](http://www.iacpm.org)

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# Panelists

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Portfolio Hedging & Optimization  
Barclays
- Moderator:  
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# Webinar Agenda

- Background
- Global Balance Sheet Synthetic Securitization Market Trends
  - Why Synthetic Securitization?
- Stakeholders
- Structuring Features
  - Protected Tranches
  - Instrument(s) for Risk Transfer to Protection Seller
  - STS and Sustainability
- Regulatory Framework
- Q & A

# Background

- For the last ten years, the IACPM has provided the IACPM community with the information needed to monitor the market of **synthetic on balance-sheet securitizations**, also referred to as risk sharing transactions.
- The data presented in the following slides has been collected from 40 banks globally and represents all public and private transactions, funded or unfunded, whatever the instrument used for synthetic risk transfer, as long as these **transactions were executed for the banks' own balance-sheet management**.
- The data reflects the yearly production 2016 to 2023 as well as the current stock of transactions executed across the world and was collected per year and per trade based on inception date.
- Global policy makers across all jurisdictions find the results extremely useful not only to be informed about private market trends in volumes, asset classes, structures, and participants, but also to understand the impact on banks' lending capacity and monitor the effectiveness of prudential parameters specific to this risk sharing instruments.

More information on IACPM's website: <https://iacpm.org/private-risk-sharing-exceeded-e1-trillion-of-cumulated-volumes-between-2016-and-2023-despite-ongoing-uncertainties-in-final-regulatory-treatment/>

# Global Balance Sheet Synthetic Securitization Market Trends

# Synthetic Securitisation Issuance 2016 – 2023

Global - €bn		Inception	YE 2023
Underlying Pools of Loans	2016-2023	1,024	614
	2023	207	197
Protected Tranches	2016-2023	82 (8.0%)	55 (8.9%)
	2023	18.5 (8.9%)	18.2 (9.2%)

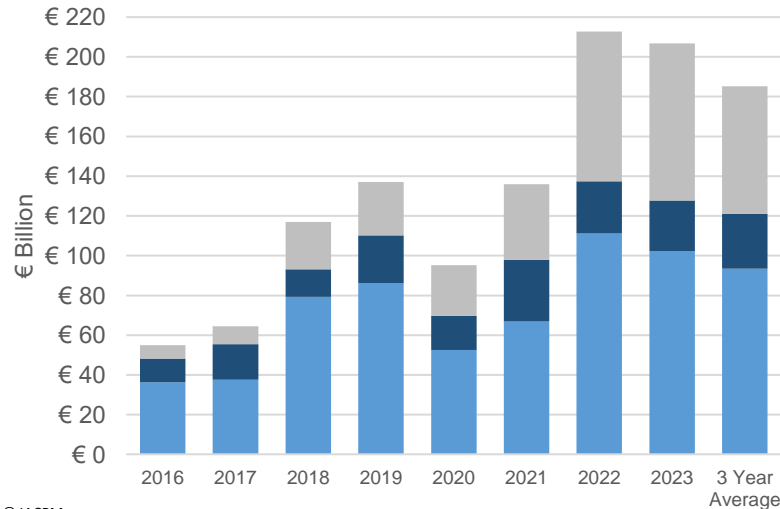
EU - €bn		Inception	YE 2023
Underlying Pools of Loans	2016-2023	572	299
	2023	102	98
Protected Tranches	2016-2023	42 (7.3%)	24 (7.9%)
	2023	7.5 (7.3%)	7.3 (7.5%)

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Source: IACPM Synthetic Securitization Global Bank Data Report 2016 - 2023

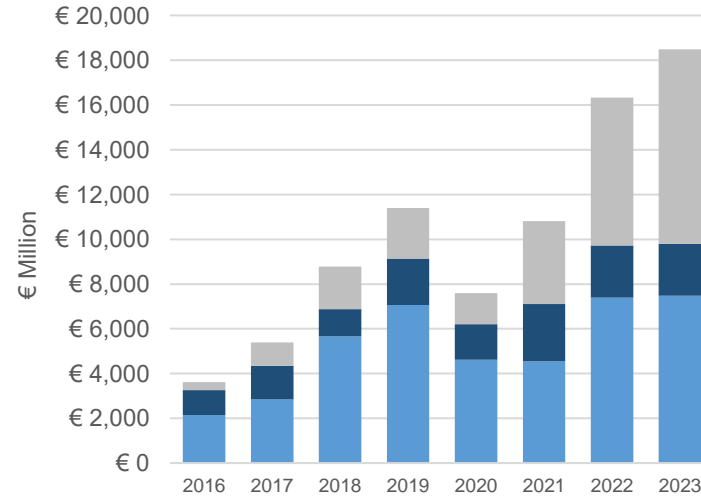
# Synthetic Securitisation Volume 2016 – 2023

**Underlying Pool Size at Inception**  
In Billion Euro, By Issuer Region



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**Protected Tranches\* at Inception**  
In Million Euro, By Issuer Region



■ European Union (EU) excl. UK ■ UK ■ Other Regions (1)

(\*) Protected tranche volume does not include placed senior tranche volume.

Source: IACPM Synthetic Securitization Global Bank Data Report 2016 - 2023

(1) Other regions include Switzerland, United States, Canada, and Asia.

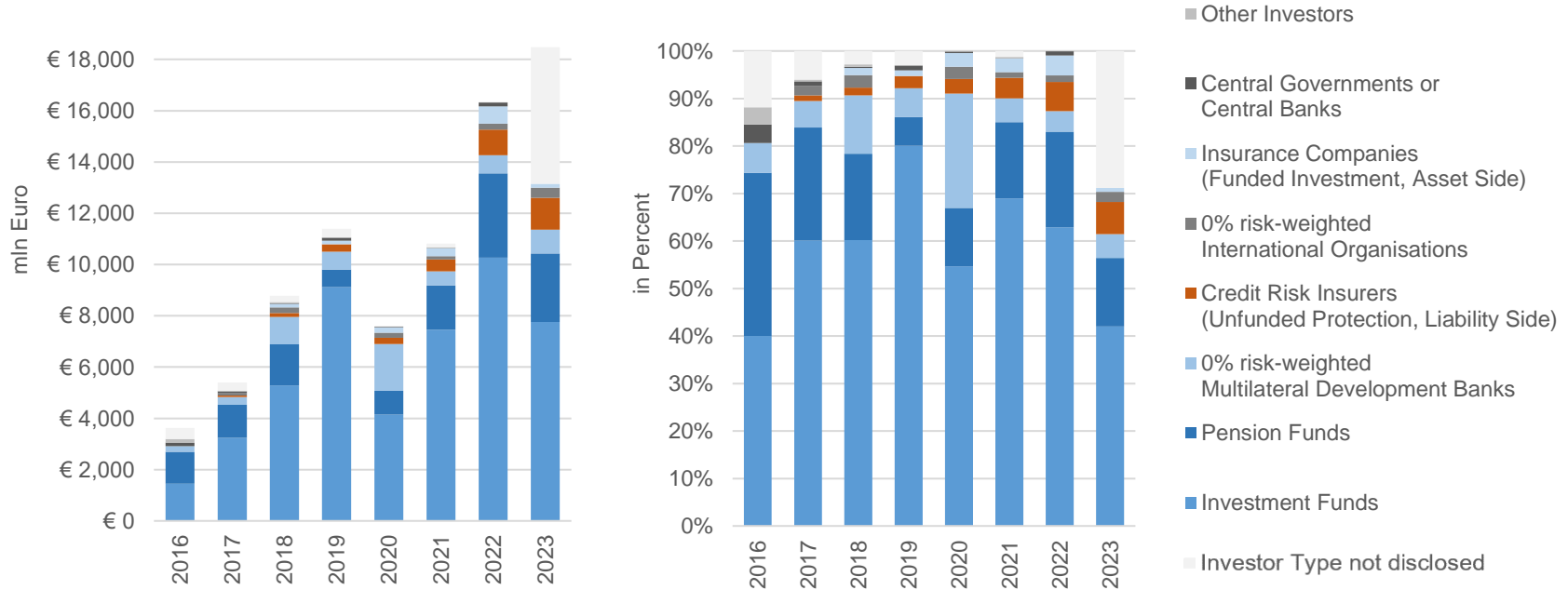


# Stakeholders



# Synthetic Securitisation Trade Flow 2016 – 2023

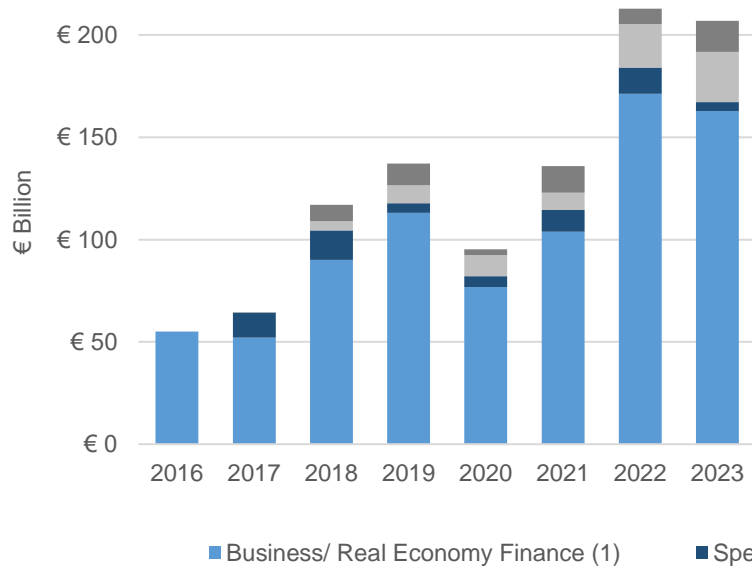
## Protected Tranche Volume at Inception, By Investor Type over Time



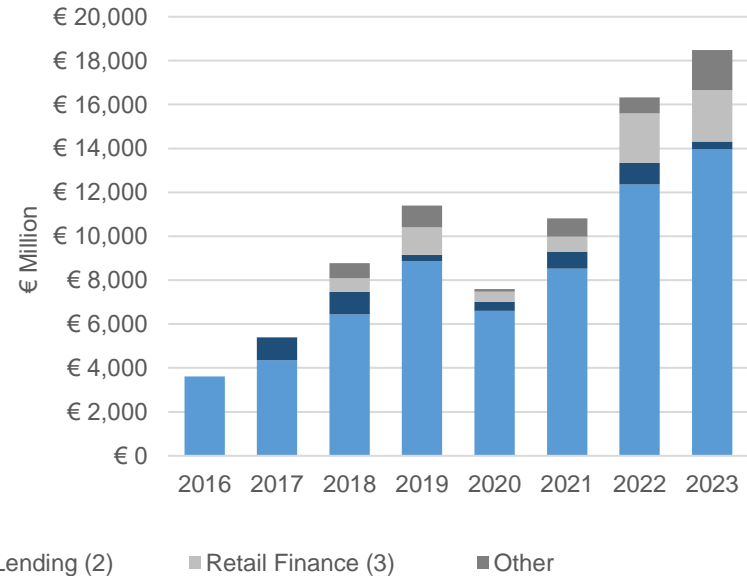
# Structuring Features

# Synthetic Securitisation Volume 2016 – 2023

Underlying Pool Size at **Inception**  
In Billion Euro, By Underlying Asset Class



Protected Tranches\* at **Inception**  
In Million Euro, By Underlying Asset Class



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(\*) Protected tranche volume does not include placed senior tranche volume.

Source: IACPM Synthetic Securitization Global Bank Data Report 2016 - 2023

(1) Corporate, SMEs, Trade Finance, Mixed | (2) Project Finance, Object Finance, Commercial Mortgages, Income-producing Real Estate (IPRE) Lending | (3) Residential Mortgage Loans, All Other Retail Exposures



# Q & A

## What's Next:

- Executive Summary and high-level survey results are available on IACPM's website: <https://iacpm.org/private-risk-sharing-exceeded-e1-trillion-of-cumulated-volumes-between-2016-and-2023-despite-ongoing-uncertainties-in-final-regulatory-treatment/>
- Join IACPM's Securitization Working Group. The group focuses on SRT, STS & CRR global regulatory developments for synthetic securitizations as well as global sustainable securitization efforts.
- Overview of IACPM's Securitization advocacy work: <https://iacpm.org/advocacy/securitization/>
- November 13-15: IACPM Annual Fall Conference, Miami, Florida

For more information on the IACPM, please visit: [www.iacpm.org](http://www.iacpm.org) or email us.

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