

IFR EUROPEAN SECURITISATION BRIEFING

■ JUNE 14 2013

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ALL EUROPEAN ISSUERS

BOOKRUNNERS: 1/1/2013 TO 14/6/2013

| | Managing bank or group | No. of issues | Total US\$(m) | Share (%) |
|----|------------------------|---------------|------------------|-----------|
| 1 | JP Morgan | 10 | 8,515.43 | 23.4 |
| 2 | SG CIB | 7 | 2,473.02 | 6.8 |
| 3 | BofA Merrill Lynch | 7 | 2,212.92 | 6.1 |
| 4 | HSBC | 7 | 2,185.70 | 6.0 |
| 5 | Citigroup | 6 | 2,067.27 | 5.7 |
| 6 | Rabobank | 4 | 1,882.10 | 5.2 |
| 7 | Lloyds Bank | 7 | 1,642.28 | 4.5 |
| 8 | Barclays | 7 | 1,421.16 | 3.9 |
| 9 | BNP Paribas | 5 | 1,311.18 | 3.6 |
| 10 | Credit Suisse | 6 | 1,304.30 | 3.6 |
| | Total | 49 | 36,329.80 | |

Source: Thomson Reuters (SDC code: B16n)

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Activity eased on Friday as market participants wound down after an eventful week, and also prepared for the Global ABS conference in Brussels next week. New issues, some more successful than others, jumbo BWICs and a new addition to the pipeline were all part of discussions.

Traders said on Friday that spread widening was not just focused on the more credit-intensive bonds. Core assets also proved quite reactionary, but more a result of their liquidity rather than fundamentals concerns.

From the Dutch RMBS market, **STORM** was mentioned. This is the benchmark programme, but being the most frequent issuer (€6.5bn from five deals last year and €2.5bn from three deals already this year) means there are plenty of bonds around. And so accounts looking to lighten their books running into quarter/half-year end have been seeking bids.

Those market players in no particular rush to take on new risk have shown weaker prices.

The bonds had tightened to the mid to high 70bp a few weeks ago, but are now at 80bp, or wider depending on the source. A trader said the bonds were bid just wide of 80bp, but the offer was still inside to give a mid-market level of 80bp. Another quoted wider levels, saying the offer had pushed past 80bp.

However, the first Storm trade of the year priced at 85bp and the following two at 83bp so current secondary quotes leaves the trades only roughly where they started.

The second trader, however, said that some higher yielding paper had actually proved resilient – such as Spanish mezzanine. He said such bonds did not often surface in size, and people would pay up for them when they did.

The primary market pipeline contains **ALBA 2013-1** in RMBS, while in CMBS the Debussy transaction that is part of the Vanwall (Toys R US) refinancing is also nearing. All auto ABS has now left the queue, following the pricing of Swiss Auto Lease 2013-1 and Motor 2013-1 last week.

In the UK secured market, one originator announced the placement of more small tranches, while one has taken the opportunity to use the proceeds from an increased bank loan to reclaim some notes.

ABP FINANCE PLC has issued €70m of fixed-rate notes due 2023 from its £5bn debt programme. The 3.22% bonds rank pari passu with the 2022 FRNs and 2026 fixed-rate bonds, as well as the £70m notes placed in April.

ABP Acquisitions UK Limited, meanwhile, has agreed a £80m private placement FRN, where half of the issuance is deferred until December 2013. Proceeds will be used to repay an equivalent amount of its term facilities expiring December 2014.

This follows investor meetings at which changes to the documents were agreed to take effect on June 13. Changes included allowing non-sterling issuance, and the waiver of provisions in the common terms of agreement in respect of additional covenants on new facilities to be entered into with the EIB in relation to projects in Southampton and Hull.

On June 4 ABP announced a £130m senior secured guaranteed FRN US private placement. Those notes had a 14-year WAL and a legal final in 2030.

Previously, on April 24, ABP issued £70m of 20-year FRNs and signed a £80m 16-year term loan with a UK pension fund and an overseas export credit agency.

GREENE KING PLC, meanwhile, increased its bank loan to £460m and also extended it to June 2018, using the proceeds to buy back the £60m Class AB1 tranche from its whole business securitisation at par to avoid paying the step-up margin.

The notes pay three-month Libor plus 210bp, and are subject to a step-up fee of 315bp from June 17. Matthew Fearn, CFO, said in a statement: “The extension of the facility provides improved certainty over financing, takes advantage of liquidity in the bank market and reflects our strong cash position.”



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LAUNCHED & PRICED, BPS (WAL IN BRACKETS) P=PLACED/PP=PRE-PLACED/R=RETAINED

| Date | Issuer | Type | Books | AAA | AA | A | BBB | Status |
|----------|---------------------------------|------|--------------------------|----------|----------|-----------|----------|--------|
| 13/06/13 | German Residential Funding 13-1 | CMBS | GS/BAML | 115(5.2) | 160(5.2) | 210(5.2) | 350(5.2) | P |
| 13/06/13 | Phedina 2013-1 | RMBS | Barc/BNPP/ING/Lloyds | 85(4.96) | | | | P |
| 12/06/13 | Motor 2013-1 | ABS | BAML/Citi/DB/Santader | 60(1.16) | | | | P |
| 11/06/13 | Swiss Auto Lease 2013-1 | ABS | CS | 25(3) | | | | P |
| 07/06/13 | Deco 2013-CSPK | CMBS | DB | 155(3.2) | | | | P |
| 07/06/13 | Lanark 2013-1 | RMBS | Barc/Citi/DB/Lloyds/NAB | 45(2.92) | | | | P |
| 06/06/13 | Goldentree European CLO 2013-1 | CLO | MS | 130(5.4) | 205(5.4) | 300(5.4) | | P |
| 06/06/13 | Unite (USAF II) | ABS | HSBC/Lloyds/Barc/RBS | | | 150(10) | | P |
| 06/06/13 | AutoABS 2013-2 | ABS | HSBC/SG | 85(2.65) | | 150(4.97) | | P |
| 05/06/13 | Quarzo Srl | ABS | Mediobanca | | | 220(3.7) | | R |
| 31/05/13 | Carlyle Euro CLO 2013-1 | CLO | Barclays | 130 | 175 | 275 | 400 | P |
| 31/05/13 | Private Driver 2013-1 | ABS | VW Bank/RBI | 0.476% | | 0.996% | | R |
| 31/05/13 | Private Driver 2013-2 | ABS | VW Bank/RBI | 0.476% | | 0.996% | | R |
| 30/05/13 | Florence SPV | ABS | BNPP | | 1.5 | | | R |
| 29/05/13 | Bavarian Sky Auto Loans | ABS | Citi/Commerz | 24(1.29) | | 68(2.67) | | P |
| 29/05/13 | Atlantes SME No.2 | CLO | RBS | | | 200 | | R |
| 23/05/13 | Vdta Electricity | ABS | StormHarbour | | | | 4.25%(2) | P |
| 23/05/13 | Holmes 2013-1 | RMBS | BAML/CS/Lloyds/Santander | 40(2.9) | | | | P |
| 21/05/13 | Storm 2013-III | RMBS | Citi/Rabo/SG | 83(4.9) | | | | P |
| 21/05/13 | Kenrick No.2 | RMBS | JPM | 65(3.08) | | | | P |

DEAL PIPELINE

| Date | Issuer | Type | Books | Timing |
|------------|----------------------|------|-------|--------|
| 13/06/2013 | Aba 2013-1 | RMBS | CS | June |
| 08/05/2013 | Jubilee 2013 | CLO | JPM | June |
| 02/04/2013 | Debussy DTC | CMBS | | TBA |
| 21/02/2013 | Brookfield Utilities | WBS | TBA | TBA |