

**Rosie Bell (RB):** I'm Rosie Bell with IMN and I'm joined by Alan Geraghty, Head of Wilmington Trust for Europe, and Alex Pashley, Wilmington's Head of Structured Finance, the UK. Welcome back. How are you?

**Alan Geraghty (AG):** Very good, Rosie.

**Alex Pashley (AP):** Great, Rosie. Thank you very much.

**RB:** Alright. Well, to start with, looking back at the last 12 months, what asset classes have you seen more origination in?

**AG:** So, Rosie, it's been an interesting 12 months with some highs and lows. A lot of external factors causing issues for issuers and arrangers and banks that are originating. We've seen a lot of our clients pull back from the market somewhat during the year, but then also reemerge and return in towards the end of the year and the start of the new year in 2023. And the markets that we've seen really a comeback are around auto ABS in the UK in particular, and also CLOs continue to drive issuance there as well. And we also see ESG and Green Finance supporting the move towards a greener economy across the EU and UK. And we've also seen a reemergence of the aviation finance world as well following the recovery from the COVID pandemic for the airlines and that industry. So overall, we've seen a return from lots of different issuers and lots of asset classes, and we're happy about that and we're glad to be involved in that.

**AP:** Yeah, I think we've also across our businesses in Europe, we really benefited from a flow of business from some great clients that use us day in and day out or deal after deal. We benefit from working with some of the largest repeat issuers across different sectors, whether it be banking, you know, auto finance, mortgage originators. You know, we've had a really strong flow of business in that regard and we've seen those markets bounce back. Alan alluded to a hiatus last year. You know, we've seen deals from all those clients in the last quarter and into this quarter. We're expecting to see a continued bounce off the back of global ABS.

We've been in Europe for over 25 years across various footprint in Europe and we feel ideally placed to support those clients as they continue to do business and with new clients as they grow. We've also benefited from a flow of what we call the private securitization sector. So that fintechs, challenger, banks, financial and smaller financial institutions that are giving us the opportunity to provide a one stop shop. They're getting funding from different banks, lenders, PE firms, asset managers, and they are using variable funding facilities to basically finance their businesses essentially. So we're able to provide them with a one stop shop. We incorporate their SPV, we provide them with directors, we can provide them with accounting services, we can do analytics and different calculations, working with borrower bases, ensuring investors are getting reporting, facilitating payments, doing drawdowns on variable funding facilities, serving as a trustee in their paying agent. So that's a really compelling space for us. We've seen a real uptick in that in the last eight months and it's an exciting space and we expect to see more of that.

**RB:** Okay. Well, if that was looking at the last 12 months, if we were to look ahead at the next 12 months, do you in fact, have any concerns in the securitization market?

**AG:** I think Rosie our concerns and our based on this year as well. Right. So the last year has been an interesting year from a macro-economic and geopolitical perspective. Now on the macro-economic side,

we've all struggled with high inflation and we've all seen interest rates rise at a rapid pace over a short period of time. I think the whole market has had to digest that and realign to those higher interest rate environment. And I think we see that turning now. So we feel like we're towards the peak of those two macro-economic factors and that helps the whole market. Right. And so that's why we see issuance coming back in the new year, we think. And there's also, you know, it's three years since the COVID pandemic hit us and we've seen that affect us in many different ways. Right. But one of the ways we do see it affect us is, is our office space and cities and people working in cities. Right. So we have seen a real move towards the hybrid and remote working. I think we all see that that's here to stay forever. And but that has affected that particular market, the corporate real estate markets. They also have to deal with the interest rates as well. And so those two factors are factors that do affect that market in particular and with maybe lower office occupancy in major cities. And so therefore, we see that effect into corporate real estate and CMBS markets as well. But it's not something that haven't been through before and they'll deal with it. The structures are built to deal with those situations and the investor knows the risks involved and it's a matter of everybody working through those particular transactions and issues that face them. So overall, we see and we see it bright for the future for our issuance across the board. And there's the odd one that has to be dealt with.

**AP:** We talk to our clients across Europe. You know, we're confident that, you know, partly off the back of global ABS, we're going to see a further bounce. There's more confidence in getting deals away. We're hoping that that will be true for us as we support our clients. You know, we we're expecting that we're at the peak or towards the end of the tightening of the central bank cycle. So we think that that will be good for us and good for the market generally alluding to that stability that we're looking for from an interest rate perspective, you know, we're hopeful that that that is on the horizon. We want all of our clients to be successful. But we do see the prospects of some restructuring on the horizon. We've seen it in cycles in the past. We expect to see it again. We have a range of people within our business to help support our clients as they go through difficult cycles. That can include restructuring or other types of ways to make deals work more efficiently and where that support them, whether it be as their trustee or their agent, we are prepared to help them and get this these things done.

**RB:** Alright. Well, finally, then, how is Wilmington Trust well equipped to support originators coming into market?

**AG:** So Rosie, we've been in this market for over 25 years and we have a lot of experience in this market and we've built out that experience over the years by adding new products and services. We're looking to provide corporate trustee and agency services to structured finance transactions, which may be issuing bonds or maybe issuing loans. And so we we're looking to continue to build that out over the coming years. And we have a successful business in the US, a larger business, and we're trying to replicate what we're doing in the US in Europe and can continue to leverage the good relationships we have in the US and in Europe.

**AP:** Absolutely. Yeah. Well, I mean, that's know, alluded to, we've got a big business in the US. When we look at the footprint that we've got in Europe today, you know, how are we better to support our clients? We've spoken to our clients, we've listened to their feedback and ultimately we see that if we are able to provide banking services in Europe, then that's a really compelling proposition. So we have plans to launch a UK branch. That's not an easy proposition or a quick thing to do, but we are well-

advanced in our plans to do that. It'll enable us to provide account bank services and we're thinking that's going to be a very compelling proposition to clients.

**AG:** And, and it really does complement our existing suite of services and our existing stable of clients.

**AP:** Yeah, we have the provision of account services in, in Europe. It, it's something that we think is, is under-banked and there's a considerable amount of concentrated deposits for private securitization and public securitization with a limited number of firms. And we think us coming with the proposition is something that our clients will find interest.

**RB:** Alright. Well, I'd like to thank you both for speaking with us today, and I wish you a very successful remaining Global ABS. Thank you so much. Thank you.