



Structured Finance Trends: 2020 Review and 2021 Outlook

29 April 2021 - GCR Ratings ("GCR") has published its annual bulletin on the performance of the Structured Finance Sector for 2020 and Outlook for 2021 taking account of Residential Mortgage-Backed Securities, as well as, Auto loan, Equipment lease and Microloan Asset Back Securities.

The report is available for download at: <http://gcrresearch.com/reports/house/industry-reports/>.

Key highlights of the research are:

Issuance volumes have been subdued in 2020 compared to 2019.

The pandemic caused a general drop in asset performance across all asset classes in terms of an increase in arrears, drop in excess spread and collection rates. The decrease in performance was exacerbated in 2020 Q2 and 2020 Q3.

Some asset classes have shown signs of recovery in 2020 Q4.

The vast majority of rating actions in 2020 have been affirmations of ratings.

In terms of outlook for 2021 GCR expects most asset classes to show signs of recovery but at a different pace.

GCR will periodically provide insights on various asset classes, encompassing performance trends as well as changes in the economic and operating environment.

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Related Criteria and Research

Criteria for Rating Residential Mortgage Backed Securities - Nov '18

Criteria for Rating Consumer Asset Backed Securities - Sept '18

GCR Rating Scales Symbols and Definitions - May '19



South African Reserve Bank Quarterly Economic Review - Dec 2020

South African Reserve Bank Composite Business Cycle Indicators for South Africa - Mar 2021

2021 South Africa Budget Speech - Minister of Finance: Tito Titus Mboweni - Feb 2021

TransUnion Vehicle Pricing Index - Q4 2020

Experian Q3 2020 Consumer Default Index - Nov 2020