



AUSTRALIAN SECURITISERS **DECEMBER 2002**

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Enclosed are the asset and liability tables for Australian securitisers
as at 30 December 2002.

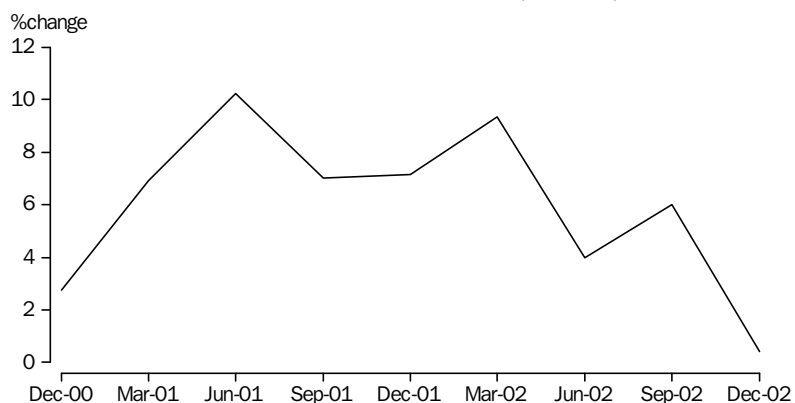
If you have any questions about these statistics,
please contact Anne Travis on (02) 6252 7925.

MAIN FEATURES

Assets of Securitisers

During the December quarter 2002, total assets of Australian Securitisers was \$117.8 billion and increased by \$486 million or 0.4 per cent during the quarter and by \$20.5 billion or 21.1 per cent during the year-ended December 2002.

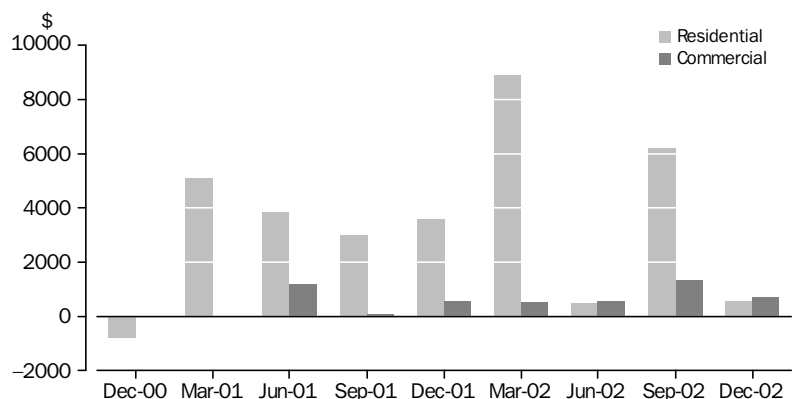
1 PERCENTAGE CHANGE IN TOTAL ASSETS, from previous quarter



Mortgage assets, which accounted for approximately two thirds of total assets, was \$81.7 billion at December 2002, an increase of \$1.3 billion or 1.6 per cent during the quarter and an increase of \$19.3 billion or 30.9 per cent during the year-ended December 2002.

During the December quarter 2002, residential mortgages increased by \$575 million or 0.8 per cent. Commercial mortgages increased by \$710 million or 13.0 per cent during the quarter.

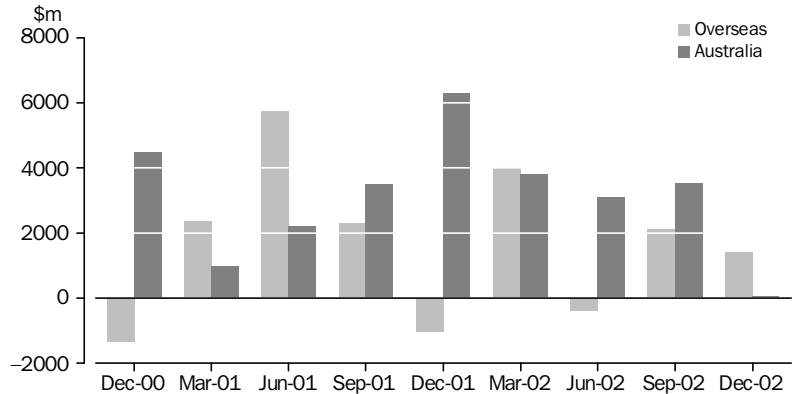
2 NET ACQUISITION OF MORTGAGES DURING QUARTER



Asset backed securities

The increase of \$486 million in total assets during the quarter mainly reflected an increase in asset backed securities issued offshore (now totalling \$37.2 billion). During the quarter the level of domestically issued securities remained unchanged, resulting from an increase of \$2.1 billion in long-term securities being offset by a similar reduction in short-term securities.

3 INCREASE IN ASSET BACKED SECURITIES, from previous quarter



Asset backed securities issued overseas increased to 31.6 per cent of total liabilities in the December 2002 quarter, whereas asset backed securities issued domestically remained unchanged at 55.9 per cent of total liabilities.

4 ASSET BACKED SECURITIES, (percentage of total liabilities)

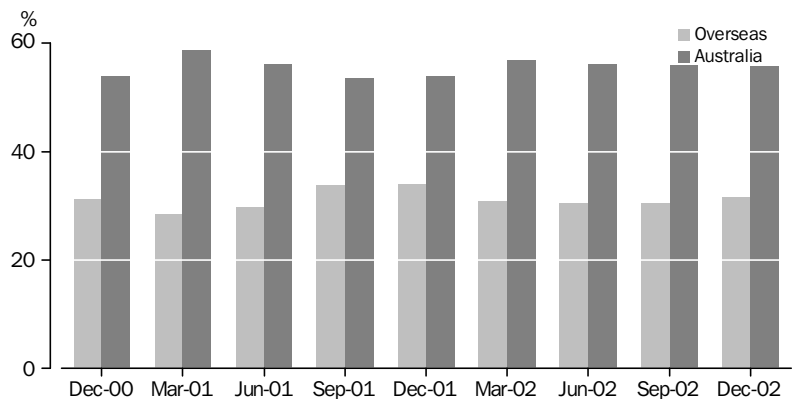


TABLE 1. TOTAL ASSETS at the end of quarter (\$millions)

| Date | Loans | | | | | | | | | |
|--------|-------------------|-----------------------|--------------------|-------|-------------|-----------------|---|--------|--------------|--------------|
| | Cash and deposits | Long term securities | | | Mortgages | | Credit card loans and trade receivables | | Other assets | Total Assets |
| | | Short term securities | Asset-backed bonds | Other | Residential | Non-residential | Other | | | |
| Dec-92 | n.a. | n.a. | n.a. | n.a. | 5,706 | 749 | 381 | 653 | 100 | 8,628 |
| Mar-93 | n.a. | n.a. | n.a. | n.a. | 5,437 | 685 | 380 | 660 | 100 | 8,492 |
| Jun-93 | 43 | n.p. | 422 | n.p. | 5,380 | 576 | 252 | 923 | 11 | 8,685 |
| Sep-93 | 34 | n.p. | 493 | n.p. | 4,803 | 433 | 252 | 1,122 | 7 | 8,318 |
| Dec-93 | 36 | 199 | 573 | 1,080 | 4,584 | 408 | 276 | 1,007 | 16 | 8,179 |
| Mar-94 | 31 | 219 | 569 | 696 | 4,551 | 339 | 276 | 1,120 | 17 | 7,818 |
| Jun-94 | 70 | 165 | 816 | 693 | 4,602 | 339 | 276 | 1,909 | 133 | 9,003 |
| Sep-94 | 75 | 207 | 783 | 806 | 4,455 | 230 | 301 | 1,555 | 155 | 8,567 |
| Dec-94 | 154 | 213 | 773 | 724 | 4,674 | 213 | 300 | 1,485 | 154 | 8,690 |
| Mar-95 | 167 | 486 | 781 | 924 | 5,391 | 197 | 325 | 1,458 | 208 | 9,937 |
| Jun-95 | 142 | 272 | 928 | 957 | 5,171 | 187 | 526 | 1,456 | 206 | 9,845 |
| Sep-95 | 220 | 530 | 947 | 951 | 4,945 | 179 | 549 | 1,483 | 208 | 10,012 |
| Dec-95 | 396 | 364 | 1,010 | 1,077 | 6,422 | 177 | 357 | 1,762 | 279 | 11,844 |
| Mar-96 | 235 | 486 | 1,059 | 1,167 | 7,349 | 177 | 414 | 1,123 | 286 | 12,296 |
| Jun-96 | 197 | 262 | 1,287 | 1,094 | 8,247 | 105 | 451 | 1,774 | 413 | 13,830 |
| Sep-96 | 318 | 373 | 1,293 | 687 | 9,710 | 118 | 279 | 1,950 | 579 | 15,307 |
| Dec-96 | 440 | 376 | 1,642 | 505 | 10,670 | 84 | 321 | 2,052 | 672 | 16,762 |
| Mar-97 | 311 | 361 | 1,828 | 491 | 11,931 | 130 | 333 | 2,128 | 669 | 18,182 |
| Jun-97 | 231 | 598 | 1,856 | 471 | 13,618 | 145 | 375 | 2,697 | 455 | 20,446 |
| Sep-97 | 205 | 809 | 2,112 | 567 | 16,755 | 236 | 334 | 3,023 | 677 | 24,718 |
| Dec-97 | 264 | 623 | 2,849 | 535 | 18,016 | 245 | 326 | 3,216 | 505 | 26,579 |
| Mar-98 | 429 | 1,311 | 3,038 | 535 | 19,007 | 263 | 380 | 3,513 | 545 | 29,021 |
| Jun-98 | 466 | 1,401 | 3,528 | 518 | 22,185 | 340 | 432 | 3,523 | 792 | 33,185 |
| Sep-98 | 485 | 1,546 | 3,698 | 572 | 23,621 | 252 | 811 | 4,308 | 1,144 | 36,437 |
| Dec-98 | 444 | 1,647 | 4,700 | 579 | 25,541 | 241 | 857 | 4,507 | 1,101 | 39,617 |
| Mar-99 | 464 | 2,384 | 4,696 | 569 | 26,317 | 235 | 1,100 | 5,869 | 919 | 42,553 |
| Jun-99 | 502 | 2,328 | 5,011 | 828 | 28,433 | 233 | 1,538 | 5,668 | 906 | 45,447 |
| Sep-99 | 611 | 1,980 | 5,032 | 957 | 32,494 | 265 | 1,458 | 6,650 | 1,488 | 50,935 |
| Dec-99 | 859 | 1,913 | 6,226 | 1,056 | 34,012 | 497 | 2,111 | 7,433 | 1,517 | 55,624 |
| Mar-00 | 994 | 2,176 | 6,668 | 955 | 39,178 | 502 | 1,925 | 7,294 | 1,904 | 61,596 |
| Jun-00 | 1,433 | 1,441 | 8,072 | 1,074 | 40,818 | 488 | 1,978 | 7,905 | 1,805 | 65,014 |
| Sep-00 | 1,779 | 966 | 8,174 | 1,749 | 44,514 | 1,227 | 2,010 | 7,361 | 2,260 | 70,041 |
| Dec-00 | 1,599 | 910 | 9,400 | 2,511 | 43,715 | 1,237 | 2,318 | 8,751 | 1,534 | 71,975 |
| Mar-01 | 1,490 | 716 | 9,755 | 2,755 | 48,828 | 1,234 | 2,095 | 8,507 | 1,574 | 76,954 |
| Jun-01 | 1,626 | 650 | 11,026 | 3,017 | 52,704 | 2,420 | 2,243 | 9,621 | 1,528 | 84,835 |
| Sep-01 | 1,799 | 1,185 | 12,184 | 3,265 | 55,717 | 2,528 | 2,670 | 9,363 | 2,077 | 90,788 |
| Dec-01 | 2,148 | 1,820 | 13,565 | 3,286 | 59,319 | 3,085 | 2,347 | 9,710 | 1,999 | 97,279 |
| Mar-02 | 1,931 | 1,694 | 14,219 | 3,293 | 68,222 | 3,605 | 2,074 | 9,145 | 2,196 | 106,379 |
| Jun-02 | 2,174 | 2,524 | 15,016 | 3,324 | 68,706 | 4,162 | 2,070 | 10,762 | 1,902 | 110,640 |
| Sep-02 | 2,522 | 2,474 | 14,453 | 3,625 | 74,917 | 5,484 | 2,036 | 10,220 | 1,541 | 117,272 |
| Dec-02 | 2,317 | 840 | 15,574 | 3,458 | 75,492 | 6,194 | 2,290 | 10,465 | 1,128 | 117,758 |

TABLE 2. TOTAL LIABILITIES at the end of quarter (\$millions)

| Date | Asset backed securities | | | Loans and placements | Other Liabilities | | Total Liabilities |
|--------|-------------------------|---------------------|-----------|----------------------|-------------------|--------------|-------------------|
| | Issued overseas | Issued in Australia | | | Resident | Non-resident | |
| | | Short term | Long term | | | | |
| Dec-92 | 133 | 1,344 | 6,747 | n.a. | n.a. | n.a. | 8,628 |
| Mar-93 | 126 | 1,346 | 6,613 | 166 | 241 | n.a. | 8,492 |
| Jun-93 | n.p. | 926 | 6,488 | 179 | n.p. | n.a. | 8,685 |
| Sep-93 | 894 | 1,144 | 5,940 | 221 | 119 | n.a. | 8,318 |
| Dec-93 | 992 | 1,305 | 5,595 | 223 | 64 | n.a. | 8,179 |
| Mar-94 | 692 | 1,197 | 5,666 | 170 | 93 | n.a. | 7,818 |
| Jun-94 | 863 | 1,410 | 6,377 | 229 | 124 | n.a. | 9,003 |
| Sep-94 | 1,190 | 905 | 6,210 | 174 | 88 | n.a. | 8,567 |
| Dec-94 | 1,215 | 979 | 6,073 | 324 | 99 | n.a. | 8,690 |
| Mar-95 | 1,363 | 1,077 | 6,809 | 563 | 125 | n.a. | 9,937 |
| Jun-95 | 1,401 | 1,091 | 7,228 | 29 | 96 | n.a. | 9,845 |
| Sep-95 | 1,214 | 1,646 | 7,030 | 3 | 119 | n.a. | 10,012 |
| Dec-95 | 1,322 | 1,720 | 8,469 | 4 | 329 | n.a. | 11,844 |
| Mar-96 | 1,143 | 2,065 | 8,442 | 270 | n.p. | n.p. | 12,296 |
| Jun-96 | 1,667 | 2,053 | 9,360 | n.p. | n.p. | n.p. | 13,830 |
| Sep-96 | 1,140 | 2,739 | 10,550 | n.p. | n.p. | n.p. | 15,307 |
| Dec-96 | 1,183 | 2,974 | 11,645 | 422 | n.p. | n.p. | 16,762 |
| Mar-97 | 2,168 | 3,217 | 12,177 | n.p. | n.p. | n.p. | 18,182 |
| Jun-97 | 2,158 | 4,018 | 13,605 | 249 | n.p. | n.p. | 20,446 |
| Sep-97 | 2,908 | 4,977 | 16,192 | n.p. | n.p. | n.p. | 24,718 |
| Dec-97 | 4,304 | 5,112 | 16,344 | n.p. | n.p. | n.p. | 26,579 |
| Mar-98 | 5,034 | 6,120 | 16,163 | 419 | n.p. | n.p. | 29,021 |
| Jun-98 | 7,179 | 6,367 | 17,694 | 1,044 | 306 | 595 | 33,185 |
| Sep-98 | 8,644 | 6,706 | 17,701 | 1,498 | 482 | 1,406 | 36,437 |
| Dec-98 | 8,864 | 9,205 | 17,514 | 1,785 | n.p. | n.p. | 39,617 |
| Mar-99 | 8,959 | 8,561 | 18,765 | 1,040 | 510 | 4,718 | 42,553 |
| Jun-99 | 10,855 | 10,004 | 18,954 | 1,208 | 682 | 3,744 | 45,447 |
| Sep-99 | 13,989 | 10,307 | 21,412 | 1,031 | 740 | 3,456 | 50,935 |
| Dec-99 | 14,657 | 10,989 | 23,435 | 1,227 | 1,196 | 4,120 | 55,624 |
| Mar-00 | 17,590 | 10,848 | 25,163 | 758 | 1,331 | 5,906 | 61,596 |
| Jun-00 | 20,064 | 9,869 | 24,493 | 1,813 | 1,998 | 6,777 | 65,014 |
| Sep-00 | 21,894 | 11,745 | 26,021 | 2,181 | 2,783 | 5,417 | 70,041 |
| Dec-00 | 20,563 | 14,907 | 27,321 | 2,072 | 2,990 | 4,122 | 71,975 |
| Mar-01 | 22,938 | 14,159 | 29,044 | 2,579 | 2,825 | 5,409 | 76,954 |
| Jun-01 | 28,689 | 15,045 | 30,373 | 1,368 | 3,287 | 6,073 | 84,835 |
| Sep-01 | 31,003 | 16,678 | 32,245 | 1,870 | 3,125 | 5,868 | 90,788 |
| Dec-01 | 29,985 | 19,209 | 36,023 | 1,787 | 3,438 | 6,837 | 97,279 |
| Mar-02 | 34,019 | 18,364 | 40,659 | 2,338 | 3,553 | 7,450 | 106,383 |
| Jun-02 | 33,637 | 19,798 | 42,329 | 1,537 | 4,881 | 8,458 | 110,640 |
| Sep-02 | 35,764 | 18,551 | 47,124 | 1,817 | 5,031 | 8,985 | 117,272 |
| Dec-02 | 37,196 | 16,513 | 49,212 | 1,981 | 4,390 | 8,466 | 117,758 |

AUSTRALIAN SECURITISERS

(Issuers of asset backed securities)

Explanatory Notes

Introduction

1. The securitisation process is a means of creating a liquid market for assets, such as mortgages and credit card loans, which are illiquid. In addition the process can be used to improve the liquidity of assets such as bonds.
2. In its simplest form a securitisation program can operate in the following way:
 - (a) The manager of the program arranges for the creation of a special purpose vehicle (SPV) which is usually a trust.
 - (b) The manager then arranges for the SPV to buy a specific pool of assets from a financial enterprise or arranges the creation of assets through credit assessment and loan approval processes by agents (called originators). The assets are usually reasonably homogeneous (eg. good-quality, fixed-term, fixed-rate mortgages) which should provide a steady income stream.
 - (c) The SPV finances the initial purchase of assets by using a line of credit (sometimes from a parent or associated company). The SPV then issues debt securities which can be short or long term in nature. Money raised from the issue is used to repay any line of credit and to purchase more assets to securitise. The investors receive the income and repayment of principal from the assets (via the SPV) over the lifetime of the securities. To ensure maximum marketability for the issue, managers usually arrange enhancement facilities (e.g. guaranteed credit lines, asset insurance, etc) and have the issue rated by at least one of the major rating agencies.
 - (d) The manager can arrange for the SPV to issue securities, provided there is a specific and separate pool of assets backing each issue.
3. For the purposes of these statistics, securitisers are those legal entities which issue short or long term debt securities, or both, using specifically selected assets to back them and generate the payment streams necessary to fulfil interest and principal requirements of investors.
4. A securitisation program must have:
 - (a) a specifically created SPV - usually a trust - which is resident in Australia and which is not required to provide data to the Australian Prudential Regulatory Authority (APRA) under the Financial Statistics (Collection of Data) Act.

(b) specifically selected assets (e.g. mortgages, receivables, etc) backing its liabilities in the form of debt securities. In the case of mortgages, these may be on the balance sheet of the SPV or that of the originator. If the latter, the SPV will have a lien over them.

Classification

5. Australian securitisers are classified to the *Financial Intermediaries n.e.c.* subsector of the *Financial Accounts* (ABS Cat. No. 5232.0). The securities issued - asset-backed securities - are classified as either *Short-term debt securities* (subcategory *one-name paper*) or *Long-term debt securities* depending on their original term to maturity.

Scope

6. The scope of these statistics is all resident SPVs which securitise any type of asset (including mortgages, credit-card receivables, lease receivables, short and long term debt securities) and which are not regulated or registered with APRA and therefore are not required to report to APRA under the Financial Statistics (Collection of Data) Act.

Coverage

7. Coverage is limited to those SPVs which are independently rated by a recognised rating agency.

Basis of valuation and consolidation

8. Data are at face of nominal values. Any holdings of asset backed securities issued by other programs within the same group have been eliminated on consolidation from both assets and liabilities aggregates.

Definitions and descriptions of data items

Assets:

9. *Cash & deposits* refers to all types of deposits (including those denominated in foreign currency) with Australian banks and all non-bank financial intermediaries such as merchant banks, finance companies and cash management trusts.

10. *Holdings of short term securities* refers to holdings of money market instruments. It includes securities such as certificates of deposit of Australian banks, bills of exchange and promissory notes.

11. *Holdings of asset backed bonds* refers to holdings of asset backed securities issued by securitisers outside the group.

12. *Holdings of other long term securities* refers to holdings of interest bearing securities, other than asset backed bonds, which have an original term to maturity greater than one year. It includes debentures, secured and unsecured notes and bonds.

13. *Other loans & placements* refers to all loans other than loans secured by mortgages and credit card loans. It includes operating lease and lease finance receivables and secured loans to originators.

14. *Other assets* refers to non-financial assets and sundry financial claims.

Liabilities:

15. *Asset backed securities issued in Australia, short term* refers to asset backed securities which have an original term to maturity of one year or less.

16. *Asset backed securities issued in Australia, long term* refers to asset backed securities which have an original term to maturity of more than one year.

17. *Loans and placements* refers to loans and advances from Australian banks, non-bank financial intermediaries (eg. money market corporations), and from other sources such as related companies.

18. *Other liabilities, resident* refers to other sundry amounts payable.

19. *Other liabilities, non-resident* refers mainly to repatriated loans from offshore entities.

Related publications

20. Users may wish to refer to the following publications which are available on request:

Australian National Accounts, Financial Accounts (Cat. No. 5232.0) --- issued quarterly.

Managed Funds: Australia (Cat. No. 5655.0) --- issued quarterly.

Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. No. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (Cat. No. 1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

21. n.a. not available
n.p. not publishable

Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

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