AUSTRALIAN   SECURITISERS
JUNE 2003

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Enclosed are the asset and liability tables for Australian securitisers
as at 30 June 2003.

I N Q U I R I E S

If you have any questions about these statistics,
please contact Sarah Whelan on (02) 6252 5472

MAIN FEATURES

Assets of Securitisers

During the June quarter 2003, total assets of Australian Securitisers was $129.0 billion, increasing by $5.7 billion (4.6%) during the quarter, and by $18.4 billion (16.6%) during the year-ended June 2003.

1 PERCENTAGE CHANGE IN TOTAL ASSETS, from previous quarter

%change
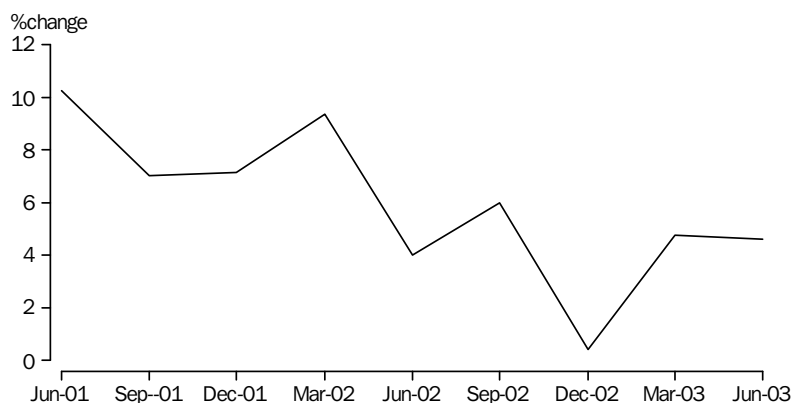
Mortgage assets, which accounted for 71% of total assets, was $92.2 billion at June 2003, an increase of $4.6 billion (5.3%) during the quarter and an increase of $19.3 billion (26.5%) for the year-ended June 2003.

During the June quarter 2003, residential mortgages increased by $4.4 billion (5.4%), and commercial mortgages increased by $243 million (3.8%).

2 NET ACQUISITION OF MORTGAGES DURING QUARTER

$
- Residential
- Commercial
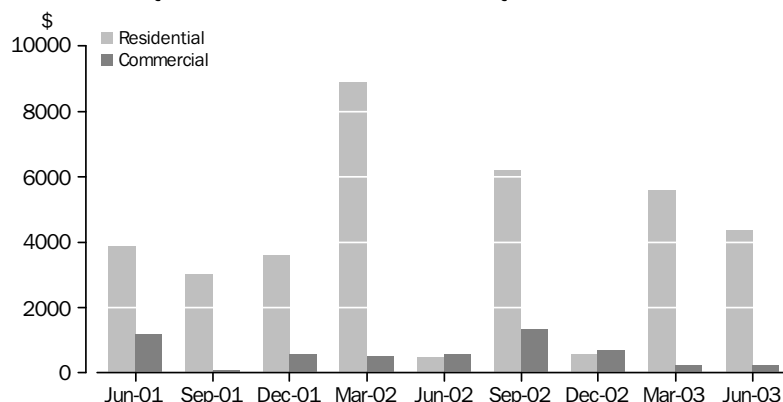
Asset backed securities

The increase of $5.7 billion in total assets during the June quarter mainly reflected an increase in asset backed securities issued offshore (up $2.0b, 4.8%) to $43.1 billion. The domestic issuance increased only slightly (up $723m, 1.0%) to $71.5 billion.

3 INCREASE IN ASSET BACKED SECURITIES, from previous quarter
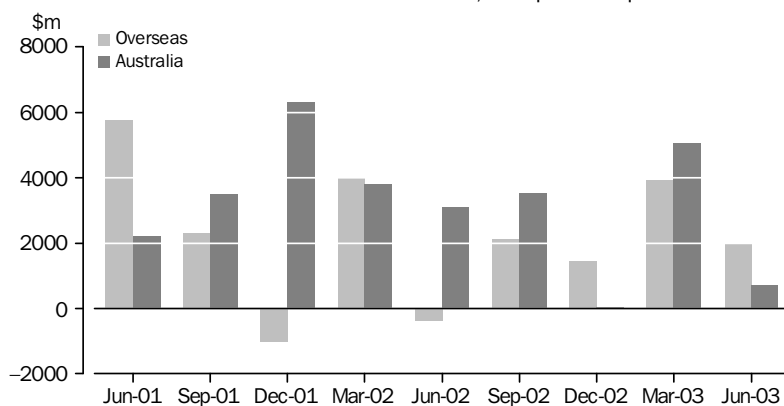
Asset backed securities issued overseas increased to 33.4 per cent of total liabilities in the June 2003 quarter, whilst asset backed securities issued domestically decreased to 55.4 per cent of total liabilities.

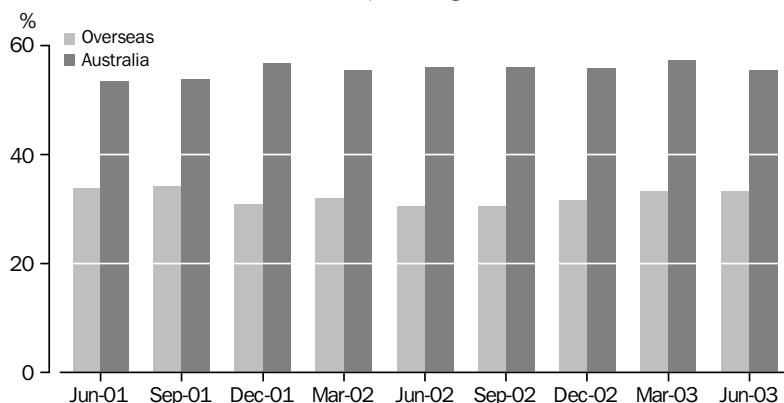**4** ASSET BACKED SECURITIES, (percentage of total liabilities)

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

Date	Cash and deposits	Short term securities	Long term securities		Mortgages		Credit card loans and trade receivables		Other assets	Total Assets
			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
Mar-03	2,237	615	14,724	3,460	81,096	6,425	1,928	11,269	1,603	123,357
Jun-03	2,826	940	13,926	3,170	85,486	6,668	2,158	11,981	1,875	129,030

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

Date	Asset backed securities Issued overseas	Issued in Australia Short term	Long term	Loans and placements	Other Liabilities Resident	Non-resident	Total Liabilities
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	37,186	16,513	49,212	1,981	4,390	8,466	117,758
Mar-03	41,131	19,335	51,447	1,251	4,828	5,365	123,357
Jun-03	43,101	19,860	51,645	1,996	5,557	6,871	129,030

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 aggregrates.

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 <u>original</u> 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.

<u>Liabilities:</u>

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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