



# Press Release

For release at 6:00 A.M., July 29, 2019

## Issuance of Asset-Backed Securities, First Half 2019

The amount of asset-backed securities (ABS) issued for the first six months of 2019 came to KRW21.5 trillion in total, down KRW2.6 trillion or 10.8% from KRW24.1 trillion a year earlier. Mortgage-backed securities (MBS) issuance by the Korea Housing Finance Corporation (KHFC) came to KRW10.4 trillion (48.4% of total ABS issuance). Issuance by financial and non-financial companies totaled KRW7.2 trillion and KRW3.9 trillion, respectively, at the end of June 2019.

Table. ABS Issuance, First Half 2019

	H1 2017	H1 2018	H1 2019	YoY Chng (%)
Amount	31.1	24.1	<b>21.5</b>	-10.8
Number of issues	82	78	<b>73</b>	-6.4

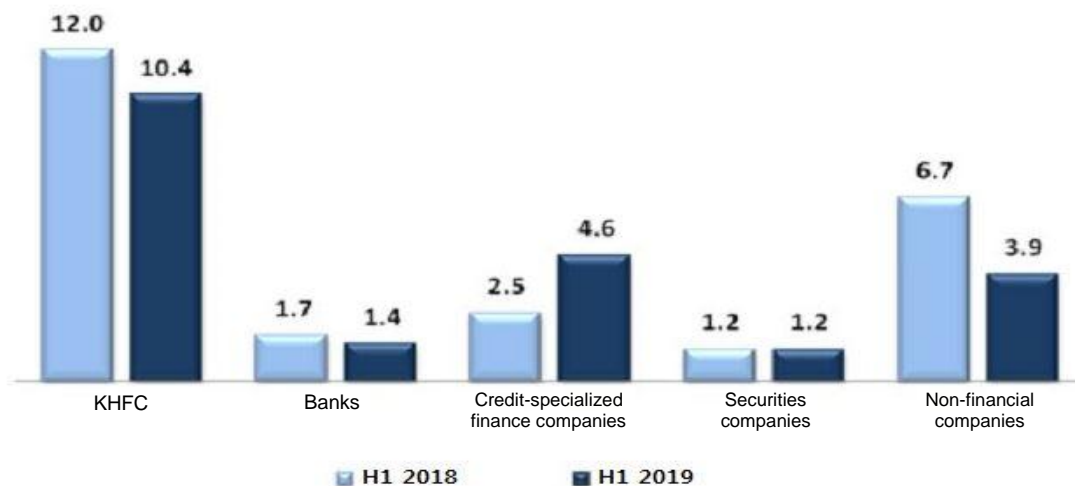
(In trillions of KRW)

### ABS Issuers

MBS issuance by the KHFC came to KRW10.4 trillion for the first half of 2019, down KRW1.6 trillion or 13.3% from a year earlier. During the same period, ABS issuance by financial companies such as banks, credit-specialized companies and securities firms increased 33.3% to KRW7.2 trillion. By contrast, non-financial companies cut their issuance by 41.8% to KRW3.9 trillion.

Figure 1. Breakdown of ABS Issuers

(In trillions of KRW)



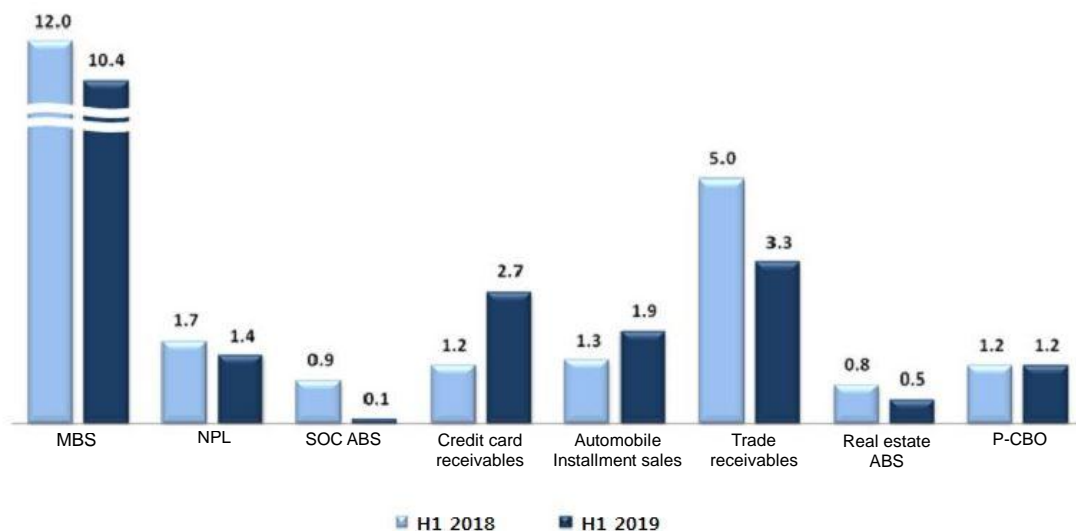
## Underlying Assets

Loans-backed ABS issuance decreased KRW2.7 trillion or 18.5% to KRW11.9 trillion in the January-June period. With an MBS issuance reaching KRW10.4 trillion, NPL-based ABS issuance came to KRW1.4 trillion as well as SOC ABS totaled KRW0.1 trillion.

Meanwhile, ABS backed by accounts receivables increased 1.2% to KRW8.4 trillion during the same period. Credit card receivables-based ABS and automobile installment receivables-based ABS came to KRW2.7 trillion and KRW1.9 trillion, respectively, in the first half of 2019. Trade receivables-based ABS totaled KRW3.3 trillion for the first six months of 2019, and real estate PF ABS issuance came to KRW0.5 trillion. When it came to primary CBO (P-CBO), issuance came to KRW1.2 trillion at the end of June 2019.

Figure 2. Breakdown of Underlying Assets

(In trillions of KRW)



## Key Characteristics of ABS Issuance in H1 2019

- MBS issuance by the KHFC was reduced from KRW12.0 trillion to KRW10.4 trillion

MBS issuance by the KHFC decreased 1.6 trillion or 13.3% from the same period a year earlier. The government's policy for curbing household debts contributed to decreasing mortgage loans, which resulted in falling MBS issuance in the first half of 2019.



- Trade receivables-based ABS declined from KRW5.0 trillion to KRW3.3 trillions

ABS issuance based on trade receivables came to KRW3.3 in the first half of 2019, down 34.0% from the same period a year earlier. For the January-June period, handset installment receivables-based ABS declined from KRW4.4 trillion to KRW3.3 trillion. Furthermore, there was no issuance backed by air ticket receivables. These contributed to the declined in trade receivables-backed ABS.

- Credit card companies increased ABS issuance by KRW2.2 trillion to KRW3.4 trillion

Credit card receivables-backed ABS totaled KRW3.4 trillion in the first half of 2019, 183.3% greater than the same period a year earlier. The growth was because credit card companies cut corporate debt issues and rather expanded ABS issuance to diversify financing methods.

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