

Securitization Market Trends Survey Report (Issuance Trends in the First Half of Fiscal 2015)

This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <<http://www.jsda.or.jp/en/index.html>>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for the first half of fiscal 2015, the period from April 1, 2015 to September 30, 2015.

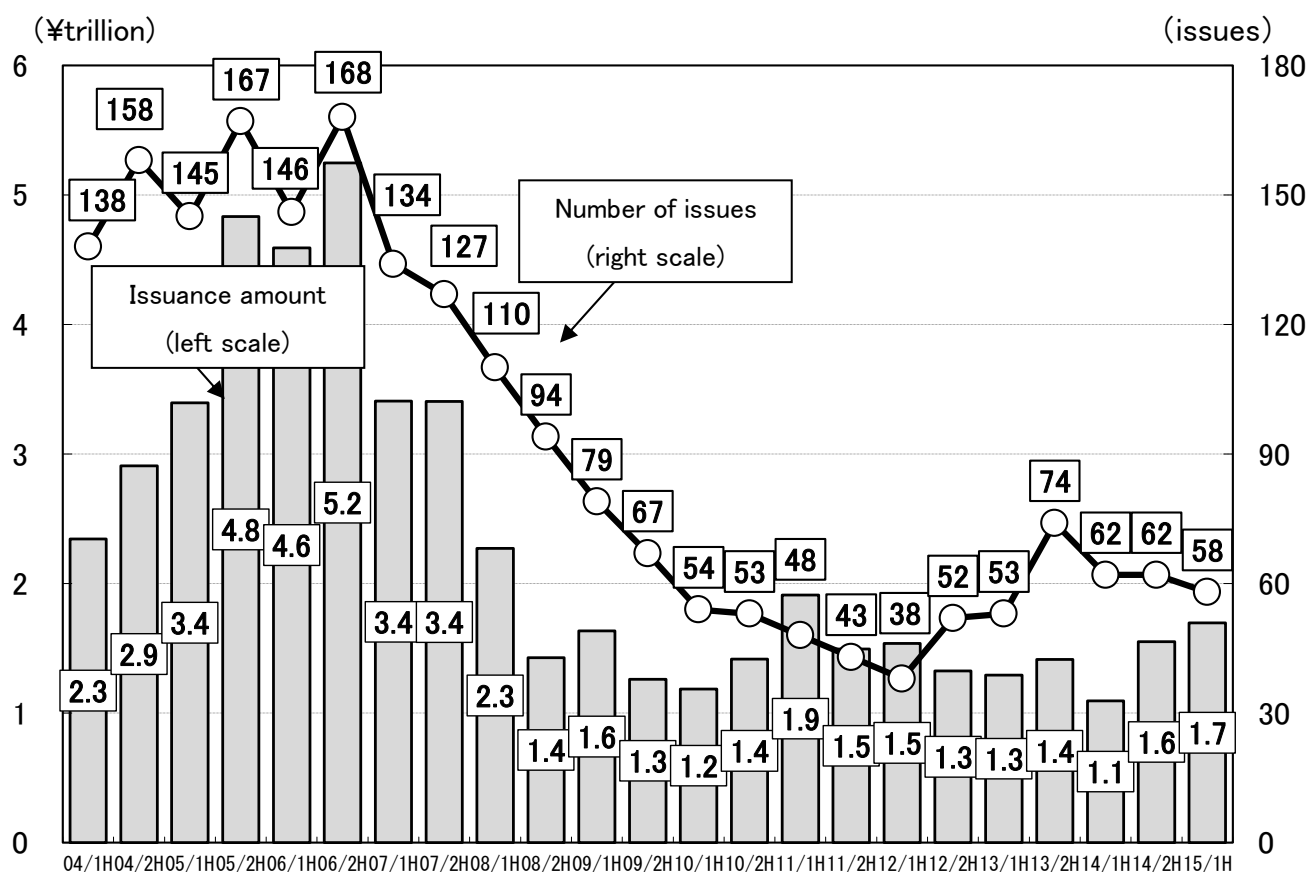
In addition, please refer to an attached sheet for the numerical data used in a chart.

I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the first half of 2015, the amount of issues increased year on year. Total issuance amount was ¥1,696.6 billion, increasing 54.8% from the first half of fiscal 2014, while the number of issues was 58, down 6.5% year on year (Chart 1).

Ref.: The total issuance amount of corporate straight bonds during the first half of fiscal 2015 was ¥3,450.2 billion (provisional figure).

Chart 1. Securitization Product Issuance Amount and Number of Issues



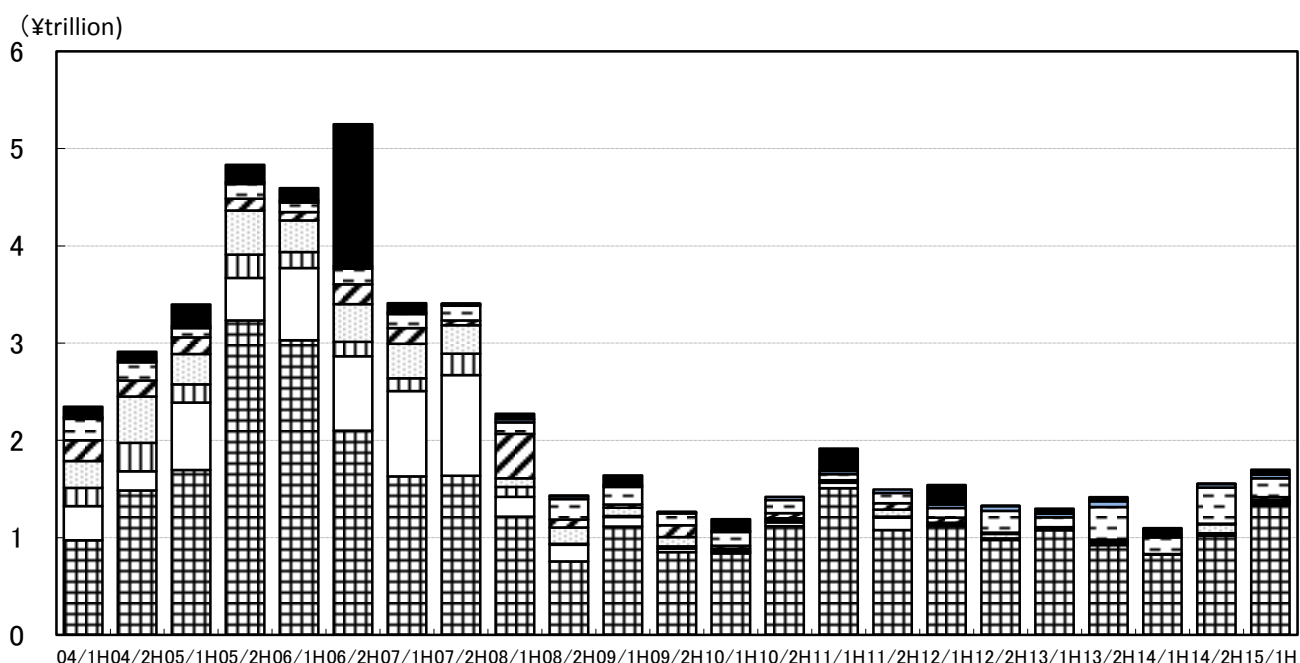
II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the first half of fiscal 2015 by underlying assets, the all amount except “Others” increased. Above all, the amount of “RMBS” was ¥504 billion and accounted for most of the total of year on year change (see Chart 2).

Chart 2. Securitization Product Issuance Amount by Underlying Assets

	RMBS	CMBS	CDO	Leases	Consumer loans	Shopping credits	Sales receivables/ Commercial bills	Others	Total
Issuance amount(¥100 million)	13,275	287	135	128	323	1,929	362	527	16,966
Year on year change(¥100 million)	+5,040	+287	+80	+128	+323	+218	+120	▲192	+6,004
Year on year change(%)	+61.2	- (※)	+147.1	- (※)	- (※)	+12.7	+49.3	▲26.7	+54.8
% Composition	78.2	1.7	0.8	0.8	1.9	11.4	2.1	3.1	100.0
Ref. Number of issues(present period)	21	2	1	1	1	21	8	3	58
" (previous period)	21	2	0	5	1	23	7	3	62
" (same period of last year)	20	0	3	0	0	18	17	4	62

※YoY change in CMBS, Leases and Consumer loans is shown as “—” because there were no issues in the same period last year

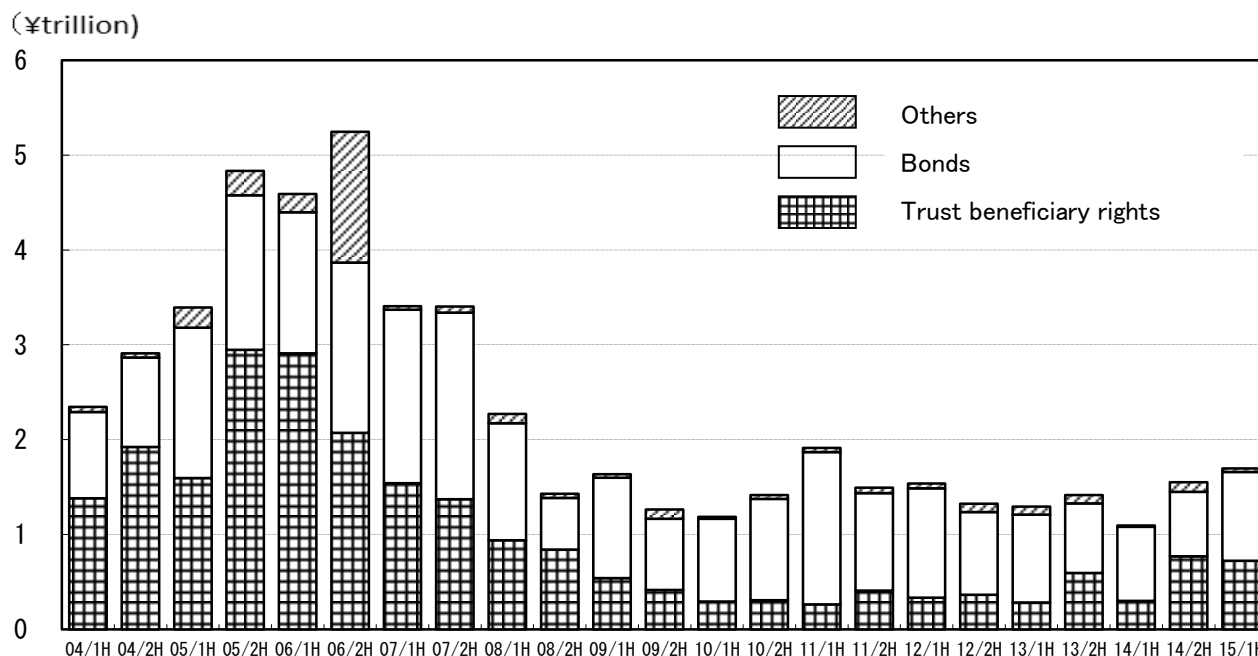


Others	Foundation funds, subordinated-loan, business cash flow, medical receivables, and others
Sales receivables/Commercial bills	Sales receivables, commercial bills
Shopping credits	Shopping loans, credit card loans, automobile loans
Consumer loans	Consumer loans, bank card loans
Leases	Lease credits
CDO	(Collateralized Debt Obligations) Corporate loans, corporate bonds, credit default swaps, and others
CMBS	(Commercial Mortgage-backed Securities) Commercial real estate collateralized loans, commercial real estate
RMBS	(Residential Mortgage-backed Securities) Housing loans and loans to individuals to build commercial apartments

III. Issuance Trends by Product Type

Looking at the securitization product issuance amount (¥1,696.6 billion) by product type, “Bonds” accounted for 55.1% (¥935.1 billion), followed by “Trust beneficiary rights” with 42.6% (¥723.4 billion) (see Chart 3).

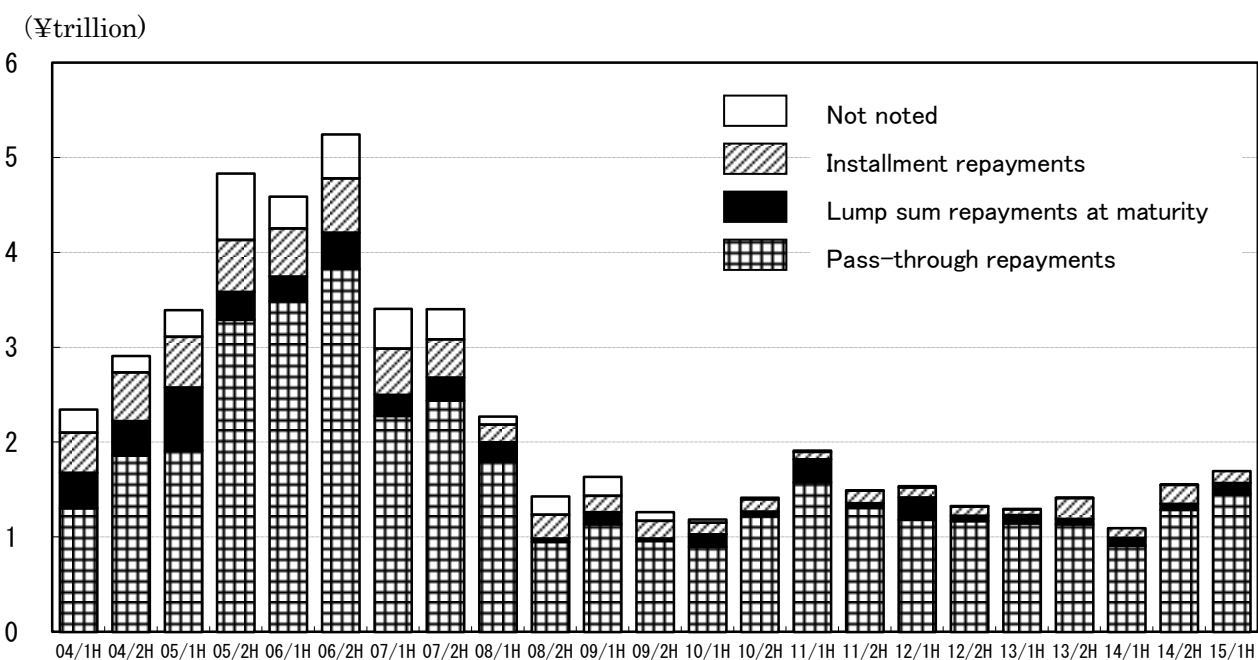
Chart 3. Securitization Product Issuance Amount by Product Type



IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥1,696.6 billion) by repayment method, “Pass-through repayments” accounted for 85.9% (¥1,457.8 billion) of the total (see Chart 4).

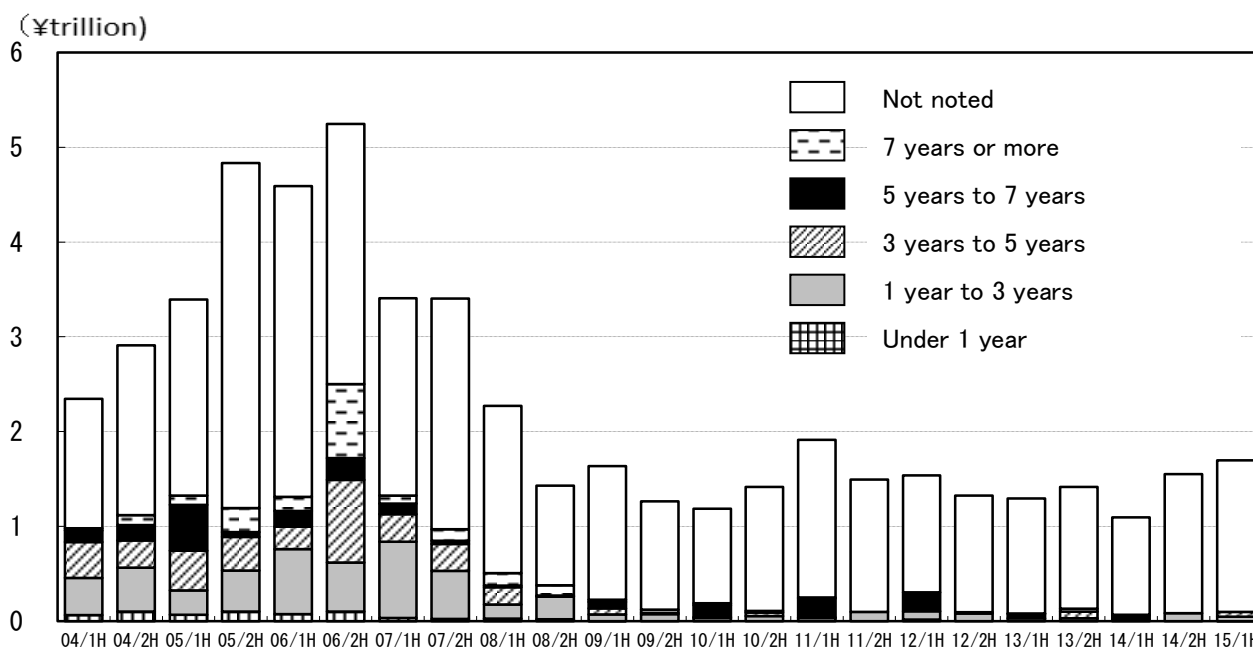
Chart 4. Securitization Product Issuance Amount by Repayment Method



V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥1,696.6 billion) by planned/average term to maturity, “Not noted” accounted for 94.4% (¥1,600.8 billion), followed by “3 years to 5 years ” with 3.0% (¥50.9 billion) (see Chart 5).

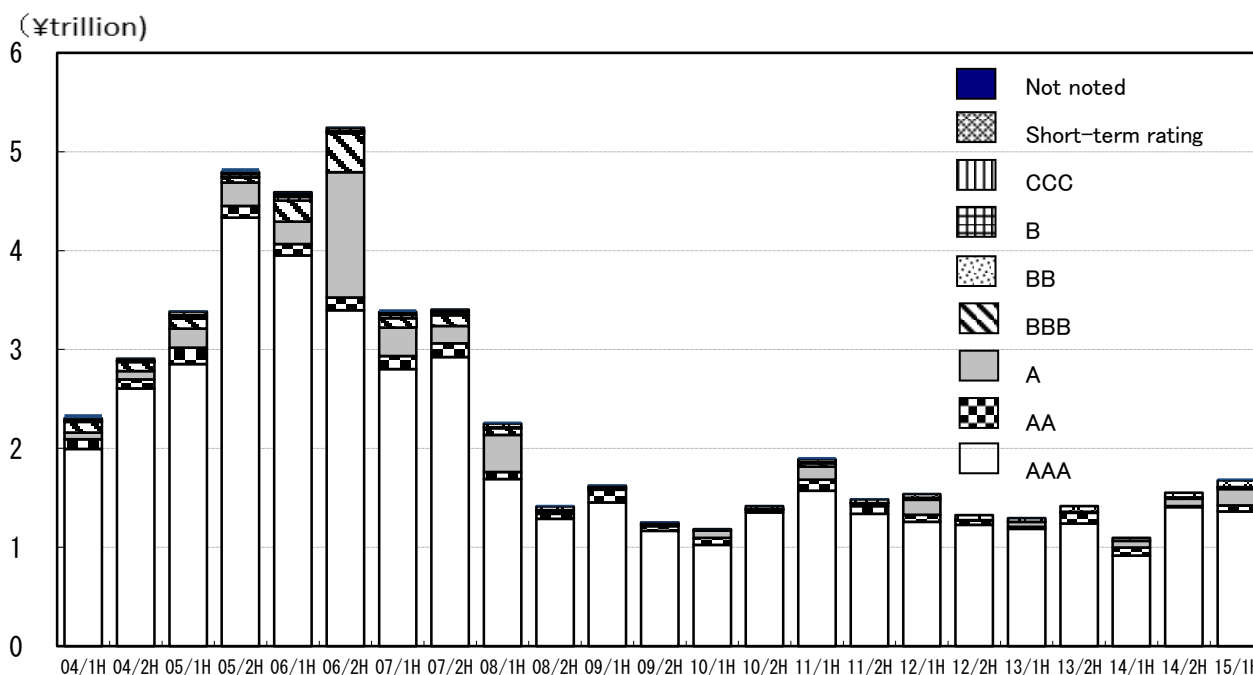
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥1,696.6 billion) by credit rating, “AAA” accounted for 80.3% (¥1,361.8 billion), followed by “A” with 9.6% (¥163.2 billion) (see Chart 6).

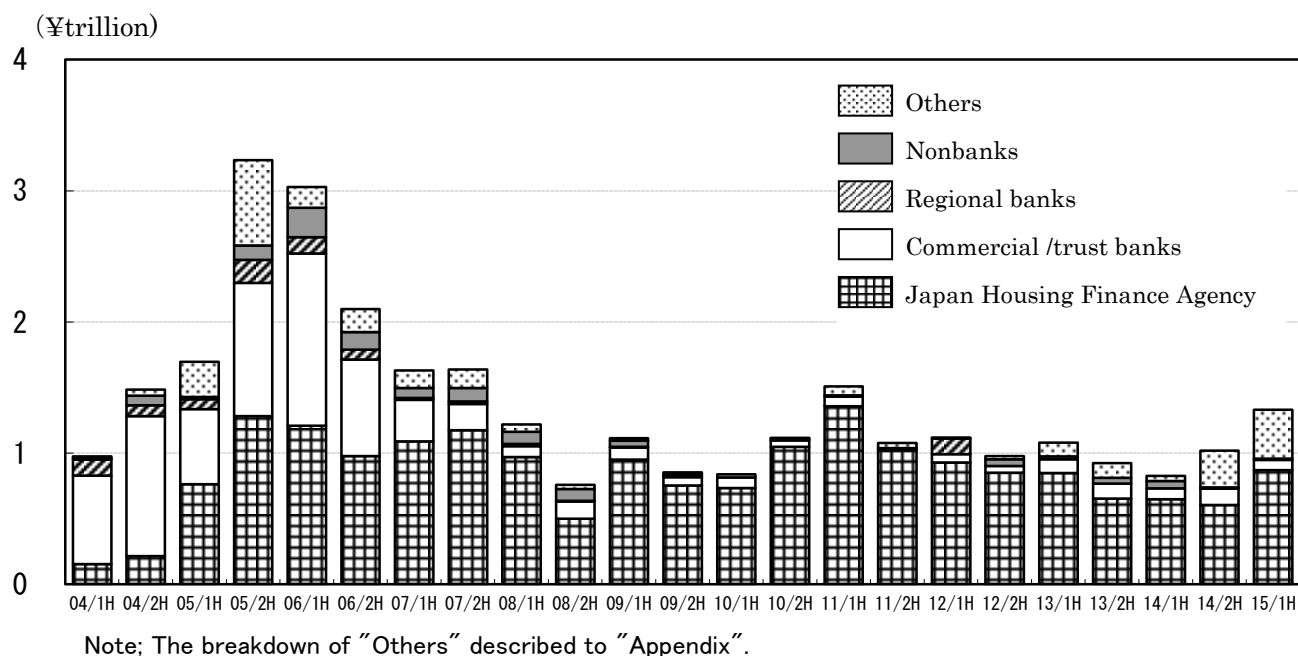
Chart 6. Securitization Product Issuance Amount by Credit Rating



(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥1,327.5 billion) by originator,” Japan Housing Finance Agency” (JHF) accounted for 65.3% (¥866.7 billion), followed by “Others” with 28.1% (¥373.5 billion) (see Chart i).

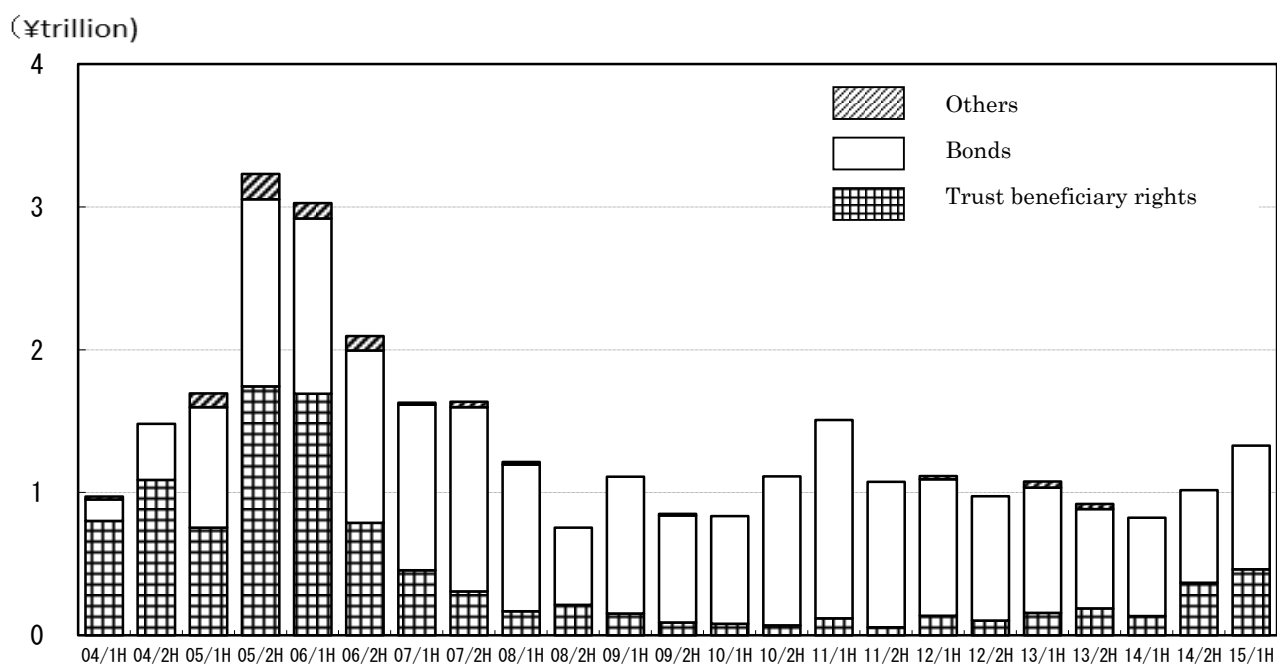
Chart i . RMBS Issuance Amount by Originator



(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥1,327.5 billion) by product type, “Bonds” accounted for 65.3% (¥866.7 billion), followed by “Trust beneficiary rights” with 34.7% (¥460.8 billion) (see Chart ii).

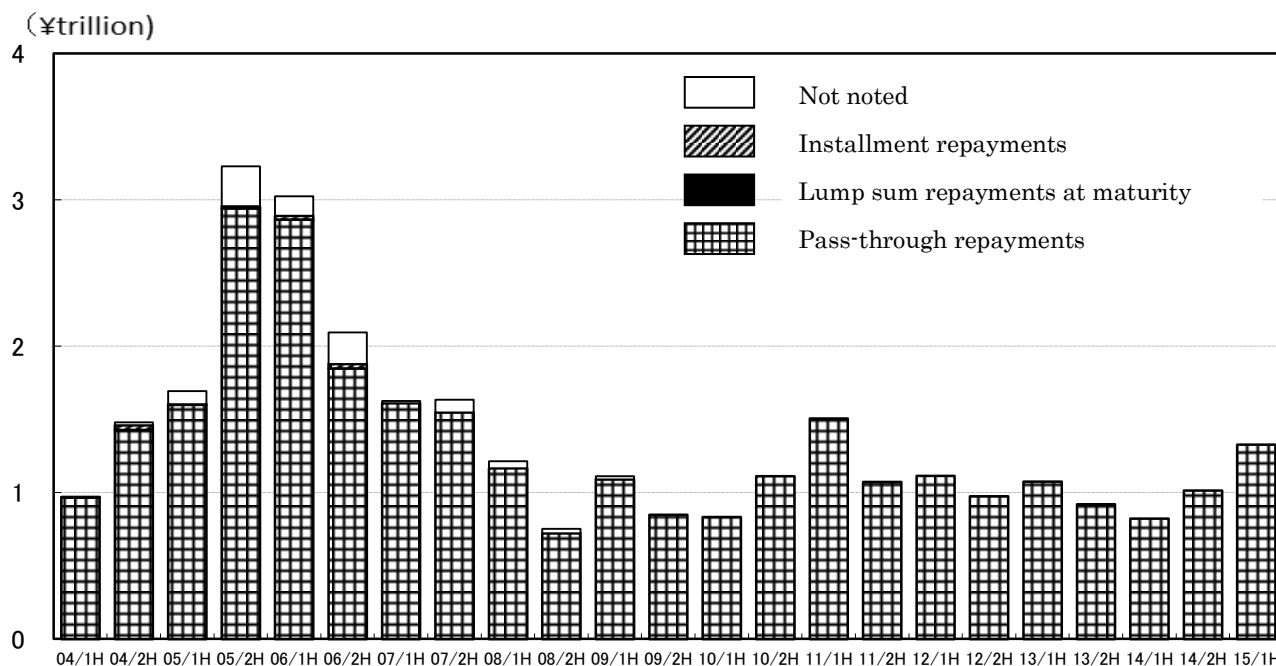
Chart ii . RMBS Issuance Amount by Product Type



(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥1,327.5 billion) by repayment method, all repayments were “Pass-through repayments” (see Chart iii).

Chart iii. RMBS Issuance Amount by Repayment Method



(iv) Launch Spread at Issuance (JHF Monthly MBS)

The launch spread (the spread between the coupon rate of “JHF Monthly MBS” and the yield of 10-year reference JGB which is most recently priced) for “JHF Monthly MBS” widened during July 2015 to September 2015 (see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread

