

Securitization Market Trends Survey Report  
 (Issuance Trends in Fiscal 2018)

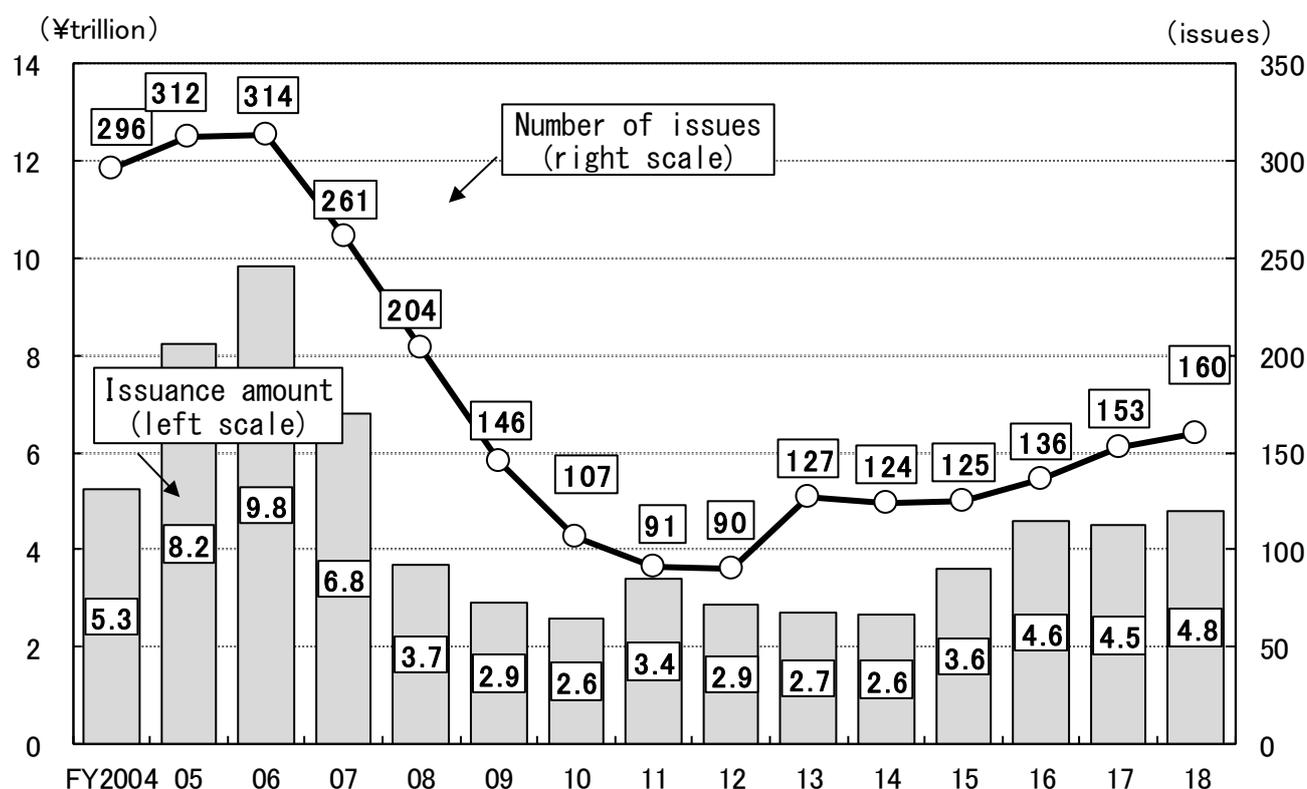
This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <<http://www.jsda.or.jp/en/index.html>>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for fiscal 2018, the period from April 1, 2018 to March 31, 2019.

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 fiscal 2018, the amount increased year-on-year. The total issuance amount was ¥4,786.7 billion, increasing 6.5% from fiscal 2017, while the number of issues was 160, up 4.6% year on year. (see Chart 1).

Chart 1. Securitization Product Issuance Amount and Number of Issues



Reference: The total issuance amount of corporate straight bonds

FY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
amount of issues	5.9	6.9	6.8	9.4	9.6	10.3	9.9	8.3	8.2	8.1	8.7	6.9	11.4	10.1	10.5

\*provisional figure

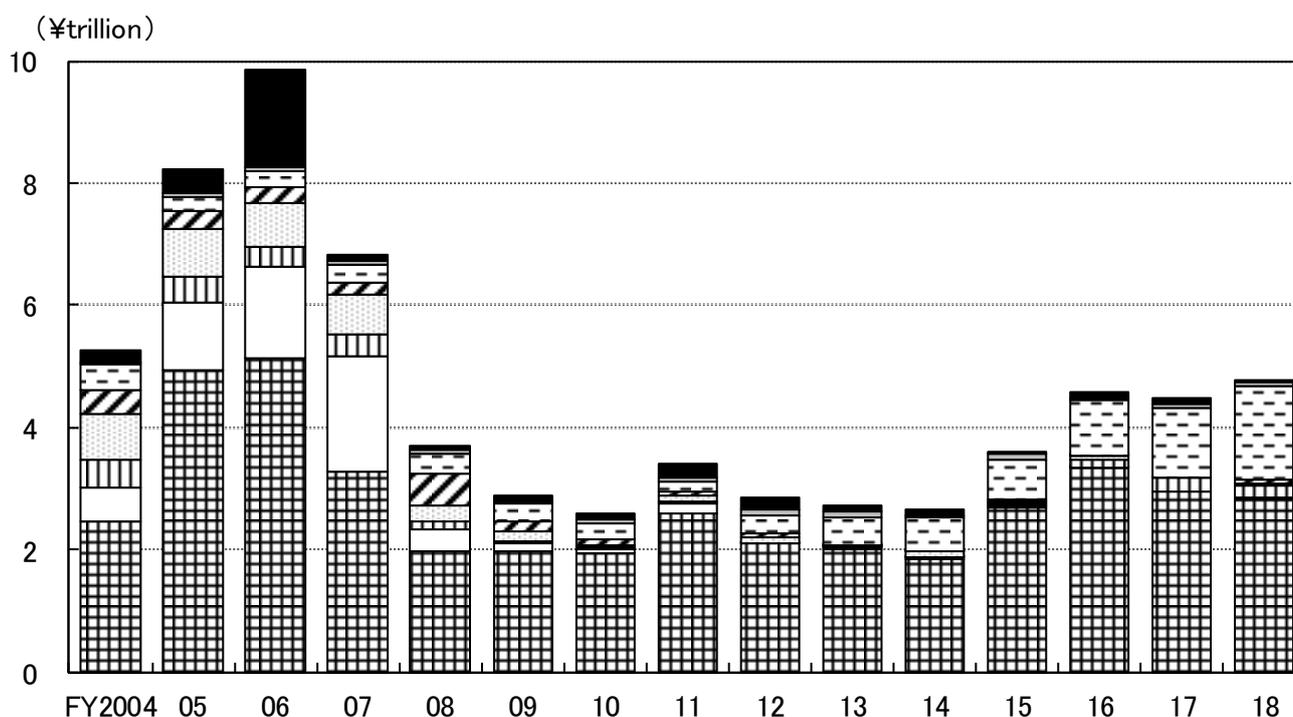
## II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount (¥4,786.7 billion) for fiscal 2018 by underlying assets, the amount of “CMBS,” “Leases” “Consumer loans,” and “Shopping credits,” increased, whereas in contrast, “RMBS,” “CDO,” “Sales receivables/Commercial bills” and “Others” decreased. (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)	28,251	365	1,837	436	406	15,578	424	571	47,867
Year on year change(¥100 million)	-1,201	+365	-480	+436	+260	+4,279	-284	-444	+2,931
Year on year change(%)	-4.1	-(*)	-20.7	-(*)	+178.1	+37.9	-40.1	-43.7	+6.5
% Composition	59.0	0.8	3.8	0.9	0.8	32.5	0.9	1.2	100.0
Ref. Number of issues(present FY)	80	6	11	2	3	45	11	2	160
Year on year change(number)	+15	+6	-4	+2	+1	-7	-2	-4	+7
Year on year change(%)	+23.1	-(*)	-26.7	-(*)	+50.0	-13.5	-15.4	-66.7	+4.6

\* YoY change in “CMBS” and “Leases” is shown as “—” because there were no issues in the same period last year.

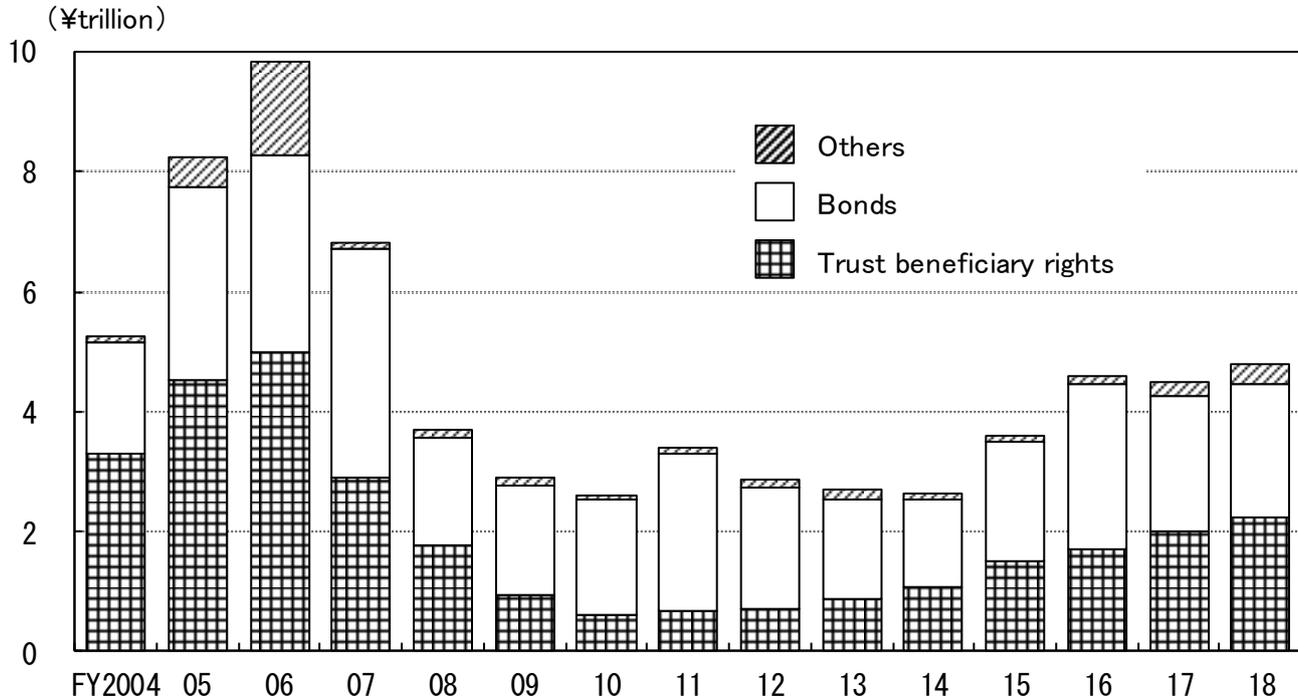


■ Others	Foundation funds, subordinated-loan, business cash flow, medical receivables, and others
■ Sales receivables/Commercial bills	Sales receivables, commercial bills
■ Shopping credits	Shopping loans, credit card loans, automobile loans
■ Consumer loans	Consumer loans, bank card loans
■ Leases	Lease 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 (¥4,786.7 billion) by product type, the amount of “Trust beneficiary rights” was ¥2,246.8 billion (46.9% of the total), followed by “Bonds” with ¥2,221.7 billion (46.4%) (see Chart 3).

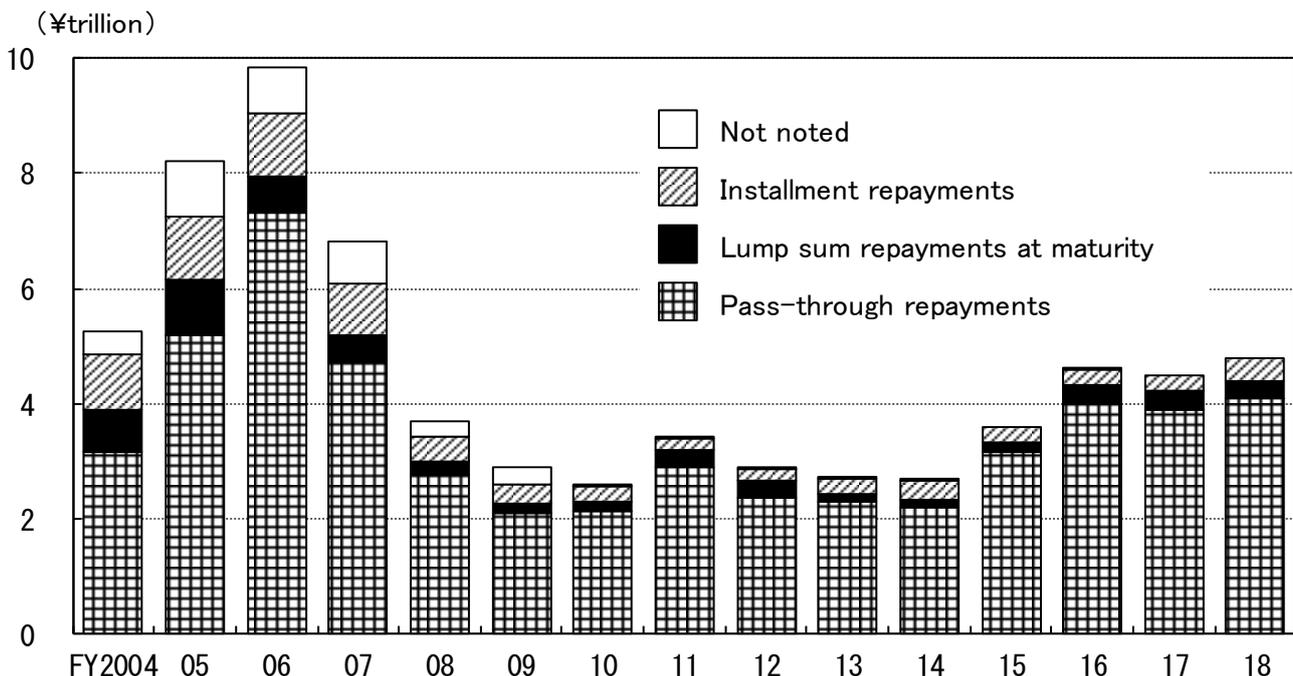
Chart 3. Securitization Product Issuance Amount by Product Type



### IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥4,786.7 billion) by repayment method, the amount of “Pass-through repayments” was ¥4,104.7 billion (85.8% of the total) (see Chart 4).

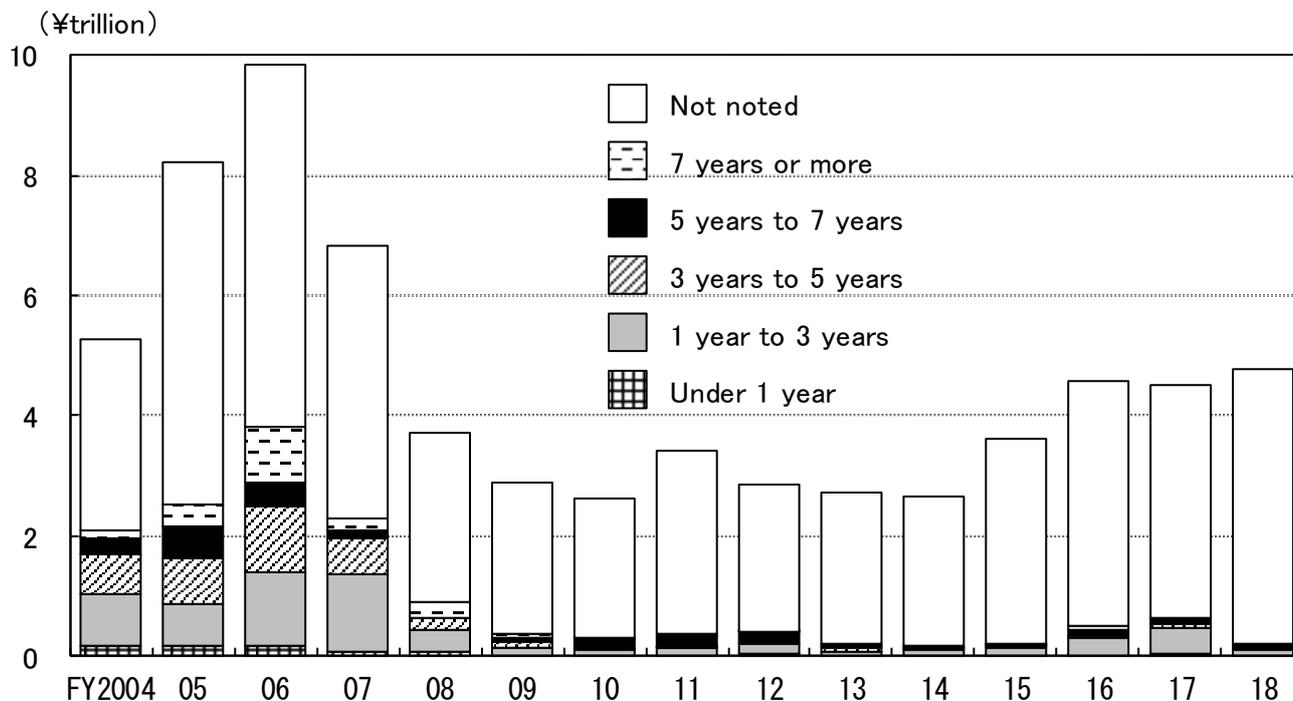
Chart 4. Securitization Product Issuance Amount by Repayment Method



## V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥4,786.7 billion) by planned/average term to maturity, the most popular term, except for “Not noted”, was “1 year to 3 years” with ¥102.6 billion (2.1% of the total), followed by “5 years to 7 years” with ¥50.0 billion (1.0%)(see Chart 5).

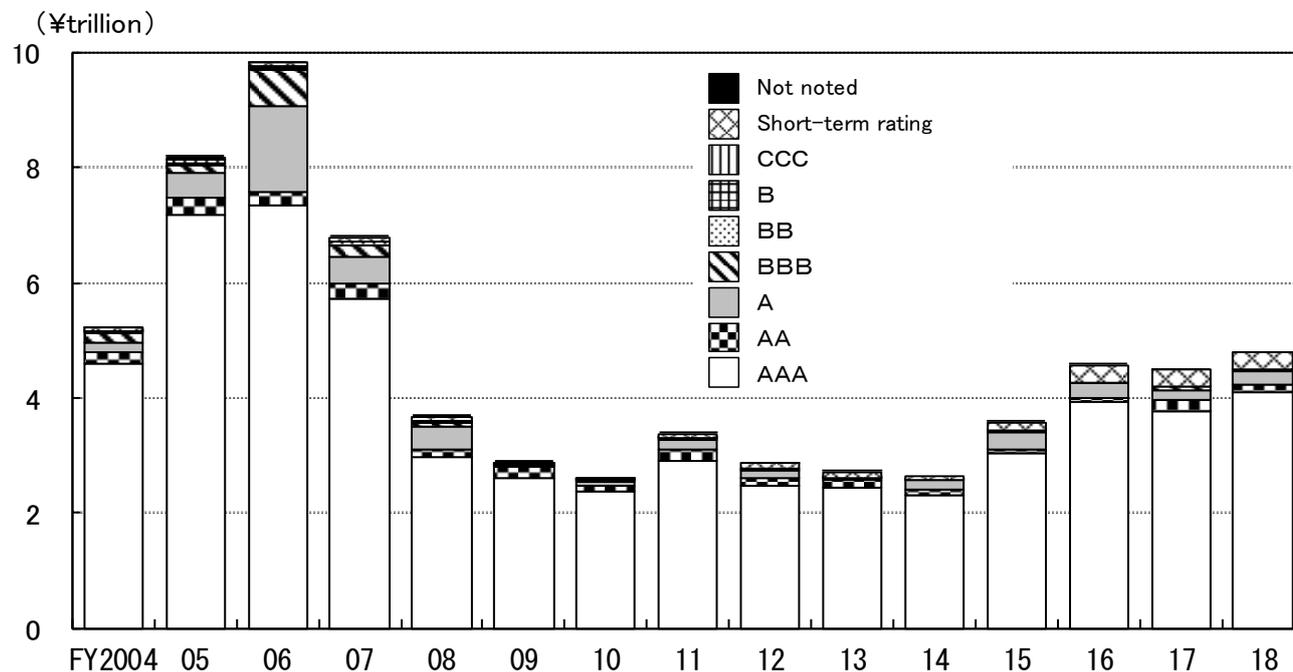
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



## VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥4,786.7 billion) by credit rating, the amount of “AAA” was ¥4,080.5 billion (85.2% of the total) (see Chart 6).

Chart 6. Securitization Product Issuance Amount by Credit Rating

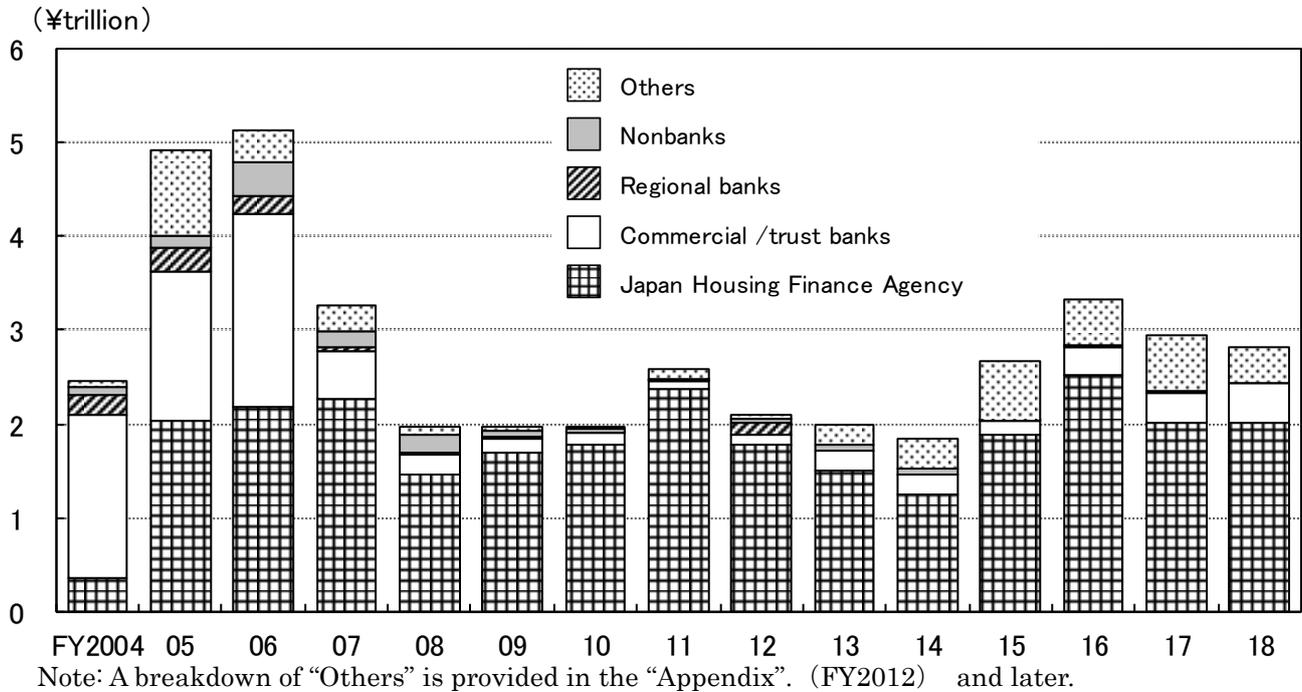


< supplementary information >

( i ) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥2,825.1 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥2,008.9 billion (71.1% of the total), followed by “Commercial / trust banks” with ¥433.6 billion (15.3%) and “Others” with 379.4 billion (13.4%)(see Chart i ).

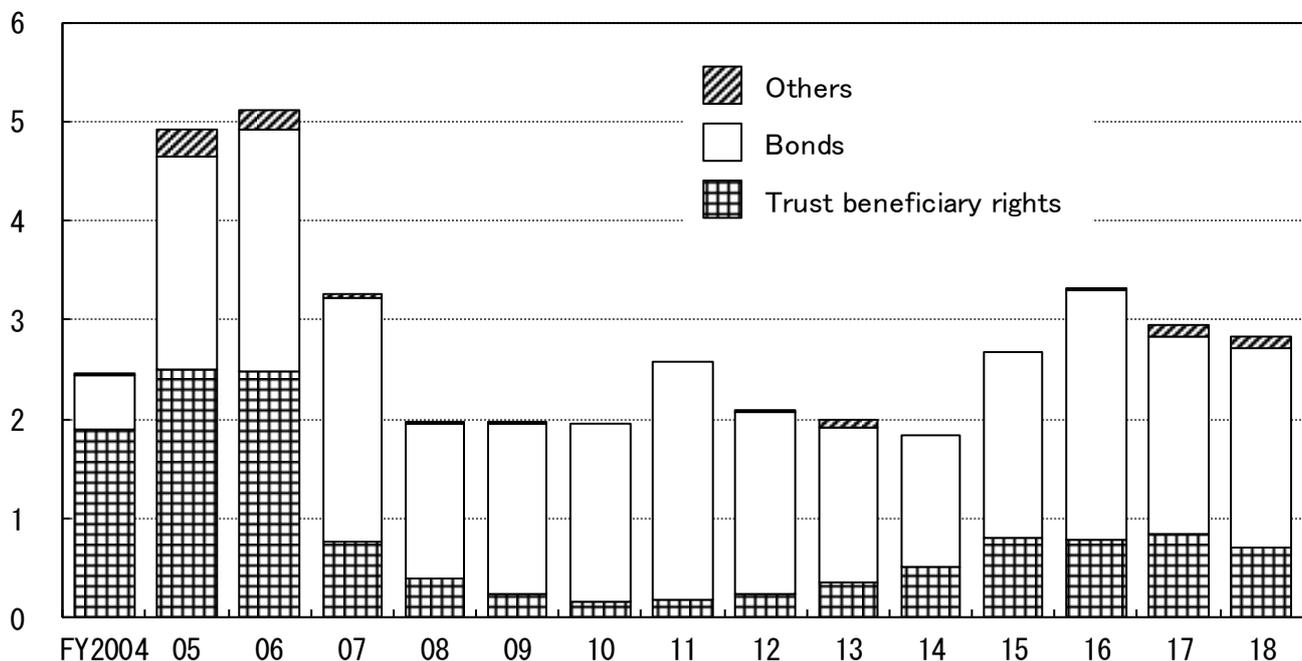
Chart i . RMBS Issuance Amount by Originator



( ii ) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥2,825.1 billion) by product type, the amount of “Bonds” was ¥2,008.9 billion (71.1% of the total), followed by “Trust beneficiary rights” with ¥703.7 billion (24.9%) (see Chart ii ).

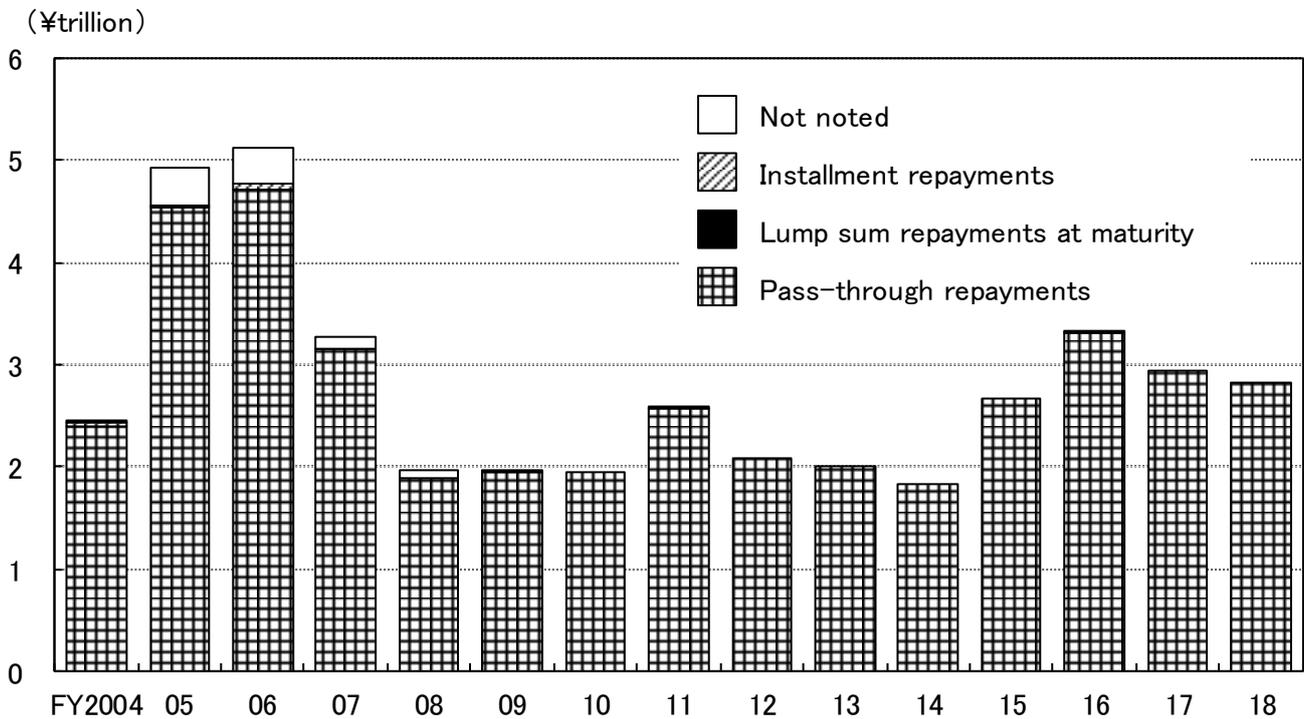
Chart ii . RMBS Issuance Amount by Product Type



(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥2,825.1 billion) by repayment method, all repayments were “Pass-through repayments”(see Chart iii).

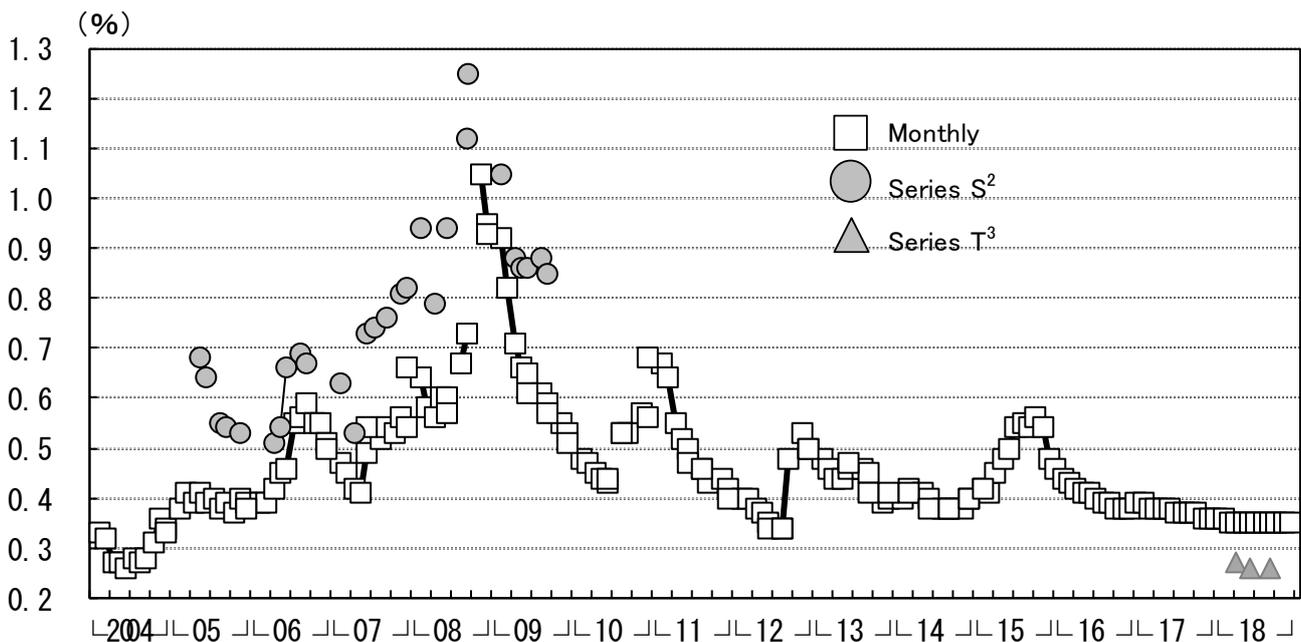
Chart iii. RMBS Issuance Amount by Repayment Method



(iv) Launch Spread at Issuance (Japan Housing Finance Agency MBS)<sup>1</sup>

The launch spread for “JHF Monthly MBS” began to narrow from the issuance at June 2018 and remained flat thereafter (see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread



<sup>1</sup> The “Monthly” Launch Spread refers to the spread between the coupon rate of JHF Monthly MBS and yield of the most recently priced 10-year reference JGB.

<sup>2</sup>The S Series (The previous housing loan corporation securitized house loan) have not been issued since December 2009.

<sup>3</sup>The “Series T” Launch Spread refers to the spread between the coupon rate of JHF Series T MBS and yield of the most recently priced 5-year reference JGB.

The “Series T” category was added to the data as of the first half of FY2018.