

Securitization Market Trends Survey Report (Issuance Trends in Fiscal 2017)

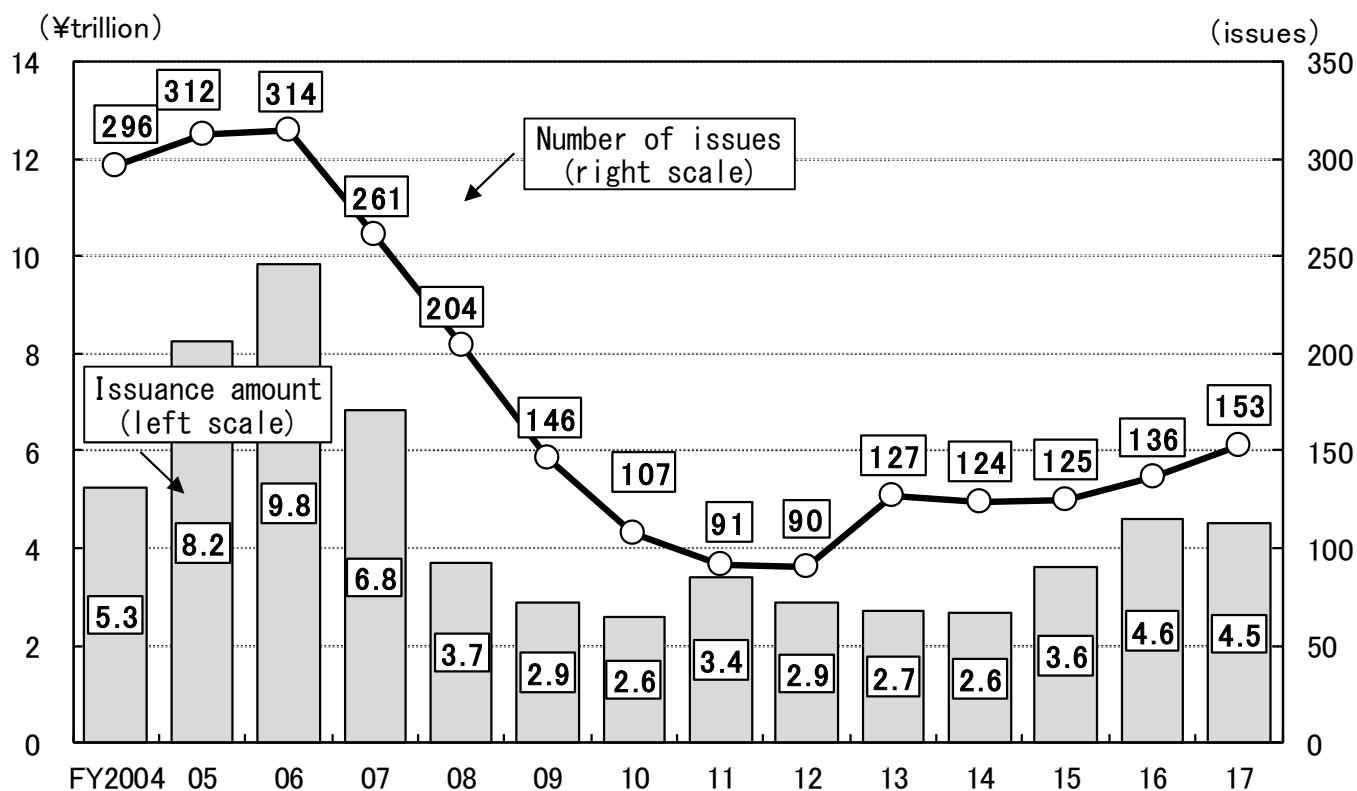
This report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <<http://www.jsda.or.jp/en/index.html>>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for fiscal 2017, the period from April 1, 2017 to March 31, 2018.

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 2017, the amount declined year-on-year. The total issuance amount was ¥4,493.6 billion, declining 1.9% from fiscal 2016, while the number of issues was 153, up 12.5% 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

(¥trillion)														
FY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017※
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

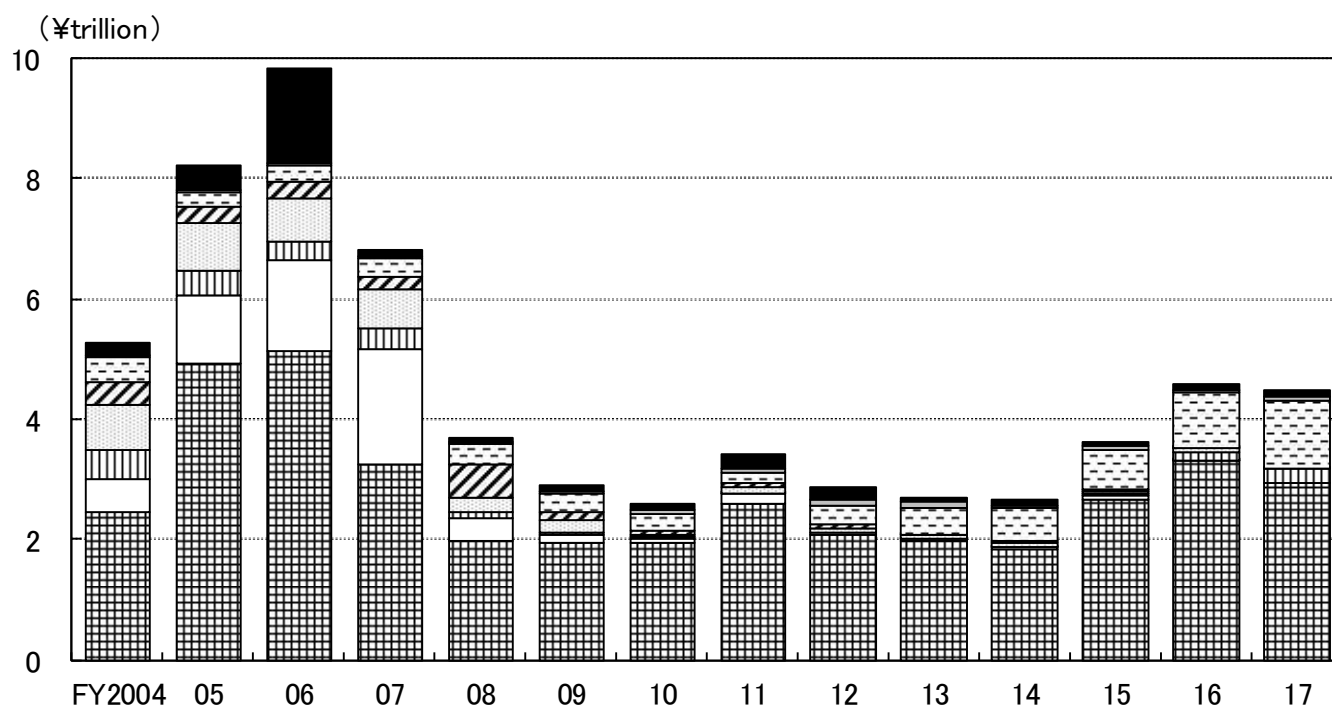
※ provisional figure

II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount (¥4,493.6 billion) for fiscal 2017 by underlying assets, the amount of “CDO,” “Consumer loans,” “Shopping credits,” and “Sales receivables/Commercial bills” increased, whereas in contrast, “RMBS,” “CMBS,” “Leases” 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)	29,452	0	2,316	0	146	11,299	708	1,015	44,936
Year on year change (¥100 million)	-3,805	-4	+981	-604	+66	+2,231	+263	-13	-885
Year on year change (%)	-11.4	-100.0	+73.5	-100.0	+82.5	+24.6	+59.3	-1.3	-1.9
% Composition	65.5	0.0	5.2	0.0	0.3	25.1	1.6	2.3	100.0
Ref. Number of issues (present FY)	65	0	15	0	2	52	13	6	153
Year on year change (number)	+21	-1	-1	-2	+1	-3	+1	+1	+17
Year on year change (%)	+47.7	-100.0	-6.3	-100.0	+100.0	-5.5	+8.3	+20.0	+12.5

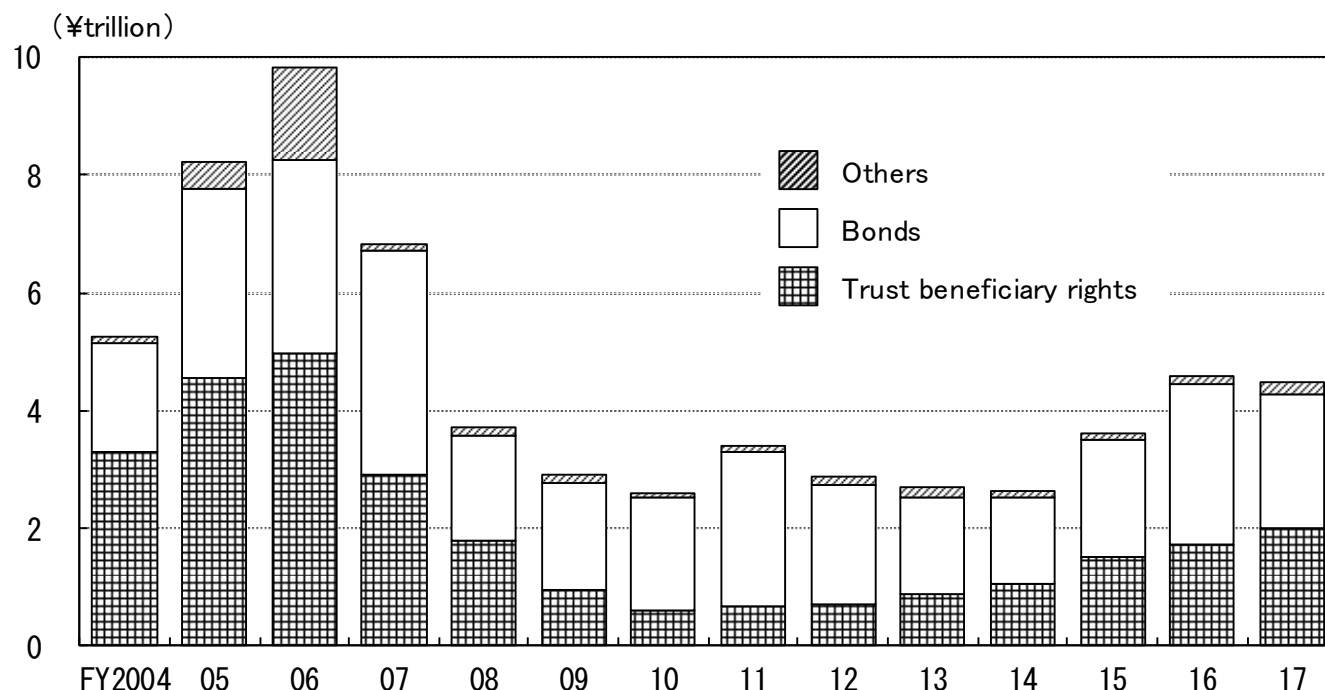


Others	Foundation funds, subordinated-loan, business cash flow, medical receivables, and others
Sales receivables/Commercial bills	Sales receivables, commercial bills
Shopping credits	Shopping loans, credit card loans, automobile loans
Consumer loans	Consumer loans, bank card loans
Leases	Lease credits
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 (¥4,493.6 billion) by product type, the amount of “Bonds” was ¥2,237.8 billion (49.8% of the total), followed by “Trust beneficiary rights” with ¥2,018.8 billion (44.9%) (see Chart 3).

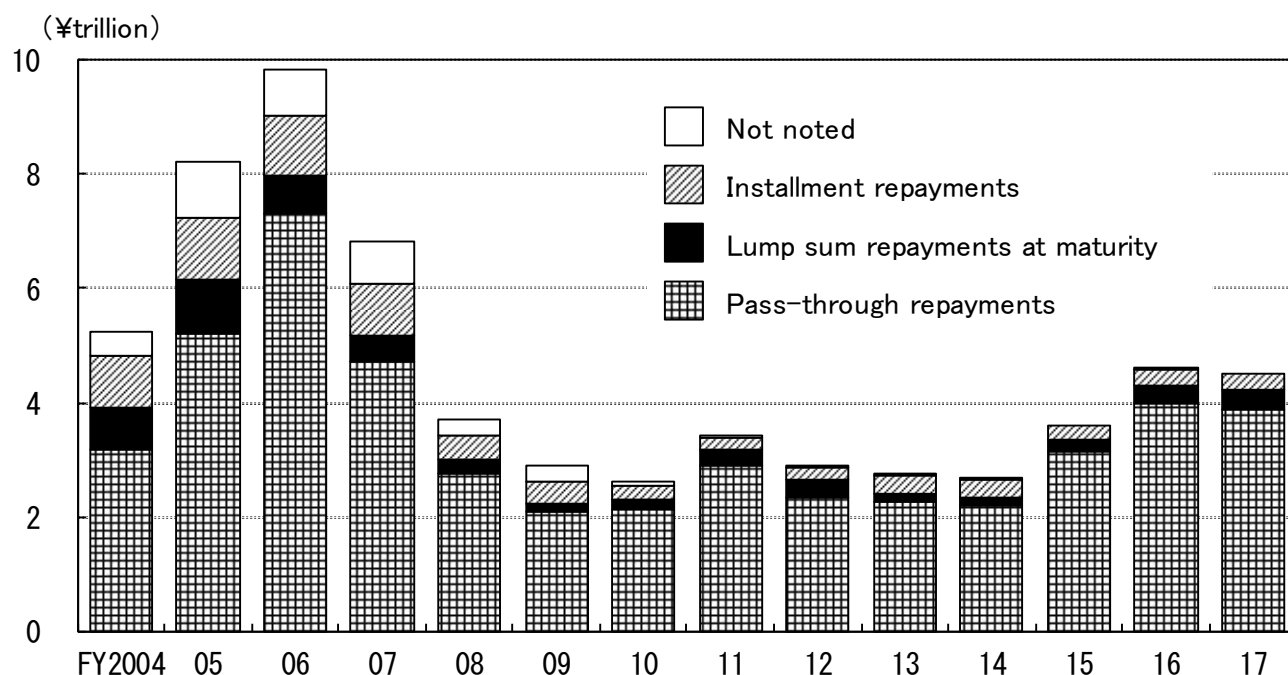
Chart 3. Securitization Product Issuance Amount by Product Type



IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥4,493.6 billion) by repayment method, the amount of “Pass-through repayments” was ¥3,889.6 billion (86.6% of the total) (see Chart 4).

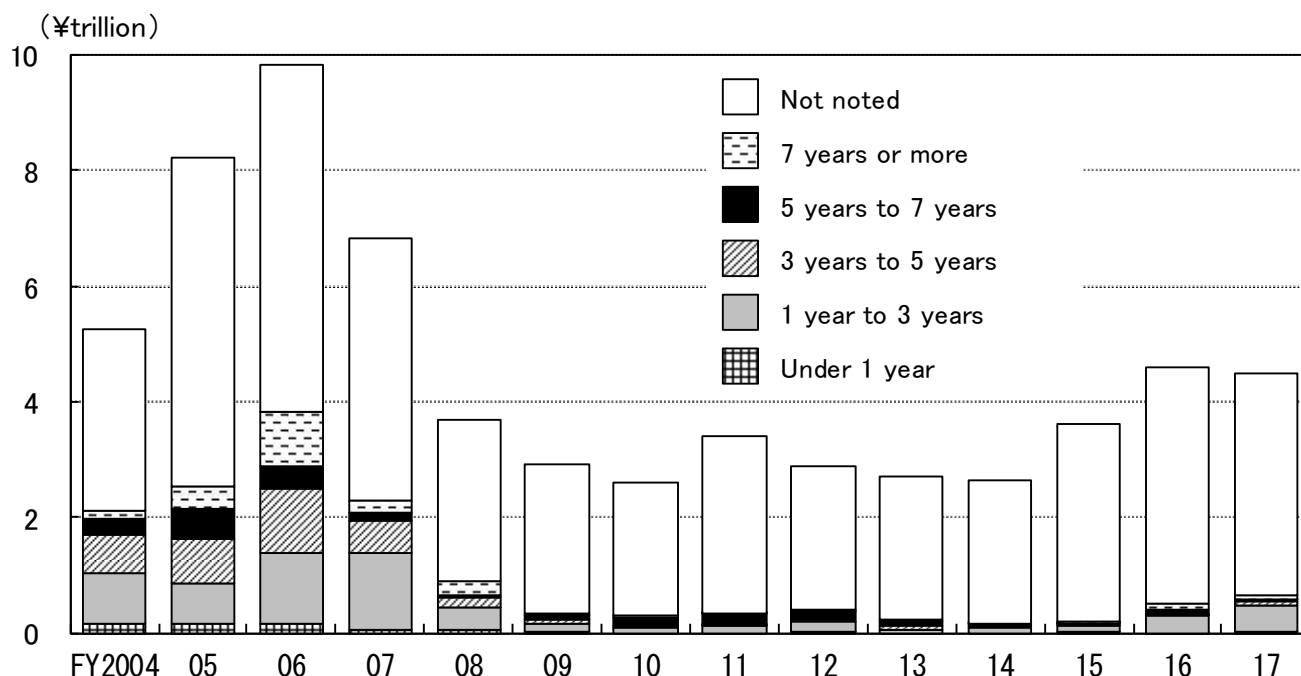
Chart 4. Securitization Product Issuance Amount by Repayment Method



V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥4,493.6 billion) by planned/average term to maturity, the most popular term, except for “Not noted”, was “1 year to 3 years” with ¥450.6 billion (10.0% of the total), followed by “7 years or more” with ¥62.8 billion (1.4%)(see Chart 5).

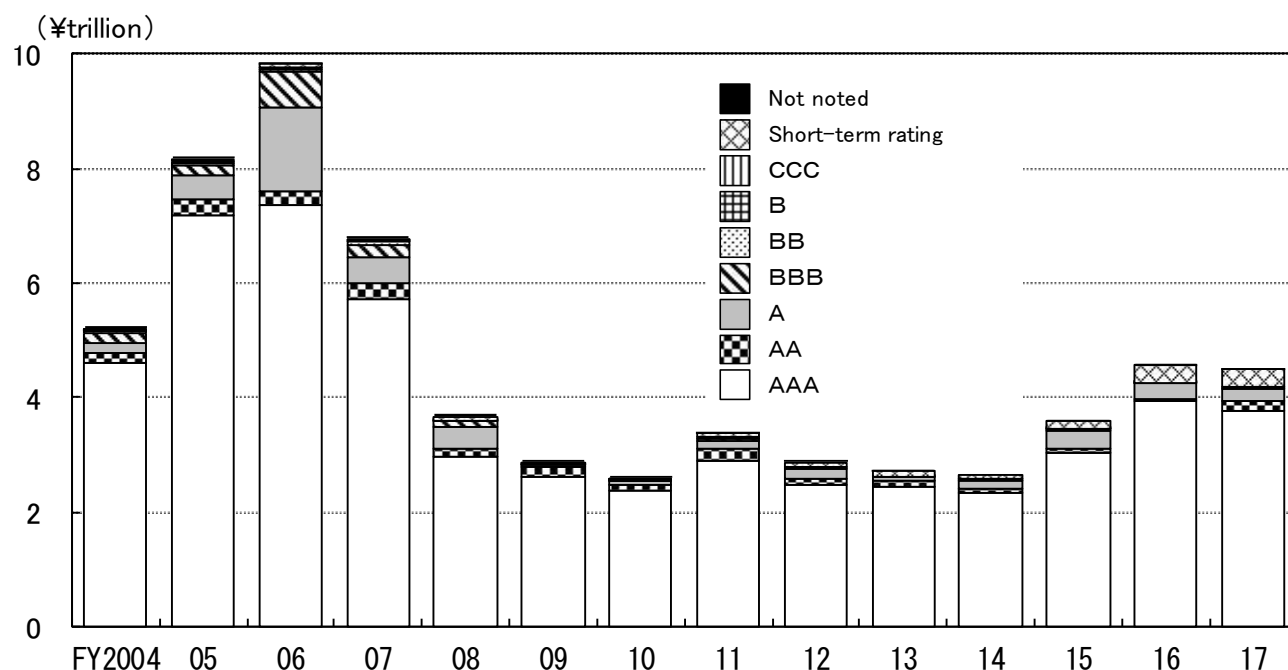
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥4,493.6 billion) by credit rating, the amount of “AAA” was ¥3,766.9 billion (83.8% of the total) (see Chart 6).

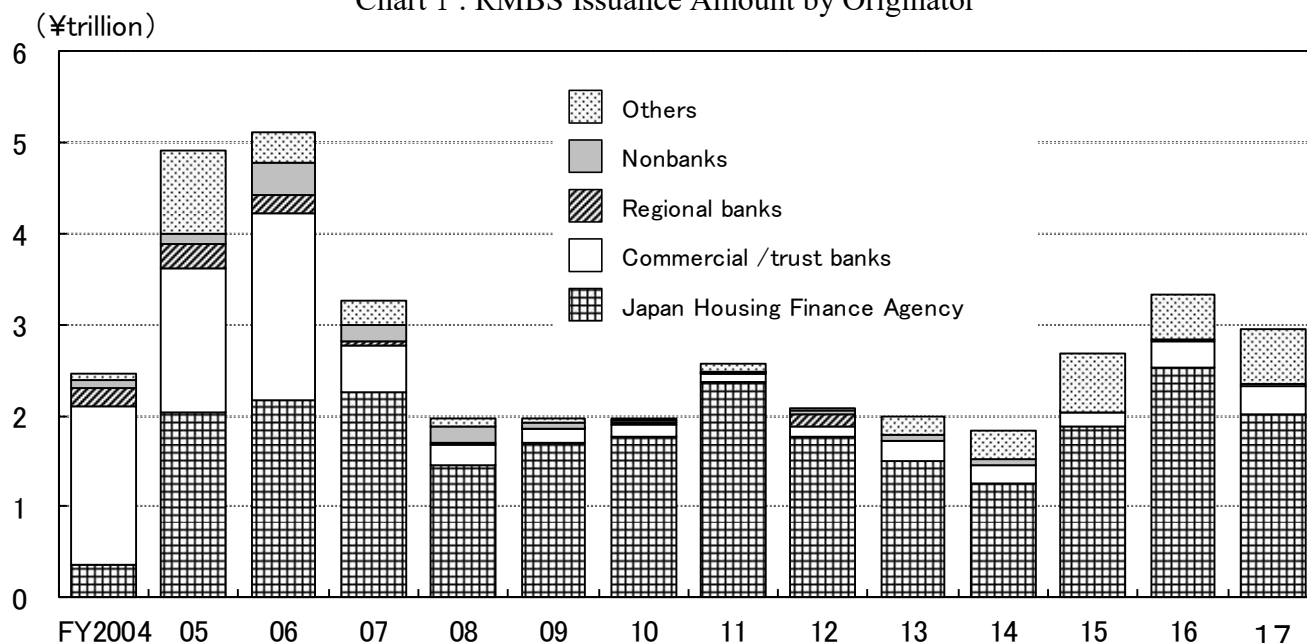
Chart 6. Securitization Product Issuance Amount by Credit Rating



(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥2,945.2 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥2,004.3 billion (68.1% of the total), followed by “Others” with ¥600.8 billion (20.4%) and “Commercial / trust banks” with 314.9 billion (10.7%)(see Chart i).

Chart i . RMBS Issuance Amount by Originator

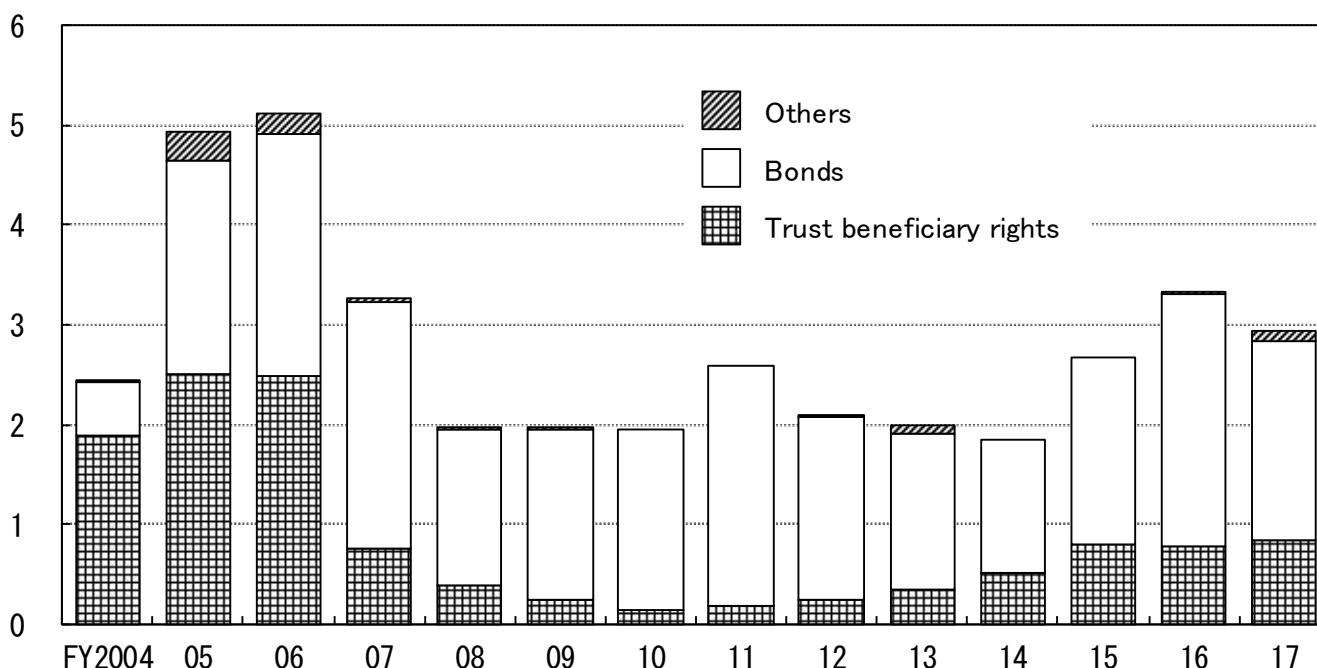


Note: A breakdown of “Others” is provided in the “Appendix”. (FY2012) and later.

(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥2,945.2 billion) by product type, the amount of “Bonds” was ¥2,004.3 billion (68.1% of the total) followed by “Trust beneficiary rights” with ¥833.8 billion (28.3%) (see Chart ii).

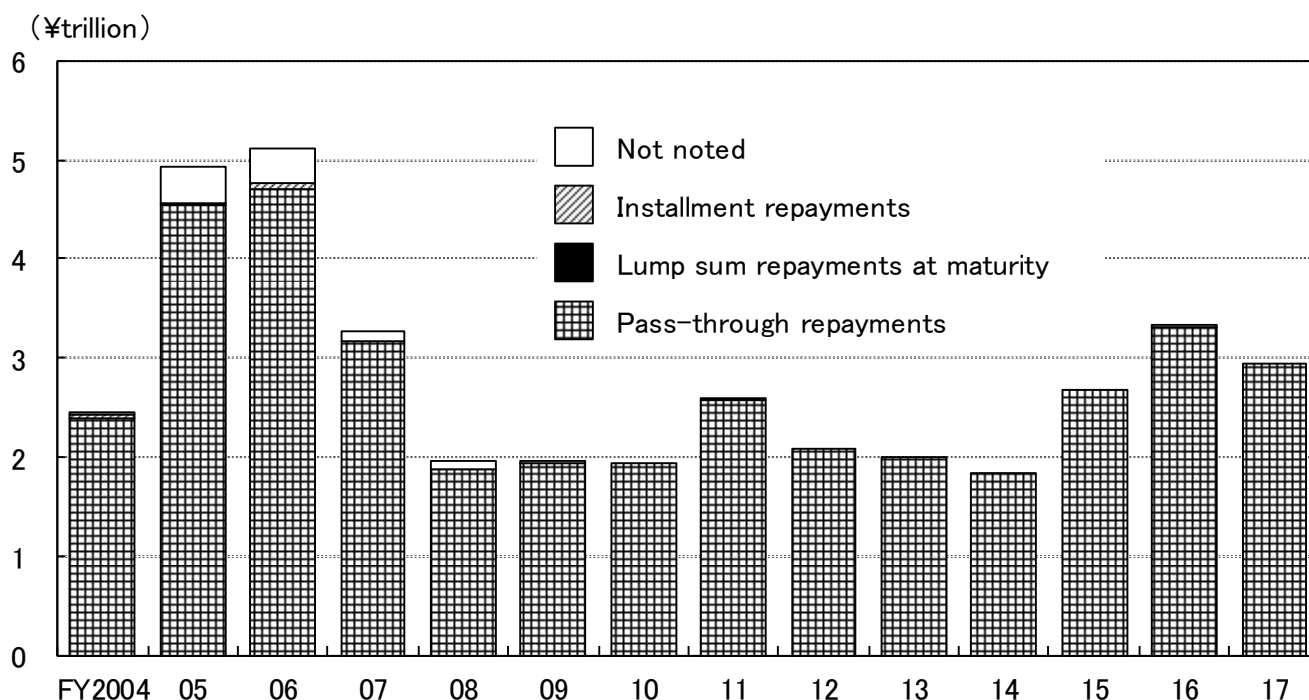
Chart ii . RMBS Issuance Amount by Product Type



(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥2,945.2 billion) by repayment method, all repayments were “Pass-through repayments”(see Chart iii).

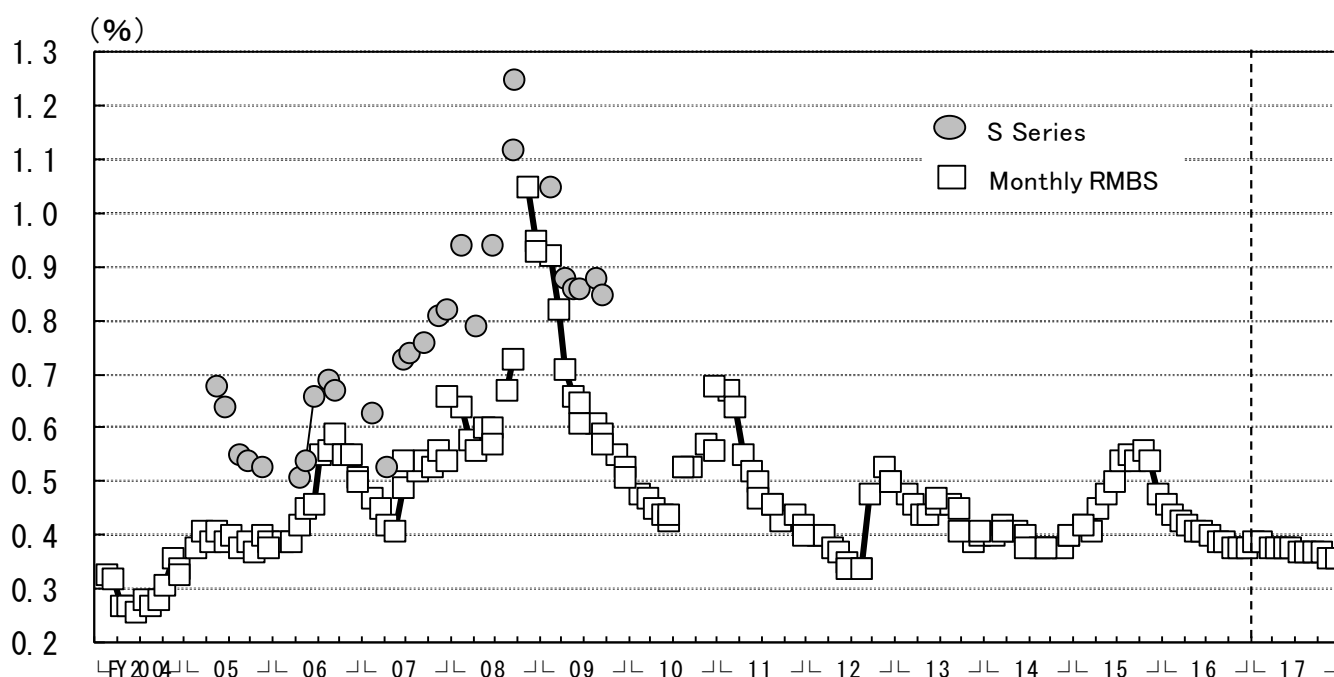
Chart iii. RMBS Issuance Amount by Repayment Method



(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 the most recently priced 10-year reference JGB) for “JHF Monthly MBS” expanded in April 2017, and contracted from June 2017 to February 2018(see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread



*The S Series (The previous housing loan corporation securitized house loan) have not been issued since December 2009.