

Securitization Market Trends Survey Report
 —Issuance Trends in the Second Half of Fiscal 2014—

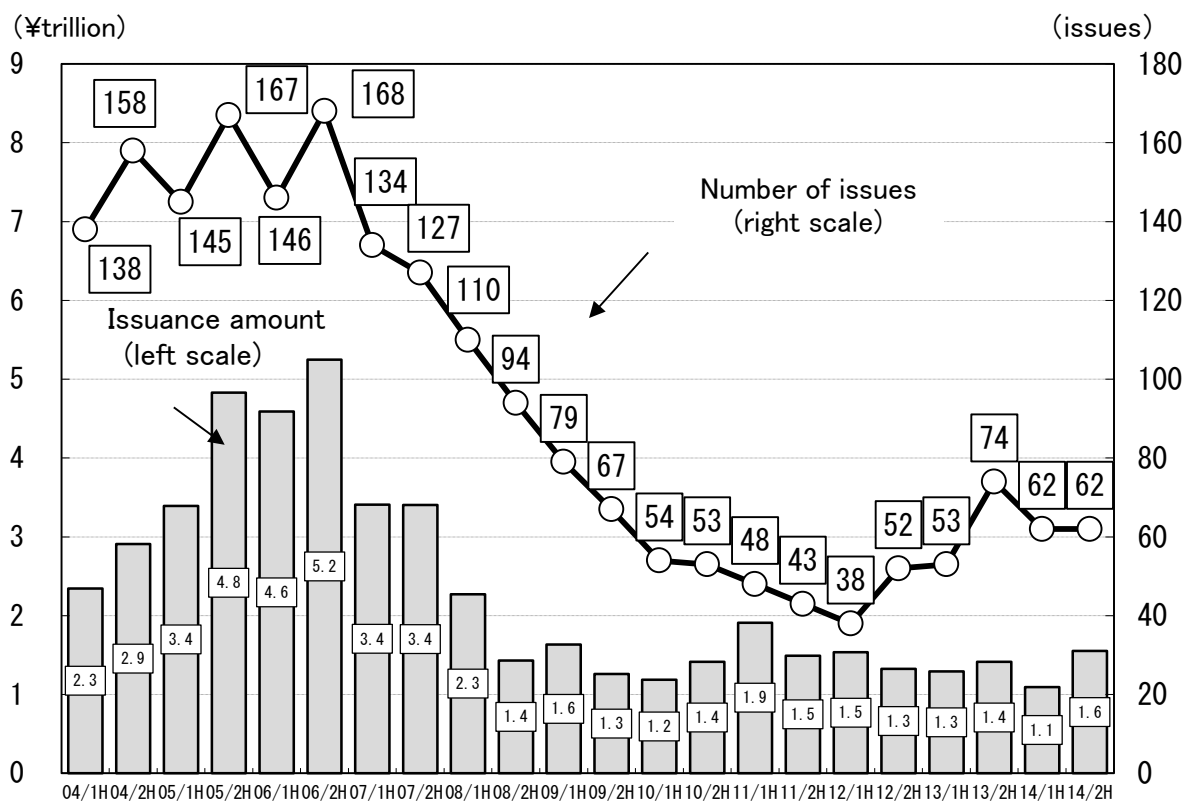
The following report is a summary of the results of the “Securitization Market Trends Survey” (see JSDA’s website at <<http://www.jsda.or.jp/en/index.html>>), conducted monthly by the Japan Securities Dealers Association (JSDA) and the Japanese Bankers Association (JBA), for the second half of fiscal 2014, the period from October 1, 2014 to March 31, 2015. For chart data, please see the appendix “Chart Data at a Glance.”

I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the second half of 2014, the amount of issues increased year on year. Total issuance amount was ¥1,552.4 billion, increasing 9.8% from the first half of fiscal 2014, while the number of issues was 62, down 16.2% year on year (Chart 1).

Ref.: The total issuance amount of corporate straight bonds during the second half of fiscal 2014 was ¥3,503.5 billion (provisional figure).

Chart 1. Securitization Product Issuance Amount and Number of Issues

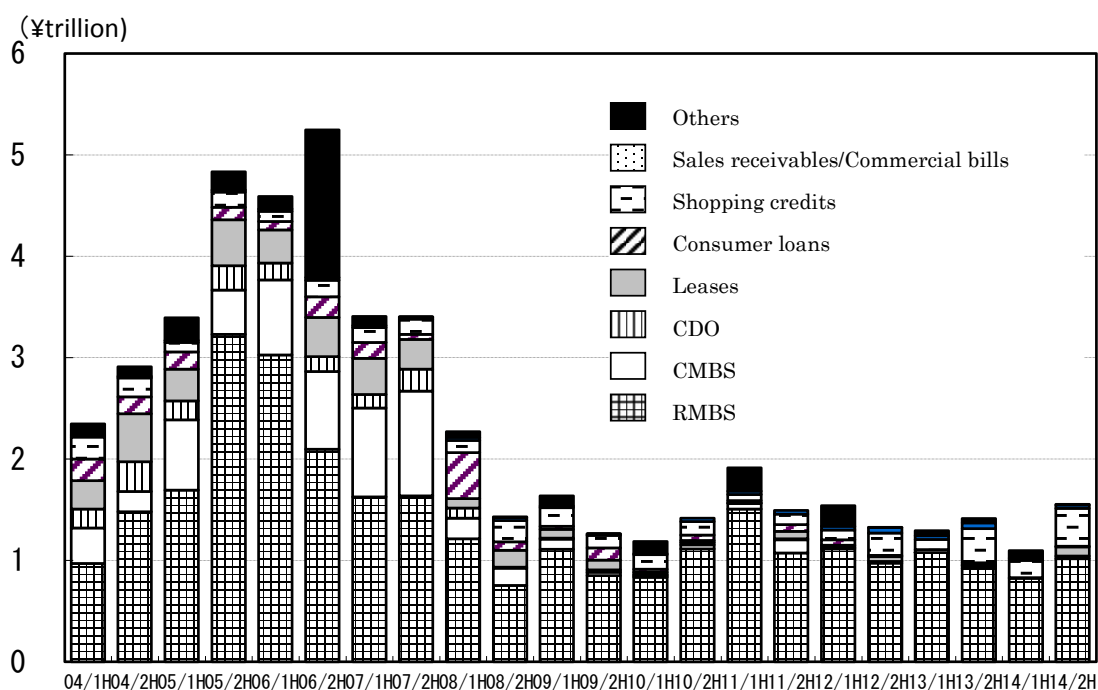


II. Issuance Trends by Underlying Assets

Looking at the securitization product issuance amount for the second half of fiscal 2014 by underlying assets, the amount of RMBS, CMBS, leases and shopping credits increased. In contrast, CDO, consumer loans, 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)	10,151	274	0	907	65	3,742	339	48	15,524
Year on year change(¥100 million)	+956	+3	▲22	+806	▲115	+377	▲231	▲390	+1,384
Year on year change(%)	+10.4	+1.1	▲100	+797.5	▲63.9	+11.2	▲40.6	▲89.1	+9.8
% Composition	65.4	1.8	0.0	5.8	0.4	24.1	2.2	0.3	100.0
Ref. Number of issues(present period)	21	2	0	5	1	23	7	3	62
" (previous period)	20	0	3	0	0	18	17	4	62
" (same period of last year)	20	2	2	1	2	22	21	4	74



Reference: The specific types of underlying assets for each securitization product category are as follows.

RMBS (Residential Mortgage Backed Securities): Housing loans and loans to individuals to build commercial apartments

CMBS (Commercial Mortgage Backed Securities): Commercial real estate collateralized loans, commercial real estate

CDO (Collateralized Debt Obligations): Corporate loans, corporate bonds, credit default swaps, and others

Leases: Lease credits

Consumer loans: Consumer loans, bank card loans

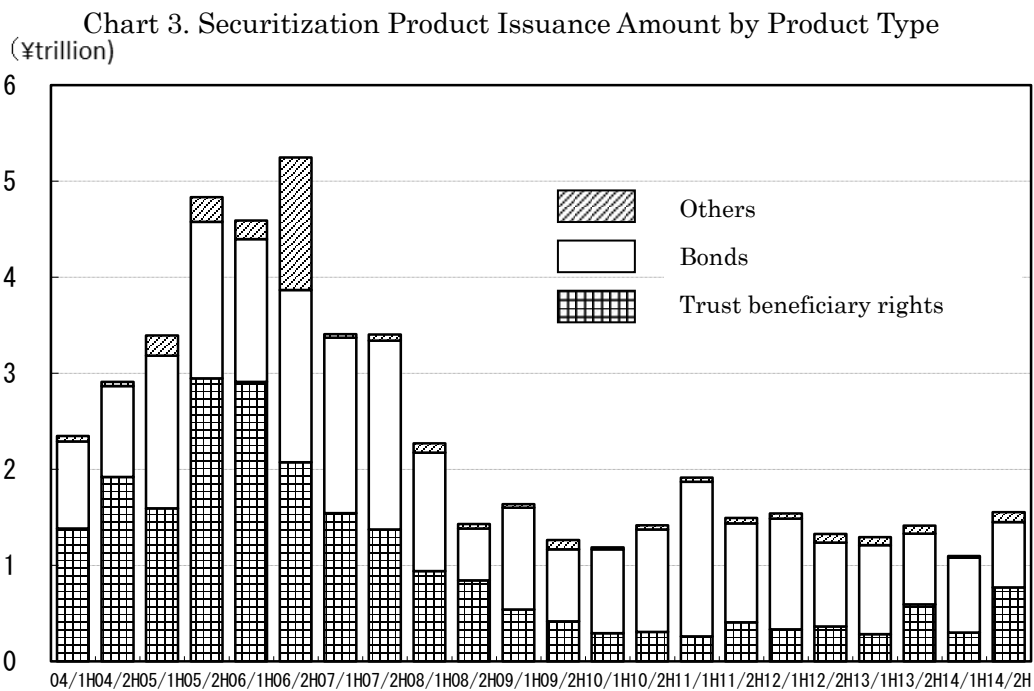
Shopping credits: Shopping loans, credit card loans, automobile loans

Sales receivables/Commercial bills: Sales receivables, commercial bills

Others: Fund receivables, business cash flow, medical fee receivables, and others

III. Issuance Trends by Product Type

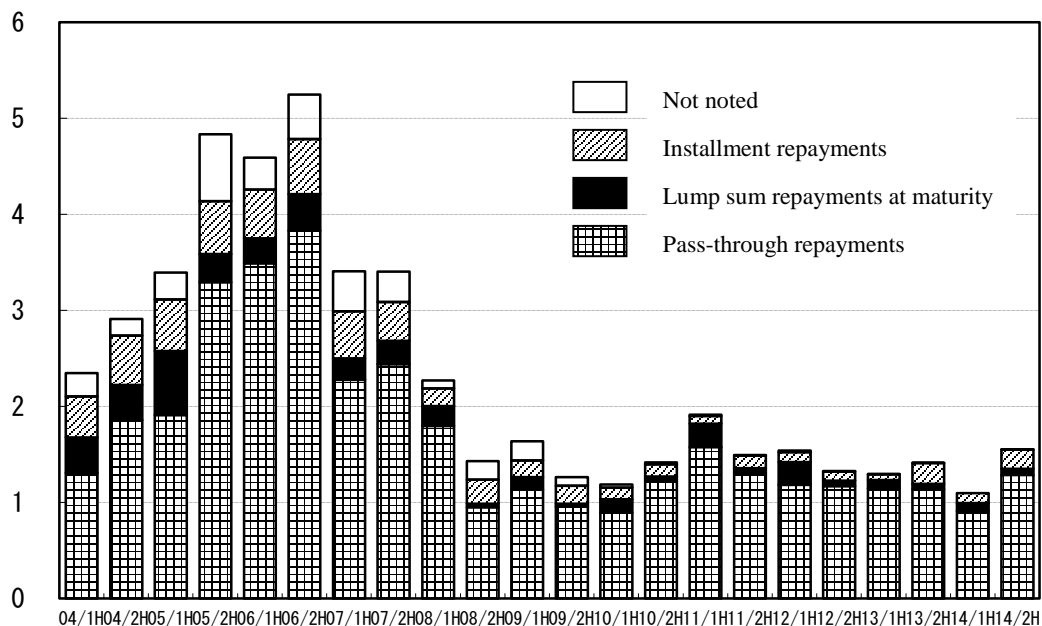
Looking at the securitization product issuance amount (¥1,552.4 billion) by product type, trust beneficiary rights accounted for 49.6% (¥769.9 billion), followed by bonds with 43.8% (¥679.8 billion) (see Chart 3).



IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥1,552.4 billion) by repayment method, pass-through repayments accounted for 82.9% (¥1,287.7 billion) of the total. (see Chart 4).

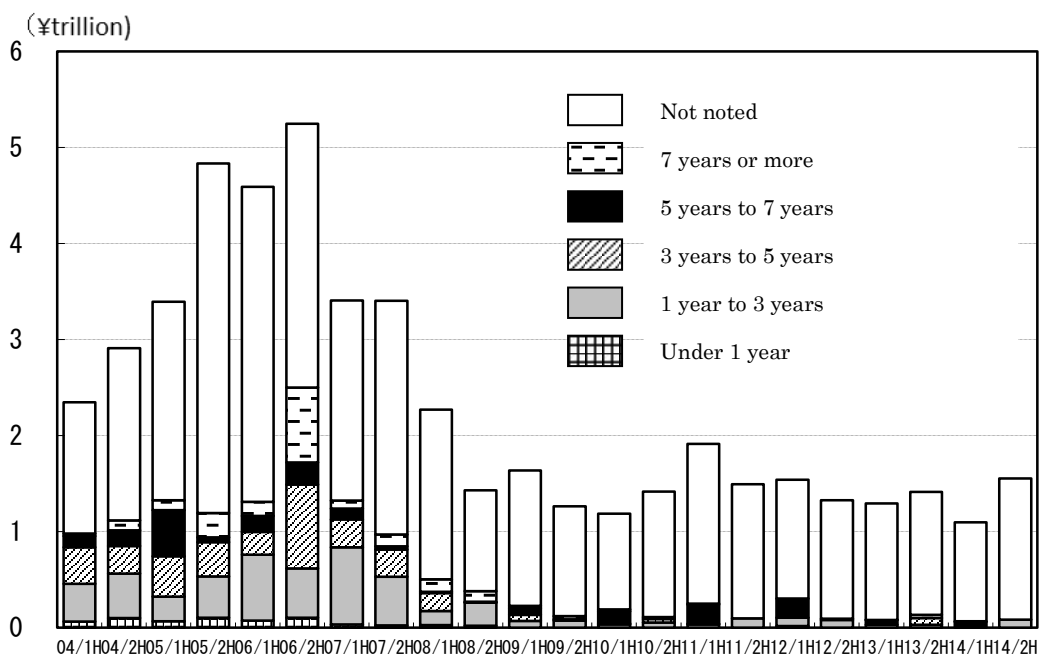
Chart 4. Securitization Product Issuance Amount by Repayment Method



V. Issuance Trends by Planned/Average Term to Maturity

Looking at the securitization issuance amount (¥1,552.4 billion) by planned/average term to maturity, “Not noted” accounted for 94.6% (¥1,468.1 billion), followed by “1 year to 3 years” with 5.4% (¥84.3 billion)(see Chart 5).

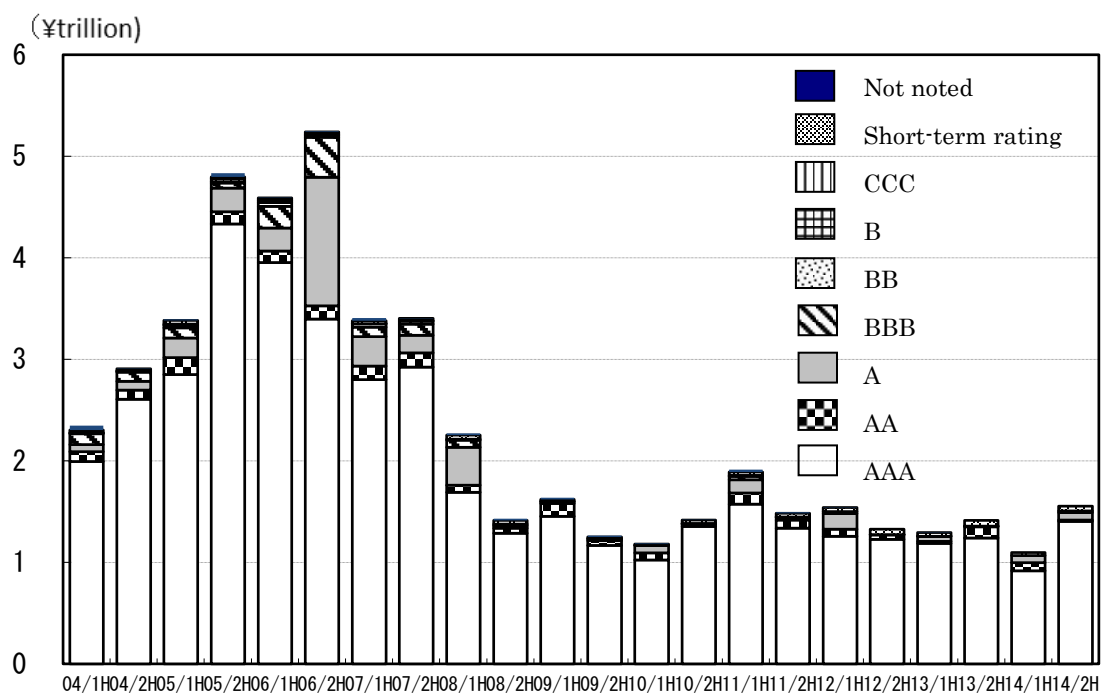
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥1,552.4 billion) by credit rating, AAA accounted for 90.4% (¥1,404.1 billion) (see Chart 6).

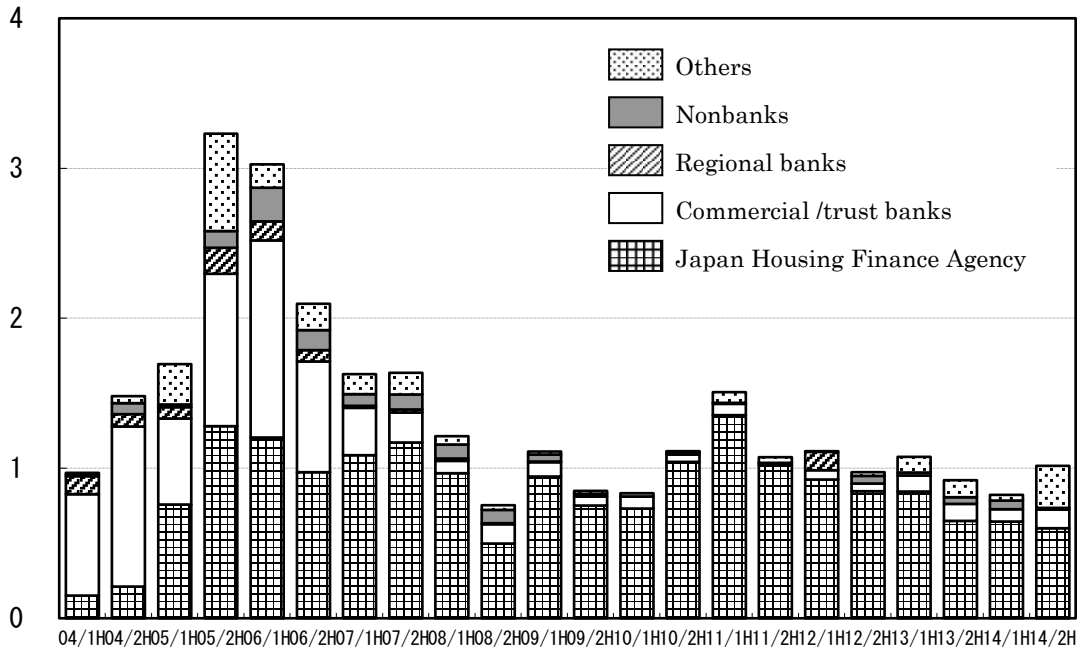
Chart 6. Securitization Product Issuance Amount by Credit Rating



(i) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥ 1,015.1 billion) by originator, the Japan Housing Finance Agency (JHF) accounted for 59.1% (¥599.8 billion), followed by others with 27.5% (¥279.2 billion) (Chart 7).

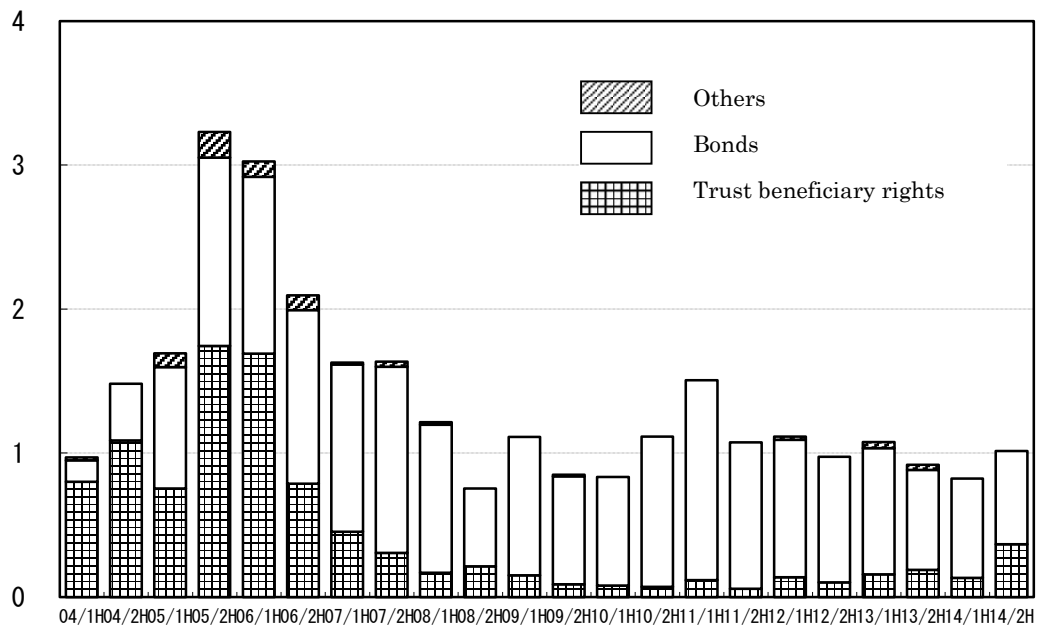
Chart 7. RMBS Issuance Amount by Originator



(ii) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥1,015.1 billion) by product type, bonds accounted for 63.9% (¥648.3 billion), followed by trust beneficiary rights with 36.1% (¥366.8 billion) (see Chart 8).

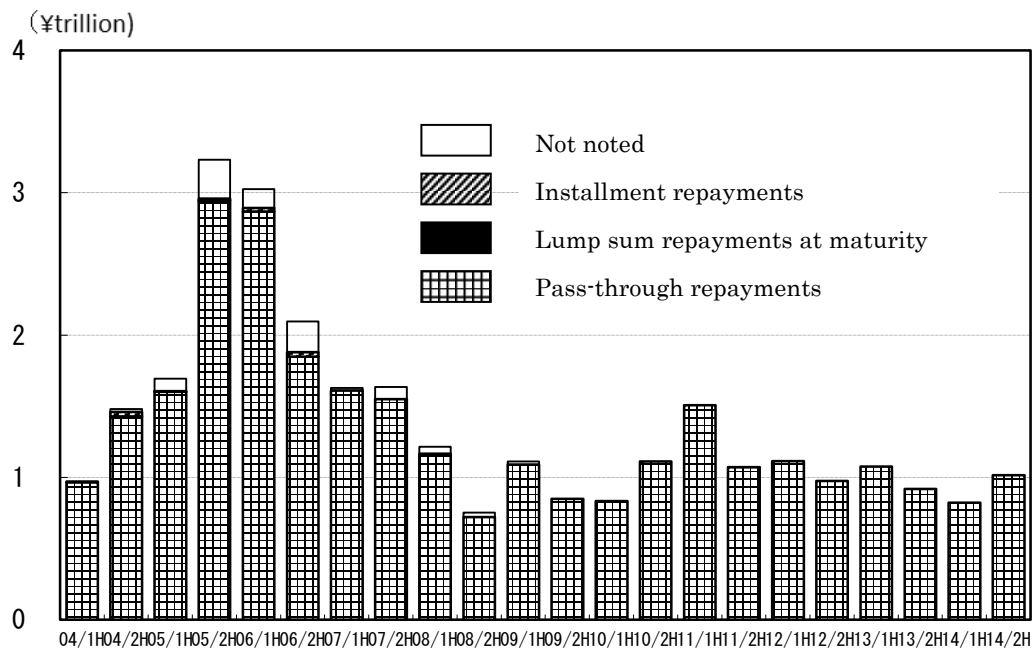
(¥trillion) Chart 8. RMBS Issuance Amount by Product Type



(iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥1015.1 billion) by repayment method, all repayments were pass-through repayments (see Chart 9).

Chart 9. RMBS Issuance Amount by Repayment Method



(iv) Spread at Issuance (JHF RMBS)

The launch spread (difference between the RMBS coupon rate and Japanese government bond yield at time of fixing issuing conditions) for JHF RMBS (monthly issuance bonds) leveled out during October 2014 to February 2015 but widened in March (see Chart 10).

