

# Securitization Market Trends Survey Report (Issuance Trends in the First Half of Fiscal 2016)

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 2016, the period from April 1, 2016 to September 30, 2016.

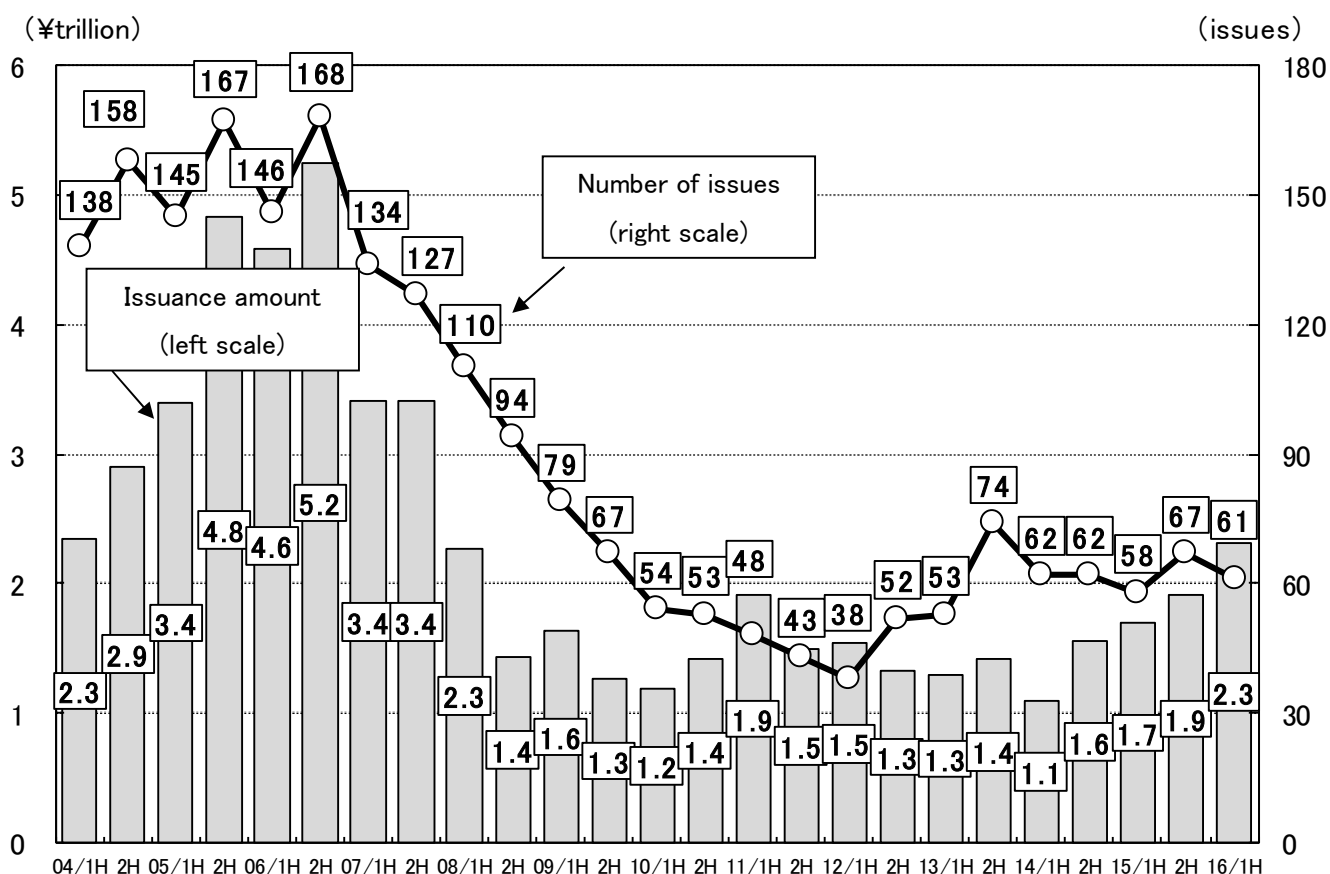
In addition, please refer to an attached sheet for the numerical data used in a chart.

## I. Overall Issuance Trends for Securitization Products

Looking at the issuance trends for securitization products in the first half of fiscal 2016, both the amount and number of issues increased year-on-year. The total issuance amount was ¥2,322.6 billion, increasing 36.9% from the first half of fiscal 2015, while the number of issues was 61, up 5.2% year-on-year. Since the first half of fiscal 2008, the issuance amount exceeded ¥2 trillion for the first time in eight years (see Chart 1).

Reference: The total issuance amount of corporate straight bonds during the first half of fiscal 2016 was ¥6,603.8 billion (provisional figure).

Chart 1. Securitization Product Issuance Amount and Number of Issues



## II. Issuance Trends by Underlying Assets

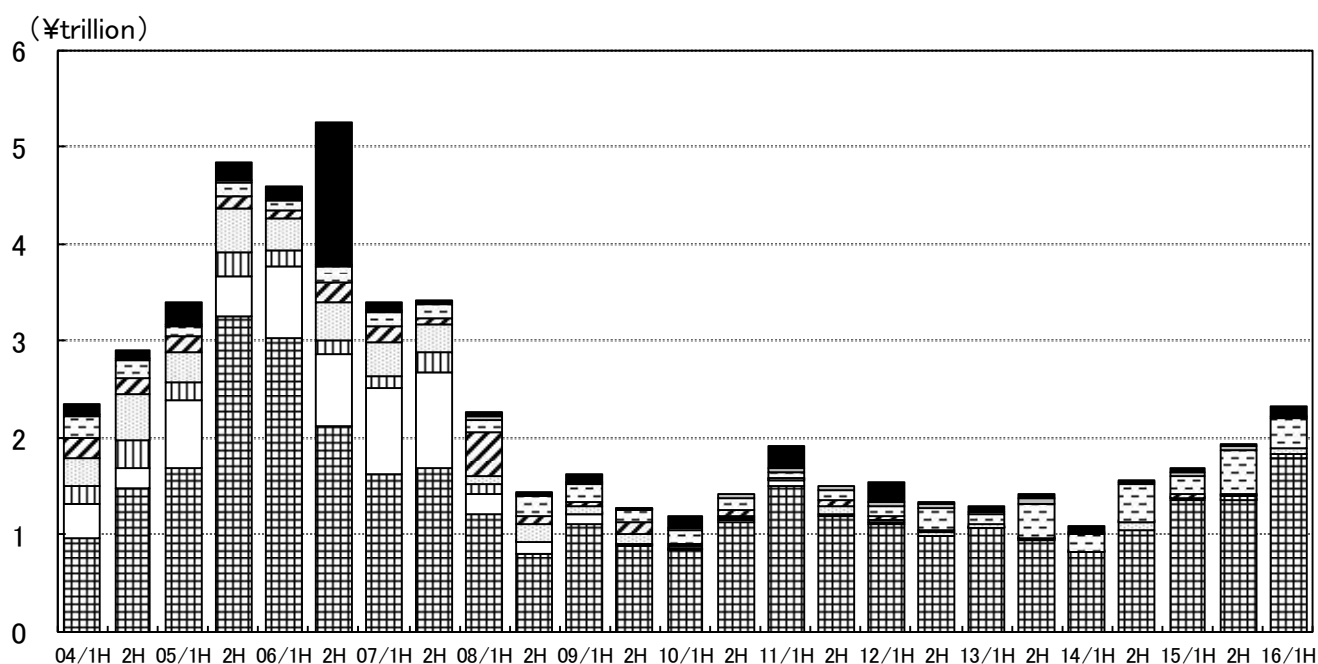
Looking at the securitization product issuance amount for the first half of fiscal 2016 by underlying assets, the amount of “RMBS,” “CDO,” “Leases,” “Shopping credits” and “Others” increased, whereas in contrast, “Consumer loans,” and “Sales receivables/Commercial bills” decreased. Above all, the issuance amount of “RMBS” continued to increase from the second half of 2014 (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)	17,834	0	476	604	0	3,126	170	1,015	23,226
Year on year change(¥100 million)	+4,272	0	+341	+476	-323	+1,197	-192	+488	+6,260
Year on year change(%)	+31.5	—(※)	+252.9	+372.2	-100.0	+62.1	-53.0	+92.7	+36.9
% Composition	76.8	0.0	2.0	2.6	0.0	13.5	0.7	4.4	100.0
Ref. Number of issues(present period)	20	0	5	2	0	25	6	3	61
“ (previous period)	20	1	5	2	1	28	8	2	67
“ (same period of last year)	23	0	1	1	1	21	8	3	58

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

Note: From this survey, we reviewed some of the underlying assets classification. Please refer to the "Explanation Materials" in the attachment for details.

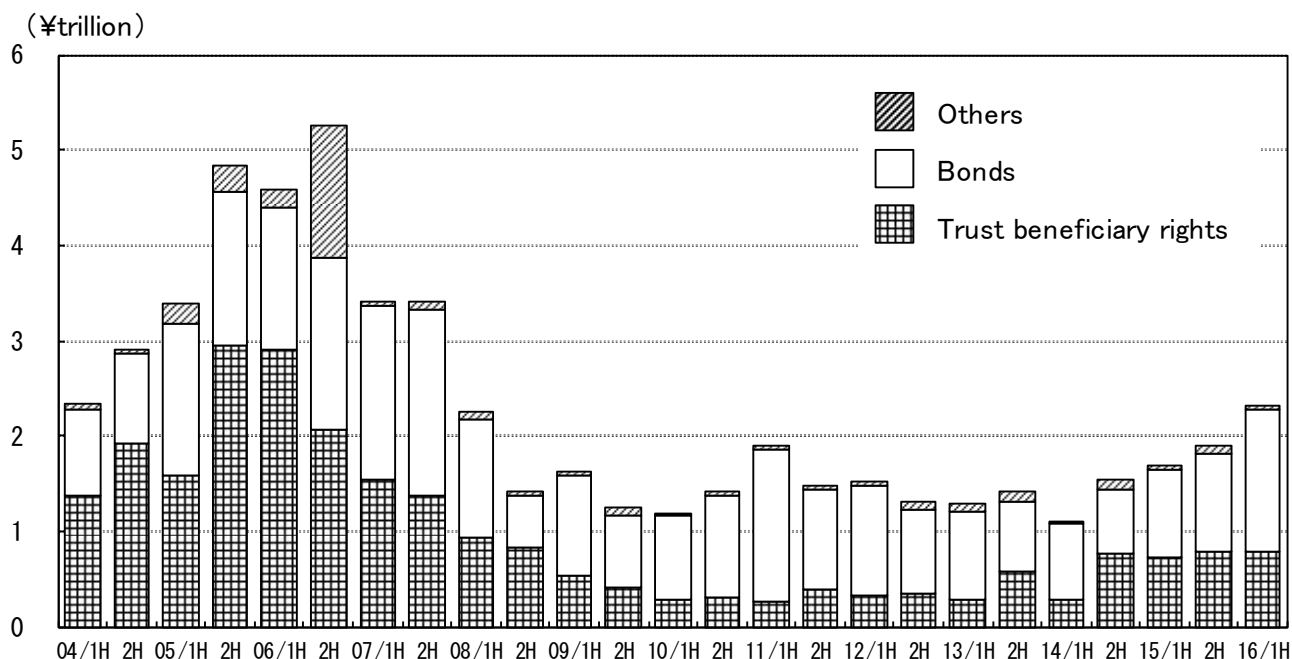


Others	Foundation funds, subordinated-loan, business cash flow, medical receivables, and others
Sales receivables/Commercial bills	Sales receivables, commercial bills
Shopping credits	Shopping loans, credit card loans, automobile loans
Consumer loans	Consumer loans, bank card loans
Leases	Lease credits
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 (¥2,322.6 billion) by product type, the amount of “Bonds” was ¥1,487.5 billion (64.0% of the total), followed by “Trust beneficiary rights” with ¥794.9 billion (34.2%) (see Chart 3).

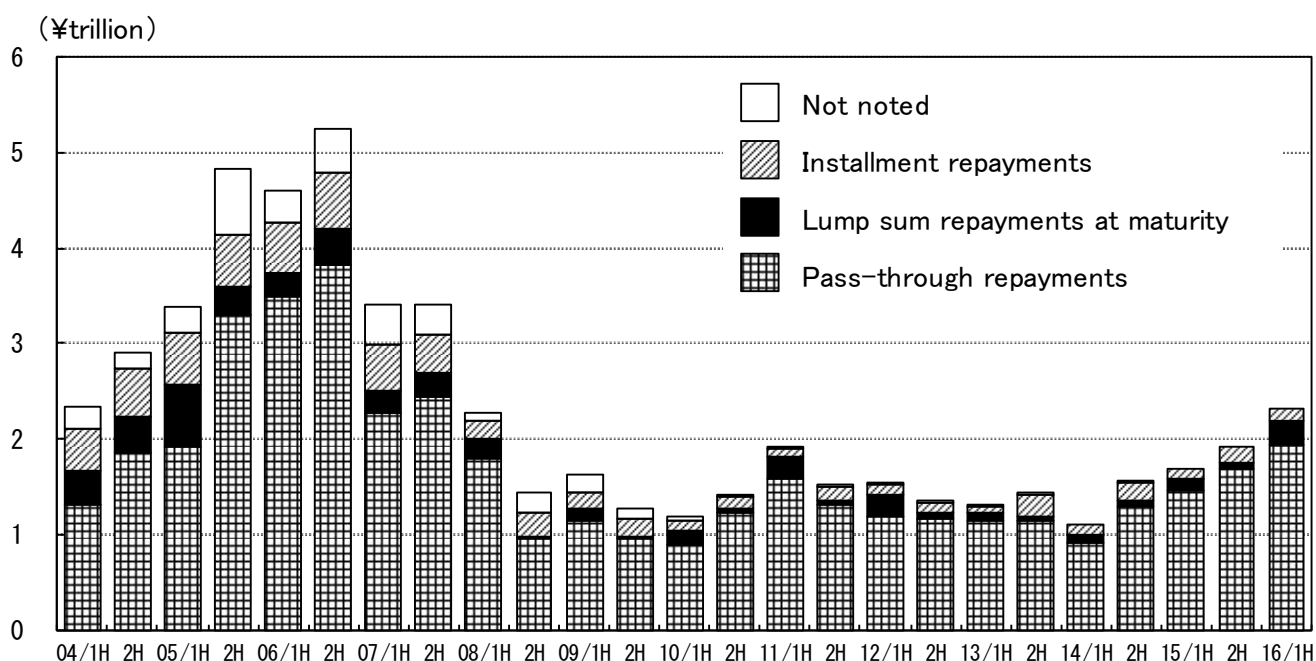
Chart 3. Securitization Product Issuance Amount by Product Type



### IV. Issuance Trends by Repayment Method

Looking at the securitization issuance amount (¥2,322.6 billion) by repayment method, the amount of “Pass-through repayments” was ¥1,942.0 billion (83.6 % of the total) (see Chart 4).

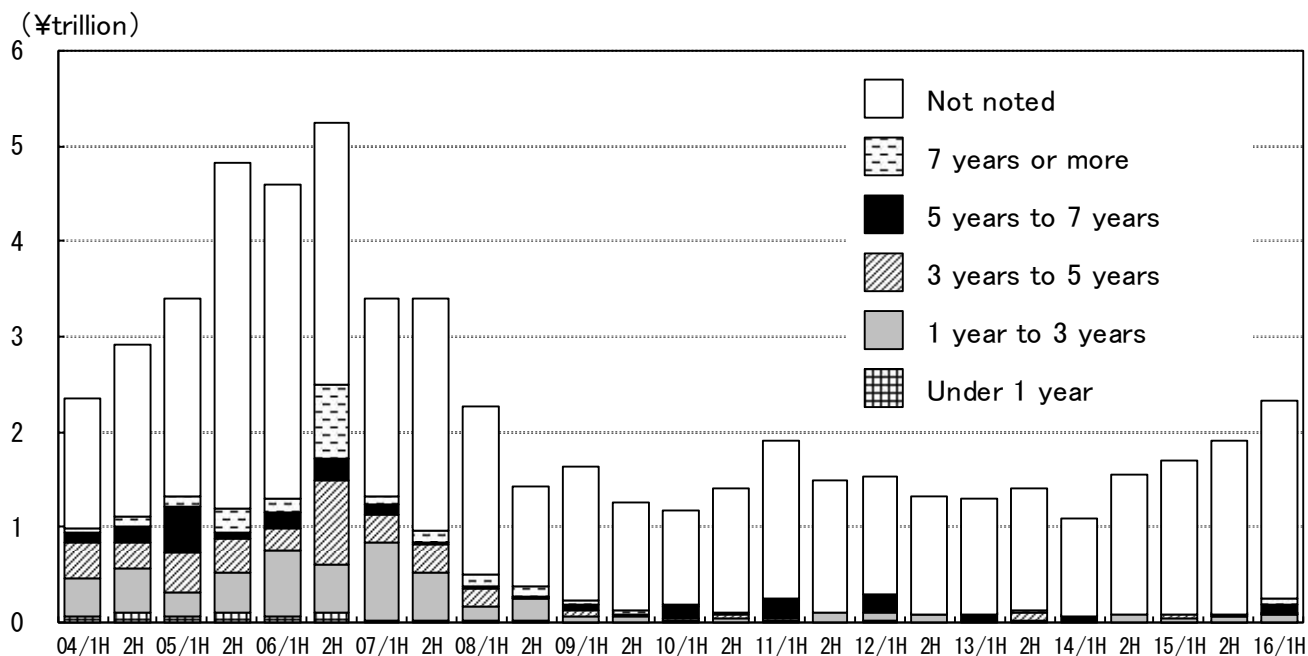
Chart 4. Securitization Product Issuance Amount by Repayment Method



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

Looking at the securitization issuance amount (¥2,322.6 billion) by planned/average term to maturity, the amount of “Not noted” was ¥2,059.8 billion (88.7% of the total), followed by “5 years to 7 years” with ¥100.0 billion (4.3%) (see Chart 5).

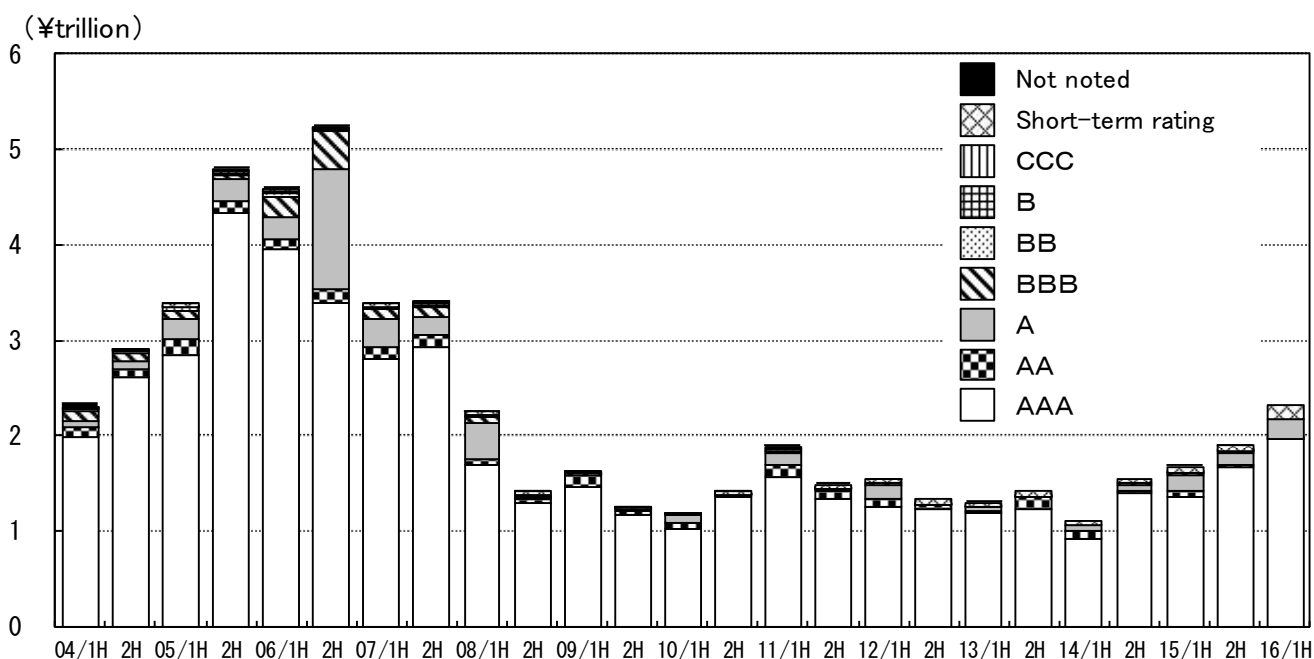
Chart 5. Securitization Product Issuance Amount by Planned/Average Term to Maturity



## VI. Issuance Trends by Credit Rating

Looking at the securitization issuance amount (¥2,322.6 billion) by credit rating, the amount of “AAA” was ¥1,961.0 billion (84.4% of the total), followed by “A” with ¥211.6 billion (9.1%) (see Chart 6).

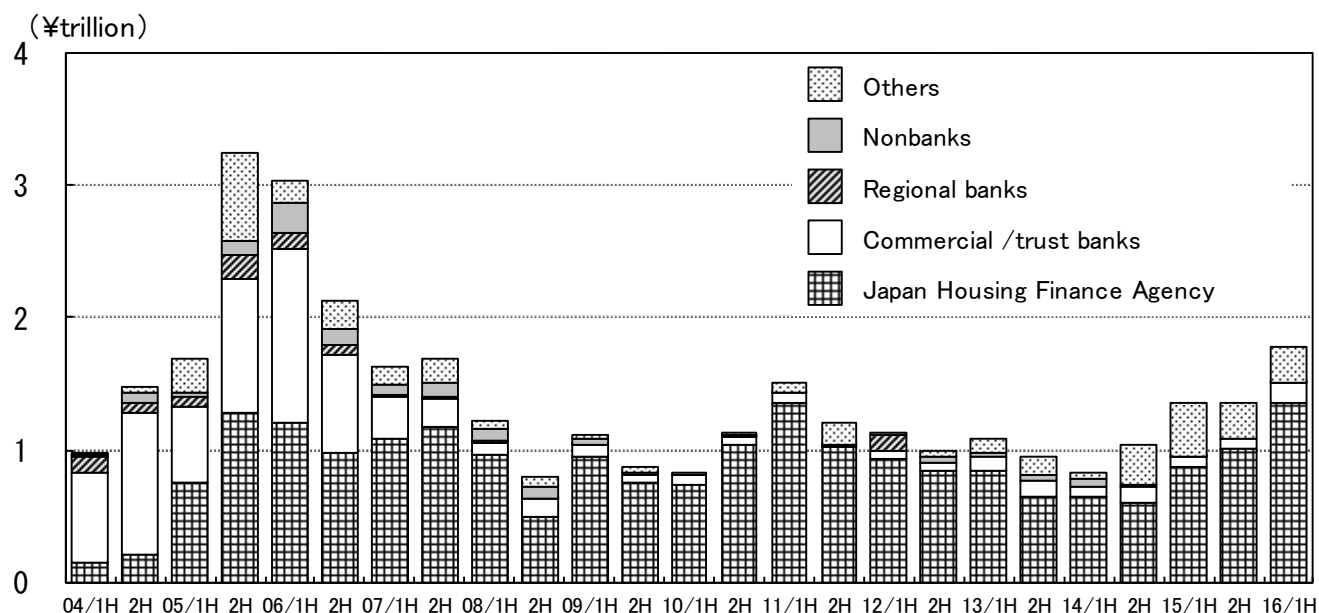
Chart 6. Securitization Product Issuance Amount by Credit Rating



( i ) RMBS Issuance Trends by Originator

Looking at the RMBS issuance amount (¥1,783.4 billion) by originator, the amount of “Japan Housing Finance Agency” (JHF) was ¥1,350.2 billion (75.7 % of the total), followed by “Others” with ¥272.7 billion (15.3%) (see Chart i ).

Chart i . RMBS Issuance Amount by Originator

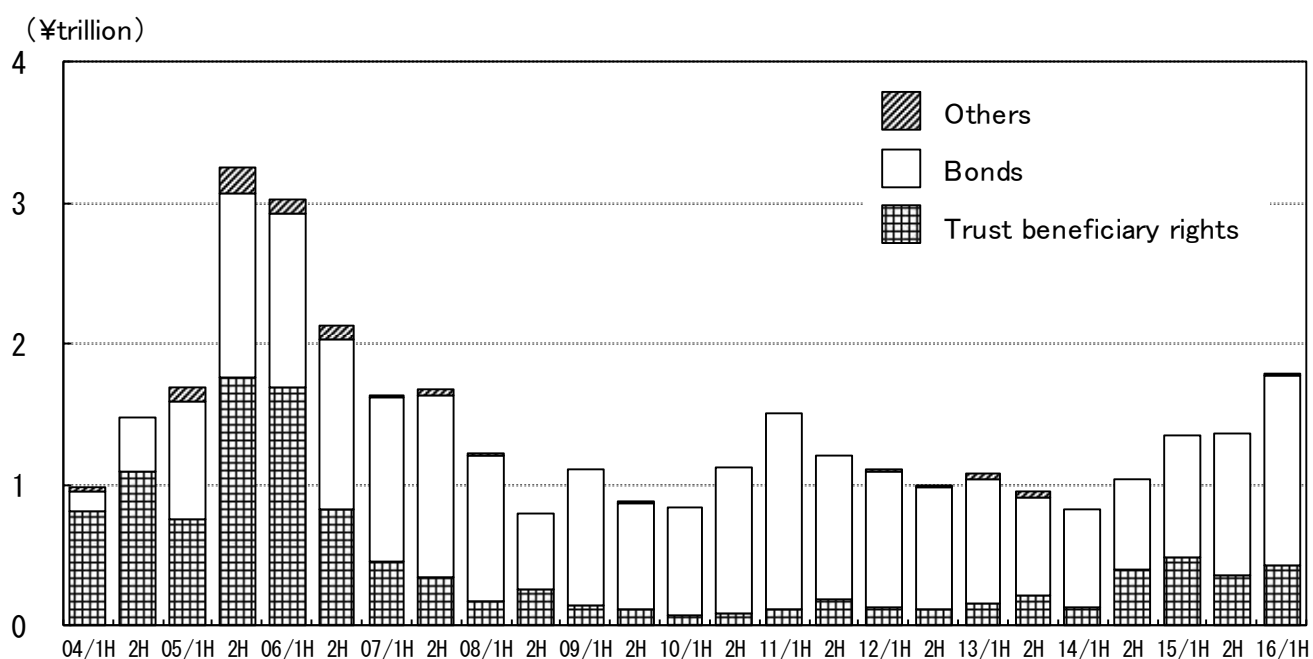


Note: FY2012 1st Half and later, describing the breakdown of "Others" in the attachment.

( ii ) RMBS Issuance Trends by Product Type

Looking at the RMBS issuance amount (¥1,783.4 billion) by product type, the amount of “Bonds” was ¥1,350.2 billion (75.7% of the total), followed by “Trust beneficiary rights” with ¥431.3 billion (24.2%) (see Chart ii ).

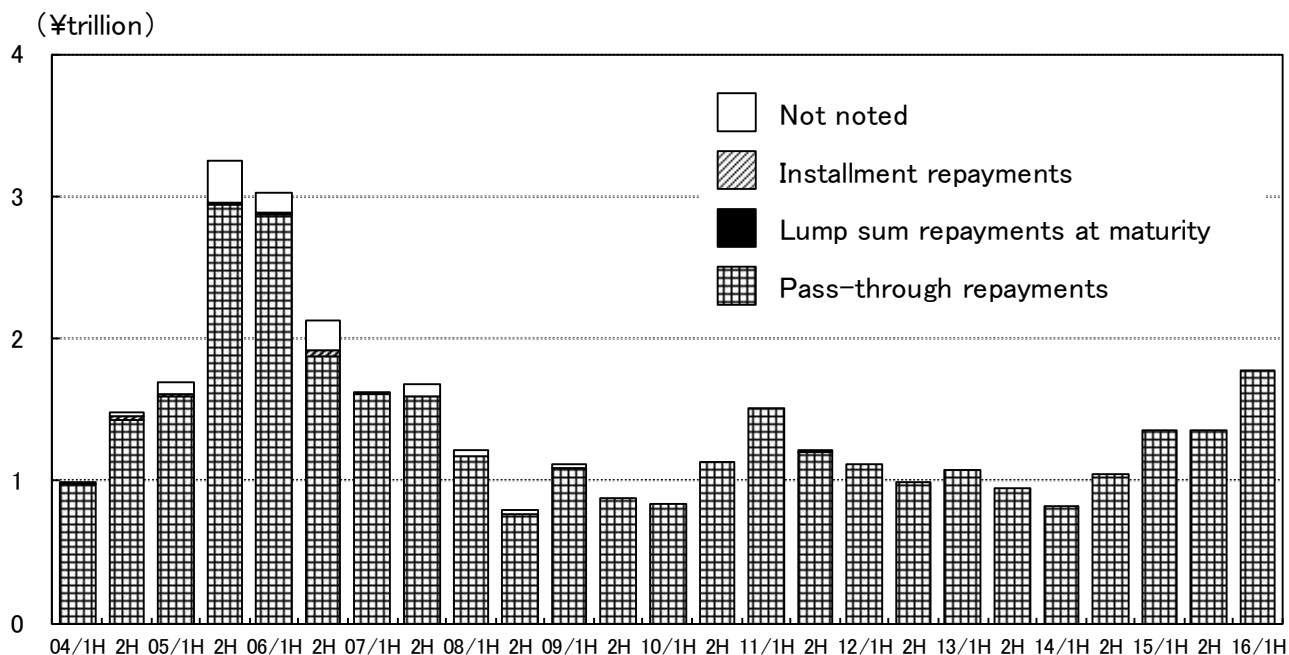
Chart ii . RMBS Issuance Amount by Product Type



### (iii) RMBS Issuance Trends by Repayment Method

Looking at the RMBS issuance amount (¥1,783.4 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 (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” contracted from April 2016 to August 2016 (see Chart iv).

Chart iv. JHF Monthly RMBS Launch Spread

