

For Immediate Release

SHINSEI BANK. LIMITED

4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo 103-8303 Japan  
TEL: 03-6880-7000Name of Representative: Shigeki Toma  
President and CEO  
(Code: 8303, TSE First Section)**Shinsei Bank Steps Up Private Placement Investment Trust Business for Financial Institutions**  
- First fund invests primarily in foreign sovereign bonds -

Tokyo (Tuesday, January 22, 2013) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that it is expanding its private placement investment trust business as part of efforts to step up asset management services for financial institution customers. As a first step, Shinsei Bank has partnered with Russell Investments Japan Co., Ltd. (“Russell”), the Japanese subsidiary of U.S.-based Russell Investments Group, to begin marketing a private placement investment trust to Japanese financial institutions. Managed by Russell, the investment trust invests primarily in foreign sovereign debt.

The fund that Shinsei is marketing is an open-ended securities investment trust called “Shinsei Russell Intelligent Government Bond Fund (with currency hedging) (limited to qualified investors)” (“the Fund”). The Fund was launched on January 16, 2013 with 4 billion yen of assets under management. Through investing primarily in sovereign and government bonds issued by countries other than Japan, the Fund aims to deliver returns that consistently outperform the yield on Japanese government bonds.

Financial institutions’ appetite for investment products such as private placement investment trusts has declined in the wake of the global financial crisis and stricter regulations on capital adequacy ratios following the Lehman Shock of September 2008. On the other hand, however, other issues have now arisen, such as the disproportionate emphasis that these financial institutions have placed on Japanese government bonds as an investment vehicle. Alongside the recent recovery in market conditions, there has been renewed demand from financial institutions for liquid, transparent investment products that offer an expected return commensurate with the risk they entail. Catering to this market, Shinsei Bank will leverage its expertise in investment and risk management, as well as the wide network of client relationships built up through its debenture sales business, to enhance its asset management product offering for regional financial institutions, insurance companies and other large financial institutions.

Key Features of the “Shinsei Russell Intelligent Government Bond Fund (with currency hedging) (limited to qualified investors)”

1. The Fund will make diversified investments in sovereign and government bonds with investment-grade ratings issued by financially sound countries
2. The Fund will invest in sovereign and government bonds with a duration of around 5 years. By maintaining a duration that is slightly shorter than the market average, the Fund will aim to minimize interest rate risk but achieve a yield that is higher than Japanese government bonds of the same duration
3. The Fund is expected to carry a low risk weighting under regulatory capital rules, and is designed to meet the needs of financial institutions that wish to limit their overall portfolio risk
4. Subscriptions and redemptions can be made on a daily basis, ensuring liquidity for the Fund. Publication of investment reports will provide investors with transparency
5. By providing exposure to a wide range of sovereign and government bonds, the Fund offers investors an opportunity to broaden their investment options beyond Japanese government bonds

Going forward, Shinsei Bank will continue to introduce new funds and enhance its solutions provision capabilities for financial institutions.

*Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 8.8 trillion yen (US\$114.6 billion) on a consolidated basis (as of September 2012) and a network of outlets throughout Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <http://www.shinseibank.com/english/index.html>*

Shinsei Bank, Limited / No. 10 Registered financial institution of Kanto Local Finance Bureau  
Member of Japan Securities Dealers Association / The Financial Futures Association of Japan