

For Immediate Release

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**The Sale of “Shinsei Invesco Bank Loan Fund” Initiated (Limited to Qualified Institutional Investors)**  
*- A Privately Placed Investment Trust that Invests in Bank Loans Launched by Shinsei Investment Management -*

Tokyo (Monday, October 21, 2013) --- Shinsei Bank, Limited (“Shinsei Bank”) today announced that supported by Invesco Asset Management (Japan) Limited (Minato-Ku, Tokyo; President and CEO: Hideki Sato), the Japanese subsidiary of Invesco Ltd. (hereafter “Invesco”) headquartered in the United States, Shinsei Bank has begun the sale of a privately placed investment trust that invests primarily in U.S. bank loans.

This new product is a yen-denominated, incremental privately placed investment trust named the “Shinsei Invesco Bank Loan Fund (available only to qualified institutional investors)” (hereafter “this fund”) was launched by Shinsei Investment Management Co., Ltd. (Chuo-ku, Tokyo; President and CEO: Koichi Yoshida) on September 30, 2013.

This fund will make substantive investments primarily in bank loans made to U.S. and Canadian corporations. According to the performance data of the past 10 years, bank loans have had a negative correlation to the price movements of Japanese Government Bonds. By investing in this fund investors can expect a stable income from dividends, as well the ability to limit portfolio price fluctuation risk that arises as a result of increases in interest rates. For other features of this fund please refer to the list of features below.

The operational needs for products such as privately placed investment trusts by financial institutions temporarily receded due to the impact of events such as the Lehman Shock and the strengthening of capital adequacy requirements, but on the other hand a situation arose where Japanese Government Bonds became the preferred eligible investment. For this reason Shinsei Bank will look to continue to introduce new funds and strengthen its offerings of solutions to major financial institutions such as regional financial institutions and insurance companies.

**Features of this Fund**

1. This fund will invest primarily in corporate bank loans issued by U.S. and Canadian corporations through beneficiary securities of the Luxembourg-registered foreign investment trust “Invesco Zodiac Funds” which is managed by Invesco Senior Secured Management Inc., a subsidiary of Invesco.
2. According to data from the performance of bank loans for past 10 years have had a negative correlation to the price movements of Japanese Government Bonds. Since most of the loans in this fund are floating LIBOR rate loans, this fund will have an effect of suppressing the impact of price fluctuations in the portfolios of institutional investors when interest rates rise.
3. The above mentioned Luxembourg-registered foreign investment trust had a yield in the upper 4% level as of the end of August 2013 (USD denominated; Pre-deduction of commissions)\* and offers an attractive dividend income in comparison to Japanese Government Bonds.
4. Bank loans are generally below investment grade, but are also generally secured with first rate collateral and the historical rate of loss (credit losses) was insignificant. Also, the above mentioned Luxembourg-registered foreign investment trust has dispersed credit risk by diversifying investments into a large number of companies (approximately 600 companies as of the end of September 2013)\*.

\* Source: Invesco Senior Secured Management Inc.

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*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\$89.2 billion) on a consolidated basis (as of June 2013) 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>*