

For Immediate Release

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Covered Bond Study Group Publishes a Report on Introduction of Covered Bonds in Japan

Study Group Members include Shinsei Securities' Research Division Head, Yukio Egawa

Tokyo (Thursday, July 7, 2011) --- The Covered Bond Study Group, hosted by the Development Bank of Japan Inc. ("DBJ"), today published a report entitled "*Introduction of Covered Bonds in Japan—Summary of Issues and Recommendations Raised by Financial Market Practitioners.*" The Study Group, formed in February 2011, consists of representatives from major banks, securities firms, fund management and advisory firms, law firms, research institutions and universities. It has been discussing issues relating to the introduction of covered bonds in Japan. Yukio Egawa, head of the Research Division at Shinsei Securities Co., Ltd. ("Shinsei Securities") is a member of the Group.

Covered bonds are debt securities that offer investors recourse to both the issuer and a cover pool of assets. Such bonds, including *Pfandbriefe* in Germany and *Obligations Foncières* in France, have a long history and are popular financial instruments in Europe. In recent years, issuance of covered bonds has been spreading to non-European countries, such as the USA, Canada and the Republic of Korea, and these instruments are attracting attention around the globe.

As our participation in the Study Group indicates, Shinsei Securities is firmly committed to contributing to the creation of new financial products and the healthy development of financial markets.

The Study Group's report (written in Japanese) is available on Shinsei Securities' website (<http://www.shinsei-sec.co.jp/>) as well as on the DBJ's site (<http://www.dbj.jp/>). A full roster of the members of the Group and an executive summary of the report are included in the first few pages of the report.

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