The Program on Alternative Investments, under the aegis of the Center on Japanese Economy and Business and in cooperation with the student-run Japan Business Association of Columbia Business School, hosted the first seminar of the new academic year on September 24, 2003. The event featured Mr. Louis Forster, the president of Cerberus, Japan, and was moderated by Dr. Mark Mason, director of the program. Mr. Forster's presentation focused on Cerberus’s acquisition of Aozora Bank and his vision for the bank’s future development. Following are excerpts from Mr. Forster’s presentation, together with selections from the subsequent question-and-answer period.

Aozora Bank: The Contest Over, The Future Begins

Louis J. Forster, President, Cerberus Japan

The Program on Alternative Investments analyzes several major alternative asset classes—including private equity, hedge funds, distressed investments, and commercial real estate—in Japan and elsewhere in East Asia. The program meets its substantive goals through a combination of research projects and seminar presentations by leading practitioners in each of the alternative asset classes. Throughout the year, the program also conducts cutting-edge research on these topics under the direction of Dr. Mason and with the assistance of highly qualified research assistants. For a schedule of upcoming seminar presentations, consult the Center’s Web site at http://www.gsb.columbia.edu/japan. Dr. Mason can be contacted by e-mail at mm412@columbia.edu.

Lead Sponsors: Nomura Funds Research and Technologies Co. Ltd.; Daido Life Insurance Company
Private equity investments are focused on businesses requiring operational and financial restructuring. Cerberus invests in a wide range of industries, including electronics, automobiles, medical equipment, consumer products, retail, distribution, financial, real estate, and software. Cerberus has several investment cases in the financial sector. Some of the more notable ones are Ableco Finance, one of the largest high-yield loan originators in the United States. It is wholly owned by Cerberus. Ableco has transferred some of its experience and technique to Aozora's platform in Japan. Cerberus has been managing Ableco since the late 1990s. Their outstanding balances today total several billion dollars.

Cerberus was one of the main creditors of Mercury Finance during its restructuring. Mercury is one of the largest independent, sub-prime consumer auto finance companies in the United States. Cerberus originally invested in the company in 1998 and exited in 2002. Cerberus met Mr. Edward Handsfield, the chairman and representative director of Aozora Bank, during the Mercury Finance transaction. Cerberus also invested in Korea First Bank, one of South Korea's top tier banks. It is ranked seventh in asset size. Cerberus owns approximately 15 percent of the bank.

Cerberus was founded in 1992 by Stephen A. Feinberg. During the 10 years before he founded Cerberus, Mr. Feinberg operated as Feinberg Management. Since 1982 he has always been involved with distressed debt, bankrupt corporations, and other forms of credit investing.

Cerberus's primary strategies are distressed debt, loan origination, private equity, and real estate. All of our work comes out of the distressed debt area. Cerberus has $11 billion under management. About $4 billion of that is targeted toward Asia, $1 billion of which is invested in Aozora. Since early 1998, when we opened our office in Japan, Cerberus has invested slightly less than $4 billion. Today, the capital available for the Japanese market is roughly equivalent to the total investment there to date. My specific company, Cerberus Japan, K.K., is a consultant to the fund management companies, which in turn manage the investment funds of the Cerberus Group. We provide active advice and support to fund management companies regarding the group’s activities in Japan, but the decision making is conducted elsewhere.

Private equity investments are focused on businesses requiring operational and financial restructuring. Cerberus invests in a wide range of industries, including electronics, automobiles, medical equipment, consumer products, retail, distribution, financial, real estate, and software. Cerberus has several investment cases in the financial sector. Some of the more notable ones are Ableco Finance, one of the largest high-yield loan originators in the United States. It is wholly owned by Cerberus. Ableco has transferred some of its experience and technique to Aozora's platform in Japan. Cerberus has been managing Ableco since the late 1990s. Their outstanding balances today total several billion dollars.

Cerberus was one of the main creditors of Mercury Finance during its restructuring. Mercury is one of the largest independent, sub-prime consumer auto finance companies in the United States. Cerberus originally invested in the company in 1998 and exited in 2002. I mention the transaction not so much because it was a successful investment, which it was, but mainly because Mr. Edward Handsfield will be the chairman and representative director of Aozora Bank. Cerberus met him during the Mercury Finance transaction.

Cerberus also invested in Korea First Bank, one of South Korea’s top tier banks. It is ranked seventh in asset size. Cerberus owns approximately 15 percent of the bank.
ment. This period of time was just in the aftermath of Ripplewood’s leading the acquisition of Long-Term Credit Bank, now Shinsei Bank.

The Japanese regulatory authorities and the Japanese political class were very straightforward in explaining that they were not going to sell the two banks in a row to foreign firms. After it was clear that Cerberus was not going to win, Mr. Feinberg enlisted the help of Dan Quayle, who sat on Cerberus’s U.S. advisory board, to speak to Masayoshi Son of Softbank to request that Cerberus be given a small part of the transaction. Cerberus initially acquired a 5.0 percent stake in Azusa in September 2000 as part of the group led by Softbank. This was followed up by Cerberus’s buying the stakes of three other foreign shareholders who desired to sell after the original deal was closed. Going into the final process, which started last December 2002, Cerberus owned 12 percent of Azusa Bank.

In early February of this year (2003), Sumitomo Mitsui Banking Corporation made an offer to Softbank at 75 yen per share, valuing Azusa at $1.92 billion, to acquire its 49.9 percent common shareholding in Azusa. Suffice it to say that I think Sumitomo Bank has a great deal more credibility in Japan than Cerberus does, and Cerberus became a very serious underdog at that point. Sumitomo Bank had the support of Goldman Sachs as their financial adviser, as well as the support of the Japanese regulatory authorities. When Cerberus became an investor during the first go around, one of the terms of the shareholder agreement binding Cerberus, Softbank, ORIX, and Tokyo Fire & Marine was a right of first refusal. If anyone of these four firms desired to sell its shares, it would have to offer them to the rest of the group first. Thus, Cerberus had it not had the contractual right to buy the shares. Mr. Feinberg thought the price was a pretty good one since it is very rare anywhere in the world that you can buy a bank at less than one time clean book. In this case it was a little complicated, but on a fully diluted basis, Cerberus actually bought the bank at roughly two-thirds of what was thought to be a fairly clean book. Cerberus successfully closed a tender offer on September 5 to acquire 49.8 percent holdings and became the largest shareholder with 61.9 percent holdings in the bank.

The basic investment thesis is that relative to any other bank in Japan, and relative to most banks in Asia, Azusa has a very clean balance sheet. It has a substantial excess capital base, which will allow us to either grow the bank without additional equity infusion or participate in the consolidation events that are going on in Japan in the financial sector. Azusa is also part of a rather loosely structured regional bank network. Ninety-three of the bank’s shareholders are regional financial institutions through which the bank can tap a variety of business opportunities under its vision to become a “bank for banks.”

The average asset quality of Azusa Bank during the past year has improved because the lending policies of the bank have improved. Not only have they gotten past the put process, but they are starting to deliver good results in origination.

The right to take Sumitomo-Mitsui’s offer and close it itself. It was a legal, contractual right. Absent that right we would never have been able to buy the shares. In doing business in Japan it is very important to be respectful of legal agreements. That Cerberus had the benefit of this contractual right of first refusal is a key reason for its success in buying the shares. There are many other things that Cerberus did as well. Cerberus took the regulatory process and the shareholder relationships very seriously. However, I think Cerberus would have been shoved aside summarily had it not had the contractual right to buy the shares. Mr. Feinberg thought the price was a pretty good one since it is very rare anywhere in the world that you can buy a bank at less than one time clean book. In this case it was a little complicated, but on a fully diluted basis, Cerberus actually bought the bank at roughly two-thirds of what was thought to be a fairly clean book. Cerberus successfully closed a tender offer on September 5 to acquire 49.8 percent holdings and became the largest shareholder with 61.9 percent holdings in the bank.

The basic investment thesis is that relative to any other bank in Japan, and relative to most banks in Asia, Azusa has a very clean balance sheet. It has a substantial excess capital base, which will allow us to either grow the bank without additional equity infusion or participate in the consolidation events that are going on in Japan in the financial sector. Azusa is also part of a rather loosely structured regional bank network. Ninety-three of the bank’s shareholders are regional financial institutions through which the bank can tap a variety of business opportunities under its vision to become a “bank for banks.”

The average asset quality of Azusa Bank during the past year has improved because the lending policies of the bank have improved. Not only have they gotten past the put process, but they are starting to deliver good results in origination.

### I. JAPAN’S FINANCIAL INSTITUTIONS OVERVIEW

<table>
<thead>
<tr>
<th>Category</th>
<th>Total funds $ billion</th>
<th>Funds per institution $ million</th>
<th>Number of institutions</th>
<th>Branches per institution</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Banks</td>
<td>2,336</td>
<td>467,223</td>
<td>5</td>
<td>531</td>
<td>102,049</td>
</tr>
<tr>
<td>Regional Banks</td>
<td>1,541</td>
<td>24,065</td>
<td>64</td>
<td>119</td>
<td>136,588</td>
</tr>
<tr>
<td>Tier II Regional Banks</td>
<td>469</td>
<td>8,850</td>
<td>53</td>
<td>72</td>
<td>58,088</td>
</tr>
<tr>
<td>Long-term Credit Banks</td>
<td>43</td>
<td>21,495</td>
<td>2</td>
<td>23</td>
<td>3,611</td>
</tr>
<tr>
<td>Trust Banks</td>
<td>321</td>
<td>45,840</td>
<td>7</td>
<td>46</td>
<td>22,664</td>
</tr>
<tr>
<td>Shinrin Banks</td>
<td>863</td>
<td>2,648</td>
<td>329</td>
<td>25</td>
<td>127,571</td>
</tr>
<tr>
<td>Credit Cooperatives</td>
<td>124</td>
<td>642</td>
<td>191</td>
<td>10</td>
<td>24,422</td>
</tr>
<tr>
<td>Subtotal</td>
<td>5,697</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8,644</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### II. COMPARISON WITH UNITED STATES

<table>
<thead>
<tr>
<th>Category</th>
<th>Total funds $ billion</th>
<th>Funds per institution $ million</th>
<th>Number of institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Commercial Banks</td>
<td>2,686</td>
<td>1,270</td>
<td>2,101</td>
</tr>
<tr>
<td>State Member</td>
<td>1,303</td>
<td>1,135</td>
<td>2,948</td>
</tr>
<tr>
<td>State Non-member</td>
<td>983</td>
<td>200</td>
<td>4,912</td>
</tr>
<tr>
<td>U.S. Branches and Agencies of Foreign Banks</td>
<td>744</td>
<td>2,488</td>
<td>299</td>
</tr>
<tr>
<td>Thrift Institutions</td>
<td>627</td>
<td>728</td>
<td>861</td>
</tr>
<tr>
<td>GTS Regulated Federal Chartered</td>
<td>19</td>
<td>142</td>
<td>134</td>
</tr>
<tr>
<td>GTS Regulated State Chartered</td>
<td>255</td>
<td>42</td>
<td>6,032</td>
</tr>
<tr>
<td>Other FDIC Insured Savings Banks</td>
<td>216</td>
<td>57</td>
<td>3,782</td>
</tr>
<tr>
<td>Total</td>
<td>7,072</td>
<td></td>
<td>19,573</td>
</tr>
</tbody>
</table>

is the total deposits in the banking system in Japan ($8.64 trillion). It is a relatively large number. If you compare this number with the figure in Figure II ($7.07 trillion), you can see that the United States, with an economy 2 ½ times the size of Japan’s and with a population less than 2 ½ times the size, has a smaller amount of deposits in the banking system.

Aozora’s basic business plan is to provide services to the regional banking network and to provide avenues whereby the regional banking system can invest its excess deposits. The total deposits in the banking system are well over $2 trillion. In attacking those opportunities lying in the regional banking system, the main competitors are Shinshin Bank and Mizuho Group. For different reasons, each of them is not that well positioned with the regional banking system compared to Aozora. Historically, IBJ has done a tremendous amount of work with the regional banking system, but they are stuck right now within the Mizuho Group. There is a very difficult process going on right now rationalizing the Mizuho Group into an entity that can make money going forward. In the case of LTCB, it really did not have the same historical relationship with the regional banking system, and it has taken a slightly different tact with its business plan. It is much more focused on investment banking and trading, and less focused on relationship building within the Japanese banking sector. Given the situation, it seemed like pretty good timing for Cerberus to go forward with the purchase of the controlling interest in the bank.

Norinchukin Bank is the central bank for the farmers’ cooperatives. Another bank is Shinkin Central Bank, which is a central bank for a class of credit unions. In these two cases, the banks operate a very tight “hub and spoke” system. In the case of Norinchukin, the local “norn,” or local agricultural banks, legislatively must upstream their deposits to Norinchukin Bank. In the case of the regional banks, strong relationships, like that with Aozora, do not exist, and any hub and spoke system that Aozora creates will be voluntary and simply based on profit-driven motives of the regional banks and Aozora Bank.

Figures III and IV are designed to explain the excess deposit problem as well as the lack of a profitable loan business in Japan. The horizontal line in Figure III shows that the loan/deposit ratio has declined significantly in Japan over time. This is something that will not get better quickly, primarily because of the competitive features in the Japanese financial system. The interest spread in Figure IV, while not at the lowest it has ever been, is also weak. Today, the ratio of net interest income to total funds is approximately 1.84.

Norinchukin Bank is the central bank for the farmers’ cooperatives. Another bank is Shinkin Central Bank, which is a central bank for a class of credit unions. In these two cases, the banks operate a very tight “hub and spoke” system. In the case of Norinchukin, the local “norn,” or local agricultural banks, legislatively must upstream their deposits to Norinchukin Bank. In the case of the regional banks, strong relationships, like that with Aozora, do not exist, and any hub and spoke system that Aozora creates will be voluntary and simply based on profit-driven motives of the regional banks and Aozora Bank.

Aozora’s basic business plan is to provide services to the regional banking network and to provide avenues whereby the regional banking system can invest its excess deposits. The total deposits in the banking system are well over $2 trillion. In attacking those opportunities lying in the regional banking system, the main competitors are Shinshin Bank and Mizuho Group. For different reasons, each of them is not that well positioned with the regional banking system compared to Aozora. Historically, IBJ has done a tremendous amount of work with the regional banking system, but they are stuck right now within the Mizuho Group. There is a very difficult process going on right now rationalizing the Mizuho Group into an entity that can make money going forward. In the case of LTCB, it really did not have the same historical relationship with the regional banking system, and it has taken a slightly different tact with its business plan. It is much more focused on investment banking and trading, and less focused on relationship building within the Japanese banking sector. Given the situation, it seemed like pretty good timing for Cerberus to go forward with the purchase of the controlling interest in the bank.

Norinchukin Bank is the central bank for the farmers’ cooperatives. Another bank is Shinkin Central Bank, which is a central bank for a class of credit unions. In these two cases, the banks operate a very tight “hub and spoke” system. In the case of Norinchukin, the local “norn,” or local agricultural banks, legislatively must upstream their deposits to Norinchukin Bank. In the case of the regional banks, strong relationships, like that with Aozora, do not exist, and any hub and spoke system that Aozora creates will be voluntary and simply based on profit-driven motives of the regional banks and Aozora Bank.

Figures III and IV are designed to explain the excess deposit problem as well as the lack of a profitable loan business in Japan. The horizontal line in Figure III shows that the loan/deposit ratio has declined significantly in Japan over time. This is something that will not get better quickly, primarily because of the competitive features in the Japanese financial system. The interest spread in Figure IV, while not at the lowest it has ever been, is also weak. Today, the ratio of net interest income to total funds is approximately 1.84.

Norinchukin Bank is the central bank for the farmers’ cooperatives. Another bank is Shinkin Central Bank, which is a central bank for a class of credit unions. In these two cases, the banks operate a very tight “hub and spoke” system. In the case of Norinchukin, the local “norn,” or local agricultural banks, legislatively must upstream their deposits to Norinchukin Bank. In the case of the regional banks, strong relationships, like that with Aozora, do not exist, and any hub and spoke system that Aozora creates will be voluntary and simply based on profit-driven motives of the regional banks and Aozora Bank. The key challenges to Aozora’s business plan are enhancing management and the business culture, growing high-quality assets, and improving liquidity. —Louis Forster
in the Japanese banking system. If you compare this with the United States, there are all of these Savings & Loan institutions across the country that originate mortgage loans, and none of them service their own loans. They all use one of the large, countrywide consumer mortgage servicing companies, and, even in the case of corporate debt, most U.S. corporate debt is syndicated or secured and serviced by professional third-party services. It is difficult to know the actual excess cost of this to the regional banks, but I think it is in the area of 25 basis points, maybe a little more, and, in the context of a decent regional bank with a 2 percent loan spread, that is a very large amount.

Finally, there are 117 regional banks but less than 50 prefectures in Japan. Aozora will have the opportunity to bid for some of the regional banks that will be absorbed by other banks in the Japanese system over the next few years. There have already been several.

**Aozora’s Business Plan**

The key challenges to Aozora’s business plan are enhancing management and the business culture, growing high-quality assets, and improving liquidity. First, enhancing management is a very difficult issue in Japan because it is hard to find experienced management in Japan. The culture is very distinct, and importing Western management into the Japanese system does not always work very well. It is very lucky for Cerberus to have found Edward Harshfield, who not only has a great deal of experience in Asia but also in commercial banking. He is also a non-bank finance expert. Second, in terms of growing high-quality assets, there are going to be opportunities to make good spread loans in Japan, but it is essential to have a worldwide net for capturing loan business. Third, Aozora is a long-term credit bank. It is roughly 50 percent funded by debentures and 50 percent by deposits. It is very important that Cerberus, as the new shareholder, focus on the relationship with the venture holders so that it will not, in the event of a general liquidity crisis in Japan, suffer a liquidity problem at Aozora.

In summary, the main opportunity comes from the overwhelming amount of excess liquidity in the Japanese system. Aozora and Cerberus must treat the regional banks fairly, and I think when Aozora originates a loan, if it is putting half of that on its balance sheet and distributing the rest to third parties in Japan, that demonstrates the kind of credibility that some of the broker-dealers cannot demonstrate by acting purely as intermediaries. By treating the regional banks fairly, Aozora and Cerberus should be able to build a large, mutually beneficial business with the regional banking system. I think the future of the regional bank system in Japan depends heavily on their rationalizing their own businesses by (1) buying services instead of providing everything in-house, (2) merging with stronger players in the marketplace, and (3) taking other cost-saving measures such as closing poorly performing branches.

**Questions and Answers:**

**Q:** I understand that both Tokyo Marine and Fire Insurance, and ORIX remain significant shareholders in Aozora. What role, if any, will they play in the future strategy of the development of the bank?

**Forster:** ORIX is probably the most well-known non-bank in Japan and probably the best-known leasing company in Japan. It also has several of the key management positions at the bank. I think it will continue to play an important role in the management and strategy of the bank moving forward. It is less clear in the case of Tokyo Marine and Fire, a large insurance company (primarily fire, property, and casualty). It is also less clear what its role was originally. I think it has no intention of selling its shares but will hold onto them right through an eventual IPO of the bank. It does have one key management position as well as a couple of board seats. I do not anticipate any real change, but I do not think it will be active in management the way ORIX is.

**Q:** How have you dealt with staffing and cross-cultural issues?

**Forster:** It is an issue in Japan for all foreign-led restructurings or acquisitions and private equity transactions. We have been working in Japan for the last five years. It is not a long time to be in Japan. When I went to see the people at Tokyo Marine and Fire to speak to them about their intention to hold or sell their shares, I explained that Cerberus had obtained the nice old age of 20 years. That did not compare with their 125-year history; but 20 years in the fund-management business in the United States is a long time. We staff locally. Cerberus and the companies it owned directly and indirectly prior to the acquisition of Aozora had about 100 employees in Japan—and I am the only foreigner. The other 99 are Japanese nationals. In the case of Aozora, with 1,500 employees, Cerberus will probably send six people from outside Japan to work in key areas of the bank and they would be primarily systems people and risk managers. We try not to put too many Western people into Japan in these situations. We also spend lots of time listening and trying to understand the local issues when there is a problem. In the case of Aozora, that means listening really carefully to the regulators. Depending on the acquisition and the industry, we listen to the various constituencies.

**Q:** Usually American distressed investors have the image of vulture funds or villains. When you try to do business in Japan, especially with regional banks, how do you overcome the image that Cerberus has?

**Forster:** It is a sometimes a problem. It is very hard to know how much of the problem is a media event and how much of the problem is really a problem with an individual counterparty. Cerberus has invested a lot of money in Japan over the last few years, and it is difficult to know how much more could have been invested if the firm did not have to carry around the reputation of being a vulture fund. —Louis Forster
especially in situations where there might be some local conservatism. In the case of Aozora Bank, there are people who do not want to deal with Cerberus, and they may use reputation as an excuse—I do not know— I think the tendency now is to welcome Cerberus and give the firm a chance rather than exclude the firm as potential villains.

Q: The Japanese government seems to be trying to cultivate a private equity climate in Japan. How do you see the climate evolving?

Forster: One of the reasons to invest in a bank is that if the private equity market evolves rapidly, then there will be lending opportunities. We are skeptical of the IRC’s ability to restructure key segments of the Japanese economy only because we are skeptical as Americans about any government agency being able to do anything anywhere. But maybe it will be successful. I think Ripplewood is doing a pretty good job right now. Carlyle just announced a deal that looks interesting to me. If we are really starting a new phase, I do not think that it is a window of opportunity. Another reason for having a business in Japan is that they have a $4 ½ trillion economy, and there are not many of those in the world. It is very difficult for Ripplewood, Lovestar, Goldman Sachs, or Cerberus, which have a great deal of capital, to operate in the smaller markets.

Q: If you are going to try to export Japanese regional bank capital into loan/yen outside, have you had discussions with the regional banks to see if they actually have an appetite for this?

Forster: They absolutely do. One of the biggest problems in Japan is lack of expertise in exporting that capital. Currently, all of the investment banks send their leverage fund and structured finance people to talk with the regional banks, and they are selling them credit securities that are originated in New York or London, for example. The regional banks simply do not have the staff to understand those instruments, not to mention that they are dealing with a broker, and I do not mean that in a derogatory way. I simply mean that the investment banker is not taking any risk for that instrument. Not only does a regional bank not have any expertise in taking up that security, but it also is not taking that instrument from someone who is bearing any of the risk. I do think there is an appetite there; but Aozora has to act carefully to satisfy the regional banks’ needs in a locally acceptable way.

Q: Where do asset management and nontraditional commercial loans fit into the scheme? Do you put them onshore or offshore?

Forster: I think Shinsei has been reasonably successful placing money into funds. Norinchukin has a subsidiary that places funds. We do not have that specific plan for Aozora, and we are not going to try to put the regional banks into Cerberus funds. We want Aozora to understand how to take credit risk outside of the boxers. To the extent that regional banks want to take that credit risk directly alongside Aozora, or indirectly by taking deposits in the bank, either is fine.

Q: I think middle management is one of the key problems in Japan. Is replacing middle management successful or not?

Forster: The communication styles between Westerners and Japanese are very different. A typical Japanese bank or company has a ringi system. It is a system whereby a paper is prepared regarding an idea or project and it is passed around from department to department, manager to manager, and they all have to review it, make comments, and put a stamp on it. Contrast Cerberus, which is run top down. It is run top down with Steve Feinberg making the decisions. In a Japanese system, the decisions are made by working groups and then percolated up to the board. That is very difficult for most foreigners to understand. Likewise, many Japanese fail to understand how the foreigners are making decisions.

Another major difference is age. It is much more important in Japan, and very fine distinctions in age, of even one year, are important and can make a very big difference in a social or business setting in Japan. When you introduce a foreign manager into a much more orderly process, it creates a great deal of tension.

The middle management at Aozora is actually pretty good. I think Aozora’s biggest problem is a lack of direction over the last three years. I do not really blame Softbank for this. It is not its fault that the Internet went the way it did after it bought Aozora Bank. It is hard to say how the bank would have done had the Internet continued to profit and progress. As it was, Softbank’s key business platform was removed shortly after it bought Aozora, and management has been at sea for quite a while because for two years prior to that they were under government supervision and could not do anything anyway. I think that Aozora is a little different from most of the turnarounds we will face in Japan, and I think some very strong leadership at the top will have a good affect.

Q: What are you going to do with the other $3 billion in capital you have designated for Asia?

Forster: The money management business is funny in that typically you have lots of money when you do not need it and no money when you need it. That lies behind your question: when the firm has lots of capital and nothing to invest that properly meets objectives, Cerberus sits on the cash. At times the firm has had much higher capital balances than one might think is optimal. Japan has opened up quite a bit over the last 12 months. It went through a very active period of selling in the distressed area in 1997, 1998, and 1999, and, after the first big infusion of capital from the government, the selling stopped. The banks recapitalized a little with the government money and they stopped selling. In 2000–2001, Cerberus sat on a lot of capital in Asia. At the end of last year [2002], and the first quarter of this year, not including one follow-on investment in Asia, Cerberus invested nearly $1 billion. So far this year the firm has invested well over $1 billion including Aozora. So it is very hungry. When Cerberus sees opportunities that meet objectives, it is not afraid to invest huge amounts of money in individual opportunities.
あおぞら銀行：サーベラスによる経営権取得と今後の展望

サーベラスとは

サーベラスは、1992年にスティーヴン・ファイルバーグ氏によって設立され、前進のファイヴァーグ・メネラート時代を含め、20年を越えて資産信頼（trustee asset）の分野に特化してきた。サーベラスの主たる投資戦略は、資産信頼、融資の展開、ファイナンス・エクイディの不動産である。110億ドルのファンドのうち30億ドルがアジアに投資されており、30億ドルのうちの10億ドルがあおぞら銀行への投資である。あおぞら銀行はサーベラスのファイナンス・エクイディ取引の、リスクを必要とする企業に集積した。発表会への投資や、サーベラスの分離保有するAberco金融があるが、Abercoの役職とアドバイスはあおぞら銀行に提供された。サーベラスは1998年にMercy Financeに投資を開始し、2002年に撤退した。その後あおぞら銀行の会長を務めることになるニール・ハーンシェビル＝ハーンの投資を可能にしたが、ネットワークはあおぞら銀行の新たな取引を可能にした。

あおぞら銀行の将来の展望

日本の銀行業界では、後期1986年に銀行法改正が行われ、地方銀行の地域機能が強化された。あおぞら銀行は、地方銀行の機能を強化するために、和光銀行、地域銀行、地域銀行を経由した地域銀行との融資協力に取り組む。地域銀行の機能を強化するために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。地方銀行の役割を果たすために、地域銀行の役割を果たすことが必要である。

2002年9月、コンゴビアビジネススクールの日本経済研究機関と日本ビジネス協会は代替投資（オルタナティブ・インベストメント）講演シリーズ：ルイス・フォスター氏を開始しました。本講演シリーズでは、代替投資プログラムのディレクターであるマーケティング・ディレクターの、毎週スピークパーソンを迎えることを2003年度秋学期以来、米投資ファンドのサーベラス・ジーンズ社長のルイス・フォスター氏が日本で9月24日に開催されました。フォスター氏は、サーベラスによるあおぞら銀行（旧日本債券信用銀行、以下日債信）の買収とあおぞら銀行のこれから戦略について講演されました。