

Information

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Shinsei Bank, Limited

**Shinsei Bank, Investor Select Advisors and CDC IXIS Capital Markets
develop and launch Japanese Fund of Hedge Funds
----- 80% Initial Principal Protection -----**

Shinsei Bank, Limited, Investor Select Advisors (ISA) and CDC IXIS Capital Markets (CDC ICM) have developed and will launch a new type of public placement Yen-denominated fund of hedge funds which mainly invest in Japanese financial markets. The fund features an 80% principal protection at initial investment, and will be sold exclusively by Shinsei Bank.

The fund will primarily focus on the Japanese financial market, investing in a diverse portfolio of hedge funds, including arbitrage funds, stocks, and convertible bonds. Risk will be managed using the latest financial technology. ISA will be responsible for manager selection and portfolio management.

The principal of the fund will be protected through portfolio insurance provided by CDC ICM, the capital markets subsidiary of French financial group CDC IXIS. Specifically, principal will be protected by a portfolio insurance method managed by CDC ICM, using a dynamic rebalancing of investments in the fund of hedge funds and in stable short-term financial instruments. The principal of the fund will be protected at a minimum of 80%, with a maximum step up potential of 100%, through a guarantee provided by CDC ICM. CDC ICM is rated AAA by S&P, Aaa by Moody's and AAA by Fitch.

In recent years, the Japanese stock market has dramatically decreased in value, resulting in institutional and high net worth individual investors moving many of their assets to non-market-directional hedge funds. Those hedge funds have tended to focus on U.S. assets. In addition, the performance of a non-market-directional strategy mainly depends on the stock selection ability of the asset management company. Therefore, an investment in a single fund carries manager specific or investment strategy risk.

This new fund of hedge funds is unique in that it incorporates a non-market-directional strategy that uses Japanese financial instruments. It enables investors to achieve strategy

and manager diversification without currency hedging. Also, investors who have already invested in U.S. assets can now diversify their assets through exposure to the Japanese market.

Although specific product details are still being developed, it is anticipated that the fund will be launched as a public placement in November. It will be the first publicly offered investment product to feature a fund of hedge funds invested in Japanese financial instruments. (Researched by Shinsei Bank and as of September 26, 2002)

Like this new fund of hedge funds, Shinsei Bank continues to develop value-added alternative investment products for and to deliver high quality asset management ideas to our customers.

About Shinsei Bank

Shinsei Bank, Limited (www.shinseibank.co.jp) is a leader in creating a new financial environment for Japan. Formerly The Long-Term Credit Bank, Shinsei Bank is the first Japanese bank operating under international ownership. Investors include major financial institutions in Europe, the United States and Canada. In addition to its existing banking activities, Shinsei Bank has developed retail and investment banking businesses, in which it is setting new industry benchmarks and standards. Shinsei Bank's diverse management team draws on a wide range of financial backgrounds from Japan and overseas. Combining various skills and approaches, Shinsei provides customized banking services to a wide range of customers. As of March 31, 2002, the Bank's has total assets of ¥8.1 trillion (US\$60.5 billion), stockholders' equity of ¥623.5 billion (US\$4.7 billion) and capital adequacy ratio of 17%. Net income was ¥61.2 billion (US\$459.6 million) and ROE was 10.9%.

About Investor Select Advisors

Investor Select Advisors (www.investorselectadvisors.com) provides institutional, corporate, and high net worth investors with alternative investment strategies designed to meet distinct risk parameters and return objectives. Founded in 1996 and based in Bermuda, Investor Select Advisors maintains offices in New York, London, Singapore, Sydney, Tokyo, and Hong Kong. It is a registered Investment advisor with the U.S. Securities and Exchange Commission and British Financial Services Agency. With US\$260 million in assets (as of July 31, 2002). Investor Select manages hedge funds invested globally, including those focused on Japanese financial instruments. Its management, including the chairman Hans

Tiedemann; the CEO Nicholas Bullman, and the president John Trammell, have lived in Japan, worked for Japanese financial institutions, and managed U.S.-affiliated companies in Japan. They understand the Japanese investment climate and the particular needs of the Japanese investor.

About CDC IXIS Capital Markets (CDC ICM)

France's CDC IXIS Capital Markets (www.cdcixis-cm.com), which provides the principal protection and investment management services for this fund, is a financial institution which is widely recognized as a key player in the French and European capital markets. CDC ICM is rated AAA by S&P, Aaa by Moody's and AAA by Fitch. CDC IXIS, CDC ICM's parent company, is the principal financial services provider of the CDC Group. The core of the CDC Group is French public financial institution CDC (Caisse des Dépôts et Consignations). Founded in 1816, CDC is a special public institution that has been a key contributor to the development of France's social economy, as well as to the modernization of its financial system. CDC is a quasi-public institution with a strong financial base, including total assets of €328.3 billion and shareholders' equity of €12.9 billion (as of December 31, 2001). CDC Group works with financial service providers around the world, including investment banks, asset management firms and insurance companies, competing directly with the private sector.