

For immediate release

Shinsei Bank, Limited  
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### **Shinsei Bank to Launch Shinsei Troika Russia Fund**

- First Japanese publicly offered investment trust managed by local investment manager, investing primarily in listed Russian equities -

Tokyo (Thursday, May 1, 2008) – Shinsei Bank, Limited, today announced that it will begin offering the “Shinsei Troika Russia Fund”, Japan’s first publicly offered investment trust fund to be managed by a Russian asset management company, from Monday, May 12, 2008. This open-ended investment trust will invest in a broad range of Russian equities that show promising growth prospects. Shinsei Investment Management Co., Ltd (“SIM”), a wholly-owned subsidiary of Shinsei Bank, plans to launch the fund on Friday, May 30. After an initial offering period running from Monday, May 12, through Thursday, May 29, 2008, Shinsei Bank will continue to offer the fund for an indefinite period thereafter.

The Shinsei Troika Russia Fund will primarily invest in the Class A beneficiary certificates of the “Troika Shinsei Russia Fund,” an overseas investment trust focused predominantly on listed Russian equities and managed by Troika Dialog Asset Management. It will also invest in the “SIM Short-Term Mother Fund”, managed by SIM.

Russia is one of the world’s largest countries and possesses rich reserves of oil, natural gas and other mineral resources. The country has benefited in recent years from rising commodity prices and, as one of the BRIC nations, its growth potential is the focus of much attention. Russia also occupies an important position in the international political arena. Supported by high levels of education and a strong scientific and R&D infrastructure, Russia has recently been posting remarkable economic growth, further fuelling global interest in the country.

Established in 1996, Troika Dialog is one of Russia’s oldest asset management companies and has established a solid reputation for its research capabilities, built upon the company’s extensive experience and track record. Through the partnership with Troika Dialog, the new fund will invest in local equities that are not available as American Depositary Receipts or Global Depositary Receipts.

Shinsei Bank’s retail division aims to enrich and “color” the lives of our customers by providing them with high value-added products and services.

\*Please refer to the attachment for further details.

*Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three-pillar strategic business model comprising institutional banking, consumer and commercial finance and retail banking. The Bank has total assets of US\$104 billion on a consolidated basis (as of December 2007) and a network of 41 outlets that includes 35 Shinsei Financial Centers, 2 Platinum Centers and 4 BankSpots in 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>.

**Outline of “Shinsei Troika Russia Fund”**

Fund name	Shinsei Troika Russia Fund
Asset management company	Shinsei Investment Management Co., Ltd.
Fund type	Open-ended securities investment trust / Fund of funds / Option of automatic dividend reinvestment
Characteristics	<ol style="list-style-type: none"> <li>1. The fund aims to generate medium- and long-term growth in entrusted assets, primarily by effectively investing in equities, etc. listed on Russian financial product exchanges. There will also be active investment in attractive small- and medium-cap shares.</li> <li>2. Precedence in investment allocation will be given to Class A beneficiary certificates of the Cayman-domiciled, yen-denominated Troika Shinsei Russia Fund (the “invested fund”), which invests primarily in Russian equities.</li> <li>3. This invested fund will be managed based on analysis and research conducted by Troika Dialog Asset Management, a member of the major Russian private-sector investment banking group Troika Group.</li> <li>4. As a general rule, currency hedging will not apply.</li> </ol>
Benchmark	None. However, the invested fund will use the Russian RTS Index <sup>*1</sup> as a reference index.
Initial offering period	From Monday, May 12, 2008, through Thursday, May 29, 2008.
Fund inception date	Friday, May 30, 2008
Subsequent offering period	From Friday, May 30, 2008 through Thursday, August 27, 2009. ※The offering period may be extended upon submission of a security registration statement prior to the conclusion of the above subsequent offering period.
Trust period	The trust period shall, in principle, be perpetual from the fund inception date.
Account settlement date	Annually, on May 29 of each year (following business day when the account settlement date falls on a holiday).
Distribution policy	To be determined by the trustor in consideration of the unit price level and market trends, and within the scope of dividends and other income, and trading, valuation and other gains, after the deduction of expenses. ※ Distributions may fluctuate or may not be paid.
Subscription / redemption application day	In principle, each business day. (Subscription/redemption orders will not be accepted on days that are bank holidays in Dublin or holidays for the Russian Trading System (RTS). Additional restrictions may apply for large-lot redemptions.
Subscription price	The unit price as of the business day following the subscription application day

	(initial unit price will be one yen per unit).
Redemption price	Unit price as of the business day following the redemption application day after deducting the redemption fee ( <i>shintaku-zaisan-ryuho-gaku</i> ). The redemption payments will be made on the 6 <sup>th</sup> business day following the redemption application day.
Shinsei Bank's sales channels	Branches (excludes Shinsei <i>BankSpot</i> ), Internet Banking (Shinsei <i>PowerDirect</i> ), Call Center (Shinsei <i>PowerCall</i> )
Shinsei Bank application unit	Minimum of 10,000 yen in increments of 1 yen

【Index】

\*1. The Russian RTS Index is a USD-denominated index comprising 50 stocks, calculated as a weighted average market capitalization with a base value of 100 as of September 1, 1995.

《Main risks》

The fund will invest in Russian equities, etc., primarily via investment in investment trust certificates. The fund unit price will fluctuate based on movements in various factors including price changes in invested equities and foreign currency exchange rates. Therefore, **the fund unit price may fall below the original value**. Investment profit/loss is entirely that of the customer who purchases the investment trust. The main risks inherent in the fund are listed below. Please confirm detailed risk information by referring to the explanatory materials (prospectus).

- ◎ Country risk   ◎ Stock price fluctuation risk   ◎ Credit risk   ◎ Liquidity risk
- ◎ Currency fluctuation risk   ◎ Interest rate fluctuation risk

### 《Expenses to be borne by the customer》

※ Please confirm the details of expenses with the explanatory materials (prospectus).

※ The total amount of expenses to be borne by the customer varies depending on factors including the period for which the fund is held, and therefore cannot be shown.

Upon subscription:	
Subscription fee payable to Shinsei Bank (percentage of contract amount <sup>*2</sup> )	Amount obtained by multiplying the unit price on the business day following the subscription date by the following: Less than 100 million yen: 3.15% (3.0% plus tax) At least 100 million yen but less than 300 million yen: 1.05% (1.0% plus tax) 300 million yen or more: 0.525% (0.5% plus tax)
During the trust period:	
Actual management fee	1.9575% p.a. (tax inclusive) on the total net assets. * This fee is an estimate of the trust (management) fee to be effectively borne by the customer, calculated as the fund's management fee (1.2075% p.a. (1.15% plus tax)) added to the invested fund's estimated management fee (0.75%).
Other expenses	Brokerage fees for securities trading, custodian and other fees for foreign currency-denominated assets, interest on borrowings, interest on advances, audit fees, etc. ※ The amount of fees varies depending on various factors including fund performance, and therefore the applicable fee rates and maximum amounts cannot be indicated in advance.
Upon redemption:	
Back-load fee	N/A
Redemption fee	0.3% of the unit price as of the business day immediately following the redemption application day.

\*2. The contract amount refers to the amount obtained by deducting the subscription fee and applicable consumption tax, etc. from the subscription amount.

### 【Investment trusts】

- Investment trusts are sold by Shinsei Bank, and investments are managed by an investment trust trustee (asset management company).
- An investment trust is not a bank deposit, and therefore its investment performance fluctuates depending upon various factors including the market environment. Accordingly, neither its principal nor yield is guaranteed, and the unit price may fall below the original value, depending on its performance.
- An investment trust is not a bank deposit, and is therefore not covered by deposit insurance. Furthermore, an investment trust purchased at a bank is not covered by the Investor Protection Fund.

- When redeeming an investment trust, the receipt of the redemption payment may require a considerable amount of time because some investment trusts have a closed period for redemption.
- At Shinsei Bank, the only accepted redemption method for investment trusts domiciled in Japan is a “redemption request” (*kaiyaku-seikyu*). Therefore, a “repurchase request” (*kaitori-seikyu*) will not be accepted.
- When applying to purchase an investment trust, please make your own judgment by reviewing the prospectus (including supplementary documents) in advance or at the time of purchase and confirming its details. The prospectus (including supplementary documents) is available at Shinsei Bank branches or via the Internet (*Shinsei PowerDirect*). We will also send it to you by mail on request. The prospectus (including supplementary documents) for investment trusts offered exclusively via the Internet can only be obtained via *Shinsei PowerDirect*.

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

#### **About Shinsei Investment Management Co., Ltd.**

Shinsei Investment Management, a wholly owned subsidiary of Shinsei Bank, is approved by the FSA as an investment management and discretionary investment advisory company, and commenced operations on April 1, 2003. Shinsei Investment Management adopts a “managers’ manager” business model. Under this model, Shinsei Investment Management selects capable investment managers for a range of investment options around the world in line with Japanese investors’ needs, structures and packages the investment products in a way that best suits investors, and appropriately reallocates them as needed.

As of the end of February 2008, Shinsei Investment Management’s assets under management totaled approximately 341.3 billion yen.

## About Troika Dialog Asset Management

The Shinsei Troika Russia Fund is effectively managed by Troika Dialog Asset Management, a member of the Troika Group financial group. Established in 1991, Troika Group is Russia's oldest private-sector investment bank and operates in five business areas – securities, trading, investment banking, asset management and private equity.

Established in 1996, Troika Dialog Asset Management is one of Russia's oldest asset management companies. Assets under management totalled approximately US\$4.78 billion (approximately 500.8 billion yen converted at the dollar-yen rate as of the end of February 2008) as of the end of February 2008, making it one of Russia's largest asset management companies both in terms of total assets under management and in the size of its major funds.

Ranking of Russian asset managers (investment trust assets under management as of Dec. 31, 2007; excluding closed-end funds):

	Million USD (Market share)
<u>Troika Dialog</u>	1,194.56 (16.4%)
UralSib	863.11 (11.9%)
Alfa Capital	675.98 (9.3%)
Bank of Moscow Asset Management	455.29 (6.2%)
KIT Fortis Investment Management	355.68 (4.9%)

Ranking of Russian domestic investment trust outstanding amounts (as of Feb. 29, 2008):

	Million USD (Market share)
Troika Dialog, JSC	621.02 (8.7%)
UralSib, JSC	369.01 (5.1%)
Alfa Capital, Ltd.	267.95 (3.7%)
UFG Invest, JSC	244.41 (3.4%)
Rosbank Asset Management Company, Ltd.	218.05 (3.0%)

Source: Compiled by Shinsei Investment Management based on Financial Investfunds Information data.