

For Immediate Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)**Shinsei Bank and Smith Breeden Start Partnership in Japan**

- Premier US fixed income funds available to wider range of Japanese institutions -

Tokyo (Wednesday, March 16, 2005) --- Shinsei Bank, Limited ("Shinsei Bank") and US-based Smith Breeden Associates, Inc. ("Smith Breeden") announced today that they have agreed to start a partnership in Japan. Shinsei Bank will distribute several Smith Breeden fixed income investment funds to Japanese financial institutions and corporations.

The first joint-branded asset management product of Shinsei Bank and Smith Breeden is "Shinsei Smith Breeden Enhanced Cash High Alpha Yen Unit Trust", which Shinsei Bank will provide its institutional customers from March 2005. Other joint-branded stable return, low volatility fixed income funds will follow in the coming months. These funds will constitute the core fixed income investment management products that Shinsei Bank offers to its institutional customers.

Smith Breeden, a premier American investment manager, aims to leverage Shinsei Bank's broader customer base to increase the distribution of its funds to all types of Japanese financial institutions and corporations. These strategies will be also offered to Japanese pension funds through Shinsei Investment Management Co., Ltd. ("SIM"), a wholly owned subsidiary of Shinsei Bank.

Smith Breeden is known around the world as a superior manager of fixed income investment funds. For Shinsei Bank, the alliance with this premier investment manager further strengthens and diversifies the high-quality asset management solutions that Shinsei offers its customers.

Shinsei Bank (TSE 8303) is a Japanese banking institution founded on global standards of governance and management. With over \$60 billion in assets and 29 branches throughout Japan (non-consolidated, as of December 2004), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.

News and other information about Shinsei Bank are available at <http://www.shinseibank.com/english/index.html>.

About Smith Breeden:

Founded in 1982, Smith Breeden Associates is a research-driven institutional asset management firm providing full discretion fixed income asset management and advisory services to pension funds, endowments, foundations, fund-of-funds, and banks. Focusing primarily on the major US fixed income sectors, Smith Breeden's product line includes a variety of traditional fixed income and absolute return strategies. As of December 31, 2004, Smith Breeden has \$22.0 billion of assets under management and an additional \$12.0 billion in financial institution client consulting assets.