

For Immediate Release

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President and CEO  
(Code: 8303, TSE First Section)

### **Administrative Actions against Shinsei Trust & Banking**

Tokyo (Wednesday, April 26, 2006) – Shinsei Bank, Limited (“Shinsei Bank”) today announced that Shinsei Trust & Banking (“STB”), a wholly owned subsidiary of Shinsei Bank, was the subject of administrative actions taken by the Financial Services Agency (“FSA”) to suspend STB’s operations engaging in new businesses associated with the real estate trust business pursuant to Article 26 (1) of the Banking Law and Article 8 (2) of the Law for Trust Business of Financial Institutions.

The major reasons for this administrative action taken by the FSA against STB include a violation of Article 20 of the Trust Law and Article 28 (2) of the Trust Business Law (so-called “duty of care of a good manager”) due to failures of the investigation and assessment prior to accepting real estate for trusts and serious problems in the compliance and governance systems.

Shinsei Bank takes this matter very seriously and we will take every measure necessary to enhance Shinsei group’s compliance and internal control systems to prevent the re-occurrence of such problems.

In addition to taking the necessary disciplinary action against the responsible management at STB, Shinsei Bank is taking strict actions to clarify its governance responsibility as the parent bank. For the Chief Executive Officer and Executive Vice President, a 20% reduction in compensation for three months will be applied and for the two responsible sub-group heads, a 30% reduction in compensation for three months will be applied.