

For Immediate Release

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

Shinsei Signed an Agreement for a Strategic Investment in Jih Sun Financial Holding in Taiwan

Tokyo (Wednesday, May 10, 2006) -- Shinsei Bank, Limited (“Shinsei Bank”) today announced that it has reached an agreement for a strategic alliance with Jih Sun Financial Holding Co., Ltd. (“Jih Sun”), a Taiwanese financial holding company. Shinsei Bank will invest New Taiwan\$ (“NT\$”) 11.34 billion (equivalent to JPY 40.2 billion*) in Jih Sun’s common and preferred shares, representing 31.8% common ownership. Through the agreement, Shinsei will be a major investor and strategic partner to Jih Sun.

Through this investment, Shinsei Bank expects to provide its operational know-how and enhance Jih Sun’s capital base to further develop Jih Sun, helping Jih Sun to be even more competitive in the global financial markets. This investment also enables Shinsei to leverage its knowledge and capabilities from its home market in Japan to Taiwan which is a developed economy with a stable financial system and strong future growth outlook.

Jih Sun, established in 2002, is one of fourteen financial holding companies in Taiwan, providing a full array of banking and brokerage products and services through its two major subsidiaries, Jih Sun Securities Co., Ltd. (“Securities”) and Jih Sun International Bank (the “Bank”). While Securities is a blue-chip company with stable growth, the Bank has been seeking for strategic partners to strengthen its performance, especially as it recovers from its non-performing loan burden. Through this agreement, Shinsei and Jih Sun hope to work together to allow Jih Sun to offer competitive niche financial products and services for its customers.

The strategic alliance with Jih Sun exemplifies Shinsei’s international strategy, which is to leverage its experiences and expertise in the Japanese market and its relationship with excellent partners overseas.

* 1NT\$=JPY3.55

About Jih Sun Financial Holding Co., Ltd.:

Jih Sun FHC includes the following subsidiaries: Jih Sun Bank, Jih Sun Securities, and Jih Sun Insurance Agency. As of 31st March 2006, Jih Sun FHC had total consolidated assets of NT\$345.7 billion, with a net profit after tax of NT\$412 million. Jih Sun Bank's performance was affected by a legacy NPL burden. Under the leadership of Chairman Chen, who aggressively addressed the NPL issue, the Bank's NPL ratio was reduced to 2.73% and BIS ratio reached 8.65%. The overall operational performance improved while increasing transparency in the bank. Jih Sun Securities has stable growth and earnings. The net profit of Jih Sun Securities was NT\$1.44 billion in 2005, the most profitable securities company in Taiwan. Jih Sun currently has 5,200 employees and is one of the 14 financial holding companies in Taiwan. Jih Sun provides a full array of banking and brokerage products and services through its two major subsidiaries, Jih Sun Securities and Jih Sun Bank. Jih Sun has 88 network channels including 36 branches and 52 securities houses.

Shinsei Bank is a Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three pillar business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 79 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of December 2005). 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 are available at
<http://www.shinseibank.com/english/index.html>.*

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