

For Immediate Release

Shinsei Bank, Limited
(Code: 8303 TSE First Section)

Shinsei Bank to Start New Services of *PowerSmart* Home Mortgage —Start of “Interest Rate Option Service” and “Mix Loan Service”—

Tokyo (Tuesday, August 15, 2006) --- Shinsei Bank, Limited (“Shinsei Bank”) today announced, effective August 15, 2006, it will start “Interest Rate Option Service” where customers taking out *PowerSmart* Home Mortgage Long-Term Fixed Rate Type loans are entitled to choose whichever is lower - the interest rate on the application date or on the contract date. This service allows customers to select the rate which is more advantageous.

Furthermore, effective August 15, 2006, the Bank will also start offering “Mix Loan Service,” which allows customers to combine two home mortgage plans in different loan amounts. With this service, customers can better manage their repayments and have more financial flexibility through combining two long-term fixed products with different interest rate terms, or different types of products including fixed and floating rate products.

1. “Interest Rate Option Service”

“Interest Rate Option Service” allows customers who borrow long-term fixed rate home mortgages (with repayment periods of 20, 25, 30 or 35 years) to choose the lower interest rate between the interest rate at the time of application and contract. To apply for this service, contracts need to be closed by the end of the following month in which an application was made. Furthermore, the mortgages need to be taken out by the end of the following following month in which the contract was closed.

2. “Mix Loan Service”

“Mix Loan Service” allows customers to select two home mortgage plans from any of Shinsei Bank’s *PowerSmart* Home Mortgage products. Customers can decide the loan amount and term (designated by Shinsei Bank) for each mortgage. SmartPayment service (automatic early repayment) and PowerPocket service (overdraft) are also available¹. The handling fee covers both loans as one contract (as of August 15, 2006, 50,000 yen).

To apply for this service, the loan amount of the two mortgage plans need to be at least 5 million yen each and a minimum total of 10 million yen.

Shinsei Bank is aiming to bring an abundant lifestyle full of color to our customers, through the branding concept "Color your life." Shinsei Bank continues to strive to develop products and services which offer value and convenience to our customers.

1. SmartPayment service (automatic early repayment) is available for one of the loan plans. Customers may choose on which loan this function will operate.

PowerPocket service (overdraft service) is available only for the loan with SmartPayment service. This service is not available for long-term fixed rate home mortgages (20, 25, 30 or 35 years).

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\$ 84 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of June 2006). 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>.