

For Immediate Release

Shinsei Bank, Limited  
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## **Shinsei Bank Considers Strategic Exit from Mortgage Niche Market Through Sale of Life Housing Loan**

Tokyo (Tuesday, April 10, 2007) - Shinsei Property Finance Co., Ltd., a subsidiary of Shinsei Bank, Limited (“Shinsei Bank”) announced today that a basic, in principle, agreement has been reached with Sumitomo Trust & Banking Co., Ltd (“Sumitomo Trust”) to sell its shares of Life Housing Loan, Ltd (“Life Housing Loan”) to Sumitomo Trust, subject to fulfillment of final terms and conditions.

Although Shinsei Bank remains fully committed to growing its mortgage lending business, Life Housing Loan operates in a highly specialized niche market which is not central to the successful execution of the Bank’s strategic business plan. Shinsei Bank has determined that, although Life Housing Loan has been performing well and remains a profitable business, there appear to be few additional synergies that may be generated between this subsidiary and other areas of the Bank going forward. Since Shinsei Bank continually strives to focus managerial and financial resources on those businesses which offer the largest profitable growth potential to the Bank, the decision was made to exit this business.

Shinsei Bank’s President and Chief Executive Officer, Mr. Thierry Porté, stated, “Shinsei Bank remains fully committed to expanding its growing housing loan business offering innovative and value-adding solutions, such as the PowerSmart Housing Loan, through the Bank’s retail banking franchise. We will continue to leverage our strong capital levels to proactively manage our business portfolio, both organically and through acquisitions and disposals to enhance sustainable long-term profitable growth based on a diversified three business pillar strategy, comprising Institutional Banking, Retail Banking and Consumer and Commercial Finance.”

The sale price of Life Housing Loan, currently set at 25 billion yen, will be finalized upon completion of all necessary due diligence. Completion of the sale is expected to take place

in May 2007. The financial impact on Shinsei Bank on a consolidated and non-consolidated basis will be determined and announced upon completion.

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*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\$ 92 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of December 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>.*