

For Immediate Release

Shinsei Bank to Adopt “Company with Committees” Board Model

Tokyo (Friday, January 16, 2004) --- Shinsei Bank, Limited (hereafter “Shinsei Bank”) today announced its decision to amend its Articles of Incorporation to adopt a “Company with Committees” board model (*iinkai-tou setchi-gaisha*). This became possible as a result of amendments to the Japanese Commercial Code in April 2003. Shinsei Bank will initiate the necessary procedures to bring this change into effect after its annual General Shareholders Meeting scheduled for June 2004. The conversion to a Company with Committees board model will facilitate more timely business execution and decision-making, and improve transparency.

Since its launch as a new bank in March 2000, Shinsei Bank has worked to create an effective corporate governance system through the appointment of highly experienced outside directors from both Japan and other countries. Shinsei Bank has also voluntarily established a Nomination and Compensation Committee that reports to the Board of Directors, and an Audit Committee that reports both to the Board of Directors and the Board of Statutory Auditors.

With the change in board model, the function of Executive Officers to execute business and the function of the Board of Directors to monitor and supervise business execution will be more clearly separated. In addition, part of the Board of Directors’ business execution authority will be transferred to the Executive Officers in accordance with Japanese law. These measures will increase Shinsei Bank’s flexibility in business execution and quick decision-making capabilities, while allowing the Board of Directors to focus on long-term management strategy and the supervision of business execution.

Furthermore, an Audit Committee, Nomination Committee and Compensation Committee, the members of which will primarily be outside directors, will be established within the Board of Directors. These committees will report directly to the Board, and will be the core of an effective management monitoring system that will further improve transparency.

Going forward, Shinsei Bank will continue to strengthen its corporate governance framework in order to achieve more efficient and transparent management.