Warning, etc. to Citibank N.A. and Shinsei Bank, Limited

May 28, 2004 Fair Trade Commission

1. Warning to Citibank N.A. and Shinsei Bank, Limited

The Fair Trade Commission has conducted an investigation of representations relating to foreign currency fixed deposits, and, today, issued warnings to Citibank N.A. and Shinsei Bank, Limited under Section 4 of the Premiums and Representations Act (advantageous misunderstanding) because the fact was discovered that the two companies had been making the representations stated in attachment.

(1) Profile of parties concerned

Name	Address	
Citibank N.A.	Address of main branch:	
	New York, State of New York, USA	
	Address of Japan branch:	
	Minato-Ku, Tokyo	
Shinsei Bank, Limited	Chiyoda-Ku, Tokyo	

(2) Summary of suspected violations

The parties concerned had been making representations about foreign currency fixed deposits in newspaper advertisements, etc., as shown in the Attachment, that were suspected of being misunderstood by general consumers.

2. Request for review, etc. of fair competition agreement

In the banking industry there is a fair competition code on representations, and the Fair Trade Commission requested the All Banks Fair Trade Council, which applies this agreement, to make the above warnings known to all members without exception, and to consider reviewing said agreement to seek to prevent violations of the Premiums and Representations Act and to help consumers to make proper product choices.

(NOTE) A fair competition code consists of voluntary rules established in an industry and acknowledged by the Fair Trade Commission under the Premiums and Representations Act.

(1) Representations by Citibank N.A.

Product: Monthly Smile			
Representation period: From around December 2002 to around March 2004			
Representation content	Actually		
[Placed in the Yomiuri Shimbun, etc. on	Actually, since the product is		
March 9, 2004]	designed so that with respect to the		
Regarding interest received in relation to	deposited ¥10 million, currency		
the Australian dollar foreign currency	exchange commission (totally about		
fixed deposit 'Monthly Smile " when you	¥240,000) is collected at the time of		
deposit ¥10 million and there are no	deposit and at the time of repayment		
fluctuations on foreign exchange markets:	respectively, if there are no		
	fluctuations on foreign exchange		
Representation to the effect that:	markets, the real interest equivalent		
'Deposit: ¥10 million "	receivable by the depositor is only		
'Monthly interest received: About	about ¥120, 000.		
¥29,800, Total annual interest received:			
About ¥352,400)			

(2) Representations by Shinsei Bank, Limited

Product: Power Support			
Representation period: From around May 2003 to around January 2004			
Representation content	Actually		
[Placed in the Nihon Keizai Shinbun,	Actually, since the product is designed so		
etc. on January 7, 2004]	that with respect to the deposited ¥10		
	million, currency exchange commission		
'Regarding interest received in	(totally about ¥290,000) is collected at		
relation to the foreign currency fixed	the time of deposit and at the time of		
deposit 'Okodukai-gata Teiki Yokin	repayment respectively, if there are no		
Power Support " when you deposit	fluctuations on the exchange markets,		
¥10 million and there are no	the real interest equivalent receivable by		
fluctuations on foreign exchange	the depositor is only about ¥100, 000.		
markets "			
Representation to the effect that			
" <interest (after="" receive<="" tax)="" td="" will="" you=""><td></td></interest>			
if you deposit ¥10 million> One			
month: About ¥33,000 spending			
money annually about ¥389,000			
spending money			