

Company Name: Shinsei Bank, Limited  
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President and CEO  
(Code: 8303, TSE First Section)

## Shinsei Bank to Forego Call Option for Early Redemption of Euro-denominated Tier II Subordinated Notes

Tokyo (Thursday, January 20, 2011) --- Shinsei Bank, Limited (“Shinsei”; “the Bank”) hereby announces that it has decided to forego the call option for early redemption of its lower Tier II Euro-denominated step-up callable subordinated notes due 2016 (the “Notes”) on the first callable date (February 23, 2011). The Bank has arrived at this decision based on economic rationality and has taken into consideration factors such as the market environment, the terms of the Notes after foregoing the call option for early redemption, in addition to results of the exchange offers for the Notes carried out in September 2010<sup>1</sup>. Shinsei Bank will strive to strengthen its financial stability by continuing to build upon its steady performance.

The Bank will make an announcement at an appropriate timing going forward should it decide to exercise its call option for early redemption.

<sup>1</sup> As announced on September 10, 2010 in the press release entitled “Shinsei Bank Announces Results of Exchange Offers for GBP and Euro Tier II Subordinated Notes and Terms and Conditions of New Euro Tier II Subordinated Notes Due 2020,” of the aggregate principal amount outstanding for the Euro-denominated subordinated notes of EUR 543,218,000, 63% or EUR 340,854,000 (aggregate principal amount) of these notes were exchanged into new Euro-denominated subordinated notes issued by Shinsei, with an exchange ratio of 0.951046 new note for 1 Euro note. Please refer to the press release mentioned above for more information.

### Overview of Euro-denominated Subordinated Bonds

Issuer	Shinsei Bank, Limited
Type of Securities	Euro-denominated step-up callable subordinated notes reaching maturity in 2016
Original Issue Amount	EUR 1.0 billion
Amount of Securities Outstanding (As of January 19, 2011)	EUR 200,364,000
Redemption Date	February 23, 2016 (redeemable at the Bank’s option in whole on any interest payment date for every three months on or after February 23, 2011, subject to the prior approval of the Financial Services Agency of Japan)
Interest Rate	3.75% (fixed rate per annum through February 2011) Floating rate per annum equal to three-month EURIBOR plus 1.95% thereafter
Issue Price	99.486% of principal amount
Issue Date	February 23, 2006

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*Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 10.4 trillion yen (US\$125.4 billion) on a consolidated basis (as of September 2010) and a network of 43 outlets that includes 30 branches and 13 annexes in Japan. 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>