

For Immediate Release

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Abolition of the Retirement Allowance Plan for Officers and the Introduction of Equity Remuneration Type Stock Options for Full-Time Directors

Tokyo (Tuesday, May 12, 2015) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that it has resolved at its Board of Directors meeting held today to abolish the Retirement Allowance Plan for Officers following a review of the remuneration plan for Officers and will submit a proposal to introduce equity remuneration type stock options for Full-Time Directors to the 15th Annual General Meeting of Shareholders planned to be held on June 17, 2015.

1. Abolition of the Retirement Allowance Plan for Directors

The Bank will abolish the Retirement Allowance Plan for Officers at the end of the 15th Annual General Meeting of Shareholders planned to be held on June 17, 2015 as a part of the revision of the remuneration plan for Officers.

The Bank will submit to the Annual General Meeting of Shareholders a proposal to (i) pay retirement allowances to the Directors and Audit & Supervisory Board Members who will retain their titles as officers at the Bank after this Annual General Meeting of Shareholders, and (ii) reward retirement allowances to the retiring/retired Directors.

It should be noted that the timing for the payment of retirement allowances is planned to be after each recipient’s respective retirement from the Bank.

2. Introduction of Equity Remuneration Type Stock Options for Full-Time Directors

As stated in 1 above, equity remuneration type stock options described in 3 below are introduced for Full-Time Directors of the Bank (Directors excluding Outside Directors) in light of the abolition of the Retirement Allowance Plan for Officers at the end of this Annual General Meeting of Shareholders as a part of the revision of the remuneration plan for Officers etc., to share the risks and benefits of stock price movements with the shareholders and to further motivate the Directors to enhance the corporate value and stock price of the Bank from both a mid-term and a long-term perspective. The maximum remuneration, etc. for the Directors of the Bank (including Full-Time Directors and Outside Directors) has been an amount not exceeding 180 million yen annually. In addition to this, equity remuneration type stock options not exceeding 50 million yen annually (in connection with remuneration, etc. regarding the Subscription Warrants to be allotted) will be introduced, subject to the approval of the 15th Annual General Meeting of Shareholders planned to be held on June 17, 2015.

Outside Directors and Audit & Supervisory Board Members are not eligible to receive the equity remuneration type stock options.

3. Details of Subscription Warrants Proposed as Equity Remuneration Type Stock Options

(1) Class and Number of Shares to be Delivered upon Exercise of Subscription Warrants

The Class of shares to be delivered upon the exercise of the Subscription Warrants shall be common shares of the Bank, and the number of shares to be delivered per unit of the Subscription Warrants ("Number of Underlying Shares") shall be 100.

Provided that, if the Bank implements a stock split (including an allotment of common shares of the Bank without contribution; hereinafter the same with respect to the descriptions regarding a stock split) or consolidation of stocks with respect to its common shares after the date on which the Subscription Warrants are allotted ("Allotment Date"), the Bank shall make an adjustment to the Number of Underlying Shares in regard to the Subscription Warrants that have not yet been exercised at the time of such a stock split or consolidation of stocks by the following formula:

$$\begin{array}{rcccl} \text{Number of} & & \text{Number of} & & \\ \text{Underlying Shares} & = & \text{Underlying Shares} & \times & \text{Ratio of split or} \\ \text{after adjustment} & & \text{before adjustment} & & \text{consolidation} \end{array}$$

If, in addition to the above, unavoidable circumstances that require adjustment of the Number of Underlying Shares arise, the Bank may make an adjustment to the Number of Underlying Shares that the Board of Directors of the Bank deems necessary.

Any fraction less than one share arising as a result of the above adjustment shall be rounded off.

(2) Aggregate Number of Subscription Warrants

The number of the Subscription Warrants to be allotted within one year from the date of the annual general meeting of shareholders for each business year shall not be more than 6,000.

(3) Amount to be Paid in for Subscription Warrant

The amount to be paid in for each Subscription Warrant shall be the amount determined by the Board of Directors of the Bank on the basis of the fair value of the Subscription Warrants calculated at the time of allotment of the Subscription Warrants by applying a fair calculation method such as the Black-Sholes model.

Persons who are allotted the Subscription Warrants ("Subscription Warrant Holder") shall offset the payment of the amount to be paid in with the remuneration claims against the Bank and

accordingly shall not be required to make any monetary payment.

(4) Amount of Assets to be Paid upon Exercise of Subscription Warrants

The amount of the assets to be paid upon the exercise of the Subscription Warrants shall be calculated by multiplying the price of one yen per share to be delivered through the exercise of the Subscription Warrants by the number of shares granted.

(5) Time Period during which Subscription Warrants are Exercisable

The time period during which the Subscription Warrants are exercisable shall be determined by resolution of the Board of Directors within the scope of thirty (30) years from the date following the date of allotment of the Subscription Warrants.

(6) Conditions for Exercise of Subscription Warrants

- (i) The Subscription Warrant Holder may only exercise the Subscription Warrants in a lump until the day on which ten (10) days have elapsed from the day following the day on which it ceases to be director of the Bank (if the tenth (10th) day falls on a holiday, the following business day).
- (ii) Other conditions for the exercise of the Subscription Warrants shall be determined at the meeting of the Board of Directors of the Bank where the offering memorandum of the Subscription Warrants is decided.

(7) Restrictions on Acquisition of Subscription Warrants by Assignment

Acquisition of the Subscription Warrants by assignment shall be subject to the approval of the Board of Directors of the Bank.

(8) Other Details of Subscription Warrants

Other details of the Subscription Warrants shall be determined at the meeting of the Board of Directors of the Bank where the offering memorandum of the Subscription Warrants is determined.

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 8.8 trillion yen on a consolidated basis (as of March 31, 2015) and a network of outlets throughout 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/corporate/en/index.html>