

For Immediate Release

Shinsei Bank, Limited
(Code: 8303 TSE First Section)

Shinsei Bank to Acquire UK Subsidiary of Aioi Insurance Company

Tokyo (Friday, December 30, 2005) – Shinsei Bank, Limited (“Shinsei Bank”) today announced that Shinsei Bank and Castlewood Holdings Limited (“Castlewood Holdings”) have agreed to jointly acquire all shares of Aioi Insurance Company of Europe Limited (“Aioi Europe”), a subsidiary of Aioi Insurance Company, Limited (“Aioi Insurance”) based in the United Kingdom through Hillcot Holdings Ltd. (“Hillcot Holdings”), an affiliated company of Shinsei Bank. Subject to the approval of the UK Financial Services Authority, the sale is expected to be completed during the first quarter of 2006.

Aioi Europe, a wholly-owned subsidiary of Aioi Insurance, has transferred its new underwriting business to Aioi Motor and General Insurance Company of Europe Limited, and now just manages run-off insurance portfolios comprised mainly of London reinsurance businesses (Please refer to note below).

Castlewood Holdings is a Bermuda-based insurance service company that specializes in management, acquisition and consultation of insurance and reinsurance companies. Castlewood Holdings has extensive experience and expertise in reinsurance run-off management.

Shinsei Bank will continue to expand the Institutional Banking Business, one of the three pillar strategies of Shinsei Bank and to provide distinctive solutions to our corporate customers.

(Note)

Reinsurance run-off business

Reinsurance run-off business involves management of outstanding insurance liabilities that have already incurred loss claims but not yet paid (both reported and not reported).

Information about Aioi Europe

- Established August, 1976
- Total assets £ 332mn
- Shareholders' assets £ 64mn
- Base London, UK

Information about Castlewood Holdings

- Established 2001
- Base Bermuda
- Representative Dominic Silvester

Information about Hillcot Holdings

- Established 2002
- Base Bermuda
- Shareholders Castlewood Holdings
Shinsei Bank

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 30 Shinsei Financial Centers throughout Japan (non-consolidated, as of September 2005), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.

News and other information about Shinsei Bank is available at <http://www.shinseibank.com/english/index.html>.