

For Immediate Release

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

Notice Concerning Change of Specified Subsidiary

Tokyo (Friday, February 17, 2006) --- Shinsei Bank, Limited ("Shinsei Bank") hereby announces that its special purpose company in the Cayman Islands named Shinsei Finance (Cayman) Limited ("Shinsei Finance") will become a Specified Subsidiary (*tokutei kogaisha*) of Shinsei Bank due to the issuance of Preferred Securities (as defined below). As announced on February 6, 2006, Shinsei Finance was established for the purpose of issuing U.S. dollar-denominated step-up non-cumulative perpetual preferred securities (the "Preferred Securities") outside Japan. The voting rights in the special purpose company held by Shinsei Bank and the percentage of such rights against total voting rights will not change as a result of the issuance because the Preferred Securities to be issued will, except in certain limited circumstances, be nonvoting securities.

1. Reason for the change

Shinsei Bank holds all of the ordinary shares of Shinsei Finance. Due to the payment for Preferred Securities which is expected to occur on February 23, 2006, the value of the capital stock of Shinsei Finance is expected to exceed 10% of the value of the capital stock of Shinsei Bank. Therefore, Shinsei Finance is expected to become a Specified Subsidiary of Shinsei Bank.

2. Profile of the Specified Subsidiary

Shinsei Finance (Cayman) Limited

Registered office	PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands	
Date of change	February 23, 2006	
Details of business	Issuance of Preferred Securities, etc.	
Closing date of fiscal year	December 31 of each year	
Number of directors and employees	3 directors, no employees	
Capital stock	USD 797.75 million	
Total outstanding shares and Preferred Securities	4,001,000 Ordinary shares	(par value \$0.01 per share)
	775,000 Preferred Securities	(liquidation preference \$1,000)
Shareholders	Ordinary shares:	100% owned by Shinsei Bank
	Preferred Securities:	100% owned by entities other than Shinsei Bank

Attention: This document is a press release regarding a change of specified subsidiary in connection with the issuance of securities and not for solicitation whether inside or outside Japan. This document is not, and is not intended to be, an offer of securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will not be any public offering of the securities in the United States.