

For Immediate Release

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

## Establishment of a Subsidiary for Issuance of Preferred Securities and Terms and Conditions of Preferred Securities Outside Japan

Tokyo (Wednesday, March 15, 2006) --- Shinsei Bank, Limited ("Shinsei Bank") hereby announces the establishment on March 14, 2006 (New York time) of a wholly owned subsidiary in the Cayman Islands named Shinsei Finance II (Cayman) Limited, for the purpose of issuing U.S. dollar-denominated non-cumulative perpetual preferred securities (the "Preferred Securities") with the terms set forth below.

The Preferred Securities are expected to qualify as Tier I capital of Shinsei Bank.

1. Issuer : Shinsei Finance II (Cayman) Limited  
(a special purpose company newly established under the laws of the Cayman Islands which is wholly owned by Shinsei Bank)
2. Type of security : U.S. dollar-denominated non-cumulative perpetual preferred securities  
(no right to convert into common stock of Shinsei Bank)
3. Issue amount : USD 700 million
4. Use of proceeds : To purchase undated subordinated bonds to be issued by Shinsei Bank
5. Dividends : Dividend rate 7.160% per annum until July 2016  
Floating rate per annum after July 2016
6. Issue price : USD 1,000 per preferred security
7. Ranking : The Preferred Securities are intended to rank effectively *pari passu* with preferred shares directly issued by Shinsei Bank in a liquidation of Shinsei Bank
8. Method of offering : Offered inside the United States pursuant to an exemption from registration under Rule 144A under the U.S. Securities Act of 1933 and outside the United States (except in Japan) in reliance on Regulation S under the U.S. Securities Act of 1933
9. Closing date : March 23, 2006 (scheduled)

**Attention:** *This document is a press release regarding the above securities issuance 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.*