

For Immediate Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)**Announcement Regarding Purchase of Shinsei Bank's Common Shares**

Tokyo (Tuesday, May 23, 2006) --- Shinsei Bank, Limited (the "Bank") today announced that the Board of Directors approved on May 23, 2006, a proposal to be submitted to the 6th annual general meeting of shareholders (the "Annual Shareholders' Meeting") scheduled on June 27, 2006, authorizing the Bank to purchase up to 30 million shares of the Bank's common shares pursuant to Article 156 of the Corporation Act. Further details of the item are as following "1. Purchase of the Bank's common shares pursuant to Article 156 of the Corporation Act."

The Bank also announced the result of purchase of the Bank's common shares, which was authorized at the Annual Shareholders' Meeting on June 24, 2005, pursuant to Article 81 of Law concerning Amendment of Related Laws due to Enforcement of the Corporation Act and Article 210 of the Commercial Code. Further details of the item are as following "2. The result of purchase of the Bank's common shares pursuant to Article 210 of the Commercial Code."

1. Purchase of the Bank's common shares pursuant to Article 156 of the Corporation Act**a) Purpose of purchasing of the Bank's shares:**

This purchase of the Bank's shares will be made in order to execute the stock option program.

b) Details of share purchase:

- | | |
|---------------------------------------|--|
| (1) Type of shares to be purchased: | Common Shares |
| (2) Number of shares to be purchased: | 30,000,000 shares as an upper limit |
| (3) Total cost of purchase: | 30,000,000,000 yen as an upper limit |
| (4) Available period for purchase: | 1 year from the closing of the 6th Annual Shareholders' Meeting to be held on June 27, 2006. |

Note: The share purchase stated above will be made under the condition that the proposal of "Acquisition of Treasury Shares" be approved at the 6th Annual Shareholders' Meeting to be held on June 27, 2006.

2. The result of purchase of the Bank's common shares pursuant to Article 210 of the Commercial Code

- | | |
|---------------------------------------|----------------------------------|
| (1) Type of shares to be purchased: | Common Shares |
| (2) Purchase period: | From May 1, 2006 to May 22, 2006 |
| (3) Number of shares to be purchased: | 50,000 shares |

- (4) Total cost of purchase: 40,000,000 yen
(5) Method for purchase: Purchase in the auction market at the Tokyo Stock Exchange

Reference:

1. Bank's share purchase authorized at the 5th Annual Shareholders' Meeting held on June 24, 2005:

- (1) Type of shares to be purchased: Common Shares
(2) Number of shares to be purchased: 25,000,000 shares as an upper limit
(3) Total cost of purchase: 17,500,000,000 yen as an upper limit

2. Total numbers of common shares issued and treasury shares as of April 30, 2006:

- (1) Total number of common shares issued: 1,358,537,606 shares
(2) Total number of treasury shares: 10,818 shares (all shares were purchased as less-than-one-unit shares and included in the total number of common shares issued)

Shinsei Bank is a Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three pillar business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 80 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of March 2006). 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 are available at <http://www.shinseibank.com/english/index.html>.