

For Immediate Release

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

Announcement Regarding Public Funds Repayment and Purchase of Shinsei Bank's Shares through ToSTNeT-2

Tokyo (Wednesday, August 16, 2006) --- Shinsei Bank, Limited ("Shinsei Bank") today announced that Shinsei Bank has made a proposal to the Deposit Insurance Corporation of Japan ("DIC") through The Resolution and Collection Corporation ("RCC") for the sale of Common Shares of Shinsei Bank held by the RCC, through a market transaction that received approval today from the DIC.

Shinsei Bank also announced that in order to purchase those Common Shares in response to such a sale by the RCC, Shinsei Bank has determined the detailed manner of purchase based on the resolution by the Board of Directors of Shinsei Bank at the Board of Directors meeting held on July 31, 2006 to authorize a certain facility for the purchase of its Common Shares.

1. Repayment of Public Funds

Shinsei Bank has proposed and obtained approval from the DIC for RCC's sale of Common Shares of Shinsei Bank through a market transaction. These Common Shares have been delivered in exchange for RCC's request for acquisition of Series 3 Class B Preferred Shares.

Number of Preferred Shares RCC requested Shinsei Bank to acquire:	300,000,000 shares
Date of request for acquisition made:	July 31, 2006
Number of Common Shares delivered in exchange for the request for acquisition:	200,033,338 shares

Shinsei Bank has obtained approval for the RCC to request Shinsei Bank to purchase 338 shares, the shares representing any fraction of one unit of shares, (*tangen-kabu*) pursuant to Article 192 of the Corporation Act.

2. Purchase of Shinsei Bank's Common Shares

Manner of purchase:	Shinsei Bank will place a purchase order at the closing price of 753 yen on the Tokyo Stock Exchange today (August 16, 2006) through ToSTNeT-2 (for transactions at closing price) of the Tokyo Stock Exchange to be effected at 8:45 a.m. on August 17, 2006. There will be no other change in the trading system or trading time, and such purchase order is only for that time.
Type of shares to be purchased:	Common Shares of Shinsei Bank
Total number of shares to be purchased:	200,033,000 ¹

¹ Shinsei Bank may not purchase some or all of these shares depending on market conditions.

3. Announcement of the Result of Purchase

Shinsei Bank will announce the result of purchase after the close of the trade on August 17, 2006 at 8:45 a.m.

4. Reference Information

Details of the resolution for authorization of a certain facility for purchase of Shinsei Bank's Common Shares adopted at the meeting of the Board of Directors held on July 31, 2006

Type of shares to be purchased:	Common Shares of Shinsei Bank
Total number of shares to be purchased:	up to 201 million shares
Total amount of purchase price for shares:	up to ¥154 billion
Period during which Shinsei Bank's Common Shares can be purchased:	From August 1, 2006 until the time of conclusion of the 7 th Shinsei Bank Annual General Meeting of Shareholders, expected to be held in June, 2007

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\$ 84 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of June 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 is available at <http://www.shinseibank.com/english/index.html>.