

For Immediate Press Release

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

## Shinsei Bank Cancels 85 Million Common Shares

Tokyo (Wednesday, November 15, 2006) – Shinsei Bank, Limited (“Shinsei Bank”) today announced that its Board of Directors approved the cancellation of 85 million Shinsei Bank Common Shares on November 16, 2006.

### Background

On July 31, 2006, 300 million Series 3 Class B Preferred Shares issued by Shinsei Bank were converted into 200,033,338 Shinsei Bank Common Shares by The Resolution and Collection Corporation (“RCC”) and the revised conversion price of 735.0 yen was applied effective August 1, 2006 to the remaining 300 million Series 3 Class B Preferred Shares issued by Shinsei Bank. On August 17, 2006, RCC sold the converted Shinsei Bank Common Shares through ToSTNeT-2 (for transactions at closing price) of the Tokyo Stock Exchange, and Shinsei Bank purchased 175,466,000 shares among such shares for a total of 132.1 billion yen and has held them as treasury stock.

### Capital Ratios

Shinsei Bank’s Tier 1 and Total Capital ratios were 8.3% and 13.5% respectively as of September 30, 2006. The cancellation of 85 million Common Shares will not affect the Tier 1 or Total Capital ratios.

### Fully Diluted Share Count Reduction

The reset of 50% of Series 3 Class B Preferred Shares issued by Shinsei Bank from 599.9 yen to 735.0 yen per share on August 1, 2006 reduced share count by 1.8% on a fully diluted basis. Cancelling 85 million Common Shares will further reduce share count by 4.2% on a fully diluted basis, resulting in an aggregate share count reduction of 6.0%.

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*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\$ 88 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of September 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>.*