

For Immediate Release

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

Shinsei Bank Announces New Key Shareholders, Successful Completion of First Stage of Initiative to Raise New Capital

Tokyo (January 18, 2007) --- Shinsei Bank, Limited, a leading diversified financial group, today announced the successful completion of a tender offer for shares of its common stock, the first stage in its previously announced plans to raise new capital, bolster financial stability and deepen ties with new and existing shareholders. The four tender offerors, whose investors include affiliates of J. C. Flowers & Co. LLC., will hold 22.7% of Shinsei's outstanding common shares, following the completion of the tender offer yesterday.

The next stage, a third-party share allotment, is due to be completed by February 4. This initiative will allow Shinsei Bank to deploy fresh capital across its strategic pillars - institutional banking, consumer and commercial finance and retail banking - and strengthen its commitment to setting the standard for banking in Japan.

“This is not just a vote of confidence in our bank – it’s a vote of confidence in our vision of building a different kind of Japanese bank,” said Thierry Porté, President and CEO of Shinsei Bank. “This will give us additional resources to expand our businesses and put ourselves on a new growth trajectory.”

The tender offerors will acquire 358,456,000 shares at a price of 425 yen per share through the tender offer. Shinsei Bank will now issue 50 billion yen of new common shares by third-party allotment to these investors, also at 425 yen per common share. After these transactions, the investors will hold approximately 32.6% of Shinsei's shares on a fully diluted basis.

The fresh capital will add to the bank's financial resources and improve its capital ratios. That in turn will position Shinsei's institutional banking arm to take advantage of new investment and acquisition opportunities. Shinsei also plans to expand its trendsetting retail banking network, enhancing services that have won numerous awards for customer satisfaction. In consumer and commercial finance, Shinsei is already making progress in building a transparent, customer-friendly model for the Japanese market, applying its financial expertise and cutting-edge technologies to a business with long-term growth prospects. The application of Shinsei's IT infrastructure, capital base and risk management skills across these businesses will drive the development of new products and services and create economies of scale.

J. Christopher Flowers, founder and CEO of J.C. Flowers & Co., has taken a leading role as an investor and advisor to Shinsei since its creation.

Details of the Tender Offer Bid Result

1) Breakdown of the number of shares to be obtained by each tender offeror:

Saturn I Sub (Cayman) Exempt Ltd.:	15,406,000 shares
Saturn Japan II Sub C.V.:	16,734,000 shares
Saturn Japan III Sub C.V.:	83,157,000 shares
Saturn IV Sub LP:	243,159,000 shares

In consequence, Saturn IV Sub LP, one of the tender offerors, will hold 243,159 voting rights (15.42% of the total voting rights) of Shinsei upon the settlement of the tender offer (the settlement starts January 24, 2008), becoming a principal shareholder and the Bank's top shareholder.

For the details of the consequence of the Tender Offer, please see attached "Announcement of Consequences of Tender Offer for Shares of Shinsei Bank, Limited."

2) Name of the top shareholder (who is also a principal shareholder)

Name		Saturn IV Sub LP
Address of Head Office		c/o Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY 1-9002, Cayman Islands
Representatives		J. Christopher Flowers (a director of Cayman IV (Cayman) Exempt Ltd., which is the ultimate general partner)
Contents of Principal Business		Newly established for the purpose of holding the Bank's shares.
Relationship with Shinsei Bank	Capital Relationship	The Allottee currently owns no shares of Shinsei Bank, but will acquire such shares upon completion of the Tender Offer. According to the Tender Offerors, J. Christopher Flowers, the director of Allottee's ultimate general partner, currently beneficially owns 5.95% of the outstanding shares of Shinsei Bank (as of September 30, 2007 excluding treasury shares) and is also the controlling shareholder of the ultimate general partner of an entity established to hold 4.48% of the outstanding shares of Shinsei Bank (as of September 30, 2007 excluding treasury shares).
	Transactional Relationship	Not applicable
	Lease of Equipment	Not applicable

	Concurrent Post of Officers	J. Christopher Flowers, the director of Allottee's ultimate general partner, is a Director of Shinsei Bank. Members of Shinsei Bank management, including Thierry Porté (Director, Representative Statutory Officer, President and CEO), Junji Sugiyama (Director, Representative Statutory Executive Officer and Chairman) and certain members of the management team including Statutory Executive Officers ("shikko yaku") have accepted the opportunity to invest in the Allottees, subject to compliance with all applicable laws and regulations.
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3) Date of Change

January 24, 2008, is the scheduled commencement date of settlement of the tender offer. The settlement of the share certificates for the shares is expected to be made on this date.

4) Outlook

As set forth in "Announcement of Change in Offering Period and Payment Date in Connection with Issuance of New Shares by Third Party Allotment," dated January 18, 2008, Shinsei Bank will issue new shares of common stock by third party allotment with the aggregate payment amount to be approximately 50 billion yen. As a result of such issuance, Saturn IV Sub LP will additionally acquire 79,805,739 shares on February 4, 2008, the payment date for this third party allotment, and will consequently hold 322,964 voting rights (19.06% of the total voting rights) of Shinsei Bank.

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three-pillar strategic business model comprising institutional banking, consumer and commercial finance and retail banking. The Bank has total assets of US\$107 billion on a consolidated basis (as of September 2007) and a network of 43 outlets that includes 36 Shinsei Financial Centers, 2 Platinum Centers and 5 BankSpots in Japan. 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>

January 18, 2008

J.C. Flowers & Co. LLC
Saturn I Sub (Cayman) Exempt Ltd.
Saturn Japan II Sub C.V.
Saturn Japan III Sub C.V.
Saturn IV Sub L.P.

FOR IMMEDIATE RELEASE

Announcement of Result of Tender Offer for Shares of Shinsei Bank, Limited

Tokyo (January 18, 2008) J.C. Flowers & Co. LLC (“JCF”) and the four tender offerors, Saturn I Sub (Cayman) Exempt Ltd., Saturn Japan II Sub C.V., Saturn Japan III Sub C.V. and Saturn IV Sub L.P. (collectively, the “Tender Offerors”) hereby announce that the Tender Offerors have concluded as of January 17, 2008 a tender offer (the “Tender Offer”) for the shares of common stock of Shinsei Bank, Limited (the “Target Company”) (Code number: 8303, the First Section of the Tokyo Stock Exchange) which commenced on November 22, 2007. In connection with the conclusion of the Tender Offer, we would like to provide notice of the following:

1. Description of the Tender Offer

(1) Name and Address of Tender Offerors

Saturn I Sub (Cayman) Exempt Ltd.

c/o Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY 1-9002, Cayman Islands

Saturn Japan II Sub C.V.

717 Fifth Avenue, 26th Floor, New York, NY 10022, United States of America

Saturn Japan III Sub C.V.

717 Fifth Avenue, 26th Floor, New York, NY 10022, United States of America

Saturn IV Sub L.P.

c/o Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY 1-9002, Cayman Islands

(2) Name of Target Company

Shinsei Bank, Limited

(3) Class of Shares, etc. Purchased

Common Stock

(4) Number of Share Certificates and Other Securities to be Purchased in Tender Offer

Class of Shares	Number Scheduled to be Purchased Represented by Shares	Maximum Number Scheduled to be Purchased Represented by Shares
Share Certificate	358,455,953 shares	358,455,953 shares
Certificate of Stock Acquisition Rights	–	–
Bond Certificate with Stock Acquisition Rights	–	–
Trust Beneficiary Certificates for Share Certificates and Other Securities ()	–	–
Depository Receipt for Share Certificates and Other Securities ()	–	–
Total	358,455,953 shares	358,455,953 shares

(5) Duration of Tender Offer

From November 22, 2007 (Thursday) through January 17, 2008 (Thursday) (34 business days)

(6) Purchase Price of Tender Offer

425 yen per share of common stock

2. Result of Tender Offer

(1) Condition of Tendered Shares and Other Securities

Class of Shares	Number Tendered Represented by Shares	Number Purchased Represented by Shares
Share Certificate	433,217,919 shares	358,456,000 shares
Certificate of Stock Acquisition Rights	–	–
Bond Certificate with Stock Acquisition Rights	–	–
Trust Beneficiary Certificates for Share Certificates and Other Securities ()	–	–
Depository Receipt for Share Certificates and Other Securities ()	–	–
Total	433,217,919 shares	358,456,000 shares

(2) Success of Tender Offer

In the Tender Offer, because the total number of shares tendered in the Tender Offer exceeded the maximum number scheduled to be purchased represented by shares (358,455,953 shares), the Tender Offerors will make delivery and other settlements with respect to the purchase of shares pursuant to the *pro rata* method as defined in Article 27-13, Item 5 of the Financial Instruments and Exchange Law (Law No. 25 of 1948 as amended) (the “Law”) and Article 32 of the Cabinet Ordinance regarding Disclosure of Tender Offer for Shares and Other Securities by Non-issuers (MOF Ordinance No. 38 of 1990 as amended) (the “TOB Order”).

(3) Ownership Percentage of Share Certificates after Tender Offer

Number of Voting Rights Represented by Share Certificates Owned by the Tender Offerors before Tender Offer	0	(Ownership Percentage of Share Certificates before Tender Offer 0.00%)
Number of Voting Rights Represented by Share Certificates Owned by the Tender Offerors after Tender Offer	358,456	(Ownership Percentage of Share Certificates after Tender Offer 22.73%)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties before Tender Offer	65	(Ownership Percentage of Share Certificates before Tender Offer 0.00%)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties after Tender Offer	65	(Ownership Percentage of Share Certificates after Tender Offer 0.00%)
Total Number of Voting Rights of Shareholders of the Target Company	1,576,991	

(Note 1) The “Total Number of Voting Rights of Shareholders of the Target Company” represents the number of voting rights of all of the shareholders as described in the 8th Semi-Annual Securities Report submitted by the Target Company to the Kanto Local Finance Bureau on December 12, 2007. However, for the purpose of calculating “Ownership Percentage of Share Certificates after Tender Offer”, the “Total Number of Voting Rights of Shareholders of the Target Company” is calculated to be 1,577,011 units. This number includes the number of voting rights (20 units) represented by the number of shares of the Target Company held by SHINKI Co., Ltd. (20,000 shares) as described in the 8th Semi-Annual Securities Report.

(Note 2) “Number of Voting Rights Represented by Share Certificates Owned by the Tender Offerors after Tender Offer” and “Ownership Percentage of Share Certificates after Tender Offer” of each Tender Offeror are as follows:

<u>Name of Tender Offeror</u>	<u>Number of Voting Rights Held (Ownership Percentage)</u>
Saturn I Sub (Cayman) Exempt Ltd.	15,406 (approximately 0.9769%)

Saturn Japan II Sub C.V.	16,734 (approximately 1.0611%)
Saturn Japan III Sub C.V.	83,157 (approximately 5.2731%)
Saturn IV Sub L.P.	243,159 (approximately 15.4190%)

(Note 3) “Ownership Percentage of Share Certificates before Tender Offer” and “Ownership Percentage of Share Certificates after Tender Offer” are rounded to the nearest hundredth of a percent.

(4) Calculation for Purchase Pursuant to the *Pro Rata* Method

Because the total number of shares tendered in this Tender Offer exceeded the maximum number scheduled to be purchased represented by shares (358,455,953 shares), as described in the “Public Notice of Commencement of Tender Offer” and the “Tender Offer Registration Statement”, all or part of the excess portion will not be purchased and the Tender Offerors will make delivery and other settlements with respect to the purchase of shares pursuant to the *pro rata* method as defined in Article 27-13, Item 5 of the Law and Article 32 of the TOB Order.

Because the total number of shares to be purchased from all tendering shareholders (the “Tendering Shareholders”) was calculated pursuant to the *pro rata* method, in which shares constituting less than one unit were rounded off, and as a result such total number of shares exceeded the maximum number scheduled to be purchased represented by shares, the Tender Offerors purchased one unit from each Tendering Shareholder in descending order, beginning with shareholders that owned the most rounded-up number of shares, until the total number of shares to be purchased reached a number which was no less than the maximum number scheduled to be purchased represented by shares. (If by purchasing units, the Tender Offerors would have exceeded the number of shares tendered in the Tender Offer, the Tender Offerors purchased shares until the number of shares to be purchased was equal to the number of shares tendered.)

However, because the result was less than the maximum number scheduled to be purchased represented by shares if the Tender Offerors had decreased the number of shares purchased from all tender shareholders who hold equal number of shares that were rounded-up, the Tender Offerors selected by lottery who the Tender Offerors would purchase units from, to the extent that the total number of shares purchased was no less than the maximum number scheduled to be purchased represented by shares.

(5) Method of Settlement

- a. Name and Address of Head Offices of Securities Companies and Banks, etc. in Charge of Settlement

Nikko Citigroup Limited
1-5-1 Marunouchi, Chiyoda-Ku, Tokyo

Nikko Cordial Securities Inc.
3-3-1 Marunouchi, Chiyoda-Ku, Tokyo

- b. Commencement Date of Settlement

January 24, 2008 (Thursday)

- c. Method of Settlement

A notice of purchase will be mailed to the address or location of the Tendering Shareholder (or the standing proxy in the case of a non-resident shareholder) promptly after the end of the tender offer period. Payment of the purchase price will be made in cash. Nikko Citigroup Limited (the “Tender Offer Agent”) or Nikko Cordial Securities Inc. (the “Sub-Agent”) will,

in accordance with the shareholder's instructions, remit the purchase price for share certificates promptly after the commencement date of settlement to the account designated by the Tendering Shareholder (or the standing proxy in the case of a non-resident shareholder).

(6) Method to return Share Certificates

The Tender Offer Agent or the Sub-Agent will return all tendered share certificates which are required to be returned to the Tendering Shareholders promptly after the settlement date, January 24, 2008 (Thursday), by the method described below. Please take this into consideration in the event of a sale, depositing your shares with a different broker, or other disposal of the shares to be returned conducted prior to the return of such shares.

- a. In cases where share certificates were submitted to the Tender Offer Agent or the Sub-Agent upon application, the share certificates which were not purchased shall be delivered to the Tendering Shareholder or mailed to the Tendering Shareholder's address (in the case of a non-resident shareholder, the address of their standing proxy).
- b. In cases where share certificates are kept in custody by the Tender Offer Agent or the Sub-Agent (or by the Japan Securities Depository Center through the Tender Offer Agent or the Sub-Agent) the share certificates which were not purchased will be returned to the same condition of custody as at the time of application.

3. Location at which a Copy of the Tender Offer Report is made available to the Public

Tokyo Stock Exchange Group, Inc.

(2-1 Kabutocho, Nihonbashi, Chuo-ku, Tokyo)