

For immediate release

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

Shinsei Bank to Launch “Powered Teiki Three”

Structured yen deposit redeemed in yen, Australian dollars or New Zealand dollars

Tokyo (Friday, February 8, 2008) – Shinsei Bank, Limited, today announced that it will start offering the Powered Teiki Three, a structured yen time deposit with a dual-reference currency option, through call centers (Shinsei *PowerCall*) and at its branches (excluding Shinsei *BankSpots*.)

With the Powered Teiki Three, customers get a higher interest rate for an ordinary two-year yen time deposit in exchange for giving Shinsei Bank the option of paying the funds upon maturity in a foreign currency.

The two-year structured deposit pays an interest rate of 5.56% p.a. (4.448% p.a. after tax)¹ Upon maturity, the customer receives the principal in either Japanese yen (JPY), Australian dollars (AUD) or New Zealand dollars (NZD), at Shinsei’s discretion. There will be one interest payment per year, in yen.

The currency in which the principal is paid at maturity will be determined by comparing the “contract rates” and the “exercise rates.” The contract rates are the JPY-AUD and JPY-NZD conversion rates fixed at 3:00 p.m. Tokyo time on the day the deposit is made while the exercise rates are the JPY-AUD and JPY-NZD conversion rates fixed at 3:00 p.m. Tokyo time two business days prior to the maturity date. If the yen is unchanged or has weakened against both the AUD and NZD, the principal will be repaid in yen. If the yen has strengthened against either currency, the principal will be repaid in either Australian or New Zealand dollars.

Shinsei Bank’s retail division aims to enrich and “color” the lives of our customers by providing them with high value-added products and services.

¹ The interest rate prior to separate 20% withholding tax, applicable for deposits received on Feb. 8. After Feb. 8, the applicable interest rate will be adjusted daily.

※ Please refer to the attachment for further details.

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\$104 billion on a consolidated basis (as of December 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>.

[Attachment]

Overview of Powered Teiki Three (structured yen time deposit with dual-reference currency option)

(As of February 8, 2008)

Term	Two (2) years		
Currency of deposit	Japanese yen		
AUD contract rate NZD contract rate	Determined by Shinsei Bank based on actual JPY-AUD and JPY-NZD market exchange rates as of 3:00 p.m. Tokyo time on the day the deposit is made.		
AUD exercise rate NZD exercise rate	In principle, the actual JPY-AUD and JPY-NZD market exchange rates as of 3:00 p.m. Tokyo time on the exercise date (two business days prior to the maturity date).		
Conditions for determining currency of principal repayment at maturity	AUD exercise rate relative to AUD contract rate	NZD exercise rate relative to NZD contract rate	Currency of principal repayment at maturity
	Exercise rate is <u>the same or higher</u> (i.e. weaker yen) than the contract rate	Exercise rate is <u>the same or higher</u> (i.e. weaker yen) than the contract rate	JPY
	Exercise rate is <u>the same or higher</u> (i.e. weaker yen) than the contract rate	Exercise rate is <u>lower</u> than the contract rate (i.e. stronger yen)	NZD
	Exercise rate is <u>lower</u> than the contract rate (i.e. stronger yen)	Exercise rate is <u>the same or higher</u> (i.e. weaker yen) than the contract rate	AUD
	Exercise rate is <u>lower</u> than the contract rate (i.e. stronger yen)	Exercise rate is <u>lower</u> than the contract rate (i.e. stronger yen)	Either AUD or NZD, determined as per the formula below*
	* Calculation formula		
	If (AUD exercise rate ÷ AUD contract rate) is greater than (NZD exercise rate ÷ NZD contract rate)		NZD
	If (AUD exercise rate ÷ AUD contract rate) is less than or equal to (NZD exercise rate ÷ NZD contract rate)		AUD

Interest	Paid annually in yen, with interim interest payment date one year following deposit date and final payment upon maturity.
Applicable interest rate	5.56% p.a. (4.448% p.a. after tax) The interest rate prior to separate 20% withholding tax, applicable for deposits received on Feb. 8. After Feb. 8, the applicable interest rate will be adjusted daily.
Distribution channels	Shinsei Bank branches (excluding Shinsei <i>BankSpots</i>) and via the Shinsei PowerCall call center
Minimum deposit amount	2.5 million yen

About Powered Teiki Three

- Powered Teiki Three contains a currency option. If either the actual AUD-JPY or JPY-NZD market rate as of 3:00 p.m. Tokyo time on the day two business days prior to the maturity date is lower (i.e. the yen has strengthened) relative to the AUD or NZD contract rate, the principal will be converted to AUD or NZD at the previously determined contract rate and deposited in the customer's foreign currency account (this conversion rate may differ from the prevailing market rate at maturity). This conversion may therefore be made at a rate that is disadvantageous relative to the prevailing market rate at maturity. If both the actual JPY-AUD or JPY-NZD market rates are lower (i.e. the yen has strengthened) relative to the AUD or NZD contract rates, the principal will be converted to the currency with the largest depreciation versus JPY and deposited in the customer's foreign currency account in that currency.
- Please confirm the contract rate on the "Confirmation" mailed after the deposit date.
- The contract rate will be fixed at 3:00 p.m. Tokyo time on the contract date.
- In principal, early cancellations are not allowed. For early cancellations in cases that Shinsei Bank accepts as unavoidable, an amount calculated by Shinsei Bank corresponding to the amount required to fund the deposit from the cancellation date to the maturity date and any associated fees will be deducted from the principal, and the remaining principal will be deposited to the customer's yen savings account. In such instances, the amount deposited is very likely to be less than the amount of the initial principal deposited.
- When foreign currency received upon maturity is converted to yen, Shinsei Bank's TTB rate (rate for converting foreign currency to yen) inclusive of foreign exchange commissions will be applied. Therefore, even if the exchange rate does not move after receiving the foreign currency, the yen amount received may be less than the yen amount of the initial principal.
- When subsequently converting foreign currency received to yen, exchange rate movements may result in a foreign exchange loss, in which case the yen amount received will be less than the initial

principal.

- Deposit insurance will cease to apply when foreign currency received upon maturity is held in the foreign currency.
- The respective ordinary savings account rates posted at branches will be applied for principal deposited in yen or foreign currency accounts after maturity.
- Cash withdrawals in foreign currencies are not permitted. Separate commissions will be applied to foreign currency fund transfers.
- Please confirm the contents of the explanatory materials (documents to be exchanged prior to the conclusion of a contract), which are available at Shinsei Bank branches and via the Shinsei PowerCall call center.
- The interest rate indicated is as of Feb.8, 2008. After Feb. 8, the applicable interest rate will be adjusted daily based on market rates.
- Interest rates for this may product may change, or Shinsei Bank may cease to offer this product, depending on market developments.

Shinsei Bank Ltd./No.10 Registered financial institution of Kanto Local Finance Bureau

Member of the Japan Securities Dealers Association/The Financial Futures Association of Japan