

For Immediate Release

Company Name: Shinsei Bank, Limited  
Name of Representative: Thierry Porté  
President and CEO  
(Code: 8303, TSE First Section)**Announcement of Acquisition and Cancellation of Series 2 Class-A Preferred Shares and Change in Holdings of Shinsei Bank Shares by a Major Shareholder**

Tokyo (Monday, March 31, 2008) --- Shinsei Bank, Limited (“Shinsei Bank”), a leading Japanese financial institution, announced that it today acquired and cancelled all 74,528,000 Series 2 Class-A preferred shares and issued in exchange 269,128,888 of the Bank’s common shares at an exchange price of 360 yen per share, pursuant to a request by the Deposit Insurance Corporation of Japan (“DIC”).

As a result, the DIC and the Resolution and Collection Corporation (“RCC”) together now hold 23.89% of the voting rights of Shinsei Bank, making them the second largest shareholder group after the group of investors including affiliates of J.C. Flowers & Co. LLC., which holds 32.62% of the voting rights. The DIC is a government entity which did not hold any of Shinsei Bank’s common shares until today’s conversion. RCC, a 100% subsidiary of the DIC, previously held 600,000,000 Shinsei Bank Series 3 Class-B preferred shares and converted half of their holding into 200,033,338 common shares on July 31, 2006 as per a request by Shinsei Bank, and later sold them in the market on August 17, 2006. The remaining 300,000,000 Series 3 Class-B preferred shares were converted into 200,000,000 common shares pursuant to the provisions of Shinsei Bank’s Articles of Incorporation concerning the mandatory acquisition of Series 3 Class-B preferred shares on August 1, 2007, and the RCC continues to hold them.

**1. Reason for the change in holdings of Shinsei Bank shares**

Regarding the 74,528,000 Series 2 Class-A preferred shares for which a request for acquisition had been made by the DIC on March 31, 2008, Shinsei Bank acquired all of the said preferred shares. The Bank then issued 269,128,888 common shares\* in exchange for the relevant preferred shares based on the current exchange price of 360 yen.

\* 269,128,888 commons shares is calculated by multiplying 74,528,000 Series 2 Class-A preferred shares by the subscription price per preferred share of 1,300 yen divided by the current exchange price of 360 yen per preferred share (269,128,888 = 74,528,000 X (1,300/360)).

**2. Details of the change****(1) Name of the shareholder affected by the change**

- |                     |   |
|---------------------|---|
| (i) Name            | Deposit Insurance Corporation of Japan                    |
| (ii) Address        | Shin-Yurakucho Bldg., Yurakucho 1-12-1, Chiyoda-ku, Tokyo |
| (iii) Governor      | Shunichi Nagata   |
| (iv) Major business | Operating Japan’s deposit insurance system                |

- (2) Number of common shares and voting rights and ratios to total common shares and voting rights, before and after the change

Name of the shareholder: Deposit Insurance Corporation of Japan

	Number of voting rights (Number of common shares)	Ratio of the voting rights to total voting rights <sup>a,b,c</sup>
Before the change	-	-
After the change	269,128 (269,128,888 shares)	13.70%

(a) Number of total outstanding common shares as of March 31, 2008: 2,060,346,891 shares

(b) Number of non-voting shares to be deducted from total outstanding common shares for calculating ratio of the voting rights to total voting rights: 96,582,891 shares

(c)  $269,128 / (2,060,346 - 96,582) = 13.70\%$

- (3) Date of change  
March 31, 2008

3. Reference information: Number of common shares held by the Resolution and Collection Corporation ("RCC") and Deposit Insurance Corporation of Japan ("DIC")

	Number of voting rights (Number of common shares)	Ratio of the voting rights to total voting rights <sup>a,b,c</sup>
RCC	200,000 (200,000,000 shares)	10.18%
DIC	269,128 (269,128,888 shares)	13.70%
RCC and DIC	469,128 (469,128,888 shares)	23.89%

(a) Number of total outstanding common shares as of March 31, 2008: 2,060,346,891 shares

(b) Number of non-voting shares to be deducted from total outstanding common shares for calculating ratio of the voting rights to total voting rights: 96,582,891 shares

(c)  $469,128 / (2,060,346 - 96,582) = 23.89\%$

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*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 42 outlets that includes 36 Shinsei Financial Centers, 2 Platinum Centers and 4 BankSpots (as of February 2008) 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>.