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For immediate release

Shinsei Bank, Limited
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Shinsei Bank to Revise Free-of-Charge Online Funds Transfer Service

Tokyo (Thursday, May 1, 2008) – Shinsei Bank, Limited, today announced that it will make changes to the number of domestic funds transfers that can be made free-of-charge¹ by Shinsei *PowerFlex* account holders using the Shinsei *PowerDirect* internet banking service. The change will affect only those customers who are currently entitled to make three free-of-charge domestic funds transfers per month. As of Tuesday, July 1, 2008, these customers will be entitled to one free-of-charge transfer per month.

There is no change in the number of free-of-charge funds transfers for the following customers:

- 1) “Shinsei Platinum” customers² (entitled to up to ten free-of-charge transfers per month)
- 2) Customers with a balance² of 2 million yen or more at the end of the previous month in certain accounts designated by the Bank (up to five free-of-charge transfers per month)
- 3) Customers with a balance² of 300,000 yen or more as of the end of the previous month in investment trusts, foreign currency deposits, structured deposits or other financial products designated by the Bank (up to five free-of-charge funds transfers per month)

A charge of 300 yen (tax included) will be levied for each transfer made after the designated monthly quota of free-of-charge transfers has been used. Funds transfers to accounts within Shinsei Bank will remain free of charge even after July 1, 2008, regardless of customers’ account balance.

Shinsei Bank will continue to tailor its services to reflect the broad range of its customers’ needs. This change has been made on the basis of a comprehensive assessment of customers’ usage of Shinsei Bank’s services.

1. Fees will be charged at the time of transfer and reimbursed (up to the applicable quota). 300 yen (tax included) will be charged per transfer once the free-of-charge quota has been used for the applicable month.
2. Please refer to the Shinsei Bank website for further details of “Shinsei Platinum” service conditions and the Bank-designated financial products and account balance levels that qualify for additional free-of-charge funds transfers .

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 41 outlets that includes 35 Shinsei Financial Centers, 2 Platinum Centers and 4 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>.

Regarding foreign currency deposits

- Foreign currency deposits are affected by exchange rate movements, which can generate foreign exchange losses that cause the amount of the deposit to fall below the original principal amount. In addition, Shinsei Bank's designated exchange rate, which includes a foreign exchange commission, will be applied to deposits and withdrawals made in yen. This can result in the final amount falling below the original principal amount, even if the exchange rate is unchanged.
- Shinsei Bank's designated TTS rate (the market conversion rate for converting yen to a foreign currency) and TTB rate (the market conversion rate for converting foreign currency to yen), both of which include a foreign exchange commission, will be applied when converting to/from foreign currencies in foreign currency deposits. When converting between yen and a foreign currency, in principle, the foreign currency commission per unit of foreign currency will be ¥2 per side for one pound sterling (a TTS-TTB spread of ¥4), ¥0.5 per side for one Hong Kong dollar (a TTS-TTB spread of ¥1), and ¥1 per side for other currencies (a TTS-TTB spread of ¥2). When converting between two foreign (non-yen) currencies, in principle, the commission will be 0.01 or 0.02 multiplied by one of the currencies (as of March 31, 2008).
- Foreign currency deposits are not covered by deposit insurance.
- In principle, foreign currency deposits cannot be redeemed prior to maturity.
- Shinsei Bank does not handle foreign currency cash.
- Separate commissions apply to foreign currency-denominated fund transfers.
- Please confirm the details of your foreign currency deposit with the explanatory materials (documents exchanged prior to the conclusion of a contract) available at Shinsei Bank branches.

Regarding structured deposits

- Structured deposits include forward foreign exchange transactions, and financial and other derivative transactions. Structured deposits contain risks including fluctuations in the principal and interest amounts, and in the fact that they cannot in principle be redeemed prior to maturity.
- When a customer requests an early redemption and Shinsei Bank deems the reason to be unavoidable, the early redemption will be allowed, but the amount paid to the customer will have an early redemption penalty subtracted from the principal. This penalty will be calculated using Shinsei Bank's designated calculation method, and will correspond to the amount required to restructure the deposit from the early redemption date to the original maturity date, and other associated costs. As a result, the amount paid upon redemption may be less than the original principal amount, and depending on market conditions, may be significantly less than the original principal.
- For structured deposits with special provisions to extend the term of the deposit, Shinsei Bank will determine whether to extend the maturity date. If the reference market interest rate has risen as of the date on which the term extension is determined, there is a high likelihood that Shinsei Bank will extend the term of the deposit. In these instances, the customer will lose the opportunity to invest at

a higher market interest rate. If the reference market interest rate has fallen as of the date on which the term extension is determined, there is a low likelihood that Shinsei Bank will extend the term of the deposit. In these instances, the customer will not be able to invest at the interest rate that would have applied had the term been extended.

- For dual-currency time deposits made in yen (structured deposits) and yen time deposits with a dual currency-type currency option, when the actual market rate two business days prior to maturity represents a stronger yen than in the special provision trigger rate, the funds to be paid at maturity will be converted to the “foreign currency” at the special provision trigger rate determined in advance, and deposited to an ordinary foreign currency deposit (i.e. will not be converted at the market rate). In these instances, the conversion will be made with less favorable conditions than if the conversion to “foreign currency” had been made at the prevailing market rate. In addition, if the funds paid at maturity are paid in the “foreign currency” and subsequently converted to yen, exchange rate movements may result in the yen amount received being less than the original yen principal amount. Furthermore, even if the exchange rate is unchanged, the TTB rate (the market rate for converting foreign currency to yen), which includes a foreign currency commission (in principle, ¥1 per unit of foreign currency), will be applied, and as a result the yen amount received from the conversion of “foreign currency” may be less than the original yen principal amount. Deposit insurance ceases to apply when foreign currency is received upon maturity. The same risks apply to dual-currency time deposits made in a foreign currency (structured deposits).
- When purchasing these products, please confirm the details with the explanatory materials at a branch (documents exchanged prior to the conclusion of a contract) and a Shinsei Bank employee. The customer bears full responsibility for understanding the content and making the decision to purchase these products.

Regarding investment trusts

- An investment trust is not a bank deposit, and is therefore not covered by deposit insurance. Furthermore, an investment trust purchased at a bank is not covered by the Investor Protection Fund.
- When redeeming an investment trust, the receipt of the redemption payment may require a considerable amount of time because some investment trusts have a closed period for redemption.
- At Shinsei Bank, the only accepted redemption method for investment trusts domiciled in Japan is a “redemption request” (*kaiyaku-seikyu*). Therefore, a “repurchase request” (*kaitori-seikyu*) will not be accepted.
- When applying to purchase an investment trust, please make your own judgment by reviewing the prospectus (including supplementary documents) in advance or at the time of purchase and confirming its details. The prospectus (including supplementary documents) is available at Shinsei Bank branches or via the Internet (Shinsei *PowerDirect*). We will also send it to you by mail on request. The prospectus (including supplementary documents) for investment trusts offered exclusively via the

Internet can only be obtained via Shinsei *PowerDirect*.

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