

For immediate release

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

Shinsei Bank to Launch Nursing Care Annuity Product, Shinsei Power Kaigo Nenkin

Shinsei enters nursing care annuity insurance business following bancassurance deregulation

Tokyo (Monday, May 12, 2008) – Shinsei Bank, Limited (“Shinsei”), today announced that it will begin sales of “Shinsei Power Kaigo Nenkin”, an investment-based nursing care annuity insurance product (underwriting insurance company: Manulife Life Insurance Company), from May 12, 2008. Shinsei will sell the product through its head office and branches (excluding Shinsei *BankSpots*).

Shinsei Power Kaigo Nenkin combines the asset-formation capacity of traditional investment-based annuity insurance with a nursing care benefit available when the policyholder requires nursing care. The result is a comprehensive financial planning solution to the growing demand for nursing care coverage. The product has been designed with customer convenience as a key priority; the enrollment process only requires customers to disclose their occupation, and benefit payment criteria are clearly defined and based on the public nursing care insurance system.

Premiums paid into Shinsei Power Kaigo Nenkin will be invested in a special account with an internationally diversified portfolio of equities, bonds and other assets (50% of the underlying funds will be allocated to equities), offering the possibility of higher nursing care benefits through investment gains.

Nursing benefits are paid from the time the insured person is initially designated for Level 1 or higher nursing care under the public nursing care insurance system. In addition, if the insured person dies during the investment term of the special account, a death benefit may also be paid.*¹ The minimum amount of both the nursing care annuity and death benefit are guaranteed. The basic benefit is 100% guaranteed regardless of investment performance.*² Furthermore, once every policy year after the first anniversary, policyholders may withdraw a portion of any accumulated funds that exceed the basic benefit, without reducing the original basic benefit itself (special treatment for partial surrender).

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

*1 Either the nursing care benefit or the death benefit will be paid.

*2 Partial surrender will reduce the basic benefit (except for special treatment for partial surrender).

※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 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>.

【Attachment】**Shinsei Power Kaigo Nenkin**

(New Variable Individual Annuity Insurance Type III, Special Provision for Whole Life Guarantee (Type C for Variable Individual Annuity Insurance), Special Provision for Nursing Care (for Variable Individual Annuity Insurance))

Underwriting insurance company: Manulife Life Insurance Company

Launch date: Monday, May 12, 2008

Sales channels: Shinsei Bank branches
(excluding Shinsei *BankSpots*)

Overview of “Shinsei Power Kaigo Nenkin”

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|-----------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enrollment conditions | Insurance term | Whole life |
| | Method of premium payment | One-time payment |
| | Insurance premium range | ¥2 million to ¥100 million (units of ¥1) * The total premium for one insured person for Manulife Life Insurance Company's variable individual annuity insurance with nursing care provisions may not exceed ¥100 million. In addition, the total premium for one insured person for Manulife Life Insurance Company's variable individual annuity insurance may not exceed ¥500 million. |
| | Risk selection | Self-disclosure (disclosure of occupation only) |
| | Age requirements | From age 40 to age 75 for the insured. |
| | Cooling-off period | Applicable * Applications may be withdrawn via written request within seven days following the application date. |

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|------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nursing care benefit / Nursing care annuity | Basis for payment of nursing care benefit | From the time the insured is initially designated eligible for Level 1 or higher nursing care under the public nursing care insurance system |
| | Amount of nursing care benefit | The larger of the following: (1) The amount accumulated up to the date of certification of nursing care need (2) The basic benefit as of the date of certification of nursing care need |
| | Nursing care annuity amount (annual) | From ¥200,000 to ¥30,000,000. * A nursing care annuity cannot be paid if the amount is less than ¥200,000 |
| | Nursing care annuity types | <ul style="list-style-type: none"> • Fixed nursing care annuity (5, 10, 15 or 20 years) • Guaranteed whole life nursing care annuity |
| Investment | Investment term | Whole life (or until the date of certification of nursing care need when nursing care benefit payments are triggered) |
| | Special account | Balanced-type "World Balance 50" <ul style="list-style-type: none"> • Japanese equities – 10% • Foreign equities (w/ FX hedge) – 40% • Japanese bonds – 10% • Foreign bonds (w/ FX hedge) – 20% • Foreign bonds (w/out FX hedge) – 20% |
| Surrender / Redemption | Payment upon cancellation | A redemption will be paid upon surrender or partial surrender. However, redemption amounts are not guaranteed and may be lower than the one-time premium payment. * Partial surrender cannot be accepted |

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| | | if the resulting basic benefit is less than ¥500,000. |
| | Deduction at surrender | None |

《Main risks》

The assets in Shinsei Power Kaigo Nenkin are managed in a special account, which invests in domestic and foreign equities, bonds and other assets for a set term, primarily through investment trusts. The accumulated amount and the amount of future nursing care benefits will rise or fall based on the investment performance.

There is thus a possibility of a loss resulting from drops in equity or bond prices, or foreign exchange rate movements that cause the accumulated amount and redemption amount upon surrender to fall below the amount of the one-time premium payment.

The risks associated with such movements in securities prices and foreign exchange rates are those of the policyholder.

* The special account is an account for the management and investment of assets related to variable individual annuity insurance. These assets are segregated, and managed and invested independently from assets related to other types of insurance.

《Expenses to be borne by the customer》

The total expenses related to Shinsei Power Kaigo Nenkin are the sum of the initial contract fee, insurance-related fee and investment-related fee shown below (for certain customers, however, an additional nursing care annuity management fee or annuity management fee may apply).

| Upon enrollment: | |
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| Initial contract fee | 5% of the one-time premium payment will be deducted and paid as an initial contract fee. The remainder of the one-time premium payment will be deposited in the special account within seven days following the contract date. |
| During the special account investment term: | |
| * During the investment term, the following fees (calculated as 1/365 of the annual rate) will be deducted daily from the accumulated amount. | |
| Insurance-related fee | 2.2% p.a. on the total assets in the special account |
| Investment-related fee | 0.294% p.a. (0.28% plus tax) on the assets of the investment trusts to which the special account is exposed (investment trust management fee) * The exact amount and proportion of investment-related fees other than the investment trust management fee (investment trust operational processing fees, interest on advances, fees required for the auditing of |

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| | <p>the financial statements for investment trust assets, etc.) are difficult to determine prior to their occurrence, and therefore cannot be shown in these amounts and expenses. These expenses are paid by the special account from the assets held by the account, and are therefore reflected in the unit price. Accordingly, the customer is indirectly responsible for these expenses.</p> <p>* “Investment-related fees” are subject to change depending on future changes in investment methods, changes in the amount of invested assets, etc.</p> |
| While receiving nursing care annuity: | |
| Nursing care annuity management fee | On the annual nursing care annuity payment date, 0.4% of the policy reserve as of that date will be deducted from the policy reserve. |
| While receiving survivor’s annuity: | |
| Annuity management fee | On the annual survivor’s annuity payment date, 1% of the annual survivor’s annuity amount will be deducted from the policy reserve. |
| Upon surrender / redemption: | |
| Surrender / Redemption fee | None |

Insurance products

- Please refer to the “product brochure,” “documents exchanged prior to concluding a contract (contract overview / cautionary notes),” and “contract guide and stipulations” when considering an insurance product.
- The decision on whether or not to conclude a contract for an insurance product will have absolutely no effect on a customer’s other transactions with Shinsei Bank.
- Please contact the underwriting insurance company or Shinsei Bank immediately when an event occurs that is eligible for an insurance payment or benefit under the terms of the contract. Please refer to the “product brochure,” “documents exchanged prior to concluding a contract (contract overview / cautionary notes),” and “contract guide and stipulations” for the respective product to determine whether an insurance payment, benefit, etc. may or may not be paid.
- Insurance products are underwritten by an underwriting insurance company. They are not a bank deposit, and are therefore not covered by deposit insurance or the Investor Protection Fund. Neither the principal nor interest is guaranteed by Shinsei Bank.
- In the case of bankruptcy of the underwriting insurance company, protective measures will be taken by the Life Insurance Policyholders Protection Corporation of Japan, but the full amount of the contracted annuity, insurance payment or benefit may not be

paid.

- There may be cases in which Shinsei Bank is prohibited under the Insurance Business Law from accepting an application for an insurance product because of the customer's place of employment or status of loan applications to Shinsei Bank.
- The representative of Shinsei Bank (the life insurance salesperson) is an intermediary for the conclusion of an insurance contract between the customer and the underwriting insurance company, and does not have authority as an agent to conclude insurance contracts. Accordingly, insurance policies become effective when the underwriting insurance company has approved the contract application made by the customer. Shinsei Bank does not guarantee the ability of the underwriting insurance company to make payments under the contracted product.
- Please consult with a life insurance salesperson accredited by the respective life insurance company for further details.

Shinsei Bank Ltd. / No. 10 Registered financial institution of Kanto Local Finance Bureau
Member of Japan Securities Dealers Association / The Financial Futures Association of Japan