

For Immediate Release

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

Shinsei Bank to Launch “Powered Teiki NEO”

- Structured deposit with twice yearly opportunity to benefit from bonus interest payments and early maturity -

Tokyo (Friday, October 3, 2008) – Shinsei Bank, Limited, today announced the launch of “Powered Teiki NEO,” its new structured dual-currency time deposit that offers customers the chance to benefit from exchange rate movements by earning a bonus interest payment that links to early maturity. Customers can apply for Powered Teiki NEO at Shinsei Bank branches and via Shinsei *PowerCall* call center and Shinsei *PowerDirect* Internet banking.

Powered Teiki NEO is a structured (derivative) yen deposit linked to the Australian dollar (AUD). With a minimum term of six months and a maximum term of five years, the deposit includes a review every six months that can lead to a bonus interest payment and early maturity. If Shinsei decides to bring the maturity date forward as a result of this review, funds will be repaid in yen. This means that customers enjoy a greater chance of receiving their deposits in yen compared with Shinsei’s other five-year, dual-currency time deposits. Powered Teiki NEO is the ideal alternative for customers seeking a medium-term investment with a higher interest rate than a standard yen deposit.

The basic interest rate of 1.0% p.a. (0.8% p.a. after tax)^{*1} will be applied during the term of the deposit, with interest paid in JPY every six months. However, Powered Teiki NEO also offers the additional possibility of a bonus interest award and early maturity every six months from initial deposit at Shinsei’s discretion, following a review based on the following conditions: ^{*2}.

- If the JPY/AUD exchange rate at the time of review (the “determination rate”) is unchanged, or if the yen is weaker relative to the Australian dollar compared with the exchange rate at the time the deposit was made (the “contract rate”), the maturity date will be brought forward. A bonus interest rate of 4.0% p.a. (3.2% p.a. after tax)^{*1} will also be applied to the deposited principal and paid for the deposited period. In this case, the basic interest, bonus interest, and the maturing principal will all be paid in yen^{*3}.
- If the maturity date has not been brought forward by the final review date at the end of five years, and the determination rate is unchanged or if the yen has weakened relative to the contract rate, bonus interest will be paid and the basic interest, bonus interest, and the maturing principal will be paid in yen.
- However, if the determination rate at the final review date reflects a stronger yen relative to the contract rate, bonus interest will not be paid. In this case, the basic interest will be paid in yen, and the maturing principal will be paid in Australian dollars converted at the contract rate.

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

*1. Applicable interest rate as of Oct.3, 2008, prior to 20% separate withholding tax. The applicable interest rate will be reviewed for each subscription period.

*2. Review made by Shinsei Bank, by comparing the “contract rate” set based on the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the next business day following the close of the subscription period, with the “determination rate” based on the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the fourth business day prior to each interest payment date (the review date).

*3. On each review date except for the final review date, if the “determination rate” reflects a stronger yen compared with the “contract rate,” the maturity date will not be brought forward and no bonus interest payment will be made. The basic interest portion only will be paid, in yen, and the investment will continue.

* 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 individual customers. The Bank has total assets of 12.5 trillion yen (US\$118 billion) on a consolidated basis (as of June 2008) and a network of 36 outlets that includes 34 Shinsei Financial Centers and 2 Platinum Centers 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】

Currency received under Powered Teiki NEO (structured deposit consisting of a dual-currency time deposit with special provisions for early maturity and bonus interest payment)

Review	Scenario	Maturity Date	Currency Received		
			Basic Interest Portion ^{*1}	Bonus Interest Portion ^{*2}	Principal at Maturity ^{*3}
Each review date except for the final review date	If the determination rate is the same as the contract rate ^{*4} , or if the yen has weakened	Brought forward	JPY	JPY	JPY
	If the determination rate reflects a stronger yen relative to the contract rate ^{*4}	Maintained	JPY	Investment continues at basic interest rate with no bonus interest payment	
Final review date	If the determination rate is the same as the contract rate ^{*5} , or if the yen has weakened	---	JPY	JPY	JPY
	If the determination rate reflects a stronger yen relative to the contract rate ^{*5}	---	JPY	--- (No bonus interest payment)	AUD ^{*6}

*1. The basic interest portion is paid semiannually from the time of deposit.

*2. The bonus interest portion is paid upon maturity if the determination rate is the same as the contract rate (rate for determining bonus interest award) or if the yen has weakened as of each review date.

*3. The principal at maturity is paid upon maturity (early maturity date or final maturity date).

*4. Specifically, this indicates the “rate for determining early maturity” and the “rate for determining bonus interest award.”

*5. Specifically, this indicates the “rate for determining bonus interest award” and the “rate for determining currency of recipient.”

The rate for determining early maturity, the rate for determining bonus interest award and the rate for determining currency of recipient are each set individually, but they all constitute “benchmark rates” determined by Shinsei Bank based on the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the next business day following the close of the subscription period, and in principle, these benchmark rates are all the same.

*6. The conversion to Australian dollars will be made at the “rate for determining currency of recipient.”

Powered Teiki NEO

(structured deposit consisting of a dual-currency time deposit with special provisions for early maturity and bonus interest payment)

(As of October 3, 2008)

Deposit term	Five (5) years, with the possibility of early maturity
Deposit currency	Japanese yen (JPY)
Linked currency	Australian dollars (AUD)
Rate for determining early maturity/ Rate for determining bonus interest award/ Rate for determining currency of recipient	The “benchmark rate” determined by Shinsei Bank based on the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the next business day following the close of the subscription period.
Determination rate	In principle, the rate determined by Shinsei Bank based on the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the fourth business day prior to each interest payment date.
Determination of special provisions for early maturity and bonus interest payment	The special provisions will be applied if Shinsei Bank judges that the respective determination rate is the same as the contract rate, or if the yen has weakened. The special provisions will not be applied if Shinsei Bank judges that the respective determination rate reflects a stronger yen relative to the contract rate.
Special provisions for early maturity	In principle, Shinsei Bank will determine whether or not to bring the maturity date forward to the next payment date (early maturity date) based on the determination rate as of each review date except for the final review date, as explained above in the criteria for determination of special provisions.
Special provisions for bonus interest payment	In principle, Shinsei Bank will determine whether or not to pay bonus interest based on the determination rate as of each review date, as explained above in the criteria for determination of special provisions.
Currency of recipient at final maturity	In principle, Shinsei Bank will determine whether to pay the principal at final maturity in yen or Australian dollars based on the determination rate as of the final review date. If Shinsei Bank judges that the determination rate reflects a stronger yen than the “rate for determining currency of recipient,” the principal at final maturity will be paid in Australian dollars. If, however, Shinsei Bank determines that the determination rate is the same as the “rate for determining currency of recipient” or that the yen has weakened, the principal at final maturity will be paid in yen.
Applicable interest rates	Basic interest rate: 1.0% p.a. (0.8% p.a. after tax) Bonus interest rate: 4.0% p.a. (3.2% p.a. after tax) Applicable interest rate as of Oct.3, 2008, prior to 20% separate withholding tax. The applicable interest rate will be reviewed for each subscription period.
Sales channels / Minimum deposit	At branches: ¥5 million Shinsei <i>PowerCall</i> call center: ¥5 million Shinsei <i>PowerDirect</i> Internet banking: ¥3 million

About Powered Teiki NEO

- Powered Teiki NEO contains a currency option. If the actual JPY/AUD market rate as of 3:00 p.m., Tokyo time, on the fourth business days prior to the final maturity date is lower (i.e. the yen has strengthened) relative to the “rate for determining currency of recipient,” the principal will be converted to AUD at the “rate for determining currency of recipient” 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.
- The “rate for determining early maturity,” “rate for determining bonus interest award,” and “rate for determining currency of recipient” are set at 3:00 p.m., Tokyo time, on the next business day following the close of the subscription period. Please check them in the “Confirmation” document that will be mailed at a later 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 Australian dollars received upon maturity are 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 Australian dollar payment, 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 Oct. 3, 2008. After Oct. 3, the applicable interest rate will be adjusted based on market rates for each subscription period.
- Interest rates for this product may change, or Shinsei Bank may cease to offer this product, depending on market developments.

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