

For Immediate Release

Company Name: Shinsei Bank, Limited
Name of Representative: Masamoto Yashiro
President and CEO
(Code: 8303, TSE First Section)

Shinsei Bank Announces Measures To Strengthen Tier I Capital

Tokyo (Friday, March 6, 2009) --- Shinsei Bank, Limited, announced that its Board of Directors, at a meeting held on Friday, March 6, 2009, approved the following measures to strengthen Shinsei Bank's Tier I Capital as outlined below:

1. Overview

In order to strengthen its Tier I Capital, Shinsei Bank has decided to implement two measures. First, Shinsei Bank will issue Tier I preferred securities to institutional investors in Japan that will invest a portion of the proceeds they receive from APLUS Co. Ltd. ("APLUS"), after it acquires and cancels a portion of its Class-D preferred shares from these investors. This transaction will allow Shinsei Bank to transfer a portion of its Tier II capital to Tier I capital as Class-D preferred shares of APLUS are presently included in Shinsei Bank's Tier II capital. Second, Shinsei Bank will also issue Tier I preferred securities to a select group of institutional and corporate investors in Japan. Both measures are expected to be implemented in March 2009.

2. Details of Individual Measures

a) Establishment of overseas special purpose subsidiary for private placements of preferred securities to qualified institutional investors in Japan

Shinsei Bank will establish Shinsei Finance III (Cayman) Limited for private placements of preferred securities to qualified institutional investors in Japan that are presently holders of APLUS Class-D preferred shares. The preferred securities to be issued are step-up and non-step up non-cumulative perpetual preferred securities that qualify for the inclusion in Tier I capital as outlined under the Basel Capital Accord. Specific terms and conditions will be determined at a later date. Please refer to "3. Description of Preferred Securities to be Issued" for an overview of terms and conditions.

b) Acquisition and cancellation of a portion of Class-D preferred shares issued by APLUS, as well as the issuance of Class-H preferred shares by APLUS

APLUS has decided to acquire and cancel, from a portion of its holders excluding Shinsei, its cumulative Class-D preferred shares. APLUS will issue the same amount in non-cumulative Class-H preferred shares as the Class-D preferred shares to be acquired and cancelled, and Shinsei Bank will subscribe to all of these Class-H preferred shares.

A portion of the capital returned to investors of Class-D preferred shares that will be acquired by APLUS is scheduled to be reinvested in the preferred securities to be issued by Shinsei Finance III (Cayman) Limited, as listed in a) above. The measures as discussed in a) and b) above will result in a partial reclassification from Tier II to Tier I capital as outlined under the Basel Capital Accord, and is therefore expected to contribute to enhance the Tier I capital base of Shinsei Bank.

c) Establishment of overseas special purpose subsidiary for private placements of preferred securities to a limited number of select institutional and corporate investors in Japan

Shinsei Bank will establish Shinsei Finance IV (Cayman) Limited for private placements of preferred securities to a limited number of select institutional and corporate investors in Japan. The preferred securities to be issued are step-up and non-step up non-cumulative perpetual preferred securities that qualify for the inclusion in Tier I capital as outlined under the Basel Capital Accord. Specific terms and conditions will be determined at a later date. Please refer to "3. Description of Preferred Securities to be Issued" for an overview of terms and conditions.

3. Description of Preferred Securities to be Issued

Issuer	Shinsei Finance III (Cayman) Limited An overseas special purpose subsidiary to be newly established in the Cayman Islands under the laws of the Cayman Islands, and in which the voting rights will be wholly owned by Shinsei Bank
Type of Security	Japanese Yen-denominated step-up and non-step up non-cumulative perpetual preferred securities
Aggregate Issue Amount	To be determined
Dividend Rate	To be determined
Use of Proceeds	To strengthen the capital base of Shinsei Bank
Liquidation Preference	The preferred securities are intended to rank, as to rights related to the liquidation preferences, effectively <i>pari passu</i> with preferred shares issued by Shinsei Bank
Method of Offering	Private placements to qualified institutional investors in Japan
Listing	None

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Type of Security	Japanese Yen-denominated step-up and non-step up non-cumulative perpetual preferred securities
Aggregate Issue Amount	To be determined
Dividend Rate	To be determined
Use of Proceeds	To enhance the capital base of Shinsei Bank
Liquidation Preference	The preferred securities are intended to rank, as to rights related to the liquidation preferences, effectively <i>pari passu</i> with preferred shares issued by Shinsei Bank
Method of Offering	Private placements to a limited number of select institutional and corporate investors in Japan
Listing	None

This document is prepared for the purpose of public disclosure of establishment of overseas special purpose subsidiaries and the issuance of preferred securities and does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities in or outside of the United States or Japan. The preferred securities mentioned above have not been and will not be registered in Japan, the United States or elsewhere under such law and may not be offered or sold absent registration or an applicable exemption from registration requirements.

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 12.2 trillion yen (US\$135 billion) on a consolidated basis (as of December 2008) and a network of 35 outlets that includes 33 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>