

SHINSEI BANK, LIMITED

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For Immediate Release

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(Code: 8303, TSE First Section)

## Shinsei Bank Announces Results of Tender Offers for Certain Preferred Securities in Overseas Markets

*- Strengthening Shinsei's common equity Tier I<sup>1</sup> capital with a view to future implementation of Basel III -*

Tokyo (Wednesday, December 15, 2010) Shinsei Bank, Limited ("Shinsei") hereby announces the final results of its overseas cash tender offers (the "Offers"), which were announced on November 10, 2010<sup>2</sup>, for any and all of the U.S. dollar-denominated, non-cumulative, perpetual preferred securities of the series specified in the table below issued by certain of its Cayman finance subsidiaries listed below (collectively, the "Securities").

Shinsei expects to record a gain of approximately JPY 25 billion in connection with the Offers. Through the Offers, Shinsei aims to enhance its common equity Tier I<sup>1</sup> capital while maintaining an adequate level of regulatory capital with a view to future implementation of Basel III. The Offers will also result in a reduction of Shinsei's dividend obligations on these Securities going forward.

Shinsei is calculating the impact of the results of these Offers together with other factors on its earnings forecast for the full fiscal year ending March 31, 2011. Should a revision be required, Shinsei will make an announcement as soon as such necessity becomes clear. Furthermore, Shinsei estimates that its consolidated capital ratios continue to remain adequately above regulatory requirements.

<sup>1</sup> Common equity Tier I, which is one of the frameworks under the new capital regulations (Basel III) to be introduced in January 2013, will be comprised of common equity, retained earnings and other items.

<sup>2</sup> "Shinsei Bank Announces Tender Offers for Certain Preferred Securities in Overseas Markets"

Details are as follows:

Results of the Offers

Issuer	Shinsei Finance (Cayman) Limited	Shinsei Finance II (Cayman) Limited
Securities Purchased	6.418% U.S. Dollar Step-up Non-cumulative Perpetual Preferred Securities	7.160% U.S. Dollar Non-cumulative Perpetual Preferred Securities
Outstanding Amount Prior to the Offers	US\$ 653,185,000 (in the amount of liquidation preference)	US\$ 481,734,000 (in the amount of liquidation preference)
Amount Purchased	US\$ 615,185,000 (in the amount of liquidation preference)	US\$ 457,547,000 (in the amount of liquidation preference)
Total Percentage of Securities Purchased to Outstanding Aggregate Liquidation Preference	94%	95%
Aggregate Amount of Consideration <sup>3</sup>	US\$ 516,155,400	US\$ 382,622,480
Scheduled Payment Date	December 20, 2010 (EST)	
Scheduled Cancellation Date	December 22, 2010 (EST)	
Outstanding Amount After the Cancellation	US\$ 38,000,000 (in the amount of liquidation preference)	US\$ 24,187,000 (in the amount of liquidation preference)

<sup>3</sup> Not including payment of accrued and unpaid dividends.

<Reference> Summary of the Securities

Issuer	Shinsei Finance (Cayman) Limited	Shinsei Finance II (Cayman) Limited
Type of Securities	6.418% U.S. Dollar Step-up Non-cumulative Perpetual Preferred Securities	7.160% U.S. Dollar Non-cumulative Perpetual Preferred Securities
Original Issue Amount	US\$775,000,000 (in the amount of liquidation preference)	US\$700,000,000 (in the amount of liquidation preference)
Redemption Date	Perpetual (Redeemable on any dividend payment day falling in July 2016 and thereafter at the Issuer's sole discretion, with approval of Financial Services Agency of Japan)	Same as the left column
Dividend Rate	6.418% per annum until July 2016; Floating rate per annum after July 2016 (step-up)	7.160% per annum until July 2016; Floating rate per annum after July 2016 (non-step-up)
Issue Date	February 23, 2006	March 23, 2006

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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 individual customers. The Bank has total assets of JPY 10.4 trillion (US\$ 125.4 billion) on a consolidated basis (as of September 30, 2010) and a network of 42 outlets that includes 30 branches and 12 annexes 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>