

For Immediate Release

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

Shinsei Bank Announces Terms and Conditions of Preferred Securities
Further measures to strengthen Shinsei Bank's Tier I capital

Tokyo (Monday, September 28, 2009) --- Shinsei Bank, Limited ("Shinsei Bank") today announced that it has decided the terms and conditions for private placements of preferred securities to a limited number of select institutional and corporate investors in Japan, as previously announced on September 9, 2009, in order to strengthen Shinsei Bank's Tier I capital. Details of the placements are outlined below.

The 9 billion yen of capital scheduled to be raised on October 2, 2009 through these transactions qualifies for inclusion in Tier I capital as outlined under the Basel Capital Accord. The preferred securities below are not convertible into common stock of Shinsei Bank.

Issuer	Shinsei Finance V (Cayman) Limited An overseas special purpose subsidiary 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 non-cumulative perpetual preferred securities (Series A)	Japanese Yen-denominated non-cumulative perpetual preferred securities (Series B)
	(not convertible into common stock of Shinsei Bank)	
Aggregate Issue Amount	JPY 4 billion	JPY 5 billion
Dividend Rate	5.5% per annum until July 2015 12M Yen LIBOR + 4.55% floating rate per annum after July 2015 (Non-step up)	12M Yen LIBOR + 4.55% floating rate per annum (Non-step up)
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	
Closing Date	October 2, 2009 (scheduled)	

This document is prepared for the purpose of public disclosure of the establishment of an overseas special purpose subsidiary 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\$127 billion) on a consolidated basis (as of June 2009) and a network of 39 outlets that includes 32 Shinsei Financial Centers, 2 Platinum Centers and 5 Consulting Spots 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>

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