

For Immediate Release

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Limited Impact on Shinsei Bank's First Half Fiscal Year 2006 Financial Forecast on Account of Shinki's Revised Financial Forecast

Tokyo (November 1, 2006) --- Shinsei Bank, Limited ("Shinsei Bank") today confirmed that the revised first half fiscal year 2006 result forecast announced today by its 36.4% owned affiliate Shinki Co. Ltd ("Shinki"), will only have a limited impact on Shinsei Bank's financial forecast for the first half of fiscal year 2006.

Despite Shinki lowering its consolidated net income forecast from 2.3 billion yen to negative 15.1 billion yen, Shinsei Bank still expects its own first half fiscal year 2006 consolidated reported net income to exceed 95% of the 40 billion yen forecast.

The reason for the revision of Shinki's financial forecast arises from the release by The Japanese Institute of Certified Public Accountants on October 13, 2006, of the public statement "Audit Guidelines on Consumer Finance Companies' Provisions for Possible Losses on Reimbursements of Excess Interest Payments". In accordance with this auditing standard, Shinki has taken additional reserves of 17.0 billion yen for future possible losses on reimbursements of excess interest payments and loan losses.

Despite the current challenging market environment in the consumer finance industry, Shinsei Bank will continue to focus on efficiency and long-term profitability through rationalization, application of more effective operational systems, the enforcement of increasingly rigorous risk management parameters and the development of new and effective business models.

The growing diversification of Shinsei Bank's business and revenue base is also a key contributor to achieving long-term profitable growth which is the basis of the Bank's three pillar strategic business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking.

Shinsei Bank is a Japanese financial institution providing a full range of financial products and services to both institutional and retail customers based on a three pillar business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 84 billion on a consolidated basis and a network of 29 Shinsei Bank branches in Japan (as of June 2006). 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>.