

For Immediate Release

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

Registration Error in Customer Information for the Federation of Credit Bureaus of Japan

Tokyo (Friday, August 3, 2007) --- Shinsei Bank, Limited ("Shinsei Bank") today announced that based on investigations of customer information under the order of the Japanese Bankers Association and the Federation of Credit Bureaus of Japan, it was found that a section of customer information was registered incorrectly to the disadvantage of customers, and had for a certain period of time, been made available for other banks to view.

We would like to sincerely apologize for the problems caused and assure that maximum efforts to prevent the recurrence of such errors will be taken. Moreover, we will provide detailed explanations and express our apologies to the customers affected.

1. Customers whose data had been incorrectly registered

Data of a portion of Shinsei Bank housing loan borrowers (315 customers) has been incorrectly registered, and may have been used as reference by other banks for screening purposes. These customers might have been handled in a disadvantageous way in the process of credit inquiries by other banks.

2. Period and details of the incorrect registration

(1) Incorrect registrations involving Completion Category (*kanryou-kubun*) (Note 1)

- Incorrectly registered as "Outstanding" while in fact the loans had been "Fully Repaid":

47 customers (47 cases)

Incorrect registrations involving Completion Category which are disadvantageous to customers had been made available for inquiries by other banks during the period next month after the loans were fully repaid to July 19, 2007. All errors involving Completion Category have been rectified.

(2) Incorrect registrations involving Payment Category (*nykin-kubun*) (Note 2)

- Incorrectly registered as "No Payment" while in fact "Not Claimed": 166 customers (168 cases)
- Incorrectly registered as "No Payment" while in fact "Duly Paid": 91 customers (91 cases)
- Incorrectly registered as "Partially Paid" while in fact "Duly Paid": 11 customers (11 cases)

Incorrect registrations involving Payment Category which are disadvantageous to customers had been made available for inquiries by other banks during the period from November 9, 2006 to January 26, 2007. After January 27, 2007, registered information regarding Payment Category has not been disclosed to other banks.

(Note 1) Completion Category: Data showing whether the loan has been fully repaid or is still outstanding.

(Note 2) Payment Category: Data related to monthly repayment status.

3. Causes and measures taken

These incorrect registrations were caused by errors in a part of the program in the Bank's system used to finalize reporting information defined by the Federation of Credit Bureaus of Japan. A schedule to rectify the incorrect information and program errors relating to Payment Category has been reported to the Federation of Credit Bureaus of Japan. We are now working on the rectification and plan to complete this process by October 8, 2007. After January 27, 2007, registered information regarding Payment Category has not been disclosed to other banks.

Inquiries from customers shall be handled at Shinsei *PowerCall* 0120-456-366 (9:00-17:00, Monday to Friday)

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 strategic business model comprising Institutional Banking, Consumer and Commercial Finance and Retail Banking. The Bank has total assets of US\$ 92 billion on a consolidated basis (as of March 2007) and a network of 30 Shinsei Bank branches 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 are available at <http://www.shinseibank.com/english/index.html>.