

For Immediate Release

SHINSEI BANK, LIMITED

1-8, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8501 Japan
TEL: 03-5511-5111

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

Shinsei Bank Revises Forecasts for FY 2007 Interim, Full-Year Earnings and Interim Dividend

Tokyo (Thursday, October 25, 2007) --- Shinsei Bank, Limited ("Shinsei Bank") today announced it has revised its forecasts for both consolidated and non-consolidated earnings for the interim period ended September 30, 2007; the fiscal year ending March 31, 2008, and its dividend for the interim period ended September 30, 2007.

The revision of Shinsei Bank's forecast on a consolidated basis is due mainly to the revision of the forecast for the interim period ended September 30, 2007, and fiscal year ending March 31, 2008, by Shinki Co., Ltd. ("Shinki"), a 36.4% owned equity-method affiliate, as previously announced on September 13, 2007, and the mark-down and prudent provisioning related to our exposure in the U.S. residential mortgage market. Shinsei Bank expects the impact from the recognition of its portion of net losses related to its investment in Shinki to be about 7 billion yen in the interim period (Shinki faces credit-related losses and grey zone claim payments). As a result, Shinsei Bank has revised its consolidated forecast for the interim period ended September 30, 2007, and fiscal year ending March 31, 2008, to 31.0 billion yen and 62.0 billion yen, respectively.

The revision of Shinsei Bank's forecast on a non-consolidated basis is due mainly to the impairment of investments in APLUS Co., Ltd. ("APLUS"), Shinki (as previously announced on October 1, 2007) and the mark-down and prudent provisioning related to our exposure in the U.S. residential mortgage market. Shinsei Bank will record an impairment charge of about 27 billion yen in the interim period on investments in APLUS, Shinki and other investments in subsidiaries/affiliates. As a result, Shinsei Bank has revised its non-consolidated forecast for the interim period ended September 30, 2007, and fiscal year ending March 31, 2008, to 6.0 billion yen and 43.0 billion yen, respectively.

Furthermore, taking the above forecast into consideration, Shinsei Bank has decided to propose to the Board of Directors at the meeting scheduled for November 14, 2007, that the bank not pay a dividend on common shares for the interim period ended September 30, 2007, but that it continue to pay a dividend in full for preferred shares.

"We believe that some of the challenges that we have faced will turn into opportunities as uncertainties surrounding the consumer finance industry become clearer," said Mr. Thierry Porté, president and chief executive officer of Shinsei Bank. "We are continuing to work to strengthen our business for growth in the future with the backing of a firm balance sheet and solid capital ratios."

1. Revision of forecast for the FY 2007 interim period ended September 30, 2007

(Consolidated)	Net income (Billions of yen)
Previous forecast as of May 9, 2007 (A)	38.0
Revised forecast (B)	31.0
Difference (B-A)	-7.0
Difference	-18.4%
(Reference) Results for the fiscal year 2006 interim period ended September 30, 2006	38.8

(Non-Consolidated)	OBP(*)	Net income (Billions of yen)
Previous forecast as of May 9, 2007 (A)	32.0	34.0
Revised forecast (B)	34.0	6.0
Difference (B-A)	2.0	-28.0
Difference	6.3%	-82.4%
(Reference) Results for the fiscal year 2006 interim period ended September 30, 2006	27.6	41.5

(*) Ordinary business profit on a revitalization plan basis

2. Revision of forecast for FY 2007 ending March 31, 2008

(Consolidated)	Net income (Billions of yen)
Previous forecast as of May 9, 2007 (A)	72.0
Revised forecast (B)	62.0
Difference (B-A)	-10.0
Difference	-13.9%
(Reference) Results for the fiscal year 2006 period ended March 31, 2007	-60.9

(Non-Consolidated)	OBP(*)	Net income (Billions of yen)
Previous forecast as of May 9, 2007 (A)	66.0	70.0
Revised forecast (B)	70.0	43.0
Difference (B-A)	4.0	-27.0
Difference	6.1%	-38.6%
(Reference) Results for the fiscal year 2006 period ended March 31, 2007	54.9	-41.9

(*) Ordinary business profit on a revitalization plan basis

3. Revision of interim dividend forecast for the FY 2007 interim period ended September 30, 2007

	Dividend Per Common Share (Yen)
Previous forecast as of August 8, 2007 (A)	1.66
Revised forecast (B)	0.00
Difference (B-A)	-1.66
(Reference) Dividend paid for the interim period ended September 30, 2006	1.66

Shinsei Bank is a leading diversified 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 42 outlets that includes 36 Shinsei Financial Centers, 2 Platinum Centers and 4 BankSpots 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/>