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For Immediate Release

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

Update on Shinsei Bank's Exposure to the U.S. Residential Mortgage Market

Tokyo (Monday, October 29, 2007) --- Shinsei Bank's exposure to the U.S. residential mortgage market remains largely unchanged since our August 8, 2007 press release on this issue and aggregates to less than US\$500 million as of September 30, 2007. In addition, we have no U.S. Commercial Mortgage-Backed Securities (CMBS).

"Shinsei Bank's exposure to the U.S. residential mortgage market remains limited relative to the size of our balance sheet and strong capital levels," said Thierry Porté, president and CEO of Shinsei Bank. *"Our total exposure to this market is 0.5% of the Bank's total assets of US\$92 billion as of March 31, 2007. We have continued to closely monitor this exposure and have taken prudent actions in response to market volatility and liquidity."*

On Thursday, October 25, 2007, Shinsei Bank announced that it had revised its forecasts for consolidated earnings for the interim period ended September 30, 2007 and fiscal year ending March 31, 2008. On Wednesday, October 17, 2007, S&P announced that it had made over 1,700 downgrades (including multi-notch downgrades) which immediately changed the status of a portion of our exposure to U.S. residential mortgages from investment grade to non-investment grade.

The S&P downgrades necessitated a mark-down of US\$34 million in the interim period ended September 30, 2007. Including the impact of the downgrades, total mark-downs were US\$65 million and total provisions were US\$38 million for a combined amount of US\$103 million in the interim period ended September 30, 2007. Details of the mark-downs and provisions are shown in the table below.

Total Mark-Downs and Provisions Related to U.S. Residential Mortgages			US\$ Million
	2006 Fiscal Year	2007 Fiscal Year	
	4Q (Jan 1-Mar 31, 2007)	1Q (Apr 1-June 30, 2007)	2Q (July 1-Sept 30, 2007)
Mark-Downs	12	17	48
Provisions	5	0	38
Total	17	17	86

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/index.html>.