

For Immediate Release

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

Shinsei Bank Makes Shinki a Subsidiary

Tokyo (Thursday, December 6, 2007) --- Shinsei Bank, Limited, today announced that SHINKI Co., Ltd., presently an equity-method affiliate, will become a subsidiary, subsequent to Shinsei Bank's full subscription to the rights offering of new shares proposed by Shinki (76,822,572 shares with a subscription amount of JPY 7,682,257,200) on November 27, 2007, and the final subscription results.

After the completion of the rights offering, Shinsei Bank will hold 102,430,096 common shares or 67.7%¹ of Shinki's outstanding shares. Shinki will officially become a subsidiary on December 13, 2007, and will be accounted for as a consolidated subsidiary of Shinsei Bank from the second half of fiscal year 2007.

"We believe that by deploying our financial and risk management expertise, our advanced information technology know-how and our access to capital, we can further improve operational efficiency in our consumer finance business, including Shinki," said Thierry Porté, President and CEO of Shinsei Bank. "While the business environment for the consumer finance industry continues to be challenging, these challenges can be turned into opportunities going forward."

Since legislative and market changes, including restrictions on lending rates, have significantly impacted the consumer finance sector, Shinki has made significant provisions during the first half of fiscal year 2007 and worked to accelerate the transformation of its business model. Shinki will enhance its coordination with the Shinsei Bank Group by becoming a subsidiary and is expected to be a significant factor in our consumer finance operations, by complementing the services offered by our existing subsidiary APLUS, as we work to meet the ever-diversifying needs of customers.

This event will have no material impact on our earnings forecast for the fiscal year 2007.

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¹ Percentage has been truncated.

(Reference)

Profile of Shinki Co., Ltd (as of March 31, 2007)

1. Company Name: SHINKI Co., Ltd.
2. Representative: Hitoshi Tsunemine, CEO and President
3. Address: Shinjuku-ku, Nishi-Shinjuku, 1-6-1, (Shinjuku EI Tower 28F), Tokyo
4. Establishment: December 1, 1954
5. Major Business: Consumer and business finance
6. Fiscal Period End: March
7. Number of Employees: 403 (as of March 31, 2007, excluding temporary employees)
8. Main Offices: Tokyo, Osaka, Nagoya
9. Paid in Capital: JPY 12,665 million
10. Number of Shares Outstanding: 70,277,524
11. Major Shareholders (as of March 31, 2007)
 - Shinsei Bank, Limited 25,607 thousand (36.4%)
 - Nomura Trust & Banking Co (Trustee 3071006) 11,080 thousand (15.7%)
 - Nomura Trust & Banking Co (Trustee 3051003) 5,702 thousand (8.1%)
12. Financial Performance

(Millions of Yen)

	Fiscal Year Ended March 2007	Fiscal Year Ended March 2006
Operating Income	47,102	57,805
Operating Profit	(21,061)	7,783
Ordinary Profit	(21,333)	7,264
Net Income	(39,364)	4,427
Total Assets	152,194	189,591
Nest Assets	26,909	67,879
Dividend Per Share (JPY)	-	12.50

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\$107 billion on a consolidated basis (as of September 2007) and a network of 43 outlets that includes 36 Shinsei Financial Centers, 2 Platinum Centers and 5 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>