

For Immediate Release

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

Shinsei Bank Reports Consolidated Financial Results for Nine Months Ended December 31, 2007

Tokyo (January 30, 2008) --- Shinsei Bank, Limited, a leading diversified financial group, today announced net income of 33.5 billion yen on a consolidated basis for the first nine months of the fiscal year 2007, ended December 31, 2007, compared to net income of 47.1 billion yen reported in the first nine months of the fiscal year ended December 31, 2006. Consolidated cash basis* net income for the first nine months of the fiscal year 2007 was 42.0 billion yen, compared to 60.1 billion yen in the first nine months of the previous fiscal year.

“While Shinsei Bank’s core business remained steady in the first nine months of fiscal year 2007, revenues were down slightly due mainly to mark-downs of our U.S. residential mortgages and an increase in net credit costs related to the same portfolio,” said Thierry Porté, President and CEO of Shinsei Bank. “While the market outlook remains uncertain, we view these events as largely non-recurring and believe we have made the right choices to leverage opportunities going forward.”

Highlights of Consolidated Financial Results

(Billions of U.S. dollars**/JPY Billions except per share amounts)

	2007.4-12 \$US	2007.4-12	2006.4-12	Change %
Revenue	1.84	208.9	215.7	-3.2%
General and Administrative Expenses	1.04	117.6	112.5	+4.5%
Expense-to-Revenue Ratio	56.3%	56.3%	52.1%	-
Ordinary Business Profit	0.80	91.3	103.2	-11.6%
Net Income	0.29	33.5	47.1	-28.9%
Cash Basis* Net Income	0.37	42.0	60.1	-30.1%
Diluted Net Income Per Share (\$US/JPY)	0.16	18.33	24.29	-24.5%
Cash Basis* Diluted Net Income Per Share (\$US/JPY)	0.20	22.97	30.98	-25.9%
ROE (Fully Diluted and Annualized)	6.9%	6.9%	7.8%	-
ROA (Annualized)	0.4%	0.4%	0.6%	-
	2007.12 \$US	2007.12	2007.3	Change %
Total Assets	104.80	11,848.1	10,837.6	+9.3%
Diluted Equity Per Share (\$US/JPY)	3.14	355.25	355.09	0.0%
Total Capital Adequacy Ratio	12.10%	12.10%	13.13%	-
Tier I Capital Ratio	7.45%	7.45%	8.11%	-
Non-Performing Loan Ratio***	0.71%	0.71%	0.53%	-

* Cash basis figures are calculated by excluding amortization (and impairment) of goodwill and intangible assets, net of tax benefit

** U.S. dollar amounts have been calculated at JPY 113.05 to \$1.00, which was the approximate exchange rate at December 31, 2007.

*** Non-performing loan ratio under the Financial Revitalization Law on a non-consolidated basis.

Balance Sheet: Continued growth while maintaining capital strength

Shinsei Bank's **total assets** increased from 10,837.6 billion yen at March 31, 2007, to 11,848.1 billion yen at December 31, 2007. The higher balance was due to an increase in call loans, loans and bills discounted and securities. Call loans increased from 43.1 billion yen at March 31, 2007, to 544.7 billion yen at December 31, 2007. Loans and bills discounted increased from 5,146.3 billion yen on March 31, 2007, to 5,503.6 billion yen as of December 31, 2007, due in part to growth in housing loans. The balance of securities as of December 31, 2007 amounted to 2,047.8 billion yen as compared to 1,854.6 billion yen as of March 31, 2007. The increase, in part, relates to investment in foreign bonds to diversify the portfolio.

Total deposits and negotiable certificates of deposit increased 777.4 billion yen or 14.3% to 6,198.3 billion yen, compared to March 31, 2007. Shinsei Bank has been diversifying its funding sources through deposits from retail and institutional customers. The retail and institutional deposit balances stood at 3,826.6 billion yen and 2,371.7 billion yen, respectively, at December 31, 2007.

Shinsei Bank's **capital ratios** remained strong with a **Tier I ratio** of 7.45% and a **total capital adequacy ratio** of 12.10% at December 31, 2007, on a Basel II basis.

Income Statement: Steady revenues and controlled expenses

Total revenue for the first nine months of fiscal year 2007 was 208.9 billion yen or down 3.2% compared to the same period of the previous fiscal year due mainly to the mark-downs related to the U.S. residential mortgage portfolio.

General and administrative expenses for the first nine months of fiscal 2007 increased 4.5% year on year to 117.6 billion yen as expenses required in the institutional business to support business growth and inclusion of Shinki's expenses from the third quarter were partly offset by continued expense rationalization and restructuring activities at APLUS. The expense-to-revenue ratio in the first nine months of this fiscal year was 56.3%, compared to a ratio of 52.1% in the first nine months of the previous fiscal year.

The 21.1 billion yen increase in **net credit costs** to 40.7 billion yen for the first nine months of fiscal year 2007 was due in part to additional reserves relating to the U.S. residential mortgage portfolio.

Amortization of goodwill and intangible assets associated with the acquisition of consumer and commercial finance companies was 9.4 billion yen for the nine months ended December 31, 2007, compared with 15.4 billion yen in the same period of the previous fiscal year. The decline largely relates to the significant write-down of goodwill and intangible assets at March 31, 2007.

During the first nine-months of this fiscal year, gains from the sale of Life Housing Loan Co., Ltd. (LHL) of 20.3 billion yen were recorded and impacted **other gains** and **income taxes**, respectively.

Minority interests in net income of subsidiaries for the first nine months of this fiscal year amounted to 15.6 billion yen.

As a result, **consolidated net income** for the first nine months of fiscal year 2007 was 33.5 billion yen, compared to 47.1 billion yen in the same period of the previous fiscal year.

Business Line Results

Institutional Banking: Steady loan demand and deposit growth supporting business

The institutional banking business continued to see steady demand for loans and strong growth in institutional deposits.

Total revenue was 81.2 billion yen for the first nine months of fiscal year 2007, compared to 94.2 billion yen in the same period in fiscal year 2006. The lower revenue was due to the absence of gains from investments that were recorded in the same period of the previous fiscal year and recognition of mark-downs related to our exposure in the U.S. residential mortgage market.

Ordinary business profit for the first nine months of fiscal year 2007 was 42.7 billion yen, compared to 61.1 billion yen in the same period of the previous fiscal year due to the above reasons and higher costs as Shinsei added employees to expand the scale of its operations. Ordinary business profit after net credit costs (recoveries) declined from 75.3 billion yen in the first nine months of the previous fiscal year to 40.0 billion yen in the same period of this fiscal year due mainly to an increase in reserves associated with the U.S. residential mortgages market.

Consumer and Commercial Finance: Focusing on better quality customers

Loans in the Consumer and Commercial Finance business were almost flat, increasing from 424.9 billion yen on March 31, 2007 to 425.6 billion yen at December 31, 2007, despite the sale of LHL in the first quarter of this fiscal year as loans from Shinki were included from the third quarter of this year after it became a subsidiary.

Total revenue increased to 93.4 billion yen in the nine months ended December 31, 2007, compared to 91.6 billion yen in the same period of fiscal year 2006, due mainly to the inclusion of revenues from Shinki in the third quarter of this fiscal year. Ordinary business profit in the first nine months of fiscal year 2007 was 45.0 billion yen, compared to 40.3 billion yen in the same period of the previous fiscal year due mainly to lower expenses at APLUS. Ordinary business profit after net credit costs was unchanged at 8.8 billion yen in the first nine months of this fiscal year, compared to 8.8 billion yen in the same period of the previous fiscal year.

Retail Banking: Continued growth in customer base and diversification of revenue sources

Retail loans outstanding, which mainly include housing loans, in the retail banking business, increased by 28.4% from 639.5 billion yen at March 31, 2007 to 821.2 billion yen at December 31, 2007, mainly as a result of the increase in housing loan customers that now exceeds 33,000. Assets under management increased on March 31, 2007, due to the steady balance of retail deposits and increases in mutual funds and variable annuities. Shinsei Bank now has over 2.1 million account holders.

Total revenue was 25.8 billion yen in the first nine months of this fiscal year compared to 27.3 billion yen in the same period of the previous fiscal year. Net interest income increased year on year, but non-interest income was lower due mainly to a decline in deposit-related option income related to structured deposits. The business recorded an ordinary business loss of 4.4 billion yen in the first nine months of fiscal year 2007, compared to an ordinary business loss of 1.1 billion yen during the same period of the previous fiscal year due to the lower revenues and higher expenses that resulted mainly from the expansion of distribution channels and growth in customer-driven transactions.

Forecast for Fiscal Year 2007

On January 30, 2008, Shinsei Bank revised its forecast on a consolidated basis for net income from 62.0 billion yen to 50.0 billion yen for the fiscal year ending March 31, 2008. We revised the forecast primarily as a result of the material impact on our earnings of mark-downs related to our exposure to the U.S. residential mortgage market recorded in the third quarter of the fiscal year ending March 31, 2008. However, the forecast for net income on a non-consolidated basis remains unchanged.

For details on the nine months ended December 31, 2007, please access “FY2007 Third Quarter Results” under the “Presentation” page of Shinsei Bank’s Investor Relations website at:

http://www.shinseibank.com/investors/en/ir/meeting/meeting_2007/presentations_2007.html

Shinsei Bank will also hold a conference call in English on Thursday, January 31, 2008 at 10:00 PM (Tokyo)/8:00 AM (EST)/1:00 PM (London)/2:00 PM (Continent) to discuss the earnings announcement. Please access

<http://www.vcall.com/IC/CEPage.asp?ID=124290> to participate in the live Conference Call with on-screen slides and audio at the time shown above.

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\$104 billion on a consolidated basis (as of December 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>.