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For Immediate Release

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

Shinsei Bank Reports Consolidated Results for the Fiscal Year Ended March 31, 2009

-Substantial progress in positioning our businesses for future growth as we move back to basics-

Tokyo (Wednesday, May 13, 2009) – Shinsei Bank, Limited, today announced a consolidated cash basis* net loss of 97.0 billion yen (consolidated reported basis net loss of 143.0 billion yen) for the fiscal year 2008 ended March 31, 2009, compared to a consolidated cash basis* net income of 71.3 billion yen (consolidated reported basis net income of 60.1 billion yen) in fiscal year 2007.

● Consolidated Results Overview

-Lower revenues, higher net credit costs and recognition of other losses mostly non-recurring resulted in the net loss
-Improved Individual Group and contribution from Corporate/Other through debt buybacks helped buffer losses in the Institutional Group impacted by the market turmoil
-Good progress in restructuring operations that included certain one-time charges and we expect to reap benefits in FY2009

● Strategy/Action Plan

-Comprehensive expense management including reduction of executive compensation, rationalization of personnel and the prioritization of our strategic business areas
-Newly appointed Chief Risk Officer reorganizing risk management leading to de-risking of the balance sheet and proactively dealing with the economic environment
-Working to further improve profitability and customer satisfaction by acquiring quality customers using trustworthy brand while keeping costs flat in core businesses under proven management team in the Individual Group
-Japan focus on medium-risk and medium-return niche finance, client focused and core lending businesses while exiting non-core businesses and improving efficiency and optimizing staffing in the Institutional Group

● Asset Quality, Liquidity and Capital

-Global economic environment impacting asset quality of domestic finance, real estate loans and overseas loans, which resulted in higher non-performing loan (NPL) ratio, but maintaining a conservative provisioning policy
-Strong liquidity position with strategic focus on growing retail deposits and over 1.8 trillion yen of cash, cash equivalents and liquidity reserves as at May 11, 2009
-Strategies implemented to buffer impact of loss on capital ratios with total capital adequacy ratio of 8.35%, Tier I capital ratio of 6.02%, core Tier I capital ratio** of 4.03% and tangible common equity ratio*** of 3.00% at March 31, 2009

● FY2009 Forecast

-Expect to return to profitability in FY2009 with forecast for consolidated cash basis* net income of 28.0 billion yen (consolidated reported basis net income of 10.0 billion yen)

President and CEO Statement

"*After resuming the position of president and CEO in November 2008 I have made it a priority to focus on basics by strengthening our risk management operations by appointing a Chief Risk Officer and a new head for the Individual Group to maximize profits. Furthermore, I have started resetting the direction for our institutional banking operations by de-risking the overseas businesses and refocusing efforts in Japan while prudently managing expenses across businesses. Considering the difficult operating environment, we plan to reduce the executive compensation and have already made efforts to rationalize our personnel through comprehensive measures that included the successful implementation of an early retirement program with the goal to move back staffing to 2005 levels. Efforts will be continued to reinforce our capital and strong liquidity positions. I will continue to implement the necessary changes to set the stage to allow us to deliver stable earnings going forward*," said President and CEO Masamoto Yashiro.

* Cash-basis figures are calculated by excluding amortization and impairment of goodwill and net other intangible assets, net of tax benefit.

** Core Tier I capital ratio = Tier I, excluding preferred securities and preferred stock minus deferred tax assets (net) divided by risk assets.

*** Tangible Common Equity ratio = Net assets minus preferred stock, intangible assets and minority interests divided by total assets, excluding intangible assets.

1. Highlights of Consolidated Financial Results

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

	08.4-09.3 $US	08.4-09.3	07.4-08.3	Change %
Total Revenue	2.62	258.2	262.7	-1.7%
Net Interest Margin	2.41%	2.41%	2.05%	-
General and Administrative Expenses	1.81	178.7	157.8	+13.3%
Expense-to-Revenue Ratio	69.2%	69.2%	60.1%	-
Ordinary Business Profit	0.80	79.4	104.9	-24.3%
Cash Basis Net Income (Loss)**	-0.98	-97.0	71.3	-236.0%
Reported Basis Net Income (Loss)	-1.455	-143.0	60.1	-338.0%
Cash Basis Diluted Net Income (Loss) Per Share ($US/JPY)**	-0.50	-49.39	38.50	-228.3%
Cash Basis ROA**	-0.8%	-0.8%	0.6%	-
Cash Basis ROE (Fully Diluted)**	-15.2%	-15.2%	10.5%	-
	09.3 $US	**09.3**	**08.3**	**Change %**
Total Assets	121.64	11,949.1	11,525.7	+3.7%
Diluted Equity Per Share ($US/JPY)	2.90	284.95	364.35	-21.8%
Total Capital Adequacy Ratio	8.35%	8.35%	11.74%	-
Tier I Capital Ratio	6.02%	6.02%	7.37%	-
Core Tier I Capital Ratio* **	4.03%	4.03%	5.52%	-
Tangible Common Equity Ratio****	3.00%	3.00%	4.28%	-
Non-Performing Loan Ratio*****	2.51%	2.51%	0.95%	-

* U.S. dollar amounts have been calculated at JPY 98.23 to $1.00, which was the approximate exchange rate at March 31, 2009.
** Cash-basis figures are calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit.
*** Core Tier I capital ratio = Tier I, excluding preferred securities and preferred stock minus deferred tax assets (net) divided by risk assets.
**** Tangible Common Equity ratio = Net assets minus preferred stock, intangible assets and minority interests divided by total assets, excluding intangible assets.
***** Non-performing loan ratio under the Financial Revitalization Law on a non-consolidated basis.

2. Balance Sheet: Emphasis on Proactively De-Risking Exposures

Shinsei Bank's **total assets** increased 3.7% from 11,525.7 billion yen at March 31, 2008, to 11,949.1 billion yen at March 31, 2009. The higher balance was due mainly to an increase in loans and bills discounted and securities. The balance of loans and bills discounted increased 4.5% from 5,622.2 billion yen at March 31, 2008, to 5,876.9 billion yen at March 31, 2009 due primarily to an increase in loans in the Individual Group, including loans from the newly acquired Shinsei Financial and a higher balance of housing loans that more than offset the decrease in loans to the real estate and finance sectors. The balance of securities increased 9.8% from 1,980.2 billion yen at March 31, 2008, to 2,174.1 billion yen at March 31, 2009 due mainly to an increase in Japanese National Government bonds, despite the decrease in foreign securities.

Total deposits increased 783.0 billion yen or 15.0% to 6,012.4 billion yen, compared to March 31, 2008. Shinsei Bank is continuing to emphasize its already strong liquidity position through stable and low-cost funding available through retail deposits. The retail deposit balance increased 1,079.2 billion yen, and stood at 5,073.0 billion yen at March 31, 2009 exceeding the 5 trillion yen mark for the first time.

Shinsei Bank recorded a **total capital adequacy ratio** of 8.35% and a **Tier I capital ratio** of 6.02% on a Basel II basis at March 31, 2009. Furthermore, our core Tier I capital ratio of 4.03% and tangible common equity ratio of 3.00% at March 31, 2009 remained relatively strong.

3. Income Statement: Market Turmoil Impacts Revenues, But Net Interest Margin Up Sharply

Total revenue for the fiscal year 2008, was 258.2 billion yen, down 1.7% compared to the previous fiscal year, as the stronger results for the Individual Group and the contribution from Corporate/Other were not able to offset the weaker results of the market turmoil impacted Institutional Group. Overall the net interest margin increased from 2.05% at March 2008 to 2.41% at March 2009 largely as a result of the addition of Shinsei Financial to our operations. The Individual Group achieved strong revenue growth due to the consolidation of Shinsei Financial and Shinki while the Corporate/Other contributed through debt buybacks that added 74.1 billion yen. In the Institutional Group, Shinsei Bank's non-recourse real estate finance business outperformed, while other businesses underperformed largely as a result of impairment of a portion of our collateralized loan obligations (CLO)* portfolio and mark-downs recorded for European and other asset-backed securities, European asset-backed investments and European investments.

*Impairment of CLOs was determined using market prices based on quotes provided by independent brokers rather than fair value derived through our internally developed model.

General and administrative expenses were 178.7 billion yen, up 13.3% compared to the previous fiscal year. This increase occurred mainly as a result of the consolidation of expenses of Shinki from the second half of fiscal year 2007 and the inclusion of Shinsei Financial's expenses from October 1, 2008. Excluding Shinki and Shinsei Financial's expenses, expenses declined to 141.9 billion yen, a decrease of 10.4 billion yen from the prior period due to lower expenses in the Institutional Group and the Individual Group's retail banking operations and at APLUS as a result of efforts to keep costs down due to business rationalization and improved operating efficiency. Cost rationalization will continue to be a key priority for the Shinsei Bank Group going forward.

Net credit costs increased 55.4 billion yen to 129.0 billion yen due mainly to the consolidation of Shinsei Financial in the second half of fiscal year 2008 and an increase in credit costs related to the bankruptcy of a Lehman Brothers subsidiary, reserves for real estate finance and European asset-backed investments despite the marked improvement at our consumer finance subsidiary APLUS.

Amortization of goodwill and other intangible assets associated with the acquisition of consumer and commercial finance companies increased to 17.5 billion yen in the fiscal year ended March 31, 2009, compared with 12.5 billion yen in the previous fiscal year due to the acquisition of Shinsei Financial.

Other losses of 51.8 billion yen recorded in fiscal year 2008 largely included 30.9 billion yen of charges related to the accelerated goodwill amortization in APLUS resulting from the impairment of our preferred shares investment on a non-consolidated basis, restructuring expenses of 20.3 billion yen and grey zone expenses of 15.0 billion yen at APLUS and Shinki, compared to other gains of 73.7 billion yen recorded in the previous fiscal year due mainly to the 61.7 billion yen gain recorded on the sale of our headquarters building and 20.3 billion yen gain from the sale of Life Housing Loan Co., Ltd.

Minority interests in net income of subsidiaries for fiscal year 2008 declined to 13.5 billion yen from 18.0 billion yen in the previous fiscal year due mainly to a decline in net income generated at our subsidiaries.

As a result, Shinsei Bank recorded a **consolidated cash basis* net loss** in the fiscal year 2008 of 97.0 billion yen, compared to a **consolidated cash basis net income** of 71.3 billion yen in the previous fiscal year. The **consolidated reported basis net loss** was 143.0 billion yen in the fiscal year 2008, compared to a **consolidated reported basis net income** of 60.1 billion yen in the previous fiscal year.

In light of the earnings for the fiscal year ended March 31, 2009, Shinsei Bank has decided not to pay a dividend on its common shares for the fiscal year 2008.

4. Business Line Results

Institutional Group: Taking Proactive Actions to Position Business for the Future

The Institutional Group comprises the Institutional Banking business and Showa Leasing.

Corporate loans, other product loans and non-recourse loans in the Institutional Group had a lower balance at March 2009 compared to the end of last fiscal year. In addition, institutional deposits decreased year on year.

The Institutional Group recorded a **total loss** of 29.3 billion yen in fiscal year 2008, compared to a **total revenue** of 117.7 billion yen in fiscal year 2007. While revenues increased for Shinsei Bank's non-recourse real estate finance business and asset liability management (ALM) activities, the turmoil in global markets materially impacted all other businesses. In particular, the impairment of our U.S. and European CLO portfolio as well as mark-downs related to European and other asset-backed securities and asset-backed investments and other investments in Europe largely impacted revenue.

While we were able to reduce expenses by 8.7% due to stricter cost controls and cost reduction measures, an **ordinary business loss** was recorded in the fiscal year 2008 of 87.2 billion yen, compared to an **ordinary business profit** of 54.4

billion yen in the previous fiscal year due to the above reasons. An **ordinary business loss after net credit costs** of 168.0 billion yen was recorded in fiscal year 2008 due to lower revenues and an increase in credit costs mainly related to the failure of a Lehman Brothers subsidiary, reserves for real estate finance and credit costs related to European asset-backed investments, compared to an **ordinary business profit after net credit costs** of 26.1 billion yen in the previous fiscal year.

Individual Group: Return to Profitability Under New Management

The Individual Group consists of the retail banking business as well as the subsidiaries Shinsei Financial, APLUS, Shinki and Shinsei Property Finance. Shinsei Financial was acquired on September 22, 2008 from GE Japan Holdings Corporation and its results have been incorporated in our Results of Operations from October 1, 2008.

Loans, which include retail banking and consumer finance loans, grew strongly in fiscal year 2008 compared to the last fiscal year, due mainly to the acquisition of Shinsei Financial and an increase in housing loans. Shinsei Bank has continued to emphasize its strong liquidity position by growing stable low-cost retail deposits, which now exceed 5.0 trillion yen for the first time. Furthermore, assets under management, which include retail deposits and debentures as well as mutual funds and variable annuities, also rose in fiscal year 2008 and now exceed 6.1 trillion yen. Active customers in the Individual Group now number more than 6 million, including more than 2.4 million retail bank account holders.

Total revenue increased 50.2% to 203.5 billion yen in fiscal year 2008, compared to 135.5 billion yen in the previous fiscal year due mainly to the consolidation of Shinsei Financial and Shinki, which were both largely accretive to earnings, and to the continued improvement in our retail banking operations.

Ordinary business profit in fiscal year 2008 was up 96.8% to 83.3 billion yen, compared to 42.3 billion yen in the previous fiscal year. The increase in **ordinary business profit** was due to higher revenues for the reasons given above and lower expenses achieved in retail banking and APLUS due to efforts to rationalize these businesses.

Ordinary business profit after net credit costs was 33.8 billion yen in fiscal year 2008, compared to an **ordinary business loss after net credit costs** of 1.5 billion yen in the previous fiscal year, due primarily to the incorporation of Shinsei Financial within the Individual Group as well as the progress that was made in retail banking, APLUS and Shinki.

5. FY2009 Forecast

For the fiscal year ending March 31, 2009, Shinsei Bank is forecasting consolidated cash basis* net income of 28.0 billion yen, consolidated reported basis net income of 10.0 billion yen and non-consolidated net income of 10.0 billon yen.

* Cash-basis figures are calculated by excluding amortization and impairment of goodwill and net other intangible assets, net of tax benefit.

6. Conference Call on Earnings for the Fiscal Year Ended March 31, 2009

A conference call will be held in English on Thursday, May 14, 2009, at 9:00 PM (Tokyo time)/8:00 AM (EST)/1:00 PM (London)/2:00 PM (Continent). The presentation to be used for the conference call will be posted on Shinsei Bank's website after 2:00 PM on Thursday, May 14, 2009.

To download the "Fourth Quarter Financial Results 2009/3" please go to
http://www.shinseibank.com/investors/en/ir/financial_info/quarterly_results_2008/quarterly_results_2008.html

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Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 11.9 trillion yen (US$121 billion) on a consolidated basis (as of March 2009) and a network of 34 outlets that includes 32 Shinsei Financial Centers and 2 Platinum Centers 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