INFORMATION

SHINSEI BANK

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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 Nine Months Ended December 31, 2008

Tokyo (Tuesday, February 3, 2009) – Shinsei Bank, Limited, today announced a consolidated cash basis* net loss of 23.3 billion yen (consolidated reported basis net loss of 32.1 billion yen) for the first nine months ended December 31, 2008, of fiscal year 2008, compared to a consolidated cash basis* net income of 42.0 billion yen (consolidated reported basis net income of 33.5 billion yen) reported in the first nine months of fiscal year 2007.

● Consolidated Results Overview

-Lower revenues and higher net credit costs led to net loss
-Improved Individual Group helps buffer Institutional Group impacted by market turmoil
-Corporate/Other contributes to earnings through Shinsei Bank debt buyback

● Strategy/Action Items

-New head of Individual Group appointed to focus business on maximizing revenues and managing expenses
-Reallocation of Institutional Group resources aimed at refocusing direction with emphasis on Japan
-Appointment of new Chief Risk Officer at Senior Managing Executive Officer level to redefine importance of risk management in the Shinsei Bank Group
-Comprehensive expense management including reduction of executive compensation, rationalization of personnel and the prioritization of our strategic business areas
-De-risking of the balance sheet

● Asset Quality, Liquidity and Capital

-Global macroeconomic environment impacting overseas loans and real estate loans, but bank maintaining good asset quality
-Strong liquidity position with strategic focus on growing retail deposits and in excess of 1 trillion yen of cash, cash equivalents and liquidity reserves at the end of January 2009
-Implementing capital strategies while targeting Tier I capital ratio of 7% in FY2008 and a minimum of 8% in FY2009

● FY2008 Forecast and FY2009 Outlook

-Forecast FY2008 consolidated cash basis* net loss of 31.0 billion yen (consolidated reported basis net income of 12.0 billion yen revised to consolidated reported basis net loss of 48.0 billion yen)
-No dividend to be paid on common shares in FY2008
-Expect to break even or better in FY2009 in light of continuing challenging environment

President and CEO Statement

"In my first quarter back at Shinsei Bank as the president and CEO I have made it a priority to focus on fundamentals by strengthening management through the appointment of a new Chief Risk Officer to redefine risk management and a new head for the Individual Group to maximize profits. Furthermore, I am prudently 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 rationalize our personnel through comprehensive measures including an early retirement program. Continued effort will also be placed on reinforcing our capital and strong liquidity positions. I will continue to implement changes that will help us rebuild ourselves as a different kind of Japanese bank that is able to grow value for all stakeholders," 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.

1. Highlights of Consolidated Financial Results

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

	2008.4-12 $US	2008.4-12	2007.4-12	Change %
Total Revenue	2.10	190.3	208.9	-8.9%
General and Administrative Expenses	1.40	127.2	117.6	+8.2%
Expense-to-Revenue Ratio	66.8%	66.8%	56.3%	-
Ordinary Business Profit	0.69	63.1	91.3	
Cash Basis* Net Income (Loss)	-0.25	-23.3	42.0	
Reported Basis Net Income (Loss)	-0.35	-32.1	33.5	
Cash Basis Diluted Net Income (Loss) Per Share ($US/JPY)	-0.13	-11.88	22.97	
Cash Basis ROA (Annualized)	-0.3%	-0.3%	0.5%	-
Cash Basis ROE (Fully Diluted and Annualized)	-4.5%	-4.5%	8.6%	-
	2008.12 $US	**2008.12**	**2008.3**	**Change %**
Total Assets	135.28	12,231.0	11,525.7	+6.1%
Diluted Equity Per Share ($US/JPY)	3.72	337.02	364.35	-7.5%
Tier I Capital Ratio	6.64%	6.64%	7.37%	-
Total Capital Adequacy Ratio	10.01%	10.01%	11.74%	-
Non-Performing Loan Ratio* **	1.79%	1.79%	0.95%	-

* Cash-basis figures are calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit.
** U.S. dollar amounts have been calculated at JPY 90.41 to $1.00, which was the approximate exchange rate at December 31, 2008.
*** Non-performing loan ratio under the Financial Revitalization Law on a non-consolidated basis.

2. Balance Sheet: Emphasizing Quality

Shinsei Bank's **total assets** increased 6.1% from 11,525.7 billion yen at March 31, 2008, to 12,231.0 billion yen at December 31, 2008. The higher balance was due mainly to an increase in other assets and loans and bills discounted. The balance of loans and bills discounted increased 5.5% from 5,622.2 billion yen at March 31, 2008, to 5,930.6 billion yen at December 31, 2008 due primarily to an increase in loans in the Individual Group, including loans from the newly acquired GE Consumer Finance (GECF) and a higher balance of housing loans.

Total deposits and negotiable certificates of deposit increased 254.4 billion yen or 4.4% to 6,061.0 billion yen, compared to March 31, 2008. Shinsei Bank is continuing to emphasize its already strong liquidity position through the stable and low-cost funding available through retail deposits. The retail deposit balance increased on March 31, 2008 by 534.6 billion yen, and stood at 4,528.4 billion yen at December 31, 2008.

Shinsei Bank recorded a **Tier I capital ratio** of 6.64% and a **total capital adequacy ratio** of 10.01% on a Basel II basis at December 31, 2008. We are targeting a **Tier I capital ratio** of 7% by March 31, 2009 and a minimum of 8% by March 31, 2010. Furthermore, we are targeting a **total capital adequacy ratio** of 10% by March 31, 2009 and 11% by March 31, 2010.

3. Income Statement: Market Turmoil Impacts Revenues, But Individual Group Gains Momentum

Total revenue for the first nine months of fiscal year 2008, was 190.3 billion yen, down 8.9% compared to the same period of the previous fiscal year, as stronger results for the Individual Group and the contribution from Corporate/Other were not able to offset the weaker results in the Institutional Group. The Individual Group achieved strong revenue growth due to the consolidation of GECF and Shinki while the Corporate/Other contributed through debt buybacks. In the Institutional Group, Shinsei Bank's non-recourse real estate finance business and ALM activities outperformed, but the foreign exchange, derivatives, equity related, principal investment, securitization, and other capital markets businesses underperformed mainly as a result of the bankruptcy of Lehman Brothers Holdings, Inc. as well as losses related to European asset-backed investments and securities and to other investments in Europe.

General and administrative expenses were 127.2 billion yen, up 8.2% compared to the same period of 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 GECF's expenses from October 1, 2008. Excluding Shinki and GECF's expenses, expenses declined to 106.8 billion yen, a decrease of 7.6 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 38.8 billion yen to 79.6 billion yen due mainly to 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 improvement at our consumer finance subsidiary APLUS.

Amortization of goodwill and other intangible assets associated with the acquisition of consumer and commercial finance companies was 10.3 billion yen for the first nine months ended December 31, 2008, compared with 9.4 billion yen in the same period of the previous fiscal year.

Other gains of 7.7 billion yen were recorded in the first nine months of this fiscal year due mainly to the sale of the Meguro Production Center and Showa Auto Rental & Leasing, compared to 17.8 billion yen recorded in the same period of the previous fiscal year due mainly to the sale of Life Housing Loan Co., Ltd.

Minority interests in net income of subsidiaries for the first nine months of this fiscal year amounted to 10.9 billion yen due largely to dividends paid on perpetual preferred securities and minority interests relating to APLUS' preferred shareholders.

As a result, Shinsei Bank recorded a **consolidated cash basis net loss** in the first nine months of fiscal year 2008 of 23.3 billion yen, compared to a **consolidated cash basis net income** of 42.0 billion yen in the first nine months of the previous fiscal year. In addition, the **consolidated net loss** was 32.1 billion yen in the first nine months of fiscal year 2008, compared to a **consolidated net income** of 33.5 billion yen in the same period of the previous fiscal year.

4. Business Line Results

Institutional Group: Market Turmoil Impacts Results

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

Corporate loans and other product loans in the Institutional Group had a lower balance at December 2008 compared to the end of last fiscal year. Furthermore, while the balance of non-recourse lending and specialty finance loans increased compared to March 31, 2008, the balances were down on September 30, 2008. In addition, while institutional deposits were down in the first nine months of this fiscal year compared to the end of last fiscal year debentures were up.

Total revenue was 19.3 billion yen in the first nine months of fiscal year 2008, compared to 101.8 billion yen in the same period in fiscal year 2007. While revenues increased for Shinsei Bank's non-recourse real estate finance business and ALM activities, the turmoil in global markets materially impacted its foreign exchange, derivatives, equity related, principal investment, securitization and other capital markets businesses. In particular, the bankruptcy of Lehman Brothers Holdings, Inc. as well as losses related to European asset-backed investments and securities and to other investments in Europe impacted revenue.

While we were able to reduce expenses by 8.9%, an **ordinary business loss** was recorded in the first nine months of fiscal year 2008 of 25.2 billion yen, compared to an **ordinary business profit** of 52.9 billion yen in the same period of the previous fiscal year due to the above reasons. The bank recorded an **ordinary business loss after net credit costs** of 72.1 billion yen in the first nine months of fiscal year 2008 due to lower revenues and an increase in credit costs related to the failure of a Lehman Brothers subsidiary, declines in the value of European asset-backed investments and reserves for real estate finance, compared to an **ordinary business profit after net credit costs** of 44.6 billion yen in the same period of the previous fiscal year.

Individual Group: Improved Results, More Customers with Addition of GECF

The Individual Group consists of the retail banking business as well as the subsidiaries GECF, APLUS, Shinki and Shinsei Property Finance. GECF was acquired on September 22, 2008 from GE Japan Holdings Corporation and GECF's 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 the first nine months of this fiscal year compared to the end of last fiscal year, due mainly to the acquisition of GECF 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 4.5 trillion yen - the highest balance to date. Furthermore, assets under management, which include retail deposits and debentures as well as mutual funds and variable annuities, also rose in the first nine months of fiscal year 2008 and now exceed 5.5 trillion yen. Customers in the Individual Group now number more than 12 million, including more than 2.3 million retail bank account holders.

Total revenue increased 41.4% to 139.6 billion yen in the nine months ended December 31, 2008, compared to 98.7 billion yen in the same period of the previous fiscal year. **Total revenue** increased year-on-year due mainly to the continued improvement in our retail banking operations and the consolidation of GECF and Shinki which were both largely accretive to earnings.

Ordinary business profit in the first nine months of fiscal year 2008 was up 90.3% to 57.2 billion yen, compared to 30.0 billion yen in the first nine months of 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 22.6 billion yen in the nine months ended December 31, 2008, compared to an **ordinary business loss after net credit costs** of 0.6 billion yen in the same period of the previous fiscal year, due primarily to the incorporation of GECF within the Individual Group as well as the progress that was made in retail banking and Shinki.

5. FY2008 Forecast Revision and Outlook for FY2008

Shinsei Bank, Limited today announced it has revised its forecasts for consolidated (cash and reported basis) and non-consolidated earnings for the fiscal year ending March 31, 2009. Please see the announcement "Shinsei Bank Revises Forecasts for FY2008 Earnings/Dividend and Announces Outlook for FY2009" for further details.

Shinsei Bank forecasts a consolidated cash basis* net loss of 31.0 billion (consolidated reported basis net income of 12.0 billion yen revised to consolidated reported basis net loss of 48.0 billion yen) for the fiscal year ending March 31, 2009 due mainly to higher credit costs associated with our real estate operations, impairment of Japanese equities, additional mark downs and reserves for European asset backed investments and securities and other European investments, as well as business restructuring costs.

Accordingly, Shinsei Bank also revised its non-consolidated forecast for net income for the fiscal year ending March 31, 2009 from 12.0 billion yen to a net loss of 98.0 billion yen. Current results on a non-consolidated basis differ from our consolidated results primarily because our non-consolidated results do not include the net income or loss from our consolidated subsidiaries, including Showa Leasing, GECF, APLUS and Shinki. In addition, our gain on the sale of the Meguro Production Center and Showa Auto Rental & Leasing cannot be recognized on a non-consolidated basis unless these funds have been received as a dividend by the Bank.

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

We expect that the global and Japanese economies will continue to slow down resulting in a challenging business environment into the fiscal year ending March 31, 2010. As a result, making an announcement of a forecast is difficult at this time, but we believe that we will be able to at least break even as we continue to emphasize areas that we can better control that include expense rationalization, the prudent management of risks, emphasis on maintaining solid liquidity and improving our capital position. In terms of expense rationalization we are targeting a significant reduction by the end of the fiscal year ending March 31, 2010 compared to the fiscal year ended March 31, 2008. Furthermore, Shinsei Bank is targeting a minimum Tier I capital ratio of 8% and a total capital adequacy ratio of 11% by March 31, 2010.

* 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 Nine Month Period Ended December 31, 2008

A conference call will be held in English on Wednesday, February 4, 2009, at 10:00 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 4:00 PM on Wednesday, February 4, 2009.

To download the "Third Quarter Financial Results 2008/12" 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 12.2 trillion yen (US$135 billion) on a consolidated basis (as of December 2008) and a network of 35 outlets that includes 33 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