

Shinsei Bank Revises Earnings Forecasts for Fiscal Year 2011

-Core businesses performing well and further steps taken towards stabilizing the earnings base-

Tokyo (Tuesday, January 31, 2012) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced a revision to its May 12, 2011 forecasts for consolidated (cash* and reported basis) and non-consolidated earnings for the fiscal year ending March 31, 2012 as follows:

- Consolidated reported basis net income revised from 22.0 billion yen to between 5.0 and 9.0 billion yen
- Consolidated cash basis* net income revised from 32.0 billion yen to between 15.0 and 19.0 billion yen
- Non-consolidated reported basis net income revised from 15.0 billion yen to 12.0 billion yen

We have revised our forecasts downward due to factors including the expectation that the Bank will make lifetime provisions for grey zone reserves in the fourth quarter of fiscal year 2011. This would reflect a review of our reserve approach, based on an evaluation of factors including grey zone interest repayment trends in the fourth quarter in our aim to eliminate any so-called grey zone risks in the future. At this point in time we are in the process of estimating figures for the full fiscal year, and therefore, we have decided to provide the forecast for consolidated reported basis net income as a range between 5.0 and 9.0 billion yen.

We believe the measures taken this fiscal year will position us well to achieve our fiscal year 2012 targets of 51.0 billion yen in consolidated reported basis net income and 60.0 billion yen in consolidated cash basis* net income as set out in our Medium-Term Management Plan, and lead to a stabilized earnings base.

In addition, the forecast for non-consolidated reported basis net income has been revised downward from 15.0 billion yen to 12.0 billion yen.

Shinsei Bank maintains its annual dividend forecast of 1 yen per common share for the full fiscal year ending March 31, 2012.

Revision of Forecasts for the Fiscal Year 2011

(Billions of yen)

(Consolidated)	Cash Basis Net Income*	Reported Basis Net Income
Previous forecast as of May 12, 2011 (A)	32.0	22.0
Revised forecast as of January 31, 2012 (B)	Between 15.0 and 19.0	Between 5.0 and 9.0
Difference (B-A)	Between -17.0 and -13.0	Between -17.0 and -13.0
Difference (%)	Between -53.1% and -40.6%	Between -77.3% and -59.1%
Results for the fiscal year ended March 31, 2011	53.8	42.6

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

(Billions of yen)

(Non-Consolidated)	Reported Basis Net Income
Previous forecast as of May 12, 2011 (A)	15.0
Revised forecast as of January 31, 2012 (B)	12.0
Difference (B-A)	-3.0
Difference (%)	-20.0%
Results for the fiscal year ended March 31, 2011	11.1

Note: Forecasts are based on information available as of January 31, 2012, and actual final figures may differ due to various factors.

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 8.6 trillion yen (US\$110.9 billion) on a consolidated basis (as of December 2011) and a network of outlets throughout 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>