

For Immediate Release

SHINSEI BANK, LIMITED

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Shinsei Bank Revises Forecasts for FY2008 Earnings/Dividend and Announces Outlook for FY2009

TOKYO, Japan -- February 3, 2009: Shinsei Bank, Limited today announced its revised forecasts for consolidated (cash and reported basis) and non-consolidated earnings for the fiscal year ending March 31, 2009.

The global and Japanese economies have continued to be impacted by the unprecedented events that began in August 2007. These events have increased volatility in equity markets and continue to have a detrimental effect on credit markets in the U.S., Europe and Asia. It has also become clear that the impact upon the Japanese economy has become more severe recently.

On the other hand, this same environment has provided us with a good opportunity to further enhance our already strong liquidity position through our emphasis on raising stable low cost retail deposits as more individuals are increasing their focus on savings products. While we have made great progress in our Individual Group that includes our retail banking and consumer finance operations, our Institutional Group's operations have been negatively impacted due to the global market turmoil. Therefore, in light of the results for the nine month period ended December 31, 2008, and the present operating environment and outlook for the future, Shinsei Bank has decided to revise its earnings forecasts for the fiscal year ending March 31, 2009 as detailed below.

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, GE Consumer Finance, 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 are targeting a Tier I capital ratio of 7% and a total capital adequacy ratio of 10% by March 31, 2009.

Outlook for the Fiscal Year Ending March 31, 2010

We expect that the global and Japanese economies will continue to slow 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.

Revision of Forecast for the Fiscal Year 2008 Ending March 31, 2009

(Billions of yen)

(Consolidated Cash Basis*)	Net Income
Previous forecast as of September 22, 2008 (A)	N/A
Revised forecast (B)	-31.0
Difference (B-A)	N/A
Difference	N/A
(Reference) Results for the fiscal year ended March 31, 2008	71.3

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

(Billions of yen)

(Consolidated Reported Basis)	Net Income
Previous forecast as of September 22, 2008 (A)	12.0
Revised forecast (B)	-48.0
Difference (B-A)	-60.0
Difference	-
(Reference) Results for the fiscal year ended March 31, 2008	60.1

(Billions of yen)

(Non-Consolidated)	OBP**	Net Income
Previous forecast as of September 22, 2008 (A)	57.0	12.0
Revised forecast (B)	-32.0	-98.0
Difference (B-A)	-89.0	-110.0
Difference	-	-
(Reference) Results for the fiscal year ended March 31, 2008	67.2	53.2

** Ordinary business profit on a revitalization plan basis

Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2009

Record data	Dividend Per Common Share (Yen)	
	Year End	Total
Previous forecast as of May 14, 2008	TBD	TBD
Revised forecast	0.00	0.00
(Reference) Dividend paid for the fiscal year ended March 31, 2008	2.94	2.94

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>