

For Immediate Release

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Shinsei Bank Revises Forecasts for Fiscal Year 2008 Earnings

TOKYO (Thursday, May 7, 2009) --- Shinsei Bank, Limited today announced its revised forecasts for consolidated (cash* and reported basis) and non-consolidated earnings for the fiscal year 2008 ended March 31, 2009.

During the fourth quarter of fiscal year 2008, 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 impact on credit markets in the U.S., Europe and Asia. In particular, the impact upon the Japanese economy and the financial system has increased in severity.

While the market impacted our operations, we also took this opportunity to repurchase and record gains on a portion of our preferred securities and subordinated debt that was trading at a significant discount to the market in the second half of fiscal year 2008. Furthermore, we have made good progress in restructuring our operations that included some one-time charges that we expect to start to reap the benefits of in fiscal year 2009. In light of the results during the fourth quarter of fiscal year 2008 and to better position our business for recovery in the future, Shinsei Bank decided to take conservative impairments, mark downs and reserves resulting in the revision of its earnings forecasts for the fiscal year ended March 31, 2009 as detailed below.

Shinsei Bank revised its consolidated cash basis* earnings forecast from a net loss of 31.0 billion yen to a net loss of 97.0 billion for the fiscal year ended March 31, 2009 due mainly to (1) impairment of U.S. and European collateralized loan obligations (CLOs)**; (2) restructuring related costs; (3) increase in grey zone related reserves at APLUS and Shinki; (4) reversal of deferred tax assets; and (5) additional credit reserves mainly associated with our non-recourse loan portfolio.

Shinsei Bank revised its consolidated reported basis earnings forecast from a net loss of 48.0 billion yen to a net loss of 143.0 billion yen for the reasons above and due to the recording of an accelerated goodwill amortization in APLUS resulting from the impairment of our investment in preferred shares of APLUS on a non-consolidated basis.

Accordingly, Shinsei Bank also revised its non-consolidated earnings forecast from a net loss of 98.0 billion yen to a net loss of 157.0 billion yen for the fiscal year ended March 31, 2009.

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

** 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.

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

(Billions of yen)	
(Consolidated Cash Basis*)	Net Income
Previous forecast as of February 3, 2009 (A)	-31.0
Revised forecast (B)	-97.0
Difference (B-A)	-66.0
Difference (%)	-
(Reference) Results for the fiscal year ended March 31, 2008	71.3

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

(Billions of yen)	
(Consolidated Reported Basis)	Net Income
Previous forecast as of February 3, 2009 (A)	-48.0
Revised forecast (B)	-143.0
Difference (B-A)	-95.0
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 February 3, 2009 (A)	-32.0	-98.0
Revised forecast (B)	-65.0	-157.0
Difference (B-A)	-33.0	-59.0
Difference (%)	-	-
(Reference) Results for the fiscal year ended March 31, 2008	67.2	53.2

*** Ordinary business profit on a revitalization plan basis

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 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>