

For Immediate Release

SHINSEI BANK, LIMITED

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## Shinsei Bank Revises Earnings and Common Share Dividend Forecasts for Fiscal Year 2009

*-Significant progress in cleaning up balance sheet, while capital ratios remain steady-*

TOKYO (Monday, May 10, 2010) --- Shinsei Bank, Limited ("Shinsei Bank") today announced a revision to its forecasts for consolidated (cash\* and reported basis) and non-consolidated (reported basis) earnings as well as for its common dividend for the fiscal year ended March 31, 2010.

In fiscal year 2009, Shinsei Bank has focused on a "back to basics" strategy by concentrating on its core businesses in Japan for institutional and individual customers. While we recorded positive net income up to the third quarter of the fiscal year, after a thorough review of our portfolios as we indicated on February 3, 2010, we have revised our earnings forecast due to three major reasons which we believe will position us more strongly from fiscal year 2010 onwards:

- Additional grey zone provisions and impairment of goodwill and intangible assets related to our consumer finance subsidiaries APLUS FINANCIAL Co., Ltd. and SHINKI Co., Ltd.;
- Impaired and recorded substantial additional reserves for our domestic real estate investments and domestic non-recourse real estate portfolio; and
- Additional provisions for our legacy portfolio in our Institutional Group

As at March 31, 2010, Shinsei Bank expects to record a total capital adequacy ratio of 8.35% and a Tier I capital ratio of 6.35%, levels that are at or better than the end of fiscal year 2008, despite the net loss recorded for the fiscal year. This has been achieved due largely to the 20% reduction in risk weighted assets and debt buybacks that contributed to improving the quality of capital. In light of the revised earnings forecast, Shinsei Bank now plans not to pay a dividend on its common shares for the fiscal year 2009. However, Shinsei Bank does plan to pay dividends in full in July 2010 for preferred securities issued by wholly owned subsidiaries.

We will provide full details of our fiscal year 2009 financial results when we announce full fiscal year results on May 14, 2010.

### 1. Revision of Forecasts for the Fiscal Year 2009 Ended March 31, 2010 (Billions of yen)

(Consolidated)	Cash Basis Net Income*	Reported Basis Net Income
Previous forecast as of May 13, 2009 (A)	28.0	10.0
Revised forecast as of May 10, 2010 (B)	-53.7	-140.1
Difference (B-A)	-81.7	-150.1
Difference (%)	-	-
Results for the fiscal year ended March 31, 2009	-97.0	-143.0

(Billions of yen)

(Non-Consolidated)	Reported Basis Net Income
Previous forecast as of May 13, 2009 (A)	10.0
Revised forecast as of May 10, 2010 (B)	-47.6
Difference (B-A)	-57.6
Difference (%)	-
Results for the fiscal year ended March 31, 2009	-157.0

### 2. Revision of Common Share Dividend Forecast for the Fiscal Year 2009 Ended March 31, 2010 (Yen)

	Dividend Per Common Share	
	Fiscal Year End	Total
Previous forecast as of November 11, 2009	1.00	1.00
Revised forecast as of May 10, 2010	0.00	0.00
Dividend paid for the fiscal year ended March 31, 2009	0.00	0.00

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

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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 11.5 trillion yen (US\$124.9 billion) on a consolidated basis (as of December 2009) and a network of 40 outlets that includes 31 Shinsei Financial Centers and 9 Consulting Spots 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>*

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