

Press Release
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The Asian Banker Excellence in Retail Financial Services Awards 2009

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- *Shinsei Bank won for the third time this prestigious award for an innovative retail strategy and effective cost management in a worsening economic environment.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 20 March 2009 – Shinsei Bank has been named Japan's Best Retail Bank in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the award at The Asian Banker Excellence in Retail Financial Services Awards 2009 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Grand Hyatt in Singapore on the evening of March 19th, 2009.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf and Central Asian regions attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

Shinsei Bank wins the award for Best Retail Bank in Japan, 2008

Shinsei Bank has won the award for being the Best Retail Bank Japan in 2008 for the third time, having gained higher scores than the other banks surveyed in the programme, including Mizuho Bank, Sumitomo Mitsui Banking Cooperation, Bank of Tokyo- Mitsubishi UFJ and Resona Bank.

Unlike all its competitors, Shinsei Bank returned to profitability only in early 2008, but maintained its positive growth throughout 2008, where it generated absolute profit growth of \$57 million compared with a year earlier. The bank generated a revenue growth of 12.8% (\$34 million) and retail deposit growth of 13% in the first nine months of the Japanese financial year starting in April 2008.

An innovative retail strategy made the turnaround possible. The bank focussed on managing efficiency and productivity. Simultaneously it shifted its income sources away from investment products towards deposit-based products and mortgages. This strategy is unique in Japan, where banks traditionally pay little attention to retail deposits and customers. In Shinsei Bank retail banking represents 71.5% of the bank's total funding through customer deposits and "debentures".

Shinsei offers its customers a high technology branch system. Branch terminals use the same interface as internet banking and branch employees merely assist the customers. Processes are highly automated and turnaround times are very quick. The bank enjoys high call-centre efficiency and an extraordinary sales growth through the internet.

In order to meet customers' demand for financial consultation, Shinsei Bank enhanced its sales force by upgrading the staffs' skills. Approximately 150 customer service officers equipped with the most basic customer interaction skills were trained to become a substantial part of the sales force.

The bank will also benefit from the synergies and rising cross-selling values derived from the takeover of GE Consumer Finance in September 2008 and its two million customers.

Shinsei Bank won for the third time this prestigious award for an innovative retail strategy and effective cost management in a worsening economic environment

"Shinsei Bank showed a sustainable turnaround story and recovery in 2008, while other banks still made losses. This was mainly due to an improved cost management and an innovative retail strategy," says Mr. Chris Kapfer, head of Excellence in Retail Financial Services Awards Programme at The Asian Banker.

To maintain high levels of customer satisfaction and loyalty, Shinsei Bank launched an innovative customer advocacy product - the Shinsei Step Up Programme. The idea behind it is that the more assets a customer has in the bank, the more benefits he is eligible for. The benefits range from better interest rates to discount on fees to free remittances.

Another striking newly launched product was the Golden Harvest Yen Time Deposit, which attracted \$2 billion within the first three months.

Furthermore, the "Shinsei MobileDirect" mobile banking service was launched in April 2008. The service enables Shinsei PowerFlex account holders to access their accounts via a mobile phone to make balance inquiries and to remit or transfer funds 24/7.

Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

"This year over 120 banks and financial institutions in 22 countries across the region were evaluated as part of the Excellence in Retail Financial Services Programme. It has become the single most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the

world today,” said Philip Strause, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks’ retail banking businesses that involves extensive research and probing interviews, and taps on the combined experience of a team of experienced researchers.

Strause, who has over 30 years experience as a principal consultant to leading financial institutions in North America and the Asia Pacific, added: “The Asian Banker Excellence Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company’s website is www.theasianbanker.com.

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