

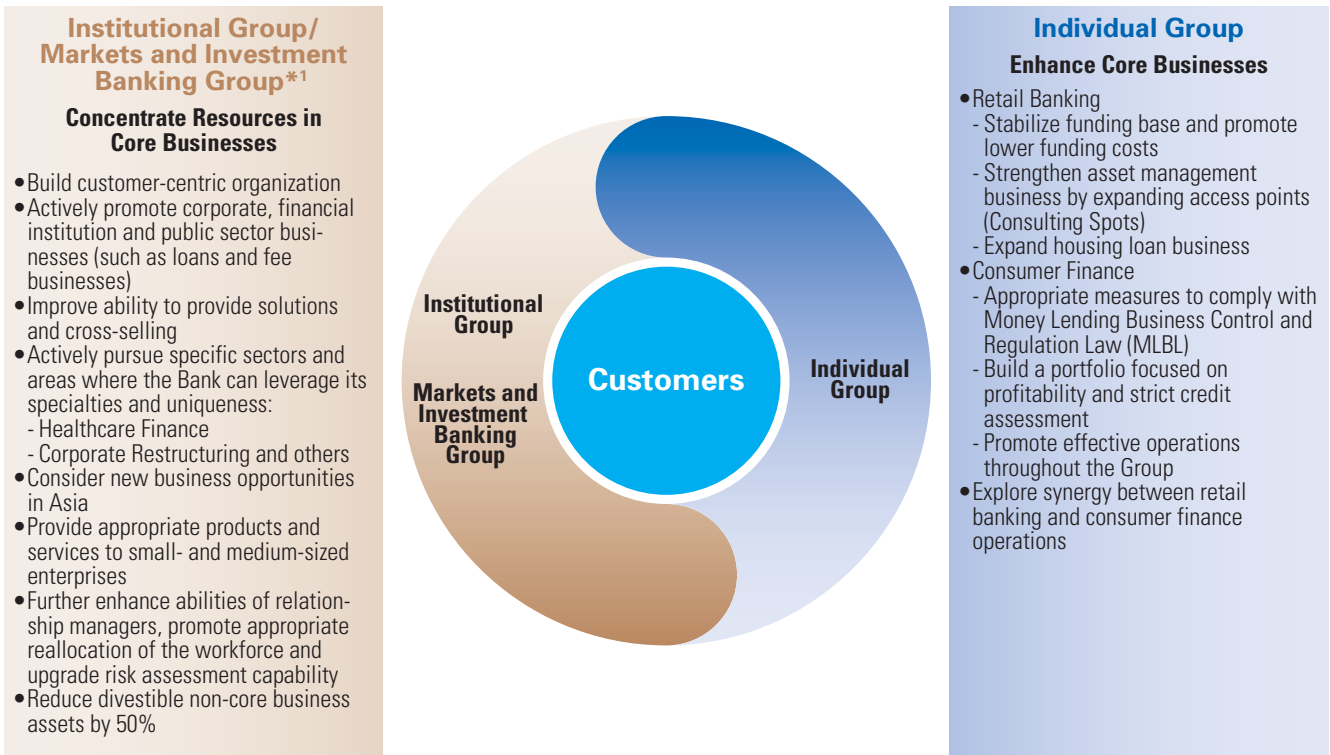
OUR BUSINESS MODEL

Management Principles

- A banking group that has stable earnings power, is truly depended upon by customers and that contributes to the development of both domestic and international industrial economies
- A banking group that has built on its past experiences and history, values diverse talents and cultures and continually takes on new challenges
- A banking group that strives for transparent management, valued and trusted by all stakeholders, including customers, investors and employees

Medium-Term Goals

Rebuilding the Customer Franchise and Establishing a Stabilized Earnings Base



<p>Strengths</p> <ul style="list-style-type: none"> • Diversity • Tailor made solutions • High customer satisfaction • Swift decision making, agile execution 	<p>Opportunities</p> <ul style="list-style-type: none"> • New customers • "Responsible consumer lending" • Niche businesses • Ever-changing lending and investment needs of customers
<p>Weaknesses</p> <ul style="list-style-type: none"> • Volatility of earnings • Smaller customer base 	<p>Threats</p> <ul style="list-style-type: none"> • Fierce competition • Political, legislative and economic uncertainties

*¹ As of October 1, 2010, the former Institutional Group has been divided into a new Institutional Group which focuses on multi-faceted sales activities and the Markets and Investment Banking Group which focuses chiefly on the provision of comprehensive financial products to meet customer needs.

OUR STRATEGY

Basic Concepts of Medium-Term Management Plan

- Period: Three years from fiscal year 2010 to fiscal year 2012
- Focus on rebuilding customer franchise, stabilizing earnings and cost reductions, having reflected on lessons learned and past events
- Targets at the end of management plan*¹
 - Achieve external credit ratings of A/A-
 - Aim for total consolidated capital adequacy ratio of over 10% on Basel III basis
- Goals for each fiscal year
 - Fiscal year 2010: Lay groundwork for stabilized earnings
 - Fiscal year 2011: Measures for diversification of revenues through new businesses
 - Fiscal year 2012: Record stable earnings at operating speed
- Enhance management control (including renewal of corporate governance structure)
- Establish an organizational framework to devise detailed plans for the repayment of public funds
 - Speedy and stringent execution to ensure the achievement of the targets set in the financial projection
 - Foster healthy organizational culture with emphasis on the importance of compliance

*1 Reflects revisions to original Medium-Term Management Plan that were announced on September 28, 2010.



*2 CLO (Collateralized Loan Obligation), ACPM (Active Credit Portfolio Management), CFI (Corporate Floater Investment)

*3 The Bank plans to explore the possibilities of restructuring the Wealth Management and Alternative Investment businesses to focus on provision of products to customers, rather than proprietary investment.

*4 As of October 1, 2010, the former Institutional Group has been divided into a new Institutional Group which focuses on multi-faceted sales activities and the Markets and Investment Banking Group which focuses chiefly on the provision of comprehensive financial products to meet customer needs.

FINANCIAL HIGHLIGHTS

Shinsei Bank, Limited, and Consolidated Subsidiaries

Six months ended September 30, 2008, 2009 and 2010, and years ended March 31, 2009 and 2010*1

	Billions of yen					
	September 30 (6 months)			March 31 (12 months)		
	2008	2009	2010	2009	2010	
For the fiscal year:						
Net interest income	¥ 70.5	¥ 109.4	¥ 86.1	¥ 202.9	¥ 207.9	
Non-interest income	31.8	44.6	65.1	(19.8)	56.2	
Net fees and commissions	17.2	10.9	12.2	26.5	25.1	
Net trading income (loss)	(0.9)	3.1	7.1	(4.6)	9.0	
Net other business income (loss)	15.5	30.5	45.6	(41.7)	22.1	
Total revenue	102.3	154.0	151.3	183.1	264.2	
General and administrative expenses	77.5	88.0	74.0	182.0	170.8	
Ordinary business profit	19.1	55.1	70.3	(16.4)	72.5	
Net credit costs	41.6	39.2	52.3	129.0	112.2	
Ordinary business profit (Loss) after net credit costs	(22.5)	15.9	18.0	(145.5)	(39.7)	
Net income (loss)	(19.2)	11.0	16.8	(143.0)	(140.1)	
Cash basis net income (loss)*2	(14.3)	20.2	22.7	(97.0)	(53.7)	
Balances at fiscal year-end:						
Securities	1,994.3	3,282.2	2,639.9	2,174.1	3,233.3	
Loans and bills discounted	6,579.7	5,469.9	4,604.4	5,876.9	5,163.7	
Total assets	12,446.2	12,183.5	10,464.0	11,949.1	11,376.7	
Deposits and negotiable certificates of deposit	6,415.6	7,046.5	5,890.1	6,272.1	6,475.3	
Debentures	748.2	527.5	425.2	675.5	483.7	
Total liabilities	11,527.8	11,383.5	9,849.8	11,181.7	10,741.8	
Total equity*3	918.4	799.9	614.1	767.4	634.9	
Total liabilities and equity	¥ 12,446.2	¥ 12,183.5	¥ 10,464.0	¥ 11,949.1	¥ 11,376.7	
Yen						
Per share data:						
Common equity*3	¥ 338.12	¥ 312.05	¥ 232.54	¥ 284.95	¥ 232.72	
Fully diluted equity*3,*4	338.12	312.05	232.54	284.95	232.72	
Basic net income (loss)	(9.81)	5.63	8.59	(72.85)	(71.36)	
Diluted net income	—	—	—	—	—	
Dividends	—	—	—	—	—	
Cash basis per share data:						
Basic net income	¥ (7.28)	¥ 10.31	¥ 11.57	¥ (49.39)	¥ (27.37)	
Diluted net income	—	—	—	—	—	
%						
Ratios:						
Return on assets*5	(0.3)	0.2	0.3	(1.2)	(1.2)	
Cash basis return on assets	(0.2)	0.3	0.4	(0.8)	(0.5)	
Return on equity (fully diluted)*3,*6	(5.6)	3.8	7.4	(22.4)	(27.6)	
Cash basis return on equity (fully diluted)	(4.1)	6.9	9.9	(15.2)	(10.6)	
Expense-to-revenue ratio	75.7	57.1	48.9	99.4	64.6	
Total capital adequacy ratio	10.48	9.36	8.94	8.35	8.35	
Tier I capital ratio	6.41	7.00	6.97	6.02	6.35	
Risk Weighted Assets	9,558.9	8,449.2	7,180.8	9,621.0	7,722.1	

*1 Since all yen figures have been truncated rather than rounded, the totals do not necessarily equal the sum of the individual amounts.

*2 Cash basis net income is calculated by excluding impairment and amortization of goodwill and other intangible assets, net of tax benefit, from net income (loss) under Japanese Generally Accepted Accounting Principles (GAAP).

*3 As required by a new accounting standard published by the Accounting Standards Board of Japan (ASBJ), certain items which were previously presented outside of shareholders' equity are now presented as components of equity. Such items included stock acquisition rights, minority interests and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard is effective for fiscal years ended on or after May 1, 2006. Reclassification of the prior period amounts is not permitted under Japanese GAAP.

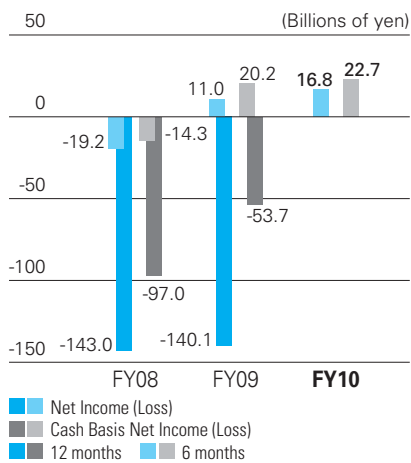
*4 Fully diluted equity per share is calculated by dividing equity at the end of the periods presented by the number of common shares that would have been outstanding had all securities convertible into or exercisable for common shares been converted or exercised with an applicable conversion or exercise price within the predetermined range at the end of the period.

*5 Return on assets is calculated by dividing net income (loss) by the average of total assets at the beginning and end of the period presented.

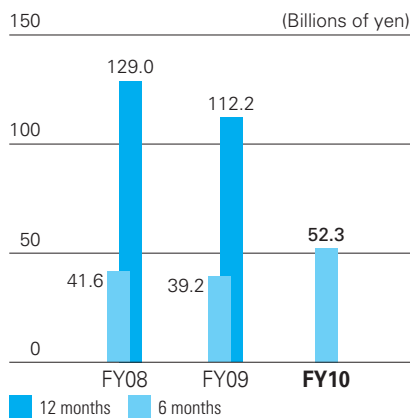
*6 Return on equity (fully diluted) is calculated by dividing net income (loss) by the average of fully diluted equity at the beginning and end of the period presented.

EARNINGS

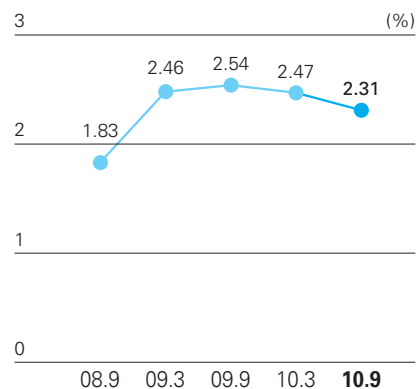
Net Income (Loss) and Cash Basis Net Income (Loss)



Net Credit Costs

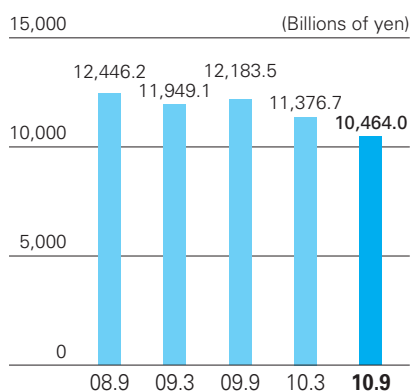


Net Interest Margin

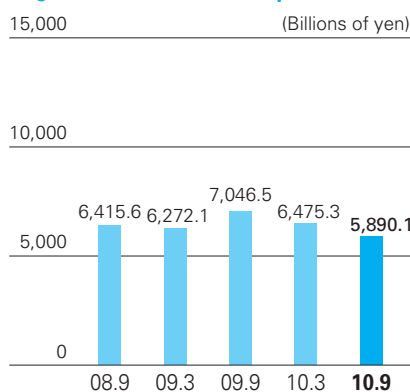


ASSETS AND LIABILITIES

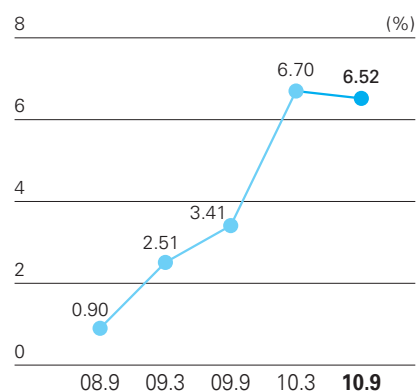
Total Assets



Deposits and Negotiable Certificates of Deposit

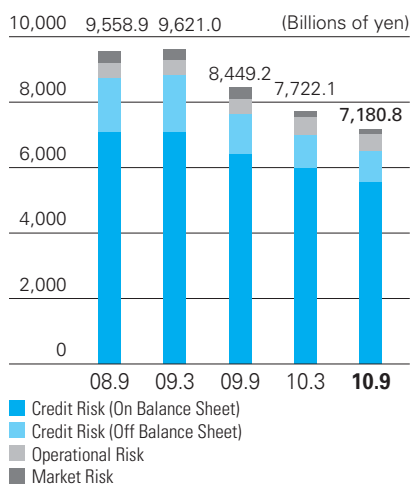


Ratio of Non-Performing Claims to Total Claims (Non-Consolidated)

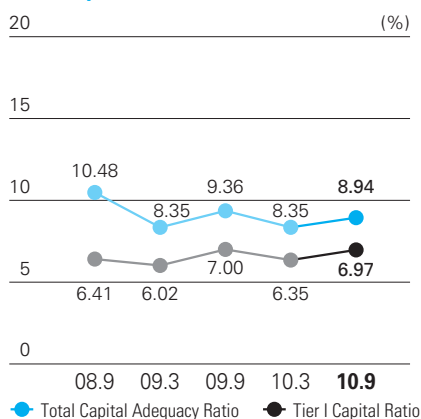


CAPITAL

Risk Weighted Assets



Total Capital Adequacy Ratio and Tier I Capital Ratio



Common Equity per Share

