



Financial and Business Results First Half Fiscal Year 2008 Investors' Meeting

Shinsei Bank, Limited
November 12, 2008

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Consolidated Results Overview:

FY08 First Half Results

 **Stronger Individual Group helps offset weaker Institutional Group**

1

Lower Revenues

While Individual Group had stronger revenues due to Shinki and best performance of Retail Banking in over two years, lower revenues of Institutional Banking led to overall fall in revenues

2

Lower Expenses

Achieved lower general and administrative expenses, despite addition of Shinki, due to reduction in personnel costs

3

Higher Net Credit Costs

While net credit costs were down for the Individual Group, the Institutional Group was up due to reserves associated with Lehman Brothers and European asset-backed investments

4

Lower Other Gains

Extraordinary gains were lower as gains from the sale of the Meguro Production Center and Showa Auto Rental & Leasing in the first half of this fiscal year were lower than the gain on the sale of Life Housing Loan in the first half of the previous fiscal year

Consolidated Results Overview:

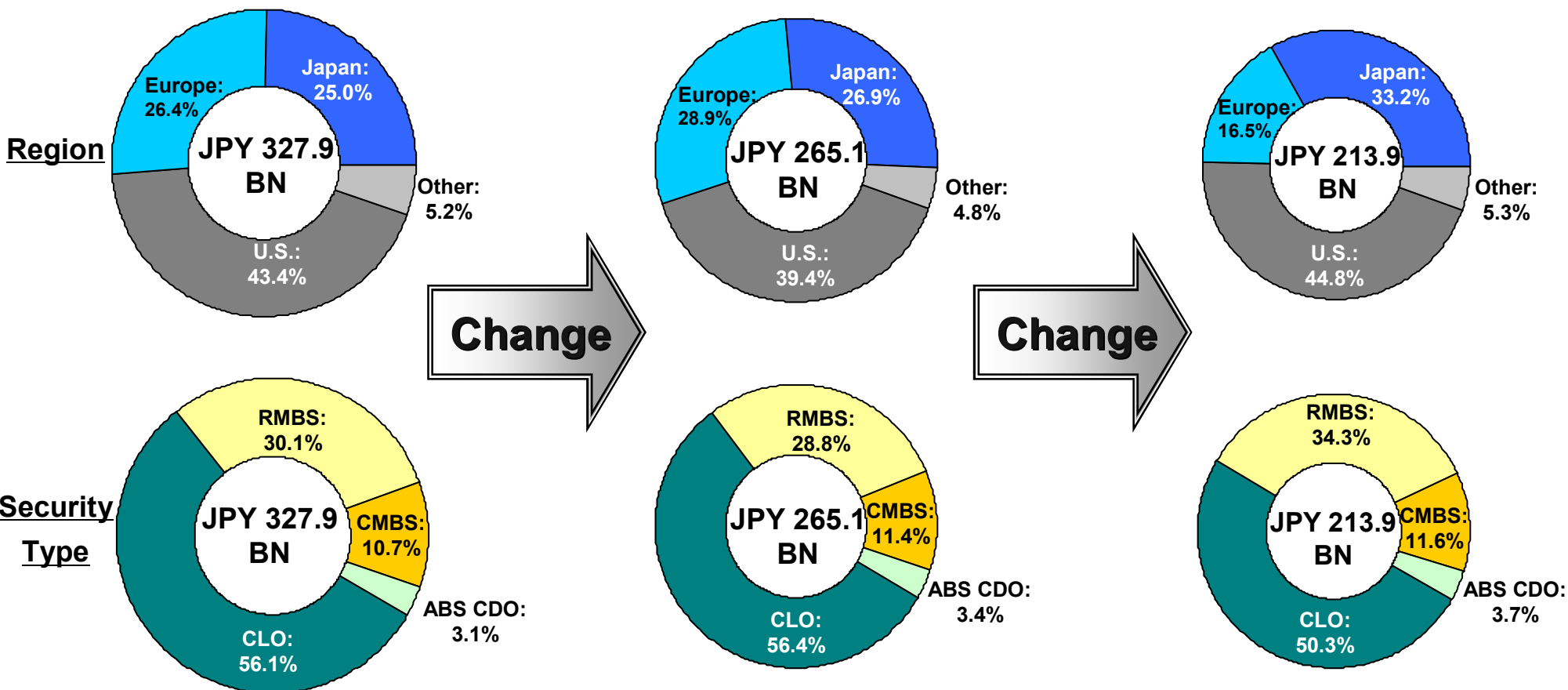
Exposure to Securitized Products

➔ Securitized products balance down 34.8% on September 2007

Sept. 30, 2007

March 31, 2008

Sept. 30, 2008



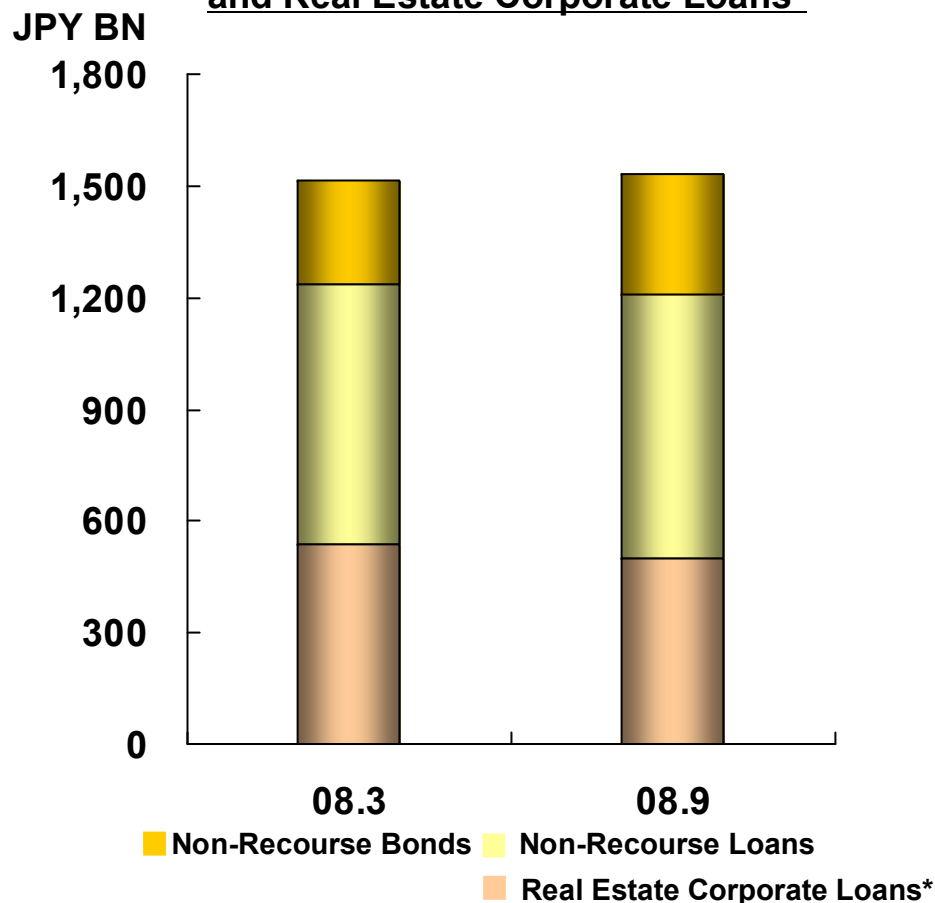
*Note: 65% of all securitized products and about 84% of foreign-currency denominated securitized products are rated AA or higher.
 Details on securitized products available on p. 35-36 of the First Half Period Ended September 30, 2008 Financial Summary.

Consolidated Results Overview:

Outlook of Real Estate-Related Businesses

➔ High quality portfolio contributing to earnings

Non-Recourse Real Estate Finance and Real Estate Corporate Loans*



Highlights

Diversified by customer, property type and geography focusing on good locations in urban areas

High quality portfolio with average LTV of new transactions at about 70% and under 75% overall

Non-recourse lending outperformed by achieving higher spreads due to strict credit screening and less competition

(Non-Consolidated)

*Note: About half of the total is to the high credit quality public sector

Consolidated Results Overview:

FY08 Second Half Results Outlook- No Change in Forecast

➔ Expect stronger second half centered on Individual Group

1 Macroeconomic Environment

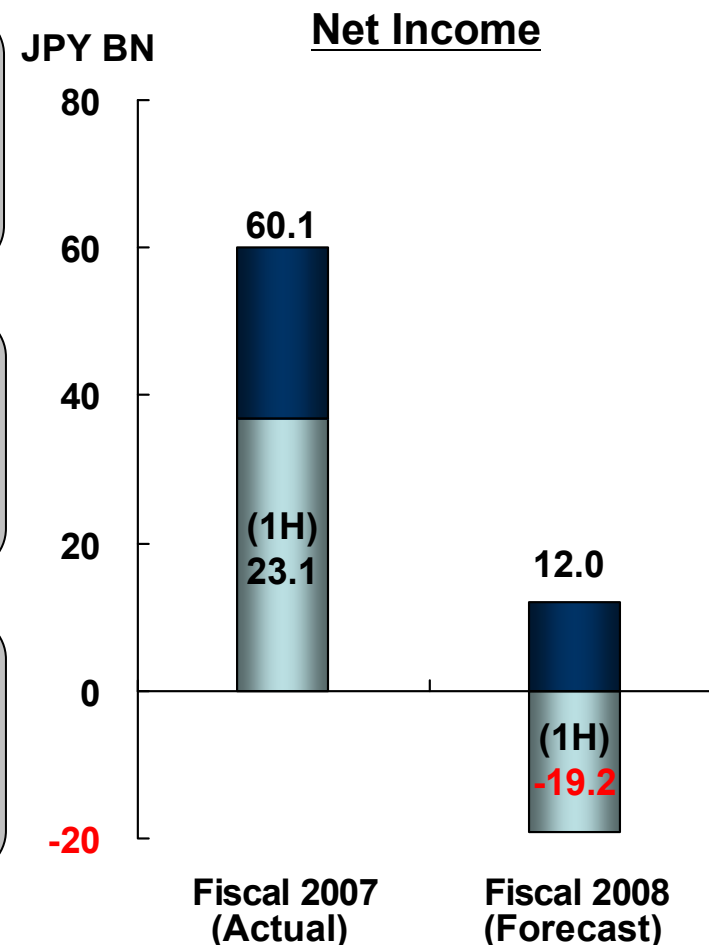
Expect Japan to have soft recession with corporate profits to stay depressed and bankruptcies to increase, continued pressure on exports and CAPEX, weak consumer spending and earnings, but lower personal bankruptcies and lower volatility in stock and foreign exchange markets

2 Institutional Group

Expect weak results across most business lines due to low visibility and uncertainty within the economic environment

3 Individual Group

Expect retail banking to increase profitability, APLUS to have stronger second half, Shinki to be steady and GE Consumer Finance to contribute about 30 billion yen to net income in the second half

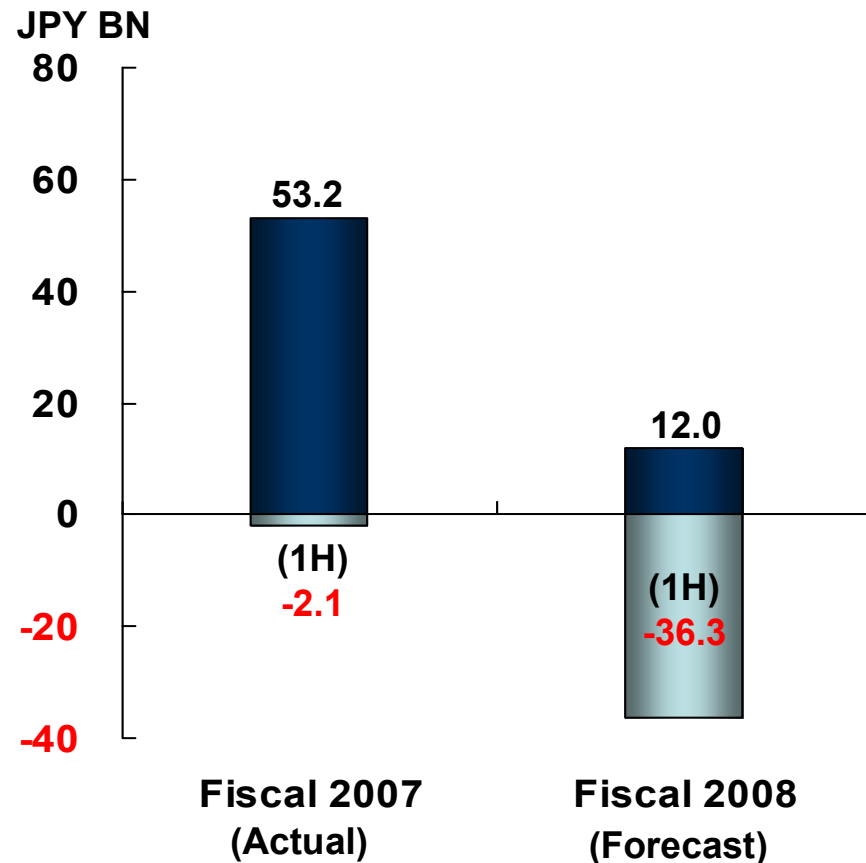


Non-Consolidated Results Overview:

FY08 First Half Overview and Second Half Outlook- No Change in Forecast

➔ Core business remains challenging as dividends not yet recognized

Net Income



FY08 1H Overview

Lower non-interest income and higher provision of reserve for loan losses led to lower non-consolidated net income

Expect stronger second half due to improvement in core business and recognition of dividends from subsidiaries

No dividend paid in first half in light of operating results

Asset Quality, Liquidity and Capital:

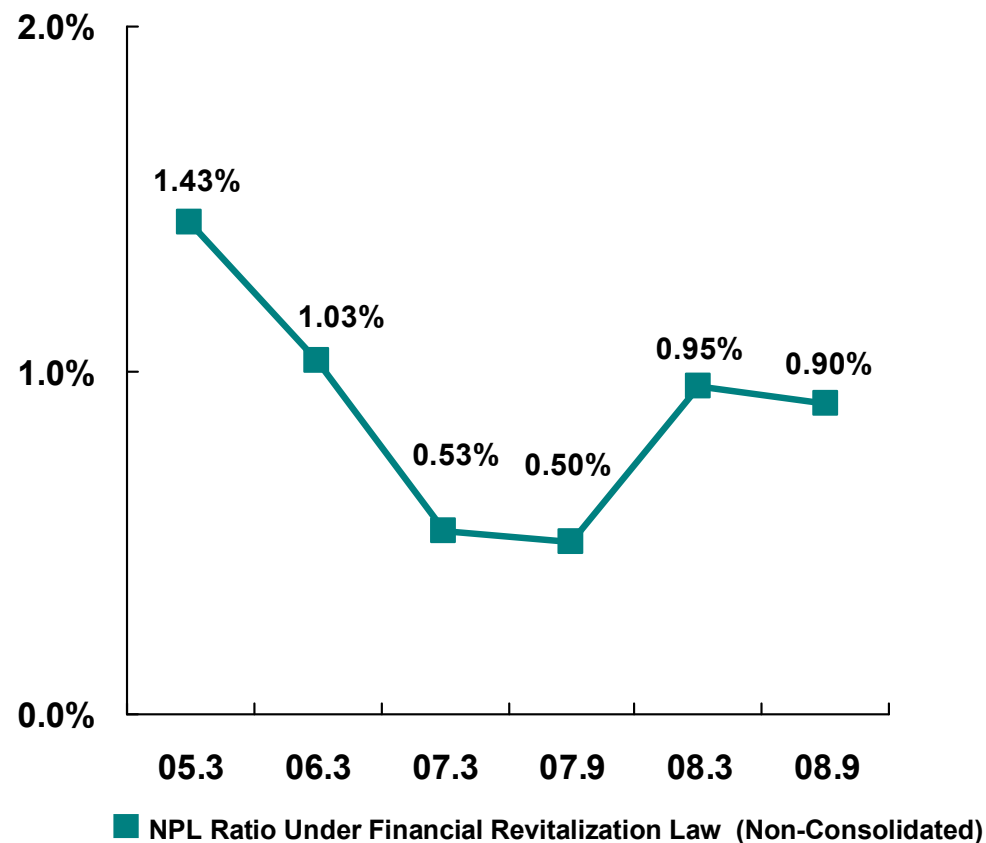
Asset Quality

➔ Improved balance sheet quality leading to lower NPL ratio

Risk Monitored Loans

JPY BN	September 2008		March 2007	
	Total Loans	Risk Monitored Loans	Total Loans	Risk Monitored Loans
Transportation	359.2	6.6	377.6	7.6
Overseas Loans	540.3	23.2	490.5	26.4
Individual	962.6	4.2	865.8	1.2
Other	1,101.7	6.4	922.1	13.0
Real Estate and Construction	1,225.5	4.9	1,253.3	4.1
Finance and Insurance	1,470.1	6.7	1,446.5	0.4
Total	5,660.1	52.4	5,356.3	53.0
Loans to Bankrupt Obligors		18.4		0.5
Non-Accrual Delinquent Loans		16.1		22.8
Loans Past Due for 3 Months or More		0.0		0.1
Restructured Loans		17.7		29.4
Total		52.4		53.0

NPL Ratio



(Non-Consolidated)

Asset Quality, Liquidity and Capital:

Liquidity

➔ Liquid funding primarily in form of retail & institutional deposits

JPY BN

Overall Funding Composition	06.12	07.3	07.6	07.9	07.12	08.3	08.6	08.9
Total Customer Based Funding	5,771.8	6,124.2	6,235.7	6,557.2	6,868.7	6,469.0	6,793.7	7,163.8
Institutional Deposits	1,529.2	1,847.1	1,982.7	2,306.6	2,371.7	1,812.8	1,993.3	2,167.5
Institutional Debentures	316.9	321.3	321.0	324.3	315.9	320.2	351.4	423.3
Retail Deposits	3,529.9	3,573.8	3,559.2	3,563.9	3,826.6	3,993.7	4,115.7	4,248.1
Retail Debentures	395.6	381.9	372.7	362.2	354.4	342.2	333.1	324.9
Commercial Paper	241.0	171.3	-	-	-	-	-	-
Borrowed Money	1,139.2	1,122.6	1,099.4	1,092.7	1,111.9	1,127.2	1,060.0	1,062.7
Corporate Bonds	400.0	400.4	625.3	547.7	570.0	499.8	532.7	497.5
Total	7,552.0	7,818.5	7,960.4	8,197.6	8,551.0	8,096.0	8,386.4	8,724.0

Asset Quality, Liquidity and Capital:

Capital

➔ Optimize capital position by reducing non-core assets

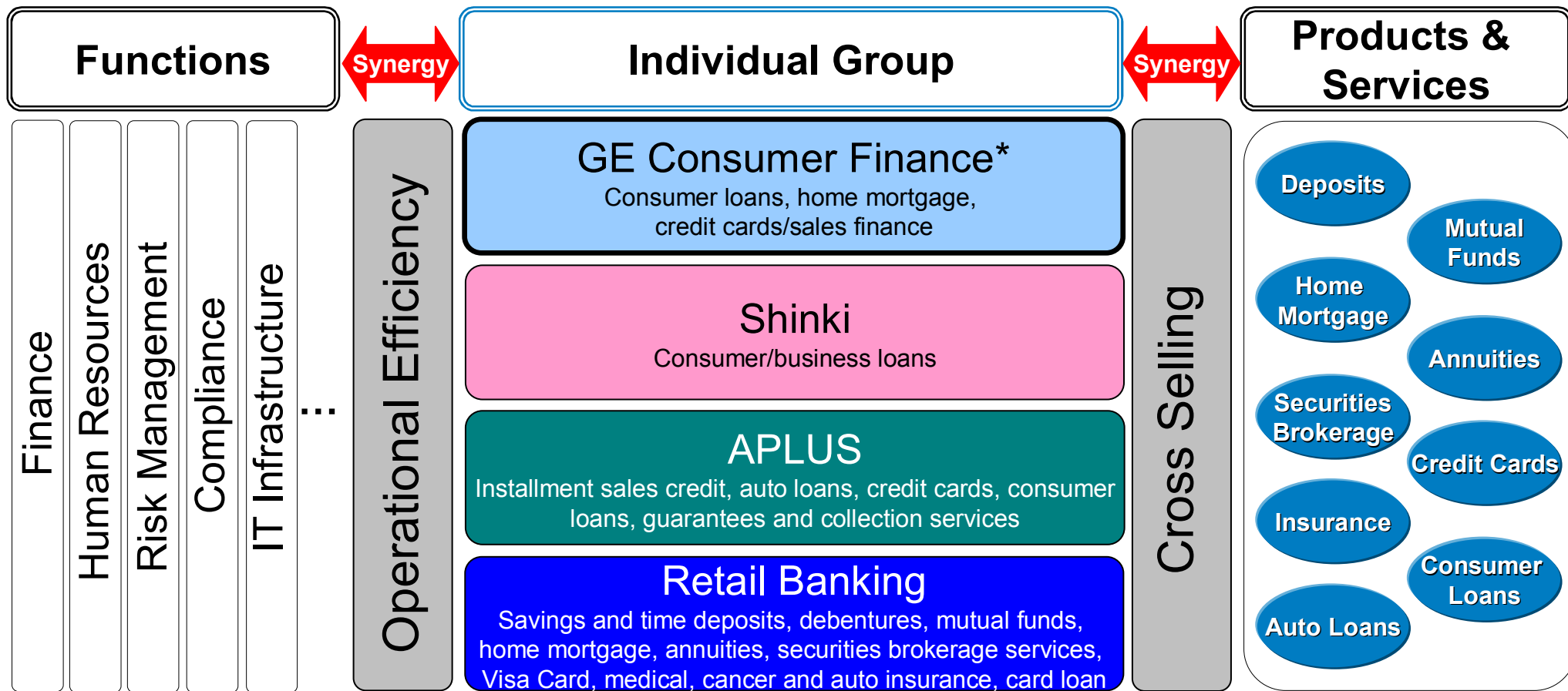
JPY BN

Capital Adequacy Data	07.3	07.6	07.9	07.12	08.3	08.6	08.9
Basic Items (Tier I Capital)	620.8	649.8	647.6	651.3	679.7	699.9	613.6
Institutional Group	340	-	373	-	408	-	440
Individual Group	116	-	102	-	126	-	118
Corporate/Other	0	-	0	-	0	-	123
Excess Capital	163	-	171	-	144	-	0
Supplementary Items (Tier II)	522.0	547.4	537.0	536.7	530.2	544.5	499.8
Deduction	(137.7)	(124.5)	(131.0)	(130.3)	(128.0)	(135.3)	(110.8)
Total Capital	1,005.0	1,072.2	1,053.5	1,057.6	1,081.9	1,109.1	1,002.6
Risk Assets	7,652.0	8,230.3	8,494.1	8,738.5	9,212.5	9,231.9	9,558.9
Tier I Capital Ratio	8.11%	7.89%	7.62%	7.45%	7.37%	7.58%	6.41%
Capital Adequacy Ratio	13.13%	13.03%	12.40%	12.10%	11.74%	12.01%	10.48%
Risk Capital	457	-	476	-	535	-	682

Expansion of Consumer Finance Operations:

GE Consumer Finance (GECF)* to be Renamed **Shinsei Financial**

➔ Addition of GECF* means additional synergies with economies of scale



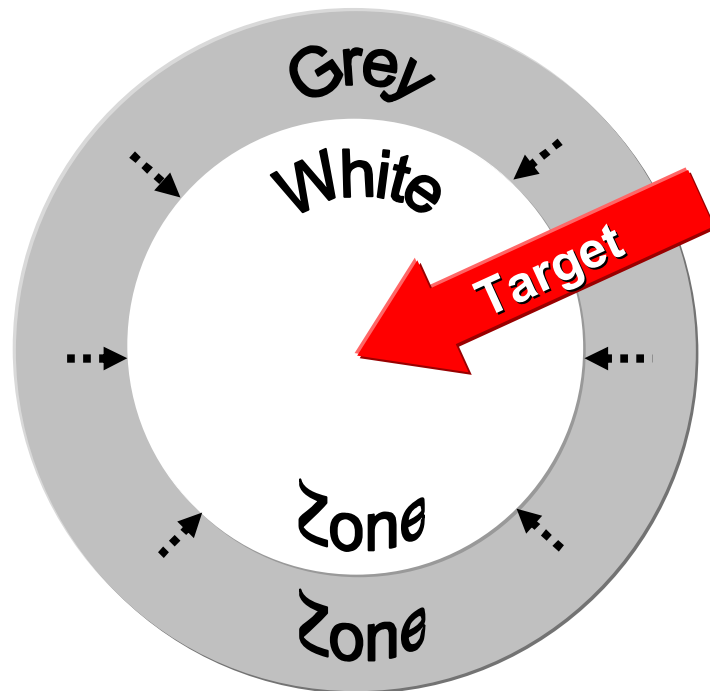
*Note: The name GE Consumer Finance is schedule to be renamed Shinsei Financial Co., Ltd. on April 1, 2009

Expansion of Consumer Finance Operations:

GECF Target Market

➔ Provide sustainable white zone lending under banking structure

Target Market



Business Overview

The consumer finance market has shrunk from about 10 trillion yen in FY06 to 6 trillion yen in FY08 with further shrinkage expected with introduction of “volume restriction” in 2010

GECF is focusing its business around the customer providing them with white zone loans, while placing a strong emphasis on compliance in its operations

Expansion of Consumer Finance Operations:

Track Record of Success at GECF

➔ GECF is leveraging its track record as a leader in the industry with **Lake**

Lake became
1 originator
of unsecured
personal loans
in the personal
loan industry

New
applicants
with no balance at
other personal loan
co.'s now represent
more than 1/3 of all
new customers
that apply to
Lake

Lake continues
to set the standard
for lowest costs
per application
in the industry

In Sept 2008,
formed strategic
relationships with
American Airlines
and American
Express



Appendix

Consolidated Financial Summary:

First Half Ended September 30, 2008

➔ Impacted by global market turmoil, but Individual Group doing well

JPY BN

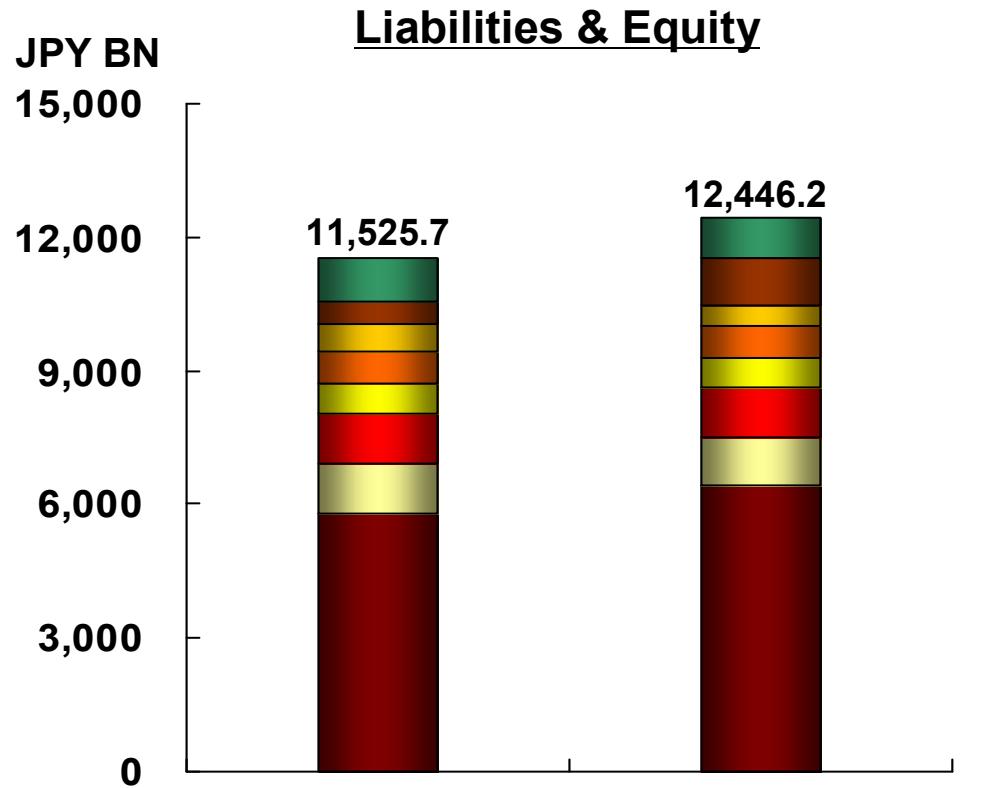
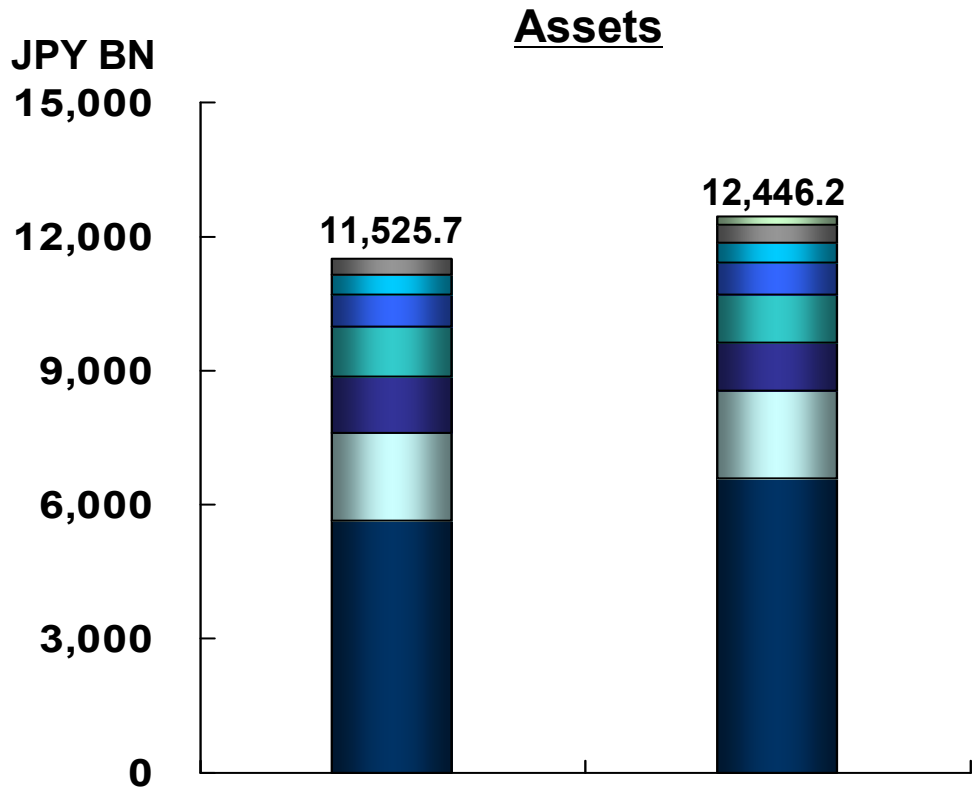
	2008.4-9	2007.4-9	Change %
Total Revenue	102.3	138.7	-26.2%
General and Administrative Expenses	76.7	77.3	-0.7%
Ordinary Business Profit	25.5	61.3	-58.3%
Net Income (loss)	-19.2	23.1	-183.2%
Cash Basis Net Income (loss)	-14.3	28.7	-149.8%
Diluted Net Income (loss) Per Share (JPY)	-9.81	12.72	-177.2%
ROA (Annualized)	-0.3%	0.4%	-
ROE (Fully Diluted and Annualized)	-5.6%	7.2%	-
	2008.9	2008.3	Change %
Total Assets	12,446.2	11,525.7	+8.0%
Diluted Equity Per Share (JPY)	338.12	364.35	-7.2%
Tier I Capital Ratio	6.41%	7.37%	-
Total Capital Adequacy Ratio	10.48%	11.74%	-
Non-Performing Loan Ratio*	0.90%	0.95%	-

*Non-performing loan ratio under the Financial Revitalization Law on a non-consolidated basis

Consolidated Financial Summary:

Balance Sheet Snap Shot

→ Diversified business supported by strong deposit base



- Call Loans
- Monetary Assets Held in Trust
- Other Monetary Claims Purchased
- Customers' Liabilities
- Other Assets
- Other
- Securities
- Loans & Bills Discounted

- Equity
- Other
- Call Money
- Acceptances & Guarantees
- Other Liabilities
- Debtentures & Corporate Bonds*
- Borrowed Money*
- Deposits & NCDs*

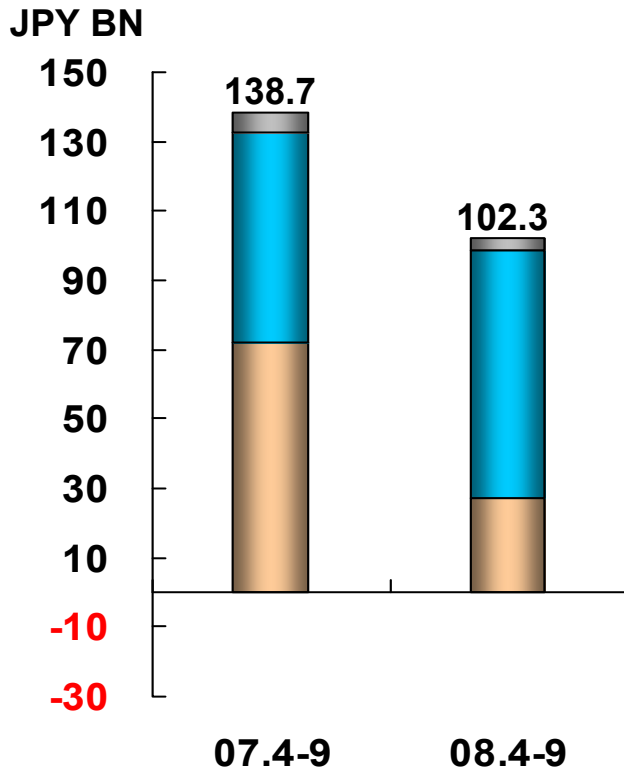
*Represents funding base

Business Line Overview:

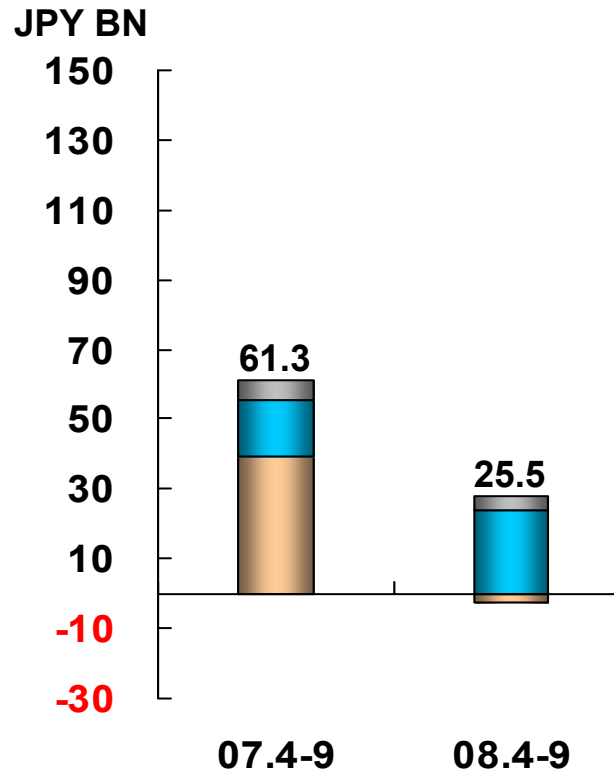
Institutional Group and Individual Group

➔ Individual Group helps cover Institutional Group decline

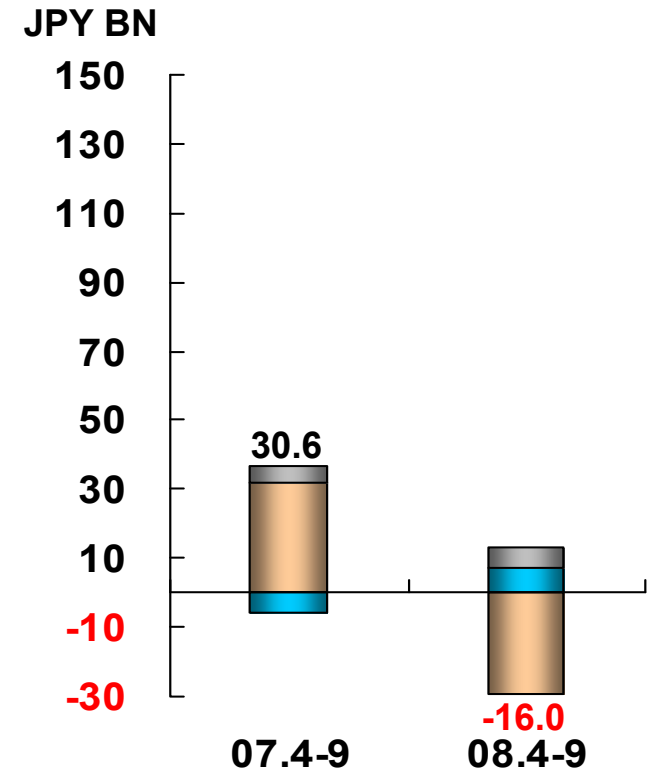
Revenues



OBP



OBP/OBL After Net Credit (Recoveries) Costs



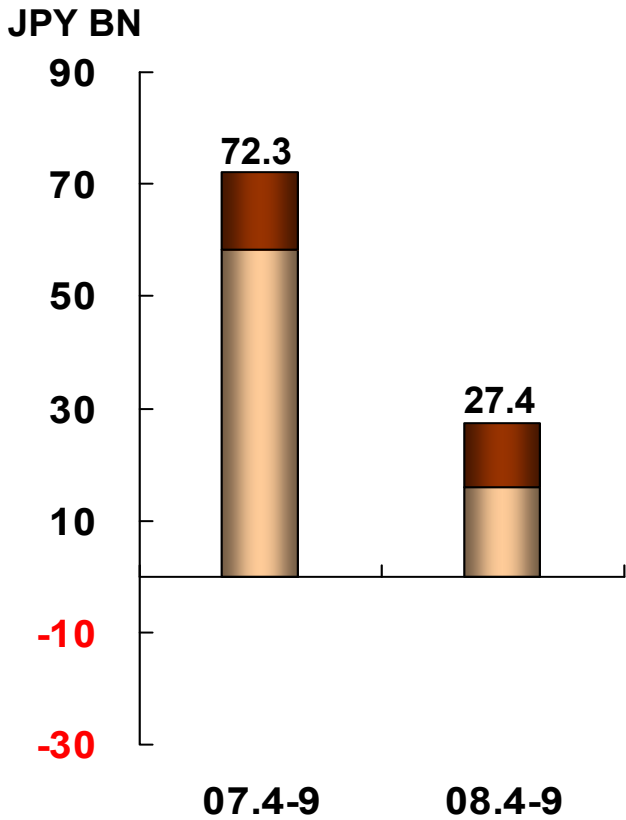
- Corporate/Other
- Individual Group
- Institutional Group

Institutional Group:

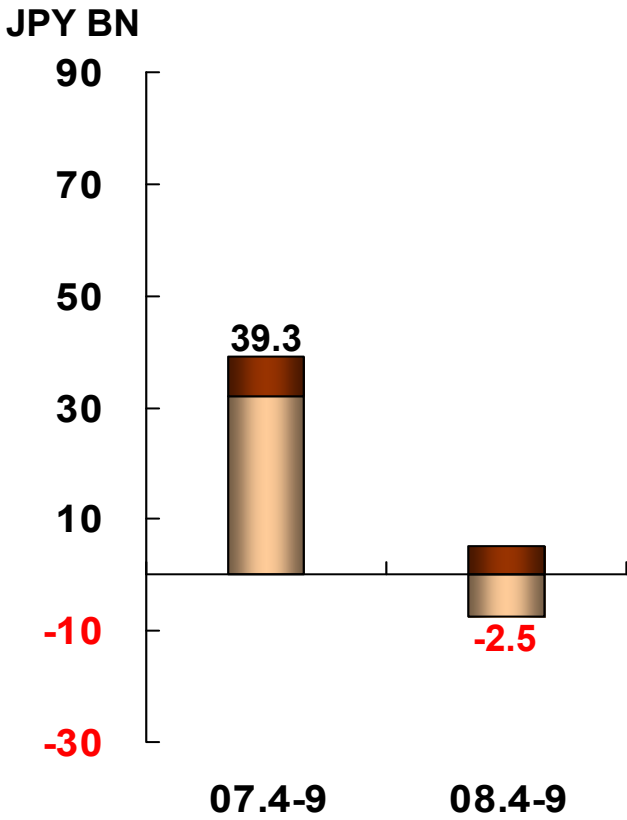
Financial Highlights

→ Large impact from global market turmoil

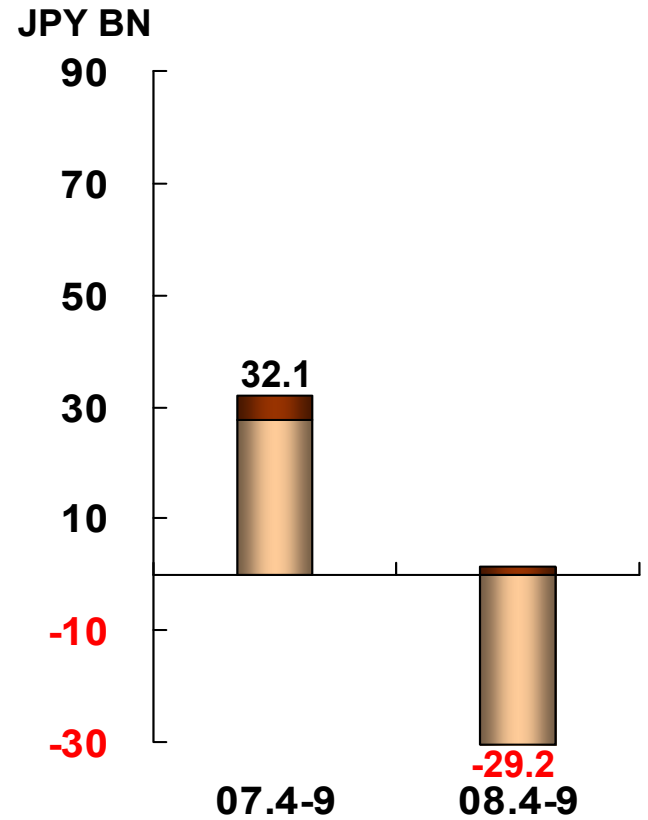
Revenues



OBP



OBP/OBL After Net Credit Recoveries

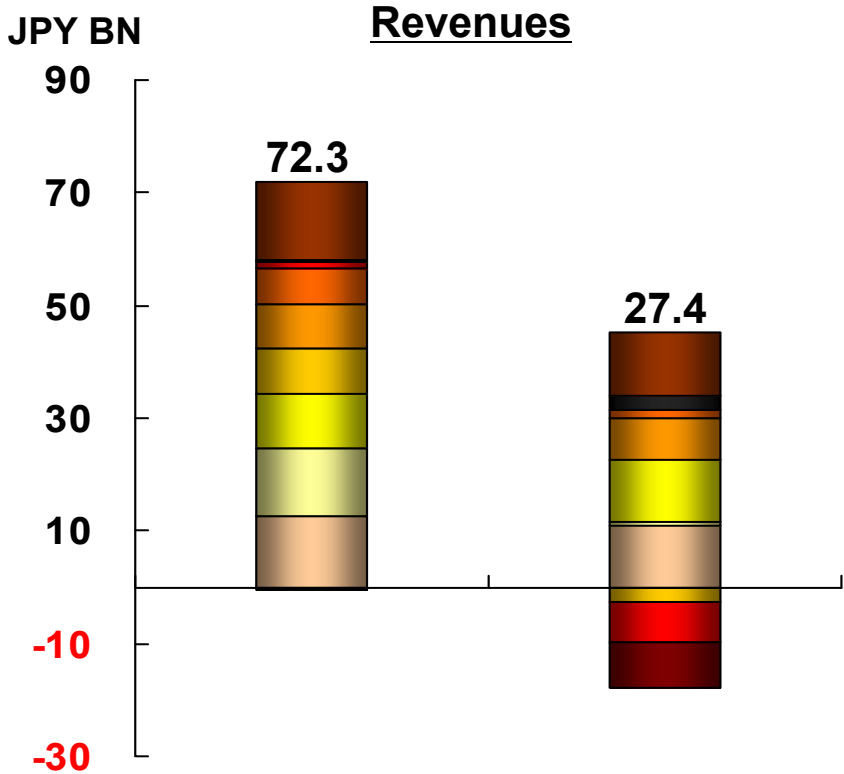


- Showa Leasing
- Institutional Banking

Institutional Group:

Revenue Breakdown

➔ Diversified earnings, but almost all businesses impacted by turmoil



Main Points

- Net interest income up, but non-Interest income down sharply
- Revenues down for all businesses except “Non-Recourse Real Estate Finance” and “ALM Activities”
- Impact from bankruptcy of Lehman Brothers Holdings, losses related to European ABI and other investments

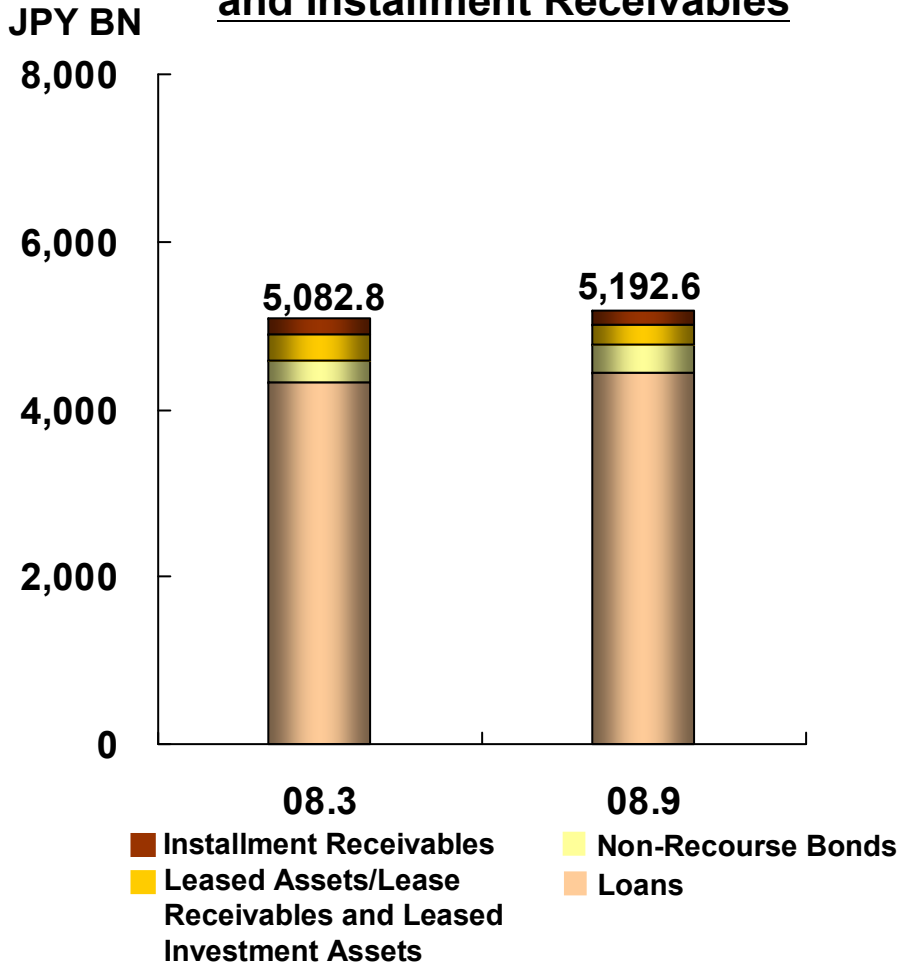


Institutional Group:

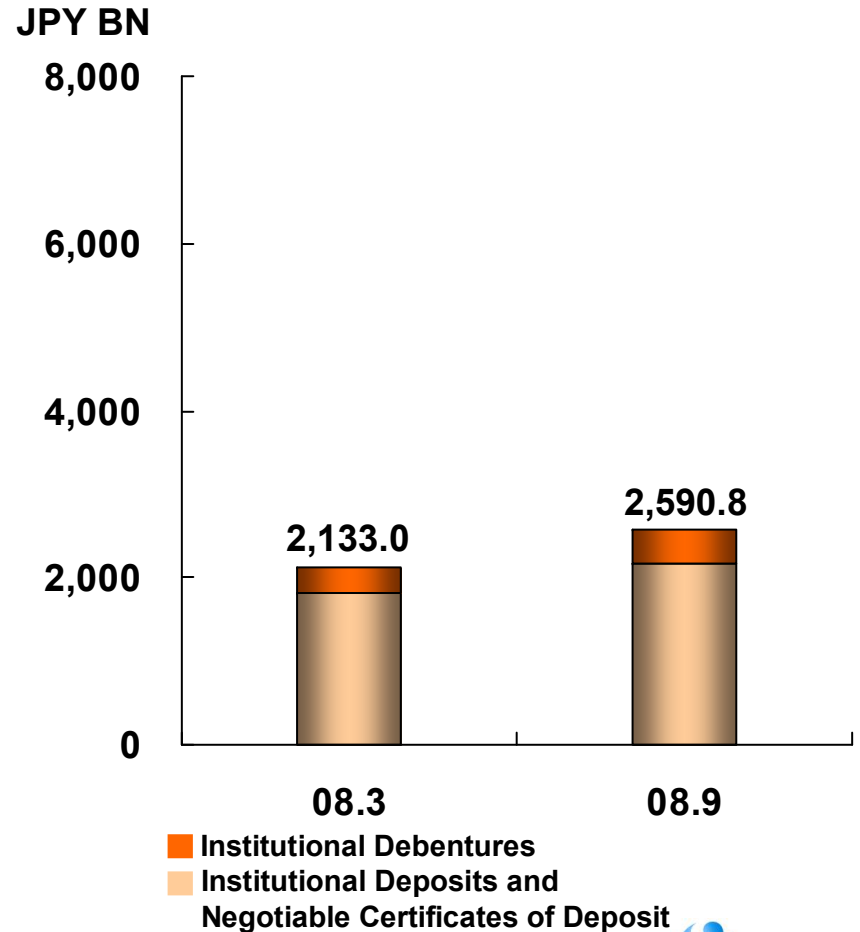
Major Assets and Funding

→ Steady asset base and higher fund raising achieved

Loans, Non-recourse Bonds, Leases and Installment Receivables



Deposits & Debentures

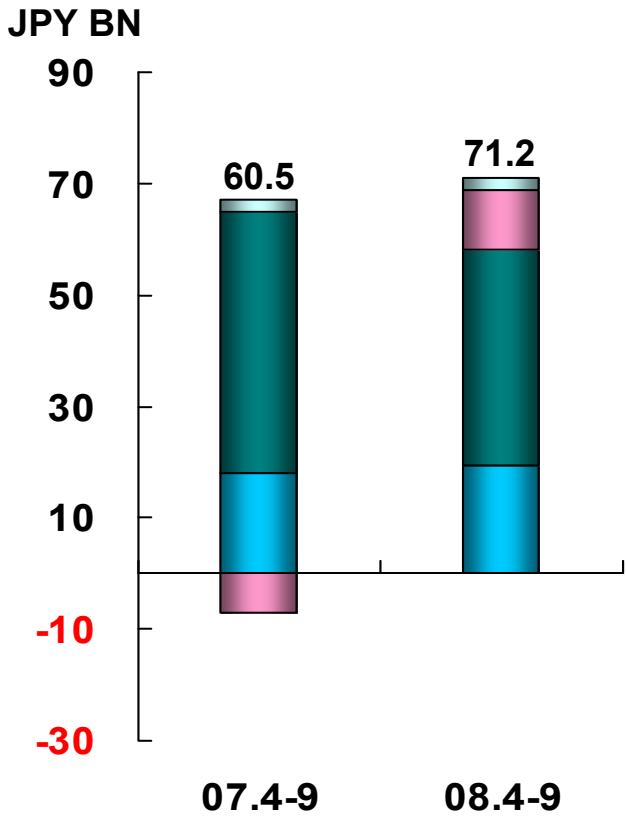


Individual Group:

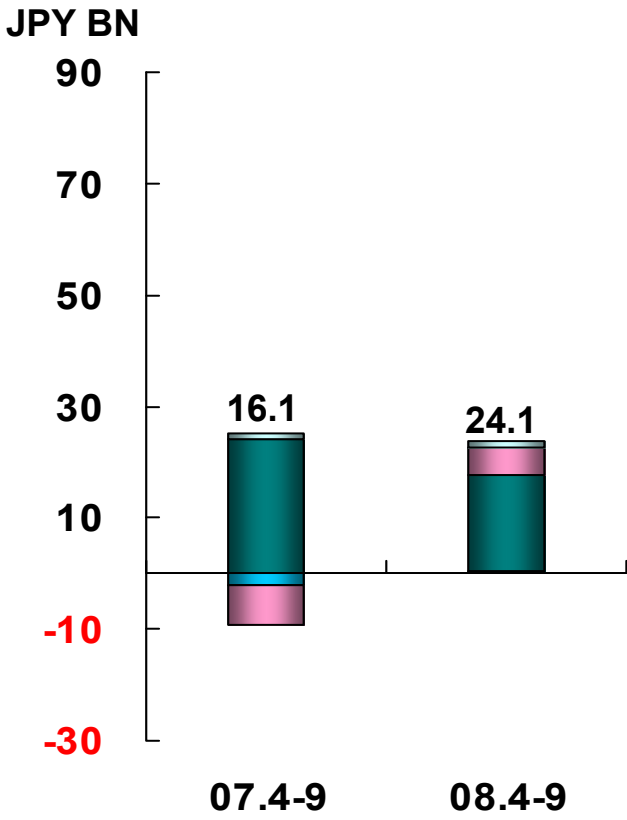
Financial Highlights

➔ Good progress made across all major businesses

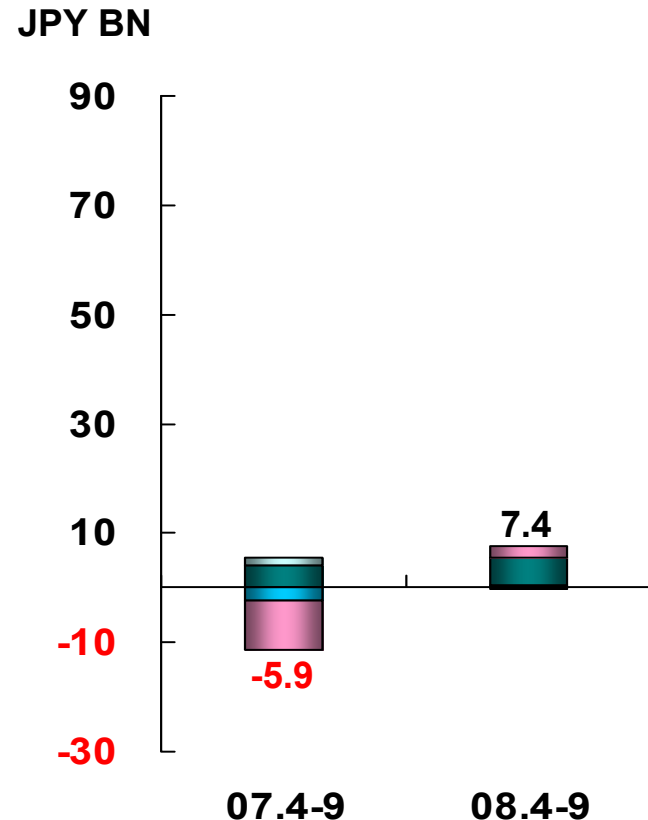
Revenues



OBP



OBP/OBL After Net Credit Costs



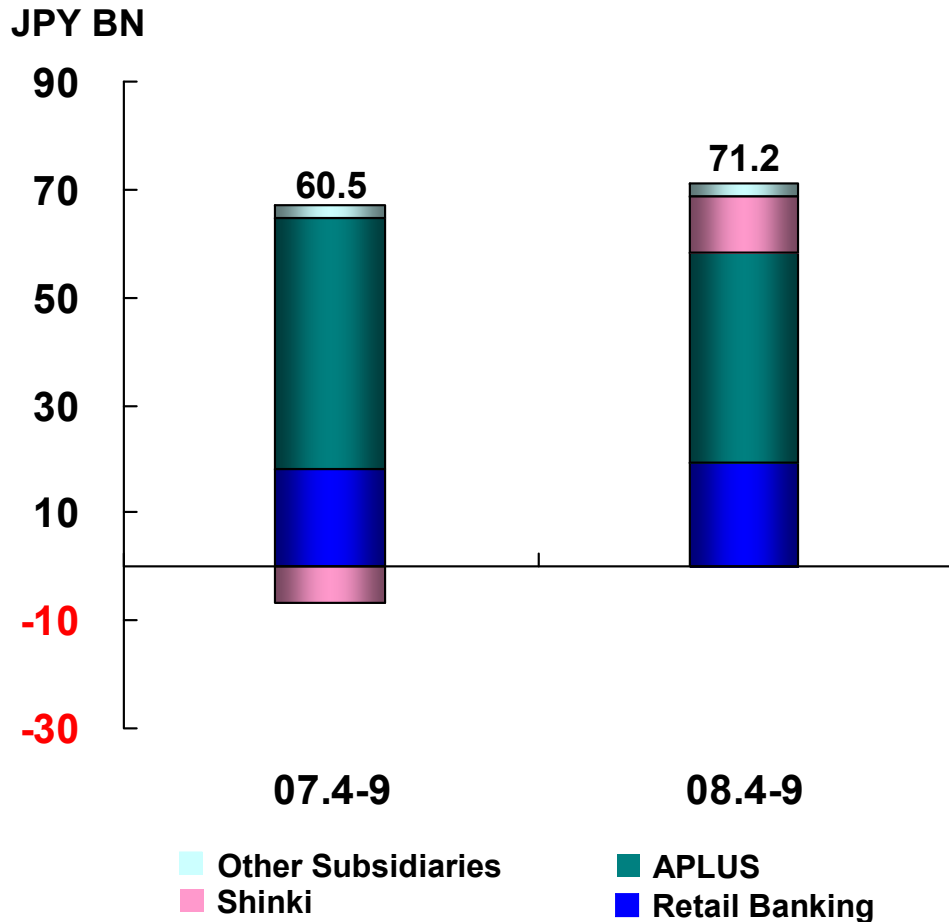
■ Other Subsidiaries ■ APLUS
■ Shinki ■ Retail Banking

Individual Group:

Revenue Breakdown

➔ Individual Group making positive contribution to revenues

Revenues



Main Points

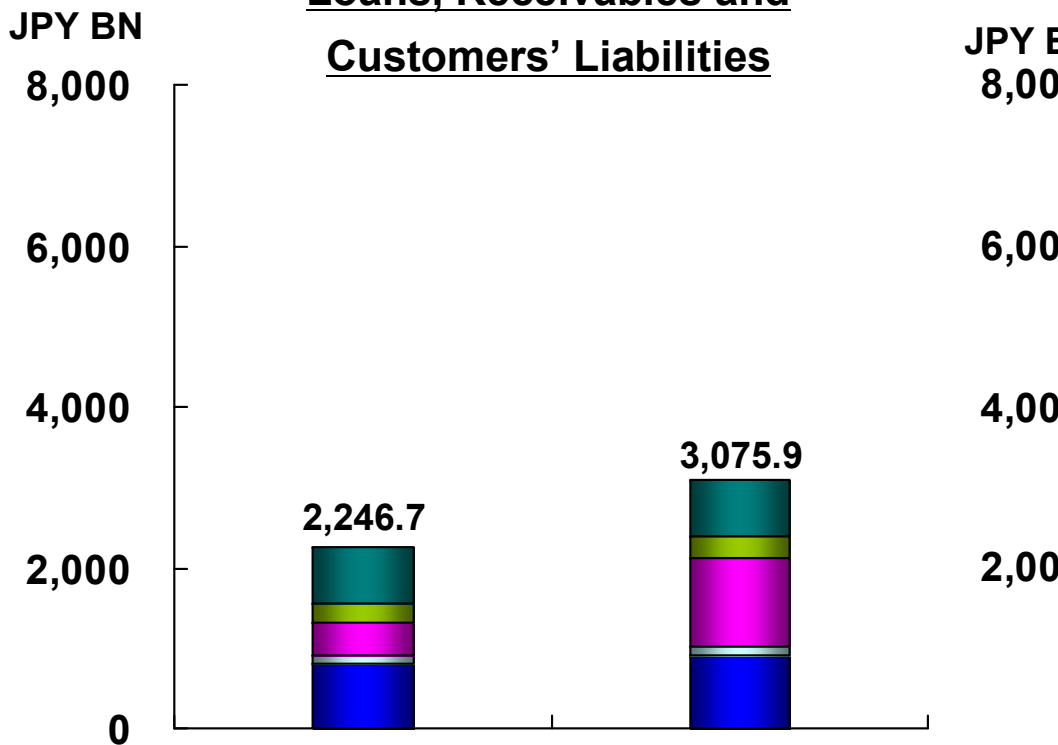
- Shinki moved into profitability
- APLUS revenues down as planned on stricter credit screening policy
- Retail Banking up due to higher contribution from deposit and debenture income and loans

Individual Group:

Assets and Assets Under Management (AUM) & Customers

➔ Individual Group in growth stage with AUM & customers increasing

Loans, Receivables and Customers' Liabilities

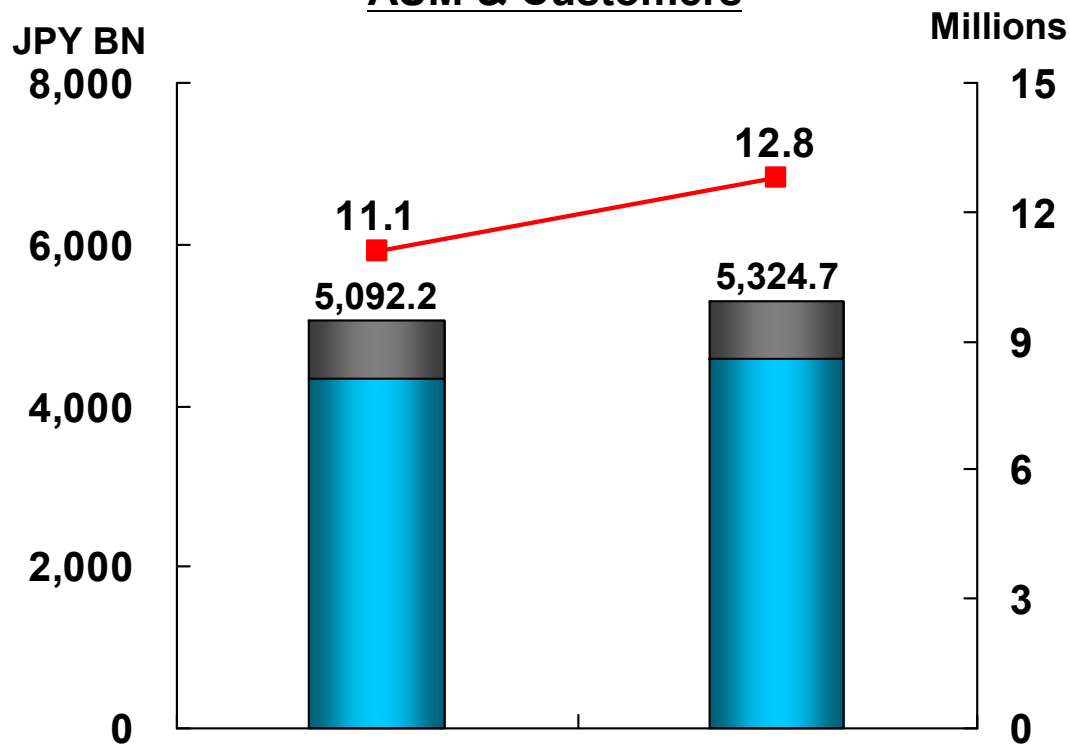


08.3

08.9

- Customers' Liabilities for Acceptances and Guarantees
- Installment Receivables (Consumer Finance)
- Loans to Consumer Finance Subsidiaries' Customers
- Other Retail Banking Loans
- Housing Loans

AUM & Customers



08.3

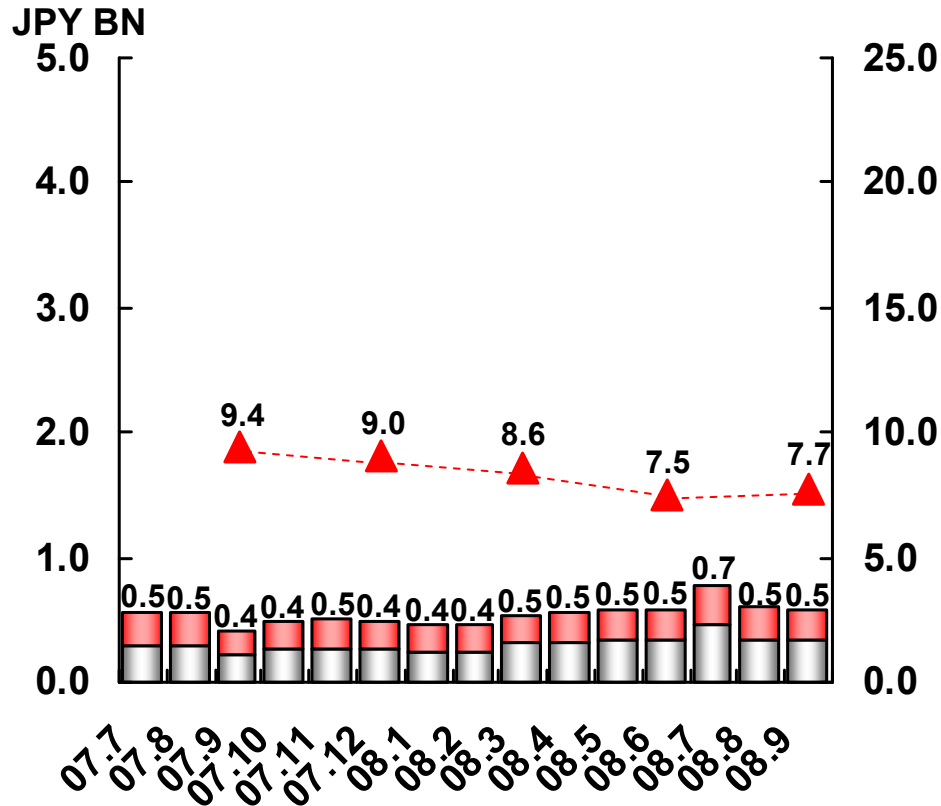
08.9

- Mutual Funds and Variable Annuities (lhs)
- Retails Deposits and Retail Debentures (lhs)
- Number of Customers (rhs)

Individual Group: APLUS & Shinki Grey Zone Trend

➔ Flat grey zone trend continues

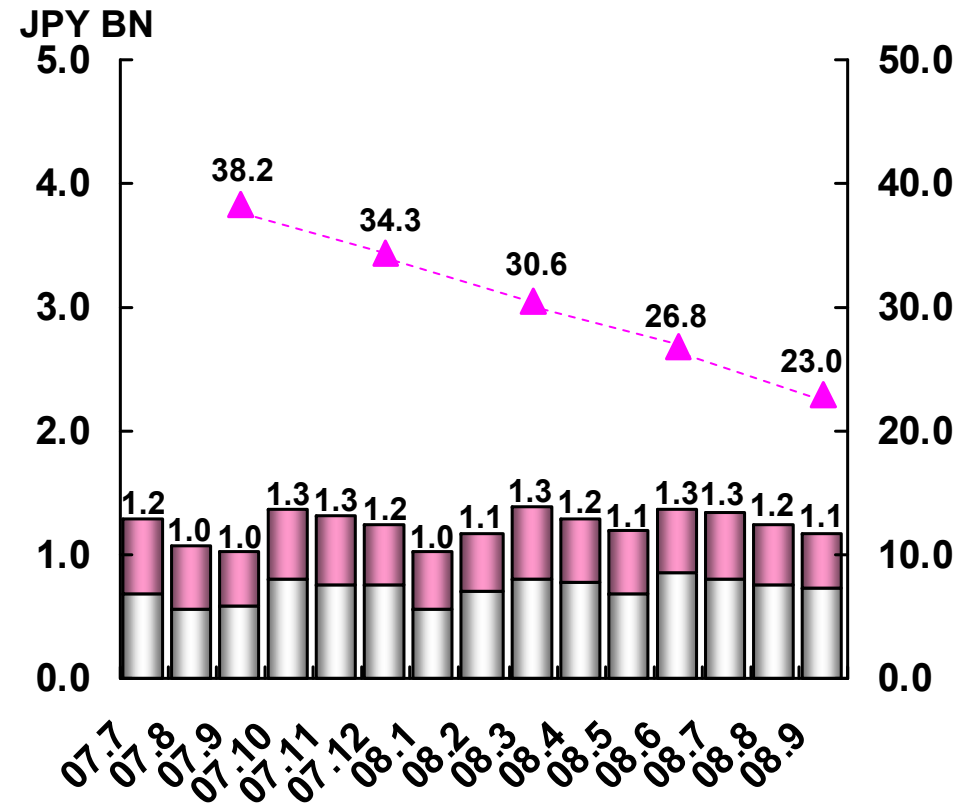
APLUS Grey Zone Claims & Reserves*



■ Debt Write-off Amount (lhs) ▲ Reserves (rhs)
■ Interest Repayment Amount (lhs)

*APLUS consolidated data

Shinki Grey Zone Claims & Reserves*



■ Debt Write-off Amount (lhs) ▲ Reserves (rhs)
■ Interest Repayment Amount (lhs)

*Shinki consolidated data

Key Takeaways:

Market Positioning and Outlook

Consolidated Results Overview

- Lower revenues, higher net credit costs and lower extraordinary gains led to decline in net income
- Securitized products balance down 34.8% year on year with large drop in CLO balance
- High quality real estate portfolio with overall LTV under 75% contributing to earnings
- Expect stronger second half centered on Individual Group with GECF contributing about 30 billion yen

Asset Quality, Liquidity and Capital

- Improved balance sheet quality leading to lower non-performing loan ratio
- Liquid funding primarily in the form of retail and institutional deposits
- Looking to optimize our capital position by reducing non-core assets

Expansion of Consumer Finance Operations

- Acquisition of GECF will create additional synergies and economies of scale in Individual Group
- Target market is to focus on providing sustainable white zone lending within Shinsei Bank Group
- GECF is leveraging its track record as a leader in the industry with Lake



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Forward Looking Statement

- ✓ This document contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to the Company and its subsidiaries. These forward-looking statements are based on current assumptions of future events and trends, which may be incorrect. Actual results may differ materially from those in the statements as a result of various factors.
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