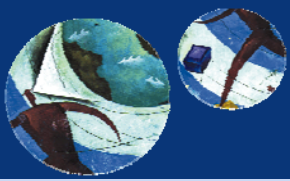




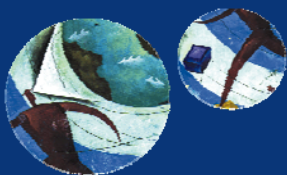
Financial and Business Results
First Half Fiscal Year 2007
Investors' Meeting

Shinsei Bank

November 15, 2007



- ✓ The following materials contain 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.
- ✓ Unless otherwise noted, the financial data contained in these materials are presented under Japanese GAAP. The Company disclaims any obligation to update or to announce any revision to forward-looking statements to reflect future events or developments. Unless otherwise specified, all the financials are shown on a consolidated basis.
- ✓ Information concerning financial institutions other than the Company and its subsidiaries are based on publicly available information.
- ✓ These materials do not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever.



Consolidated Financial Highlights and Topics

Thierry Porté, President and Chief Executive Officer



Financing and Asset Quality

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Funding Composition**
- » **Financial Stability and Asset Quality**

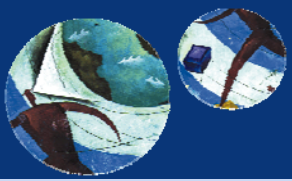


The Three Strategic Business Pillars

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Institutional Banking**
- » **Retail Banking**
- » **Consumer and Commercial Finance**

APLUS Co., Ltd.: Clark Graninger, Representative Director and
President (CEO)



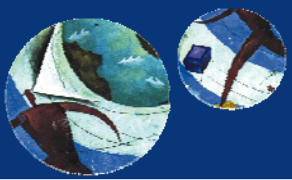
Consolidated Financial Summary:

First Half Ended September 30, 2007

➤ Strengthening business for future growth with firm balance sheet and solid capital ratios

	JPY BN		
	2007.4-9	2006.4-9	Change %
Total Revenue	138.7	138.5	+0.2%
Ordinary Business Profit	61.3	62.8	-2.3%
Net Income	23.1	38.8	-40.3%
Diluted Net Income Per Share (JPY)	12.72	19.54	-34.9%
ROE (Annualized)	7.2%	9.7%	-
ROA (Annualized)	0.4%	0.8%	-
	2007.9	2007.3	Change %
Total Assets	12,423.4	10,837.6	+14.6%
Diluted Equity Per Share (JPY)	354.04	355.09	-0.3%
Total Capital Adequacy Ratio	12.4%	13.1%	-
Tier I Capital Ratio	7.6%	8.1%	-
Non-Performing Loan Ratio*	0.82%	0.53%	-

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

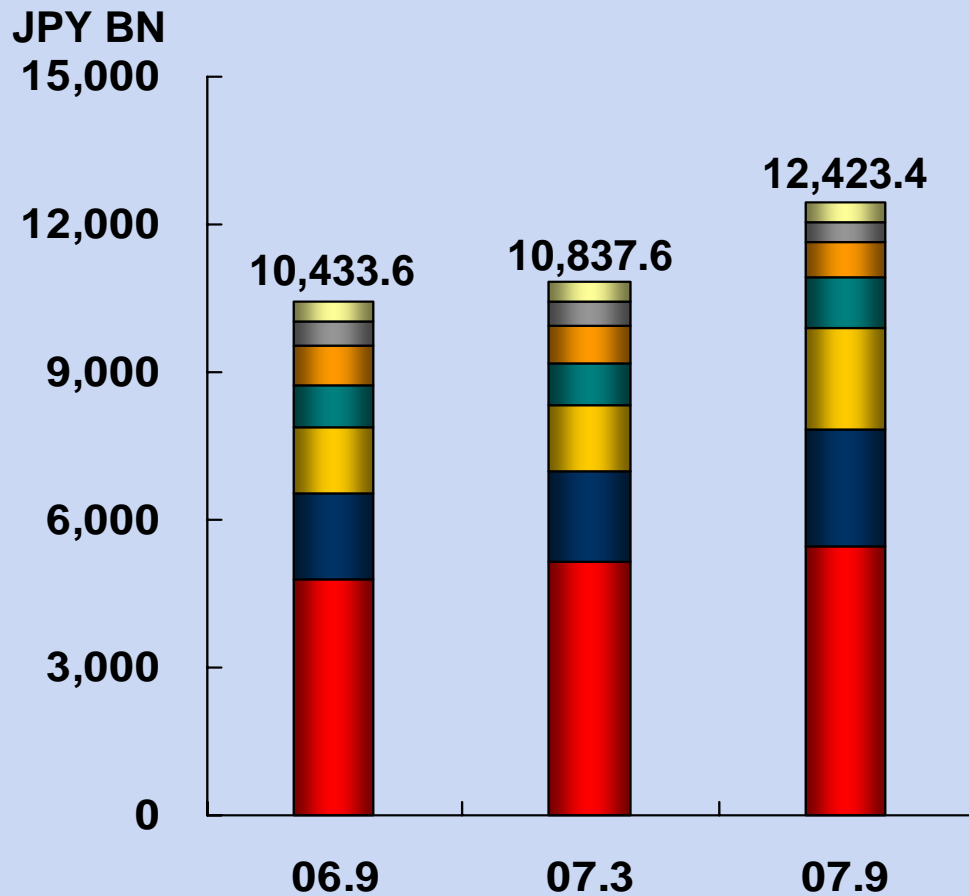


Total Assets: Growth and Diversification

➤ Total assets up 14.6% on March 31, 2007 due mainly to an increase in call loans, securities and loans

Total Assets

Main Points

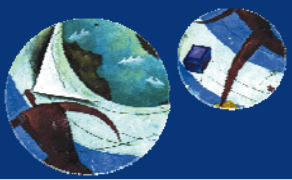


Increase in call loans due mainly to an increase in call money

Increase in securities due to increase in corporate bonds, including non-recourse bonds, overseas securities and JGBs

Growth in loans due to increase in demand for non-recourse and housing loans

■ Premises and Equipment ■ Other Assets
■ Monetary Assets Held in Trust ■ Other
■ Customer Liabilities for Acceptances and Guarantees ■ Securities
■ Loans and Bills Discounted

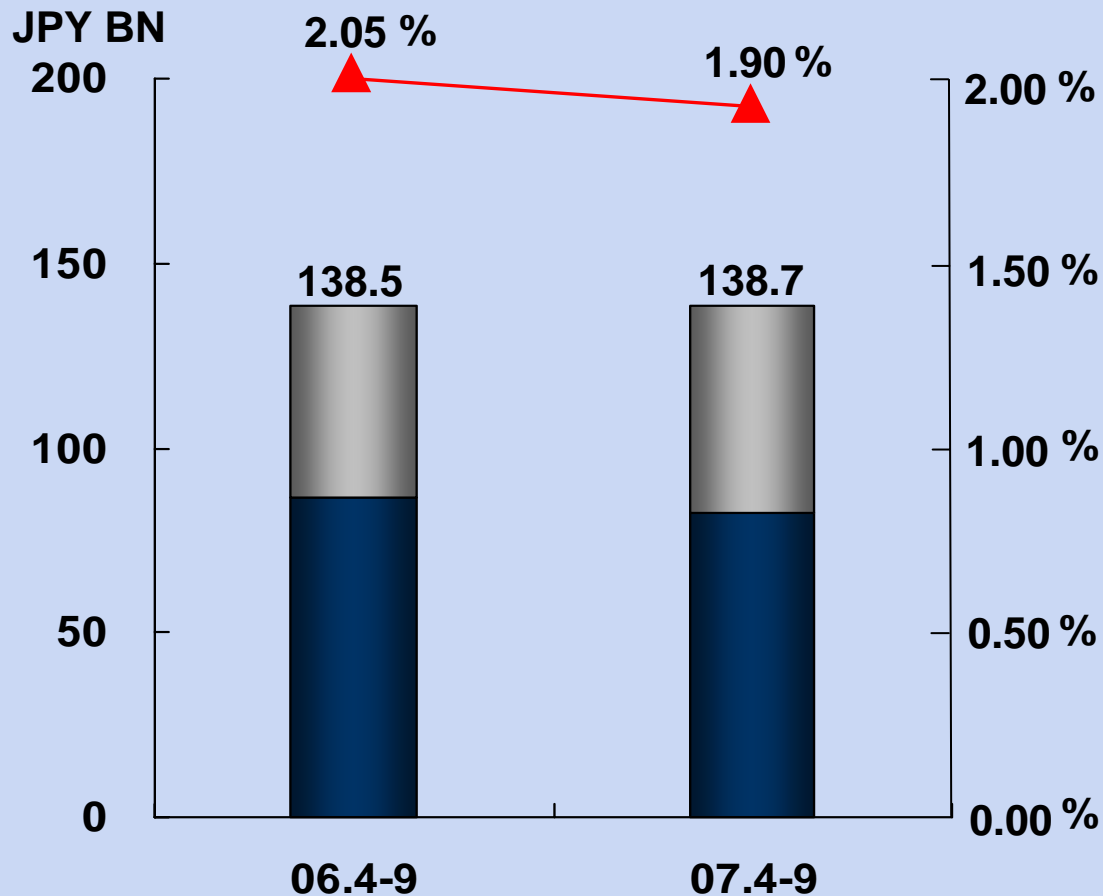


Total Revenues:

Net Interest Income, Non-Interest Income and Net Interest Margin

➤ Steady revenues of Institutional Banking helped balance lower revenues in Consumer and Commercial Finance and Retail Banking

Total Revenues & Net Interest Margin



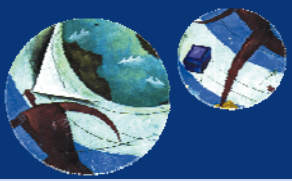
■ Net Interest Income (lhs) ▲ Net Interest Margin (rhs)
■ Non-Interest Income (lhs)

Main Points

Net interest income up due mainly to increase in interest on loans due to higher balance

Non-interest income down due mainly to U.S. residential mortgage mark-downs and losses recorded at our consumer finance affiliate

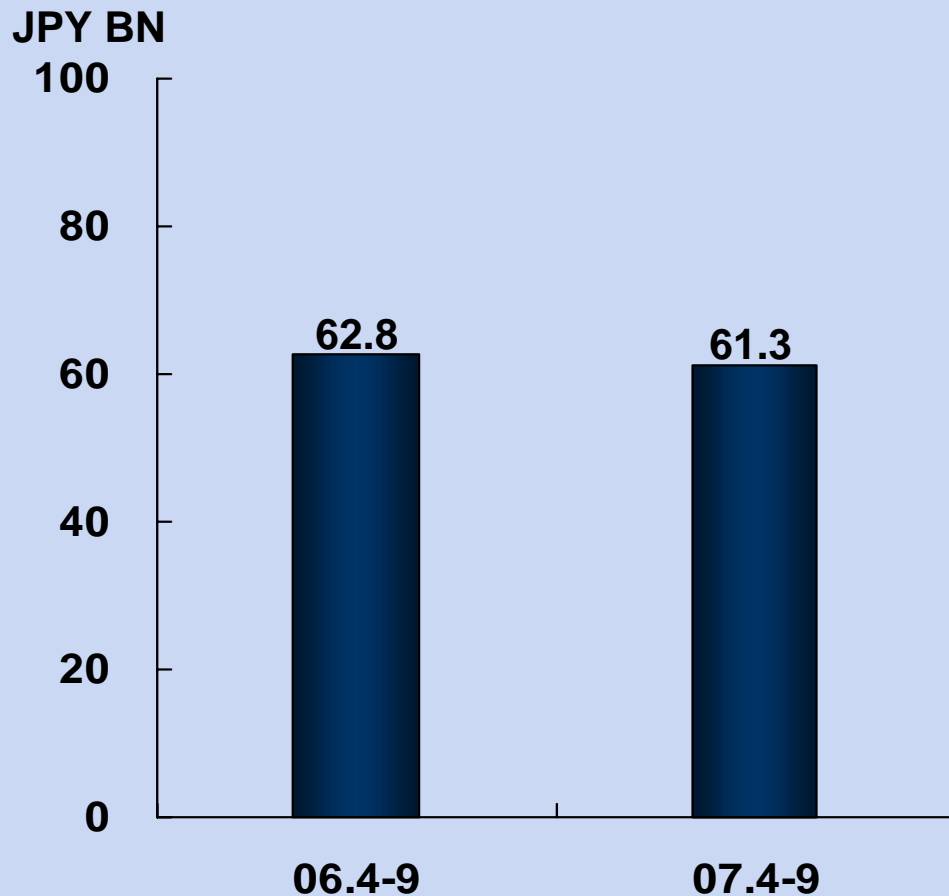
Net interest margin down compared to 1H FY06, but up on FY07 (1.84%)



Ordinary Business Profits:

➤ Ordinary business profits held steady as a result of efforts to control costs

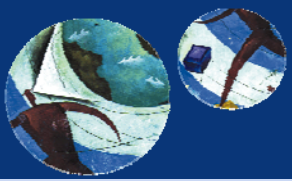
Ordinary Business Profit



Main Points

Personnel expenses up only slightly due to costs incurred at Institutional and Retail Banking to support business growth

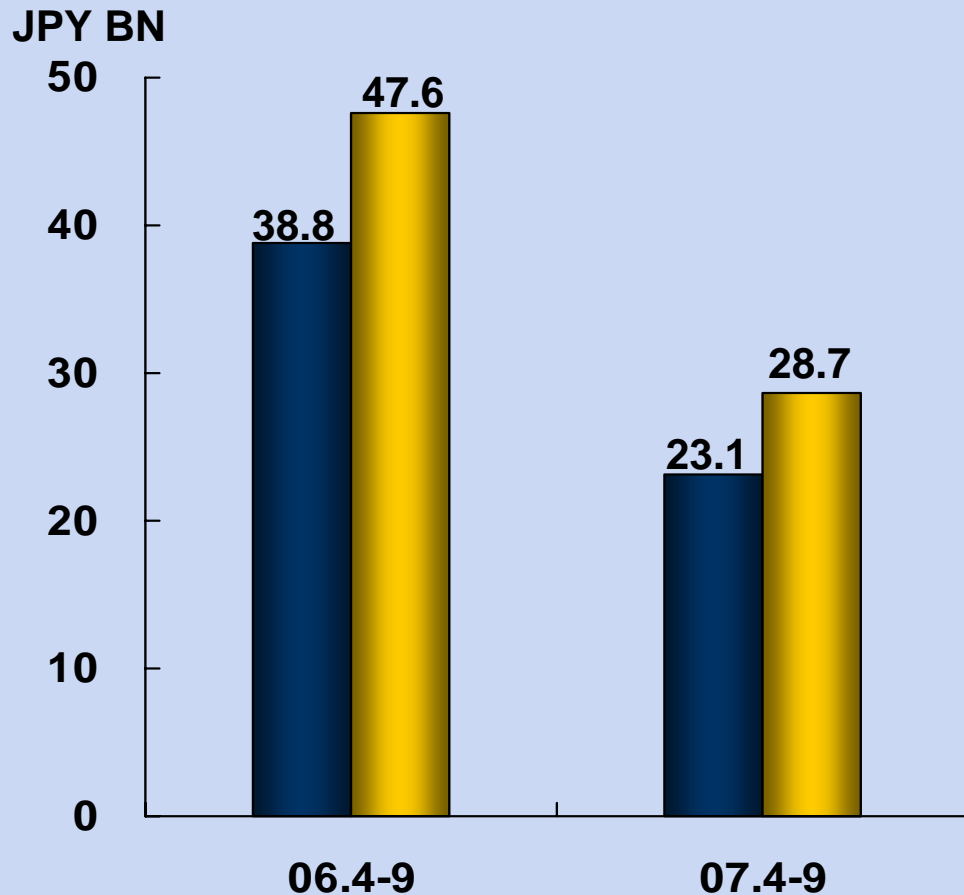
Expense rationalization and restructuring activities at APLUS contributed to control of costs



Net Income:

➤ Net income lower due mainly to increased provisions related to U.S. residential mortgage exposure and higher credit costs in consumer finance

Net Income



■ Net Income
■ Cash Basis Net Income

Main Points

Higher provisions in Institutional Banking due to U.S. residential mortgage exposure and higher credit costs in Consumer and Commercial Finance had negative impact on net income

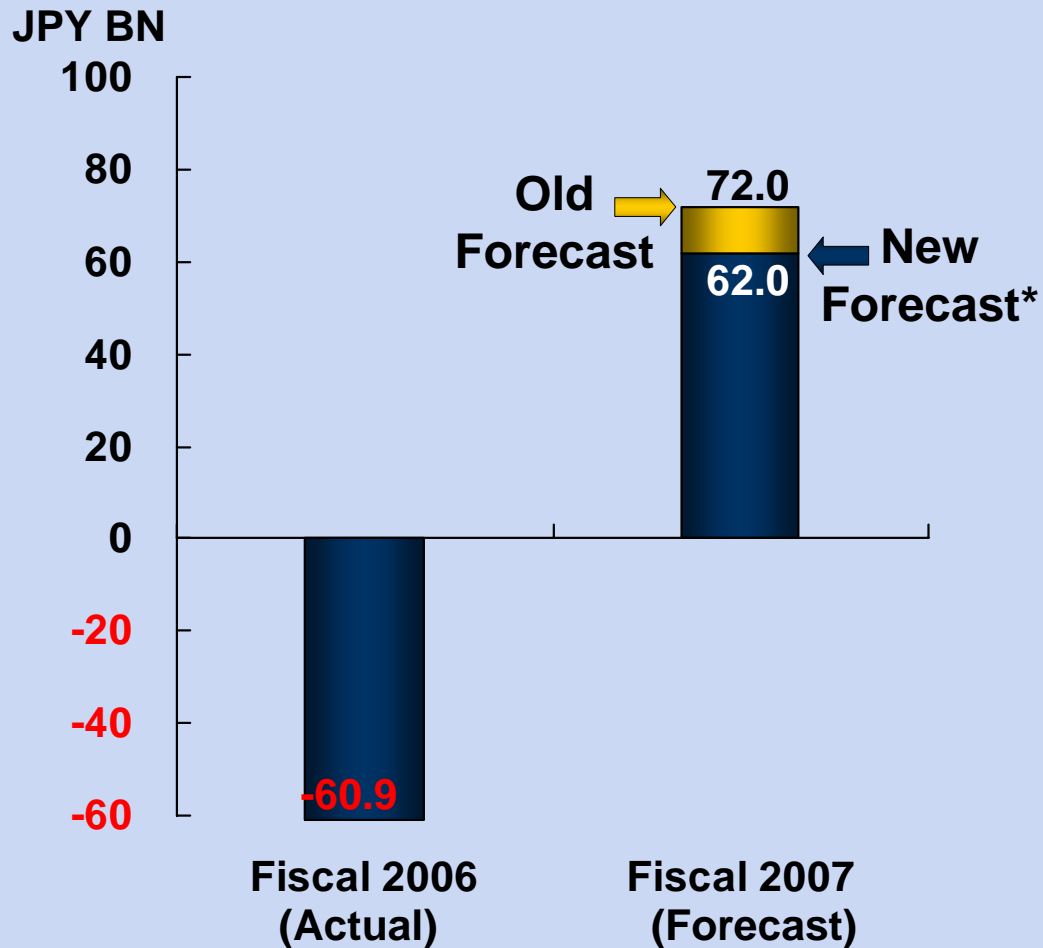
Other gains and income tax increased due mainly to sale of Life Housing Loan



Net Income Forecast: Revision

➤ Net income forecast revised down to 62.0 billion yen for fiscal year ending March 31, 2008

Net Income

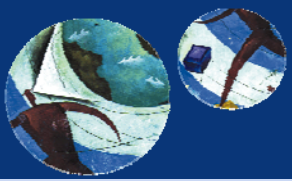


Reasons for Revision

Mark-down and provisions related to U.S. residential mortgage market

Impact from losses related to consumer finance-related equity method affiliate Shinki

* Revised on October 25, 2007.



U.S. Residential Mortgage Market Exposure: Mark-Downs and Provisions

➤ Exposure to U.S. residential mortgage market aggregates to less than US\$500 million

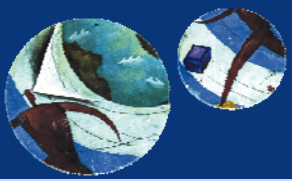
Total Mark-Downs and Provisions Related to U.S. Residential Mortgages

US\$ Million

	2006 Fiscal Year	2007 Fiscal Year	
	4Q (Jan 1-Mar 31, 2007)	1Q (Apr 1-June 30, 2007)	2Q (July 1-Sept 30, 2007)
Mark-Downs	12	*17	*48
Provisions	5	**0	**107
Total	17	17	155

* Total mark-downs were equivalent to JPY7.4 billion in 1H FY07

** Total provisions were equivalent to JPY12.3 billion in 1H FY07



Government Preferred and Common Shares: Details

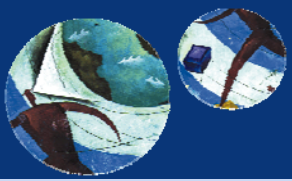
- As of September 30, 2007 the Japanese government owned 10.8% of Shinsei Bank
 - ✓ On April 1, 2008, the Japanese government stake may increase to about 25% upon conversion of Class A preferred shares into common shares

Details of Government Preferred and Common Shares

Type of Preferred Shares	Issue Date	# of Shares Issued	Gov't Issued Amount (1) (JPY BN)	Conversion Price (2) (JPY)	Conversion Date	Remaining # of Shares Upon Conversion (1)/(2)	Sale Price Per Share (JPY)	Gov't Proceeds (JPY BN)
Class A	March 31, 1998	74,528,000	96.9	*360.0	April 1, 2008	* 269,128,888	Not yet converted	N/A
Class B	March 31, 2000	300,000,000	120.0	599.9	July 31, 2006	**200,033,338	753	150.6
Class B	March 31, 2000	300,000,000	120.0	600.0	Aug 1, 2007	200,000,000	Still held by gov't	N/A
Total		674,528,000	336.9			469,128,888		150.6

* In the case of conversion right before the conversion date.

**Shinsei Bank purchased 175,466,000 shares of the 200,033,000 shares sold by the Japanese government at JPY753/Share in August 2006 and subsequently cancelled 85,000,000 shares in November 2006.



Consumer Finance Strategy:

APLUS and Shinki

➤ Shinsei Bank is committed to its strategy in consumer finance focusing on both quality white zone installment sales credit and consumer loans

APLUS@68.9% *-Installment Sales Credit-*

Focusing on quality assets through profitable merchants and white zone customers

Revenues down in line with expectations, but efforts to reduce expenses through restructuring starting to have positive impact

Credit costs up as expected, but starting to see flattening in grey zone claim refund requests in 2Q



Shinki@36.4% *-Consumer Loans-*

All new loans being made in white zone while migrating existing customers into white zone

Additional credit and grey zone provisions recorded

Shinsei Bank intends to subscribe to Shinki's rights offering



Consolidated Financial Highlights and Topics

Thierry Porté, President and Chief Executive Officer



Financing and Asset Quality

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Funding Composition**
- » **Financial Stability and Asset Quality**

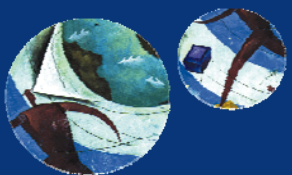


The Three Strategic Business Pillars

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Institutional Banking**
- » **Retail Banking**
- » **Consumer and Commercial Finance**

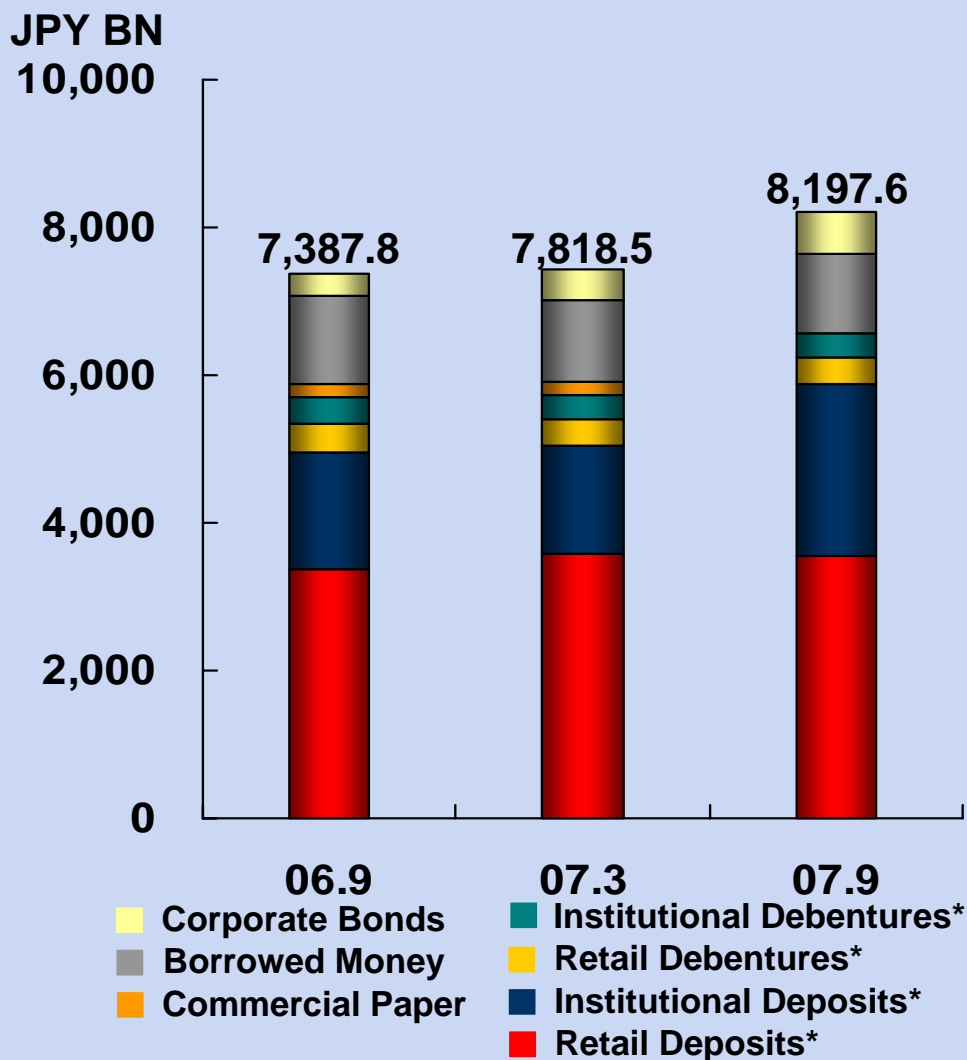
APLUS Co., Ltd.: Clark Graninger, Representative Director and
President (CEO)



Funding Composition: Liquidity and Diversification

- Focus on liquidity management and diversification to meet funding needs
 - ✓ Customer-based funding making up about 80% of total funding

Funding Composition



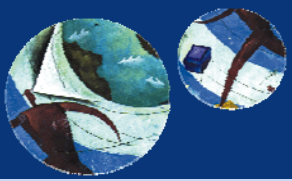
Main Points

Maintaining good balance between customer-based* and non-customer based funding

Strong growth in institutional deposits and steady balance of retail deposits

Large increase in corporate bonds

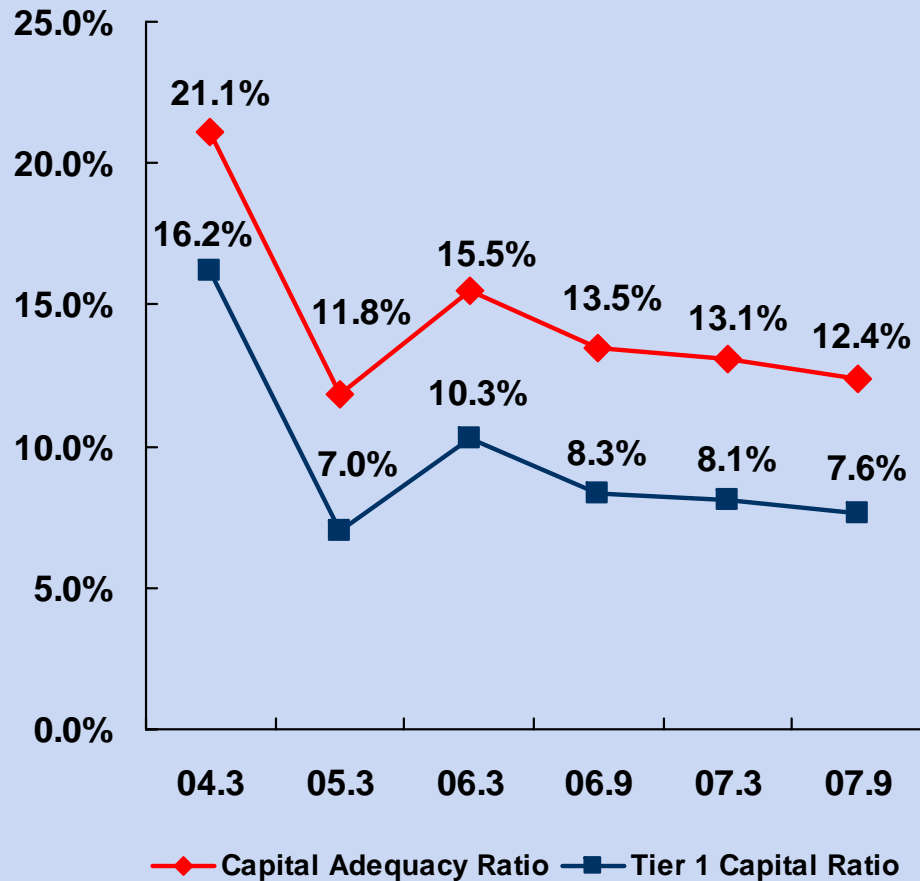
* Customer-based funding



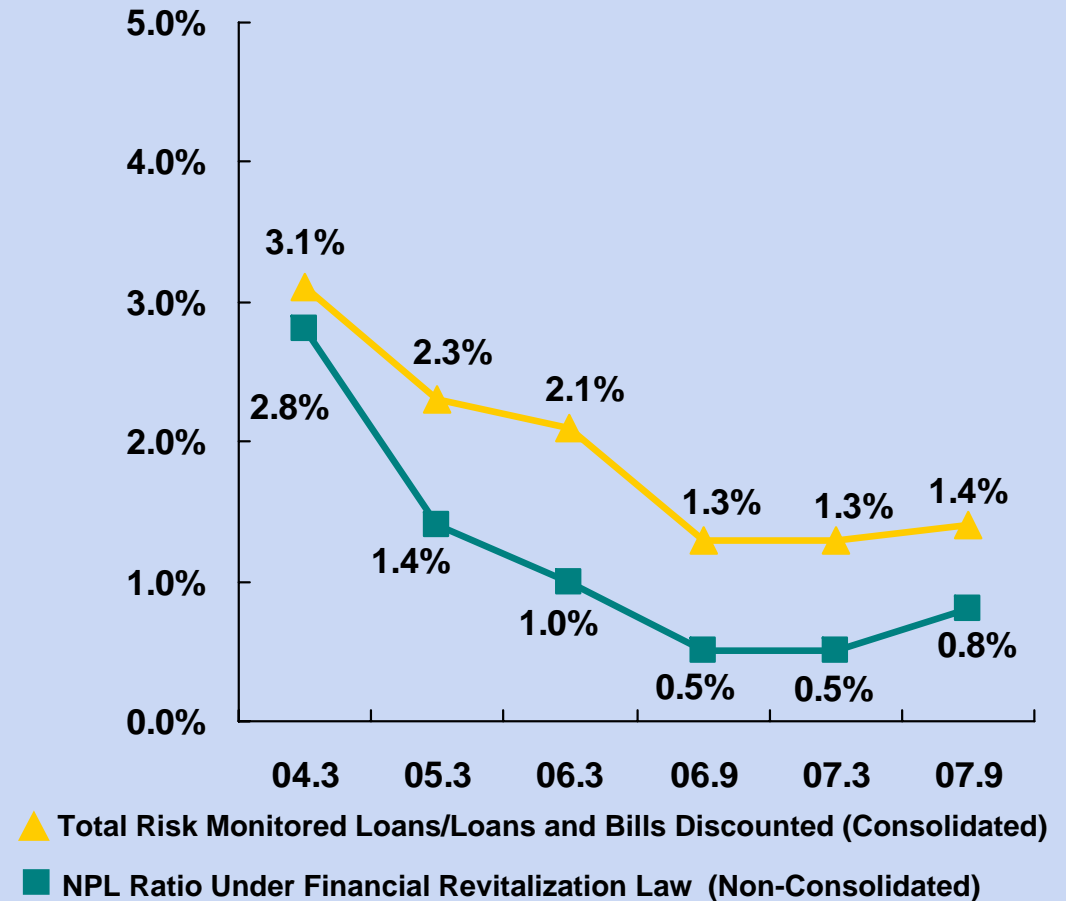
Financial Stability and Asset Quality:

➤ Maintaining solid financial stability and healthy asset quality

Financial Stability



Asset Quality





Consolidated Financial Highlights and Topics

Thierry Porté, President and Chief Executive Officer



Financing and Asset Quality

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Funding Composition**
- » **Financial Stability and Asset Quality**

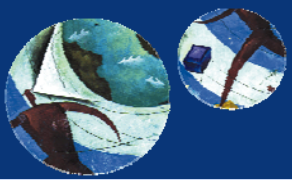


The Three Strategic Business Pillars

Rahul Gupta, Senior Managing Executive Officer, Chief Financial Officer

- » **Institutional Banking**
- » **Retail Banking**
- » **Consumer and Commercial Finance**

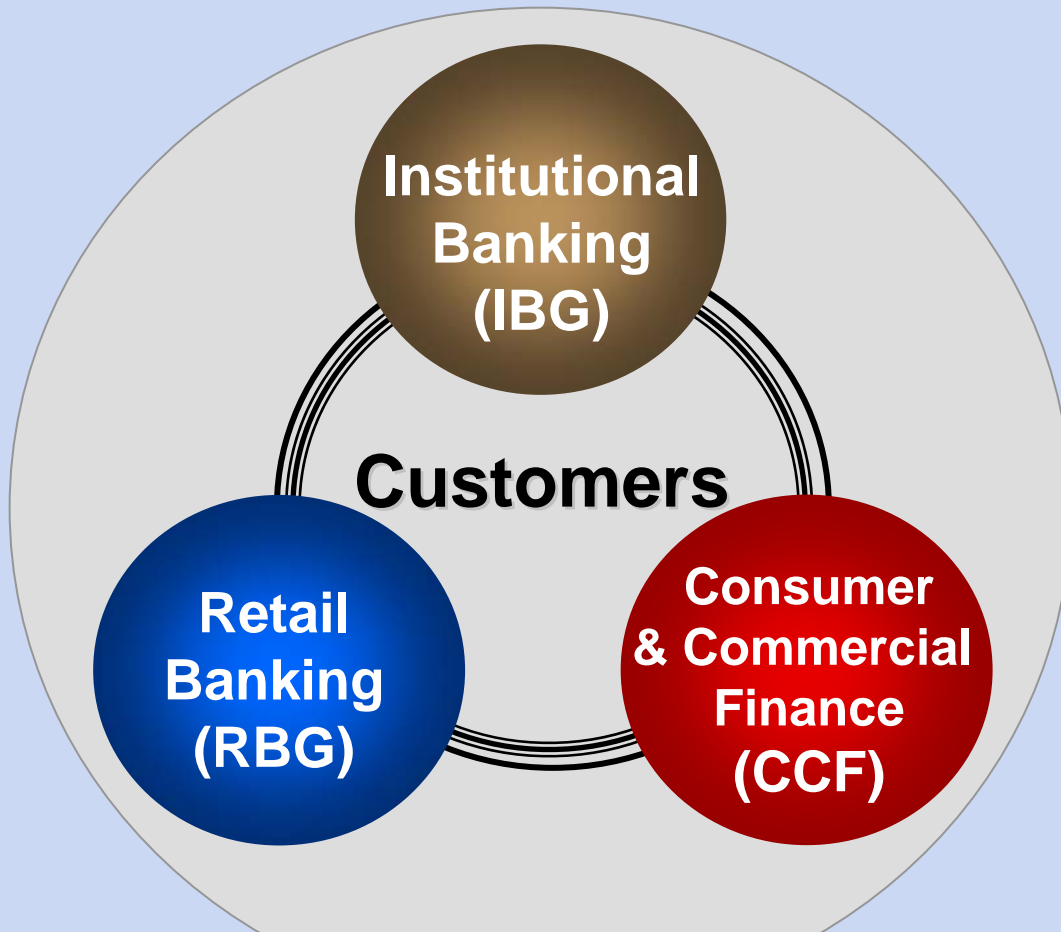
✓ **APLUS Co., Ltd.:** Clark Graninger, Representative Director and President (CEO)



Business Line Overview:

Institutional Banking, Retail Banking, Consumer and Commercial Finance

➤ Three-pillar business strategy focused on Institutional Banking, Consumer & Commercial Finance and Retail Banking



Institutional Banking focuses mainly on corporate customers providing lending, securitization, credit trading, capital market, advisory, wealth and asset management services

Retail Banking provides deposit services, mutual funds, annuity/insurance and mortgage loans

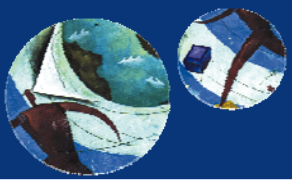
Consumer & Commercial Finance provides consumer finance, commercial finance, leasing, business finance and specialty property finance to retail and corporate customers

Risk Management

Technology Platform

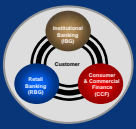
Corporate Governance

Compliance



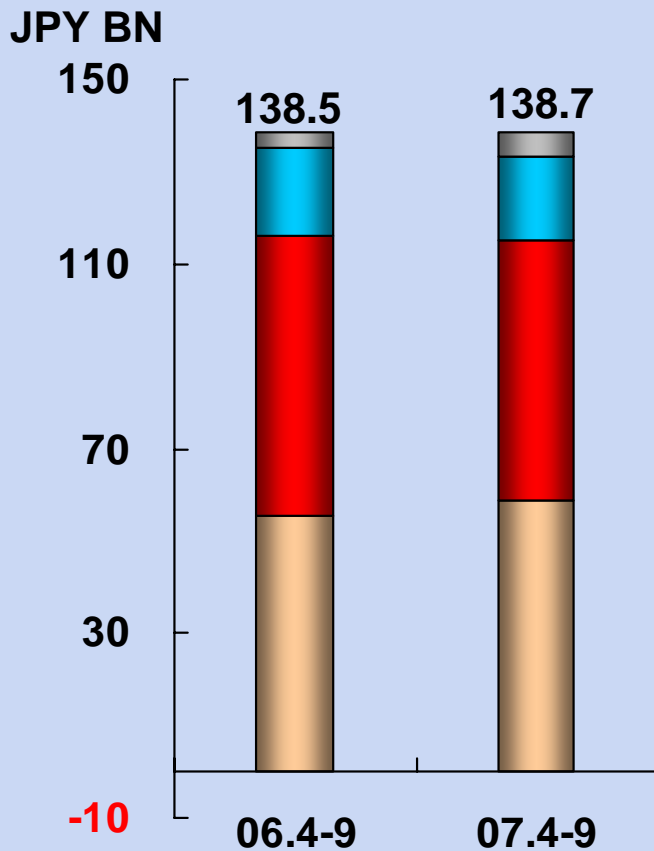
Business Line Overview:

Institutional Banking, Consumer and Commercial Finance, Retail Banking

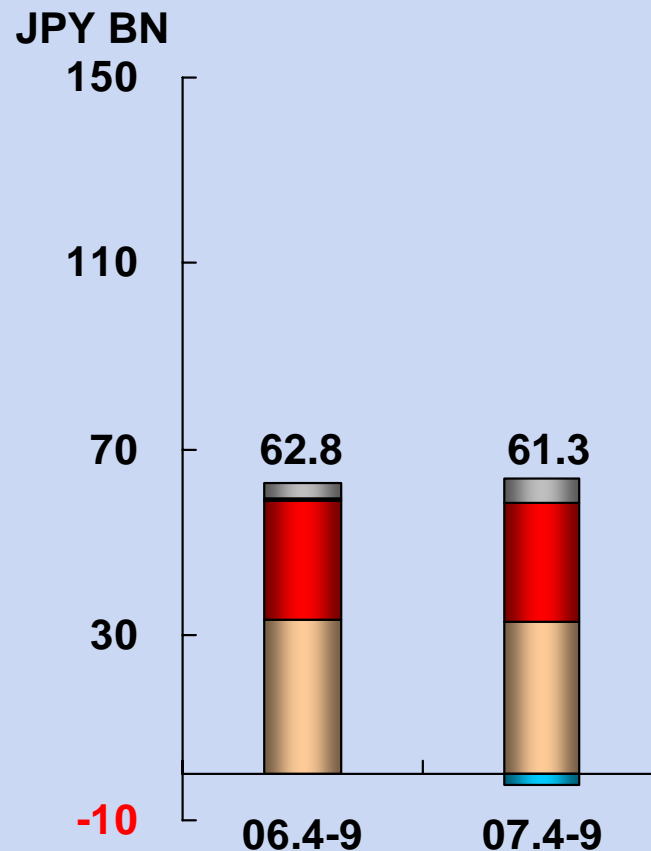


➤ Institutional Banking continues to account for majority of operating business profits (OBP) after credit (costs) recoveries

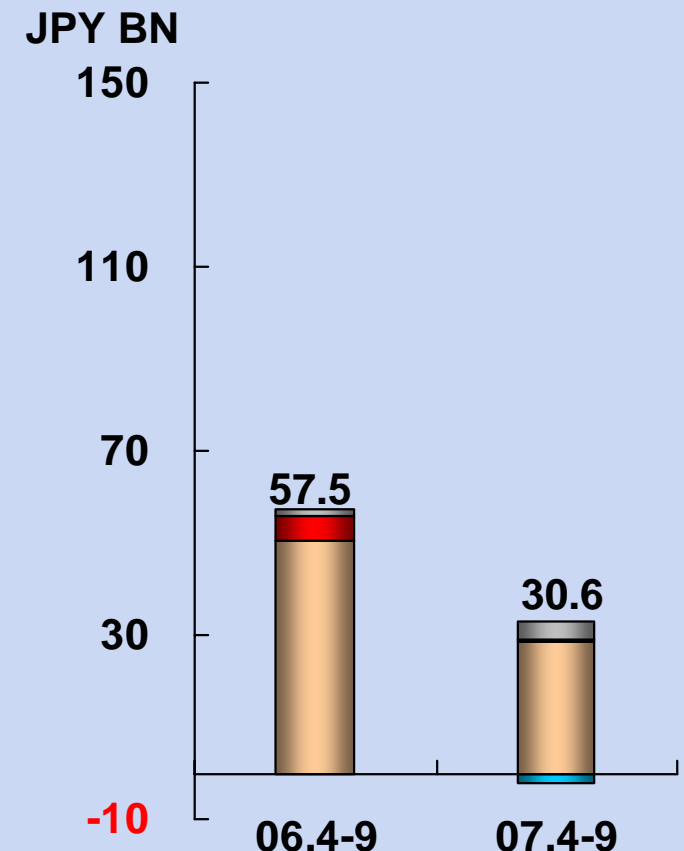
Revenues



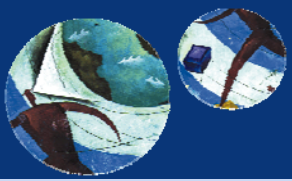
OBP (Loss)



OBP (Loss) After Net Credit Recoveries (Costs)



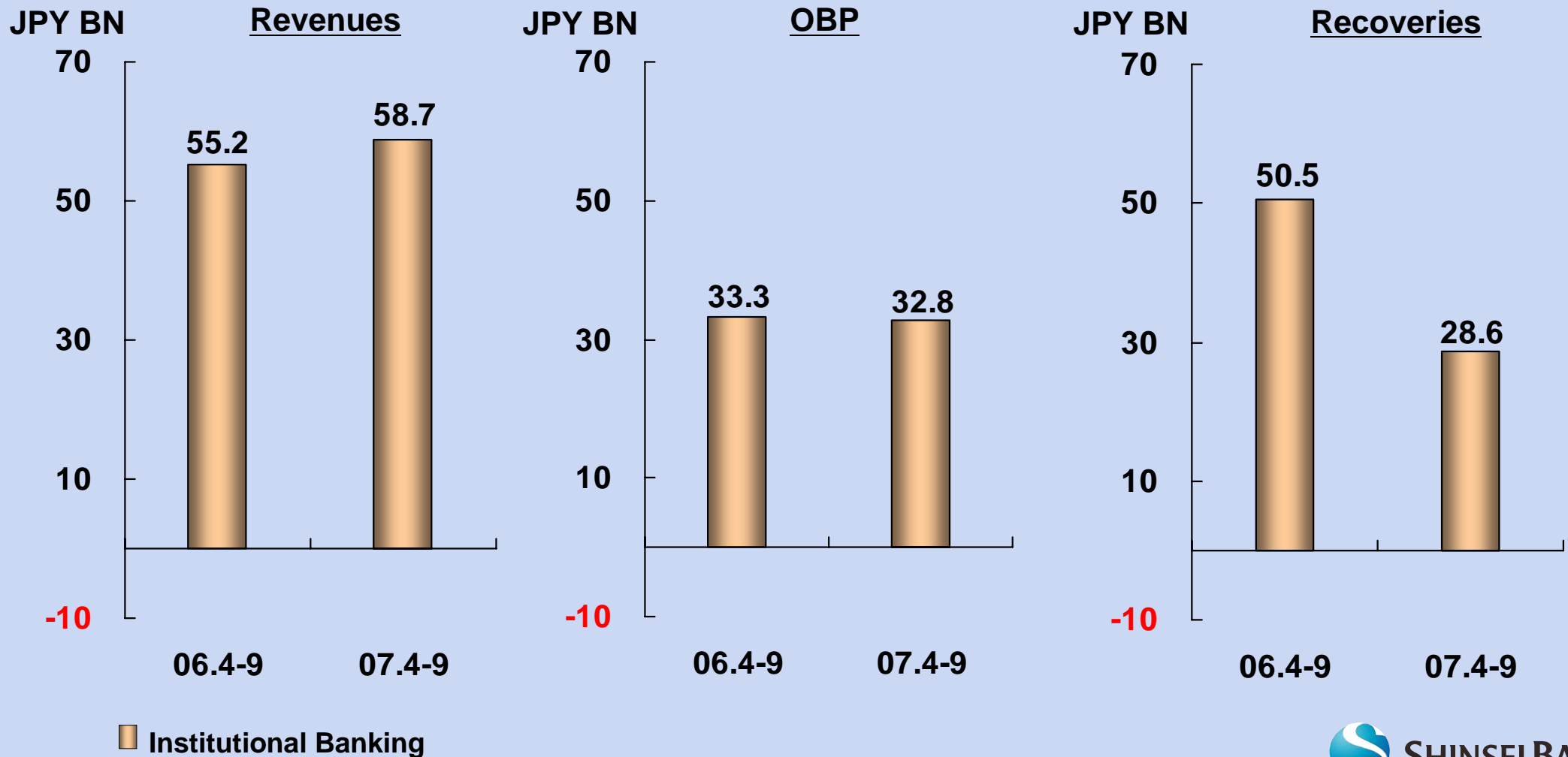
- ALM/Corporate/Other
- Retail Banking
- Consumer and Commercial Finance
- Institutional Banking

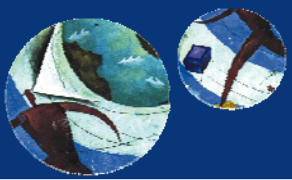


Institutional Banking: Financial Highlights



- Revenues up due to higher net interest income, but increase in general and administrative expense due largely to hiring of new employees to support business expansion led to lower OBP
- Provisions related to the U.S. residential mortgage market resulted in lower OBP after net credit recoveries





Institutional Banking: Revenue Breakdown

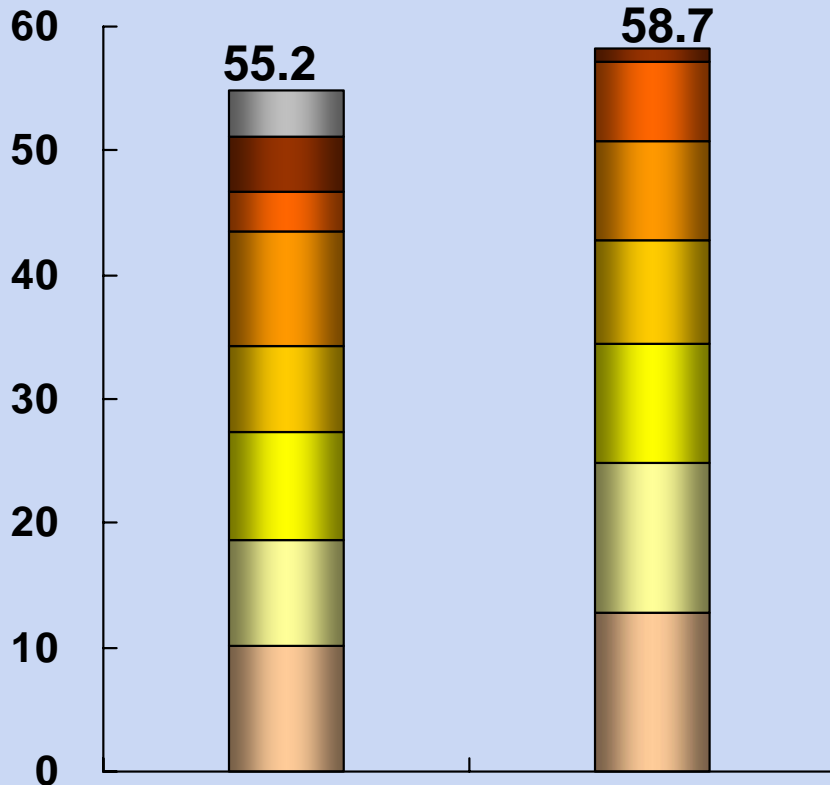


➤ Revenue diversification ensures earnings stability in Institutional Banking

Revenues

Main Points

JPY BN

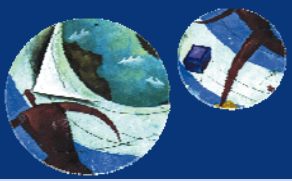


Net interest income up while non-interest income flat

Higher revenues due to increases related to principal investments and strong credit trading business

Mark-downs related to our U.S. residential mortgage exposure had a negative impact

- | | |
|-------------------------|---|
| ■ Securitization | ■ Foreign Exchange, Derivatives, Equity-Related |
| ■ Other Capital Markets | ■ Non-Recourse Real Estate Finance |
| ■ Other Products | ■ Principal Investments |
| ■ Basic Banking | ■ Credit Trading |

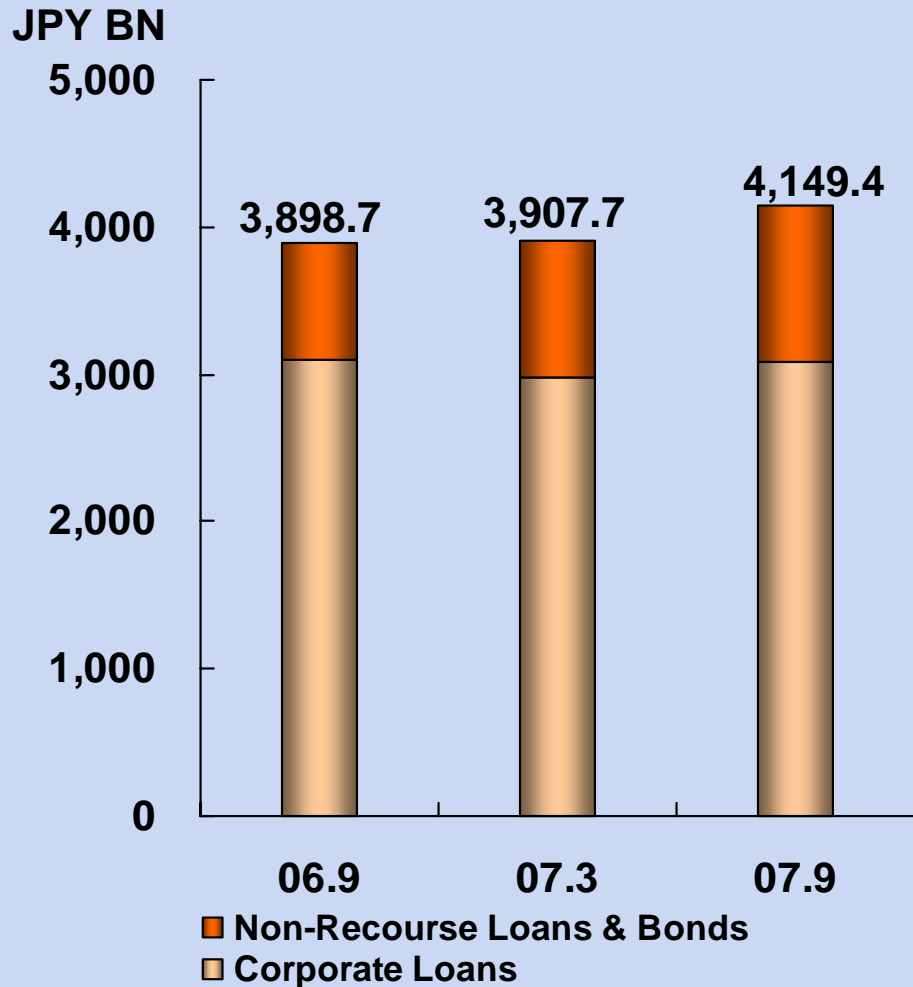


Institutional Banking: Loans, Deposits and Debentures

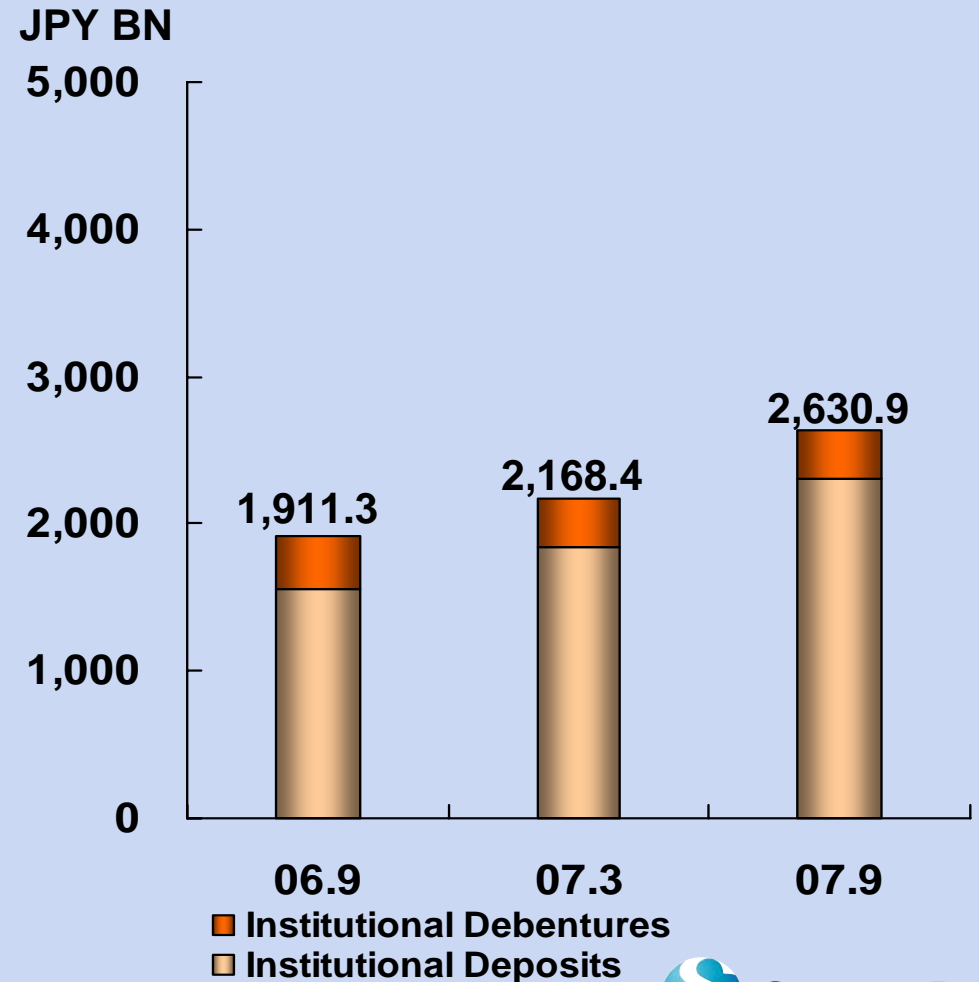


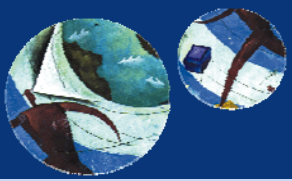
- Stable base of corporate loans with strong growth in non-recourse loans
- Strong growth in institutional deposits

Corporate Loans & Non-Recourse Lending



Deposits & Debentures



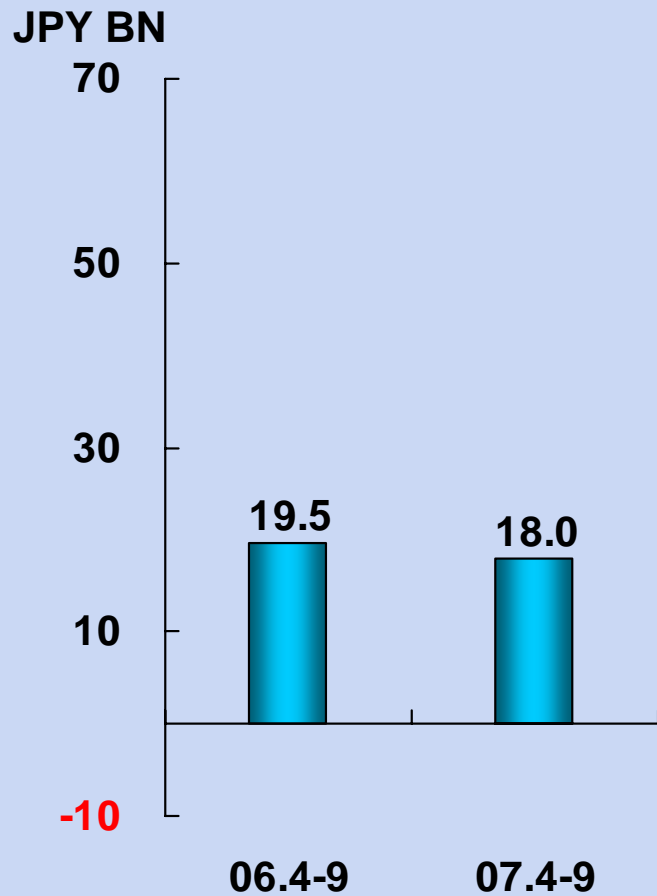


Retail Banking: Financial Highlights

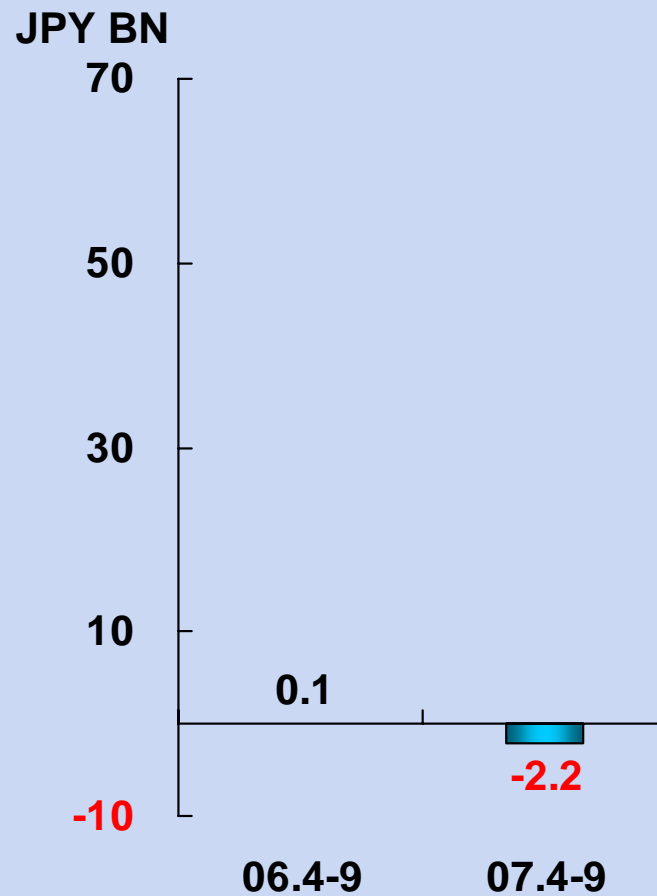


➤ Challenges continue to face the Retail Banking business as revenues, OBP and OBP after credit costs were down year on year

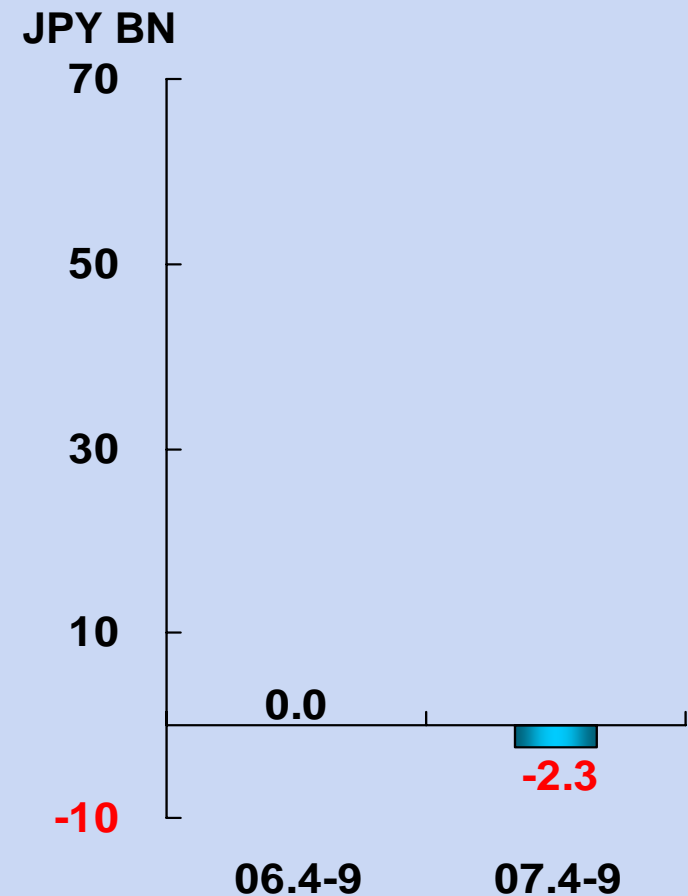
Revenues



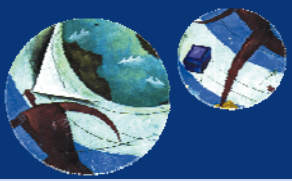
OBP (Loss)



OBP (Loss) After Net Credit Costs

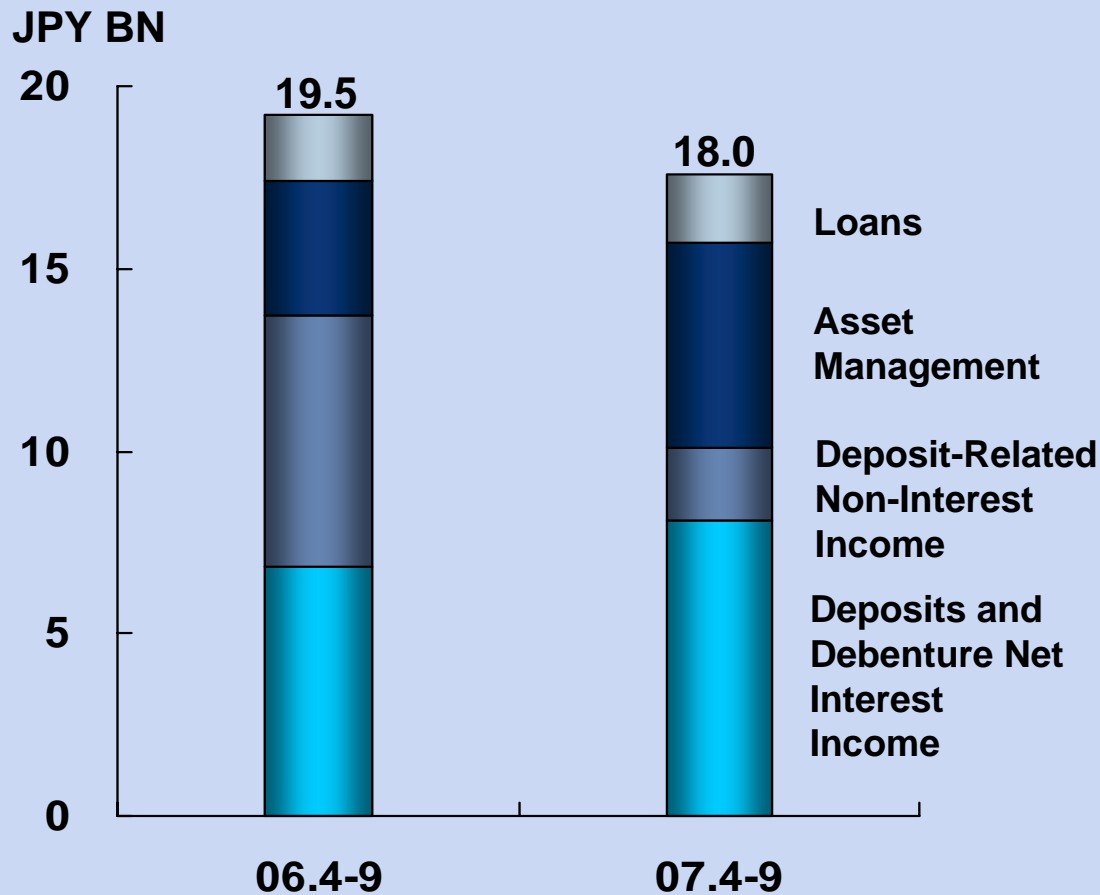


■ Retail Banking



➤ Continued focus on diversifying revenue sources with less reliance on upfront option income

Revenues

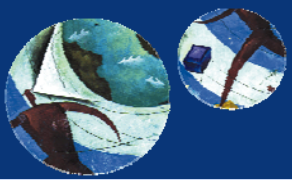


Main Points

Net interest income increased while non-interest declined

Lower deposit-related non-interest income (option income) related to structured deposits

Rise in asset management revenues due to increase in sale of mutual funds and variable annuities



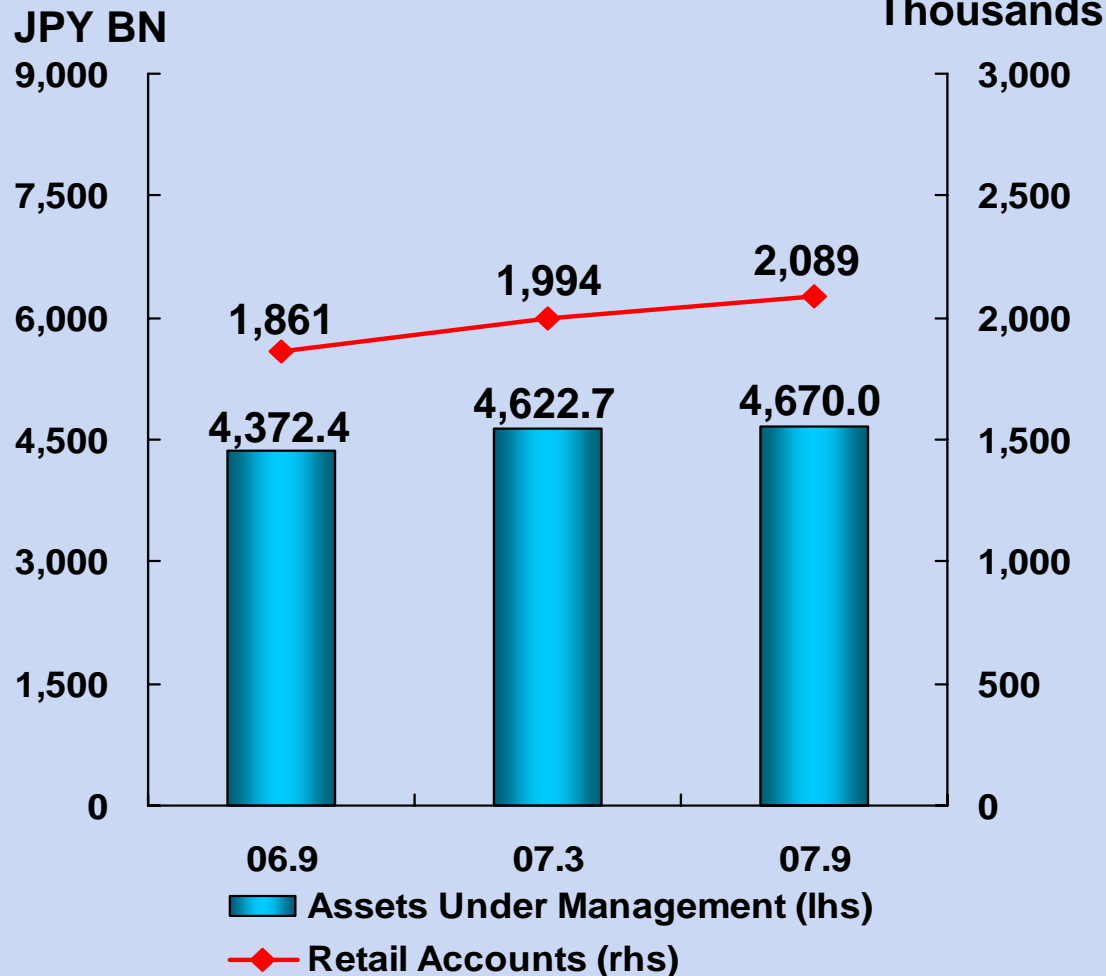
Retail Banking:

Retail accounts, assets under management (AUM) and housing loans

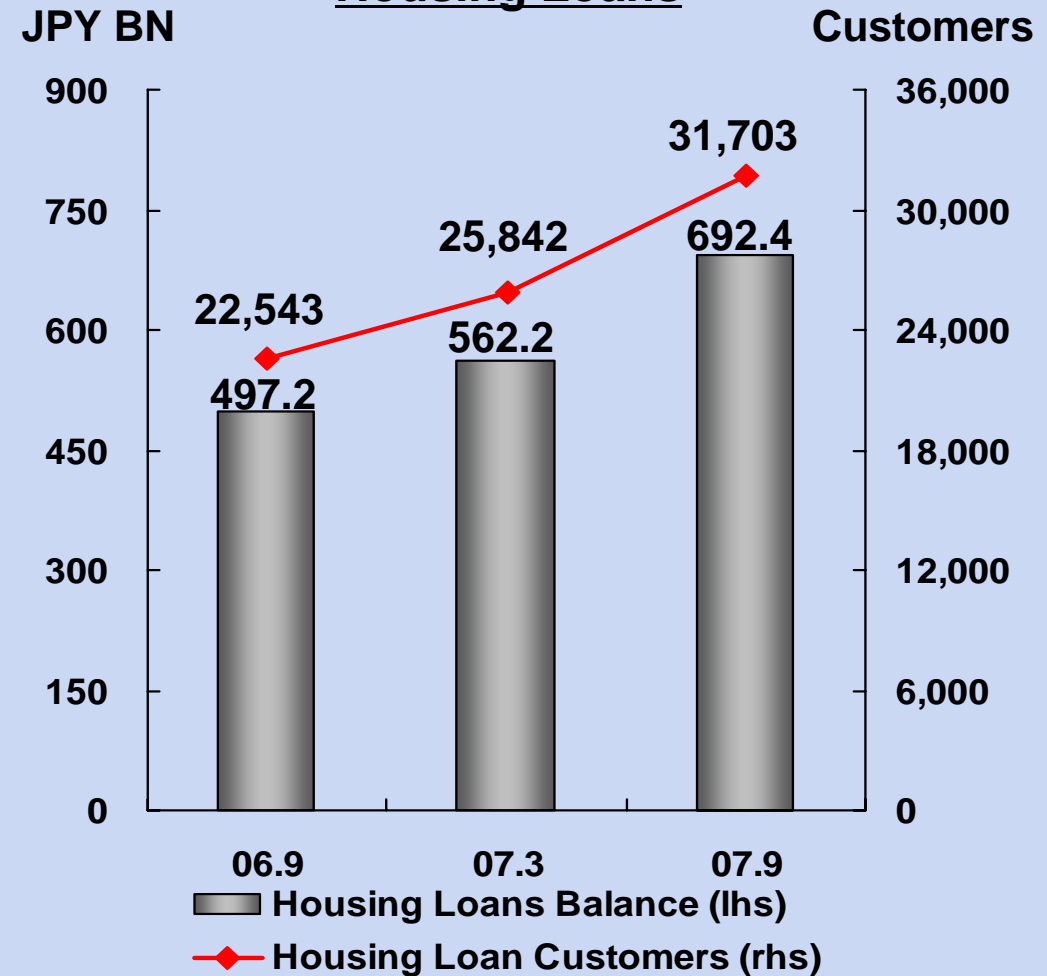


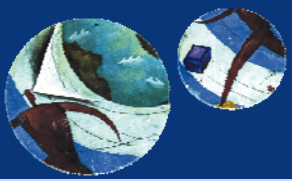
- Steady balance of AUM centered on retail deposits, mutual funds and variable annuities
- Strong increase in housing loan customers leading to strong growth of housing loans

AUM & Retail Accounts



Housing Loans



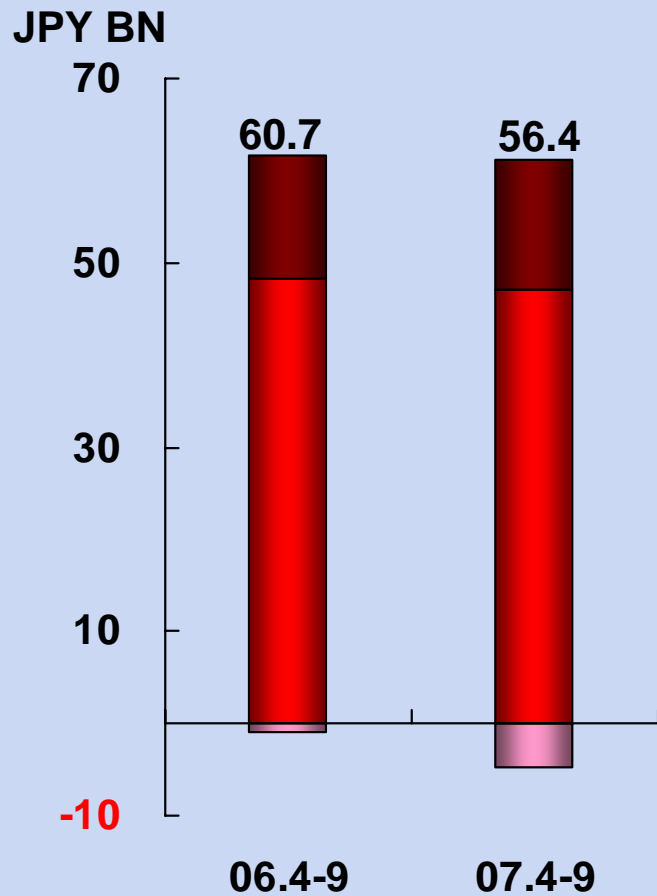


Consumer and Commercial Finance: Financial Highlights

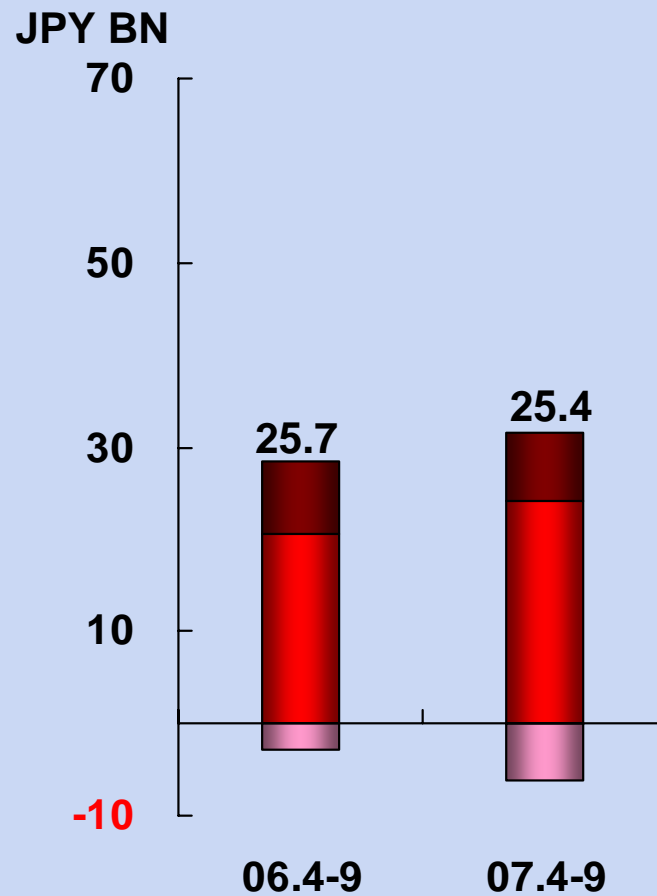


➤ Maintaining OBP on lower revenues due mainly to Shinki losses, but fall in OBP after credit costs

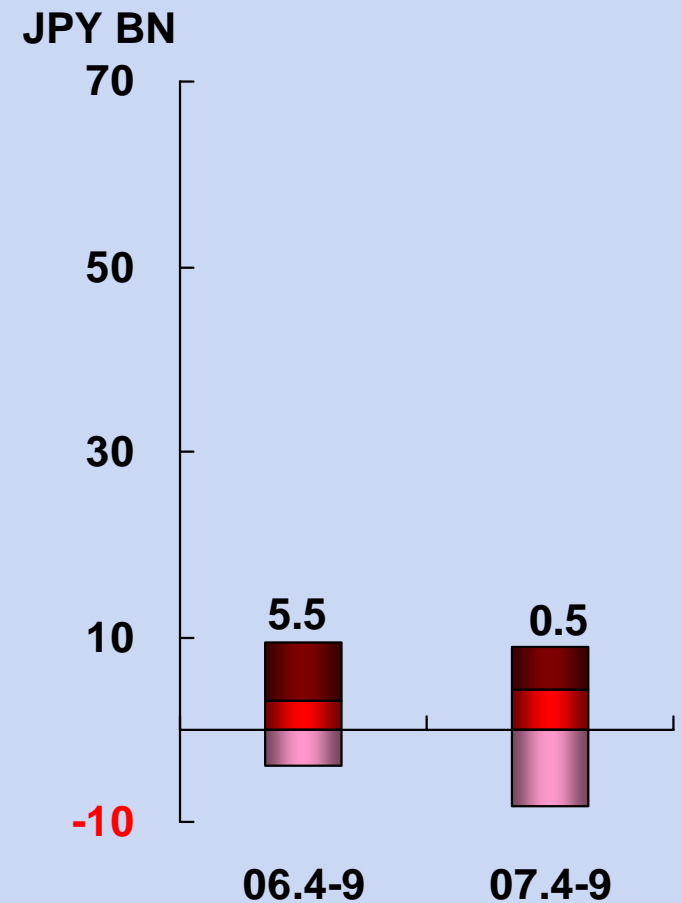
Revenues



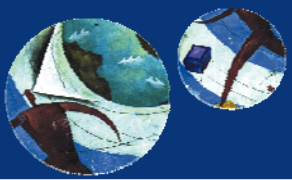
OBP (Loss)



OBP (Loss) After Net Credit Costs



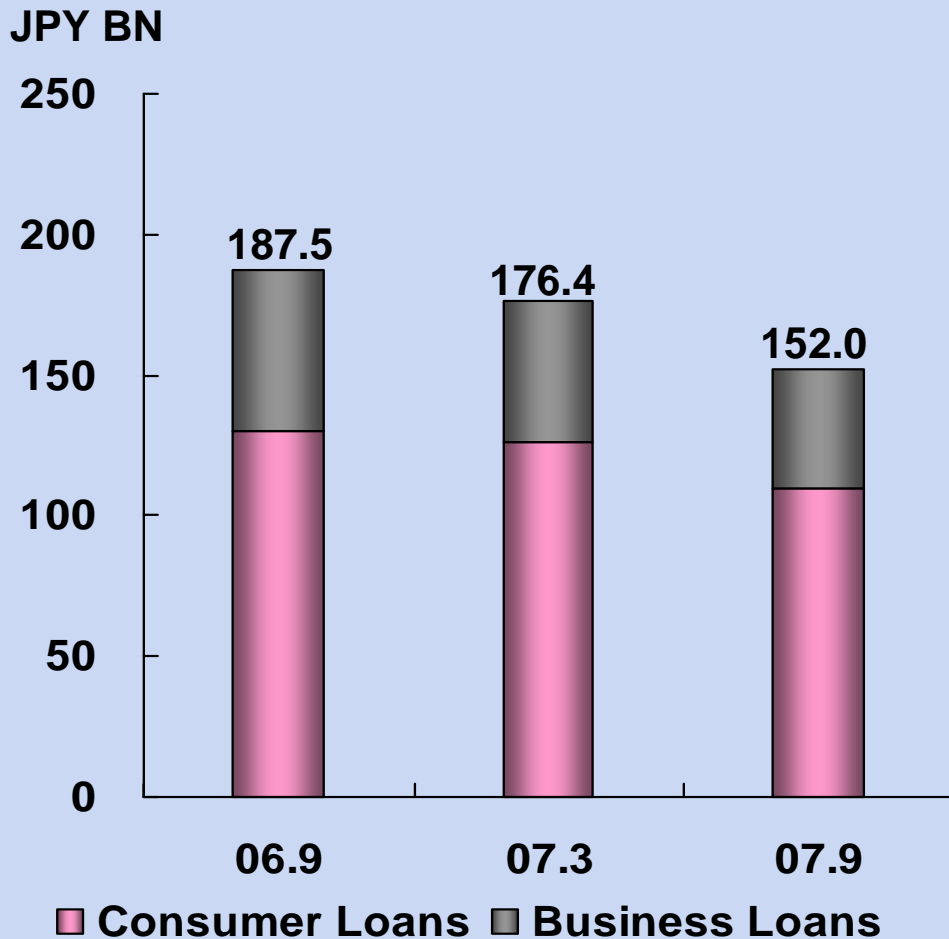
- Showa Leasing
- APLUS
- Other



➤ Shinki's focus on quality white-zone lending to both consumers and businesses resulted in lower balance of loans

Shinki Consumer & Business Loans*

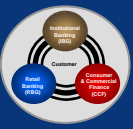
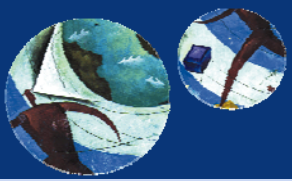
Main Points



Lower balance of consumer and business loans due to focus on reducing grey zone customers

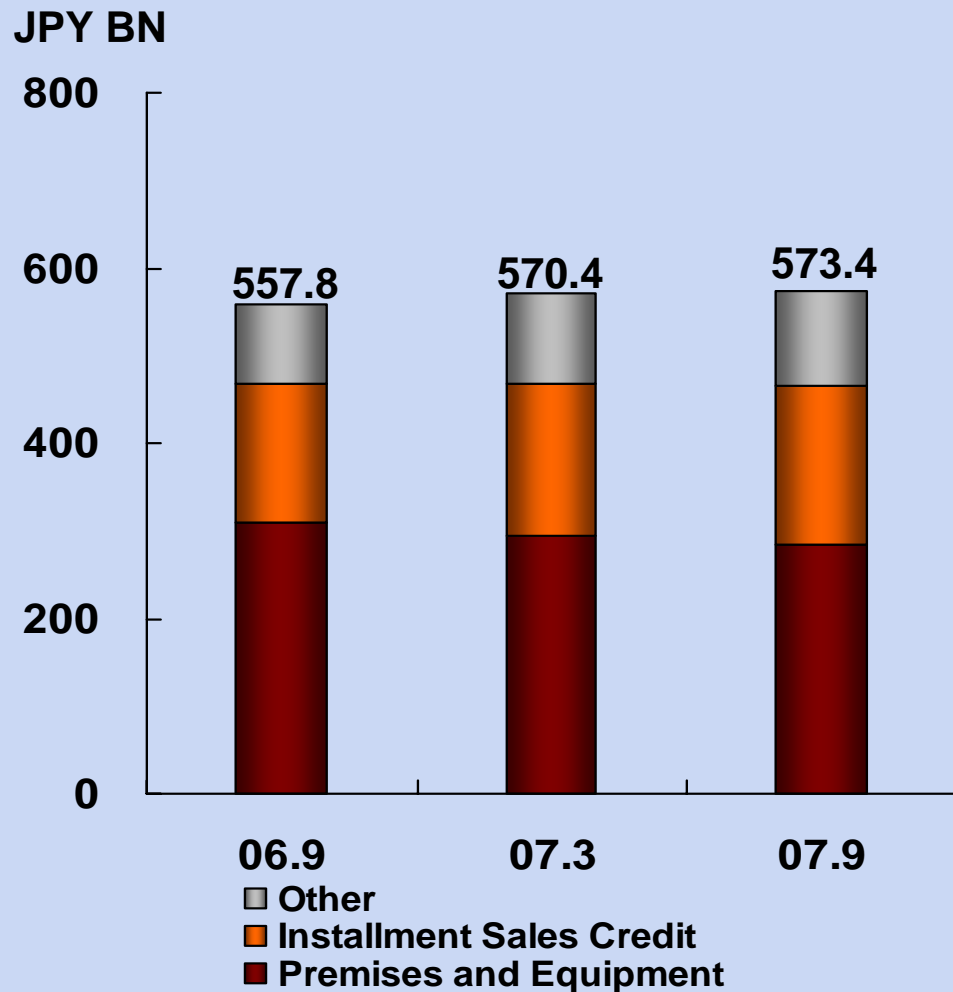
Presently migrating existing customers into white zone with all new loans being made in the white zone

*Shinki non-consolidated data disclosed by Shinki



➤ Showa Leasing's business being supported by steady balance of leasing assets* and installment sales credit

Total Assets**

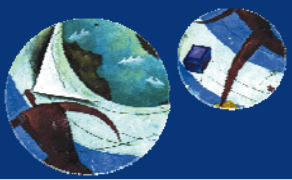


Main Points

Slight rise in total asset balance due mainly to rise in installment sales credit

*Leasing assets are included in premises and equipment

**Showa Leasing consolidated data after reclassification to conform to bank's financial statements, before consolidating to Shinsei Bank



Balance Sheet*

JPY BN

	06.9	07.9
Cash	141.7	124.3
A. Receivables	1,310.8	1,160.1
Other	205.1	224.5
Reserves	-49.4	-46.5
Total Assets	1,608.2	1,462.4
Grey Zone Reserves	2.4	9.4
B. Debt	597.3	534.8
Other	934.5	856.7
Liabilities	1,534.2	1,400.9
Equity	74.0	61.4

Income Statement*

JPY BN

	06.4-9	07.4-9
C. Total Revenue	48.8	47.7
D. Expenses	27.0	22.1
OBP	21.7	25.6
E. Net Credit Costs	17.5	19.8
Grey Zone Provisions	1.5	1.7
Other Losses	0.6	0.3
F. Income before Income Taxes and Minority Interests	2.1	3.8

Explanation of Key Items

Balance Sheet

A. Receivables: Smaller overall portfolio, expected and viewed as positive: reducing merchants to focus on quality.

B. Debt: Successful bond issuance in first half, bank debt market is still supportive.

Income Statements

C. Revenues: YOY decrease, expected and in line.

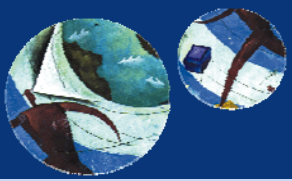
D. Expenses: 18% reduction, positive impact of restructuring in FY06.

E. Credit Cost: Increase YOY was expected and a result of delayed collections during implementation of restructuring measures in FY06. Expect normalization going forward.

F. IBIT:** Gain on stock sale contributed to IBIT.

**Income before income taxes and minority interests

*APLUS consolidated data after reclassification to conform to bank's financial statements, before consolidating to Shinsei Bank

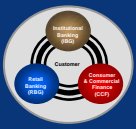
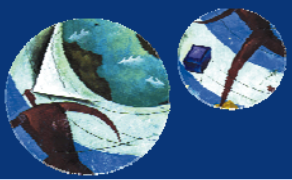


➤ Focus on card business and efficiency in shopping credit business

	<u>Product Profitability*</u>			JPY BN
	07.4-9 % of Total Revenues	07.4-9 IBIT**	07.4-9 Average Operating Assets	07.4-9 ROA (Annualized)
Shopping Credit	34%	0.5	1,131.8	0.1%
Credit Card	23%	-2.7	109.3	-5.0%
Loans	22%	2.3	122.5	3.9%
Zen-nichi	9%	0.2	62.7	0.7%
Settlement	4%	1.0	-	-
Guarantees, Capital Gain and Others	8%	2.5	111.7	-
Total	100%	3.8	1,538.0	0.5%

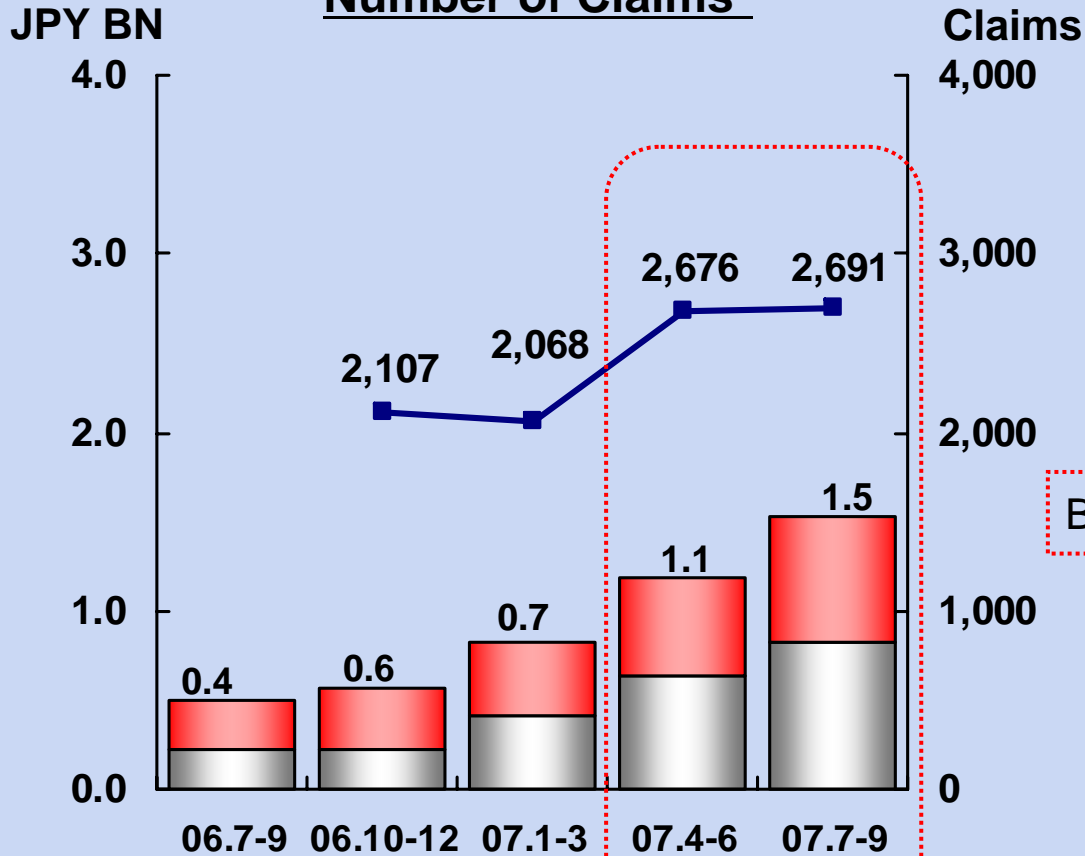
*APLUS consolidated data (Accounting management base)

**Income before income taxes and minority interests

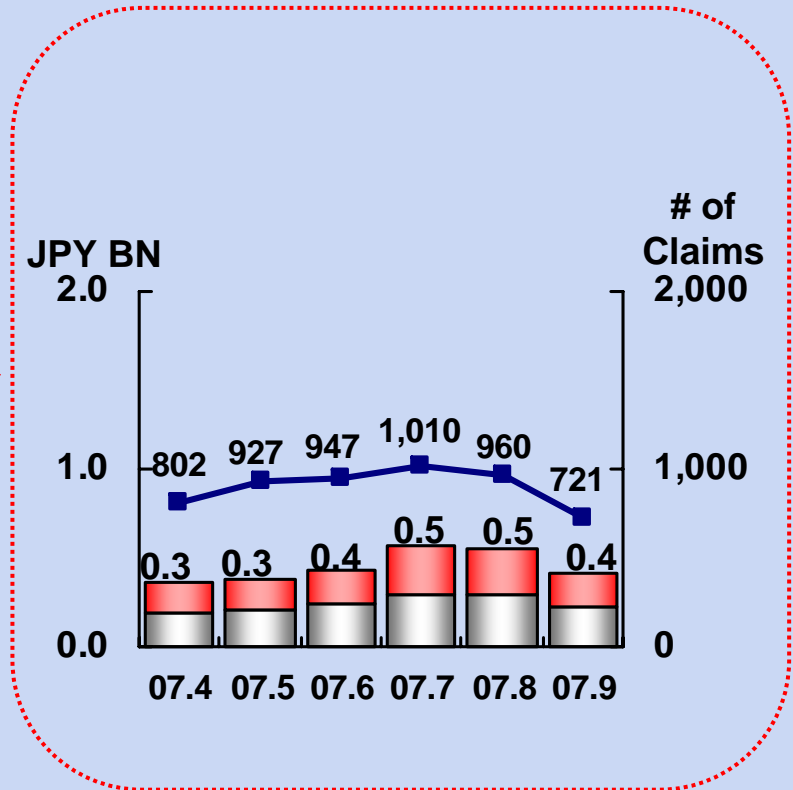


- Number of claims for grey zone refunds increased in 1Q, but has started flattening out in 2Q
 - ✓ Continuing to monitor the trend and apply the appropriate level of provision

Grey Zone Claim Refunds & Number of Claims*

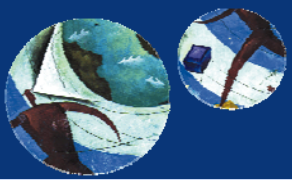


FY07 1H Breakdown*



■ Debt Write-off Amount (lhs)
■ Interest Repayment Amount (lhs) ■ # of Claims (rhs)

*APLUS consolidated data



REAL CHALLENGES

- Grey zone.
- Lower interest rates on consumer loans as we transition to white zone.
- Regulatory risk on core shopping credit business.

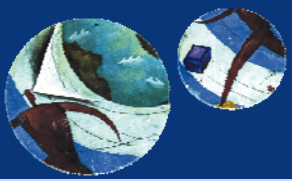
REAL OPPORTUNITIES

- Turning our card business around.
- Balance of power with merchant and Shinpan is changing.
- Strong demand for solutions banks can't cover.
- One step ahead of competition in restructuring providing us with a window of opportunity.

Next Generation Shinpan:

What does it mean?

- Complete upgrade of IT platform- use methods successfully employed in Shinsei Bank's retail bank.
- Highly differentiated from the market in terms of IT investment, running cost, ability to customize to business partners needs quickly. Impacts all product offerings.
- Not reliant on being the biggest. Available technology is cheap, don't get much cost advantage from being huge.
- Sales force offers solutions to complex merchant business challenges, back office is highly automated.
- A very different way of doing business- the work has started.



Color your life



SHINSEI BANK