

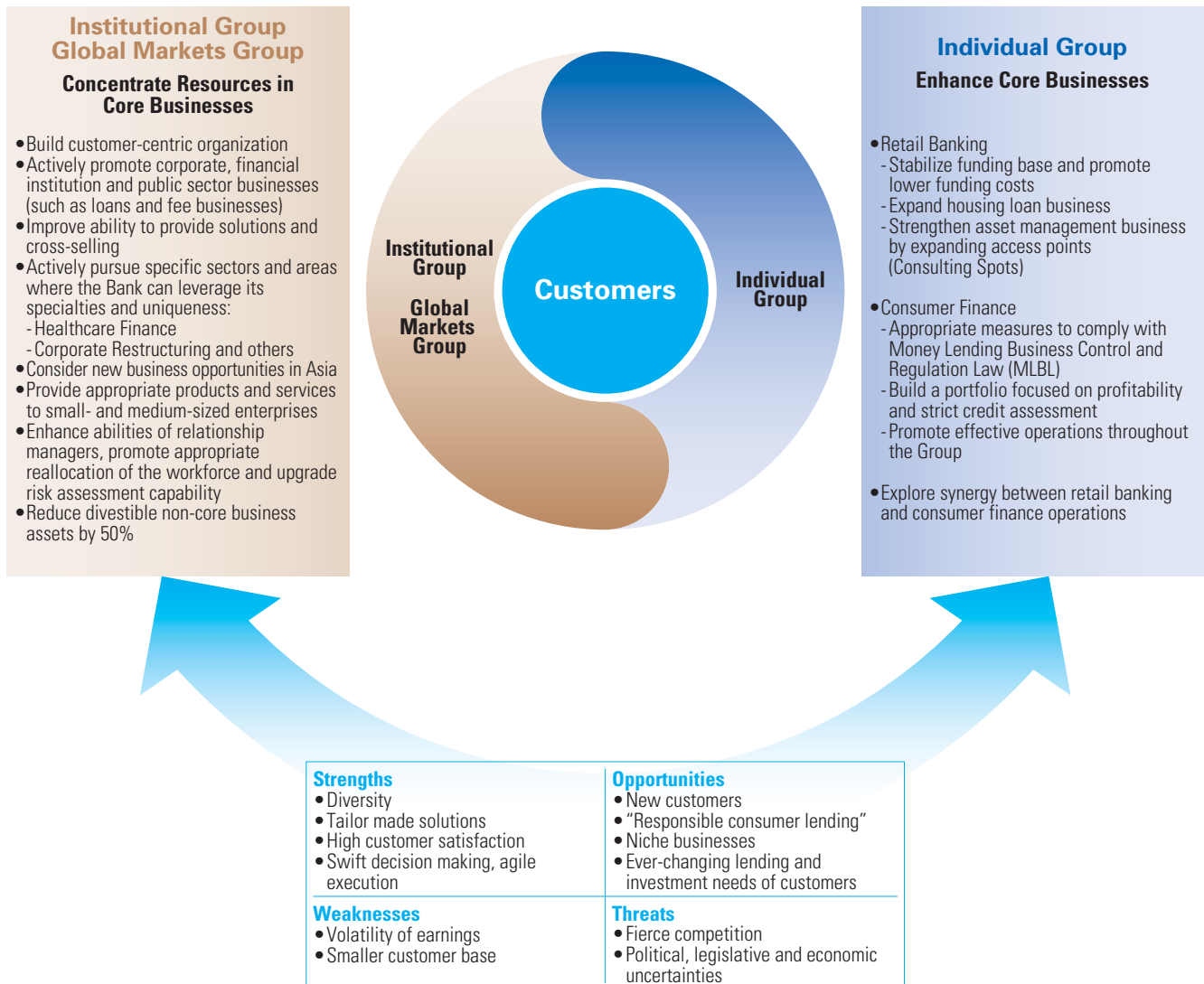
SPECIAL FEATURE: OUR BUSINESS MODEL

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 for the Mid- to Long-Term



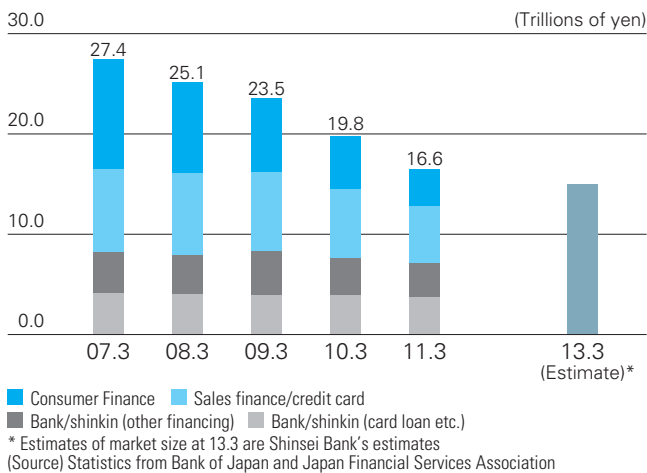
* Reflects revisions to original Medium-Term Management Plan announced on September 28, 2010, and organizational changes that became effective from April 1, 2011.

SPECIAL FEATURE: SHINSEI BANK CARD LOAN—LAKE

Aiming to strengthen mid-to-long-term earnings power through full-scale launch of a bank-based unsecured personal loan service

Current State of the Japanese Unsecured Personal Loan Market

UPL Market (Overall)



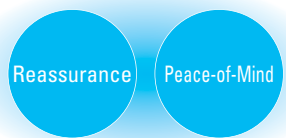
Factors such as the full-scale implementation of the revised Money Lending Business Control and Regulation Law in 2010 and the excess interest repayment issue have brought about an improvement in the transparency and social value of the Japanese unsecured personal loan (UPL) market. On the other hand, the market has also reached an unprecedented turning point with its size shrinking significantly and an increasing number of lenders shutting down their operations.

As shown in the adjacent chart, consumer finance companies' UPL market has contracted by approximately 60% over the past four years. However, while bank-based borrowing is also declining due to slumping consumption and other factors, the decline is smaller than at consumer finance or sales finance and credit card companies. At Shinsei, we believe that the demand for sound small-lot personal finance in Japan remains strong, and that lenders must face up to the challenge of providing smooth and flexible service to meet this social need.

A First in Japanese Banking

Following regulatory approval for the transfer of a portion of consolidated subsidiary Shinsei Financial's UPL business to the Bank, effective October 1, 2011, Shinsei Bank acquired the Lake brand, the entire network of unmanned branches and automated contract machines (ACM) and Card Loan—Lake ATMs, and other assets necessary for the Bank to operate this business directly. On the same day, the Bank began offering a new unsecured personal card loan service, *Shinsei Bank Card Loan—Lake*, becoming the first bank in Japan to offer full-scale unsecured

card loan services for individual customers through a large-scale unmanned branch network. The Bank undertakes the marketing, customer service, risk management, credit assessment, loan servicing and other operations associated with this business. Going forward, Shinsei Financial will aim to generate stable earnings and pursue further growth by continuing to serve existing customers and through expansion of its credit guarantee business for the *Shinsei Bank Card Loan—Lake* service and for other financial institutions.



Shinsei Bank Card Loan—Lake combines the highly convenient and speedy service provided until now by Shinsei Financial—including immediate loan disbursement, a no-branch-visit application process, fee-free usage of partner ATMs and a nationwide network of approximately 800 proprietary unstaffed branches—with the peace-of-mind and reassurance of Bank service. In doing so, Shinsei Bank aims to provide small-lot personal finance more smoothly and flexibly to individual customers whom it was unable to serve adequately at the Bank level in the past, and to contribute to the development of a sound and healthy market as the leading bank in this sector.

An October 3, 2011 newspaper advertisement announcing the launch of *Shinsei Bank Card Loan—Lake*

