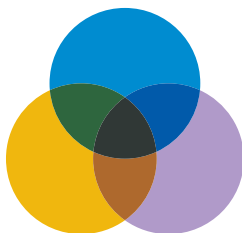


## Retail Banking

Better Together to Be the First Choice for Retail Banking Services



Shinsei Bank's Retail Banking business is recognized as a source of financial services that are one step ahead of everyone else. We have recently taken more actions that further enhance convenience for customers. We expanded the *Shinsei Platinum Services*, opened more offices and a new call center, enlarged the ATM network and made many other improvements. In addition, we are constantly upgrading our product lineup and consulting capabilities. Due to these initiatives, Shinsei Bank was ranked second overall in the *Nihon Keizai Shimbun's* third survey of "Retail Strengths in Banking," up from twentieth place last year. Moreover, we were first overall in the Kansai region based on questionnaires returned by financial institution users in the region. In September 2007, we started a financial product through an alliance with Shinsei Securities. Through collaboration with Shinsei Bank Group companies in other fields, we are determined to become Japan's leading retail bank from the standpoint of customers.

In the first half of fiscal year 2007, sales of investment trusts and insurance policies were much higher compared to the same period of the previous fiscal year. In addition, we expanded our product selection. However, this growth was not enough to offset the impact on earnings from the drop in structured deposits. From a long-term perspective, we took actions aimed at becoming the "best financial advisor" for our customers. Most significantly, we expanded the lineup of *Shinsei Platinum Services* and forged an alliance with Shinsei Securities that allowed us to start selling structured bonds at our branches as an intermediary. Through these measures, we continued to strengthen our selection of exclusive asset management services. We remain committed to diversifying and reinforcing our profit structure while achieving even greater customer satisfaction.

### **Becoming the Best Bank for Asset Management Services**

#### **Five-Minute Asset Management Manual**

We started an advertising campaign in October 2007 that targets the demand for asset management services among retirees who are making plans for their retirement years. "Please give Shinsei Bank five minutes" is the main message. This campaign stresses the need for wise asset management in order to lead a fulfilling life after retirement. The message encourages individuals to read a Shinsei Bank publication called "*Managing Your Own Money: A Five-Minute Reader*" that explains the need to manage assets wisely. Included are ideas for techniques to seek asset growth while limiting risk. Our objective was to create a manual that will make people start thinking about the importance of



"Managing Your Own Money: A Five-Minute Reader"

asset management.

#### **Shinsei Platinum Services**

We started offering a new *Shinsei Platinum Services* in July 2007 to customers who meet certain requirements. Eligible customers receive a Shinsei Platinum Card, higher interest rates on six-month and one-year yen time deposits and many other benefits. For example, customers can make an overseas remittance once a month at no charge and pay nothing for the first visit to a financial planner.

#### **Financial Product Brokerage Service through Shinsei Securities Alliance**

Through an alliance with our wholly owned subsidiary Shinsei Securities, we started offering customers brokerage service in September 2007. At most Shinsei Bank branches, customers can use this service to purchase structured bonds and foreign bonds. We plan to enlarge the lineup of products to target an even broader spectrum of asset management requirements.

## Retail Banking

Better Together to Be the First Choice for Retail Banking Services

Furthermore, we will use this alliance to capture synergies with other members of the Shinsei Bank Group. The objective is to use all Group resources to add even more value to our products and services.

### The Shinsei Fullerton VPIC Fund

Shinsei Bank began accepting investments in September 2007 in the newly established Shinsei Fullerton VPIC Fund. Established by wholly owned subsidiary Shinsei Investment Management Co., Ltd., the fund will maintain a balanced portfolio of equity investments in Vietnam, Pakistan, India and China. The objective is to generate earnings from a long-term perspective. This fund is one way to meet the needs of investors who want to diversify their portfolios by adding exposure to the rapidly growing economies of these four countries.

### Offering Security and Convenience

#### Security Measures

We understand the importance of providing our customers with effective risk controls when delivering our services. Security concerns in Japan prompted the Bank to introduce *PowerYokin*. This is a yen deposit that allows customers the flexibility to make withdrawals in the same manner as they do with savings deposits but offers greater security against fraudulent ATM cash withdrawals.

From September 2005, we decreased the default withdrawal limit at domestic ATMs to ¥500,000 per day to promote customer account safety through stringent security measures. From October 2006, we also decreased the default withdrawal limit for overseas ATMs to ¥100,000 per day. Our website's "Shinsei Security Center" also provides easy-to-understand security information.

In addition, we introduced a Shinsei *PowerDirect* Security Code Card for Shinsei *PowerDirect* (Internet banking) in order to improve the safety of our customers' log-in procedures through a random number security code.

### Kashiwa Financial Center Opens

Shinsei Bank opened a Financial Center in May 2007 in Kashiwa, Chiba prefecture, on the outskirts of Tokyo. Customers can visit the center from 11AM to 7PM every day except Sunday. In addition to opening accounts, individuals can use the center for

asset management consulting. Financial consultants will prepare a personalized plan and selection of investments based on the individual's knowledge, experience, objectives and financial position.

### New Call Center in Fukuoka

Shinsei Bank began operations at its second call center in June 2007. Located in Fukuoka, the largest city in Kyushu, the new facility shortens waiting times for customers by increasing capacity. Our other call center is in Tokyo.

### ATM Agreement with Miura Fujisawa Shinkin Bank

Starting in September 2007, customers of Shinsei Bank and Miura Fujisawa Shinkin Bank can use the ATMs of both banks. Shinsei Bank customers who hold a *PowerFlex* cash card can use the ATMs of Miura Fujisawa Shinkin Bank to check balances and make withdrawals at no cost (fees are refunded afterward).