

# OVERVIEW OF THE SECOND MEDIUM-TERM MANAGEMENT PLAN (MTMP)

(FY2013 - FY2015)

## Management Principles

- To be a banking Group that is sought out by customers, with stable profitability, and contributing to be the development of the industrial economies in Japan and overseas
- To be a banking Group that values diverse talents and cultures and that is continually able to take on new challenges in a changing environment while taking into consideration experience and history
- To be a banking Group that has highly transparent management as well as be trusted by all stakeholders including customers, investors and employees

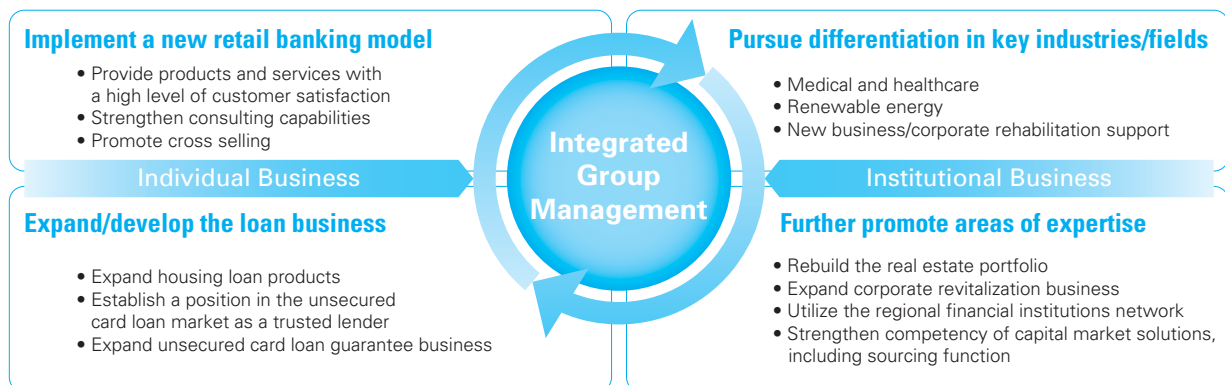
## Basic strategy

In the Second MTMP, we are aiming to integrate the management of both the individual business and the institutional business by combining and utilizing the customer base, networks, and financial functions held by the entire Shinsei Bank Group.

In the individual business, we are implementing a new retail banking model to create 5 million “core customers” that are able to freely use the Shinsei Bank Group’s products and services that fit their needs. In the institutional business, we are implementing our “VBI” model as part of our plan, where we will support the growth of businesses, industries and regions, as well as support our customers in strengthening and applying business expertise.

**Individual Business:** To implement a new retail banking model to grow our core customer base to 5 million

**Institutional Business:** To strengthen and utilize expertise to support the growth of companies, industries and regions by working together with customers



## Targets

We have established the three targets: “establishing a unique business base,” “increasing revenues and further improving financial fundamentals,” and “becoming a financial group appreciated by customers and valued by society and markets.” Our financial targets are aimed at pursuing not only earnings in absolute amounts, but also high profitability and improving our financial soundness at the same time.

### FY2015 Financial Targets

<b>Growth</b>	Net Income	70.0 BY
	Cash Basis <sup>1</sup> Net Income	76.0 BY
<b>Profitability</b>	RORA <sup>2</sup>	about 1.0%
	Expense-to-Revenue Ratio	50% level
	ROE	about 10%
<b>Financial Stability</b>	Common Equity Tier I Ratio <sup>3</sup>	about 7.5%
	NPL Ratio <sup>4</sup>	2% level

• We are targeting consolidated reported basis net income of 70.0 billion yen and consolidated cash basis<sup>1</sup> net income of 76.0 billion yen in FY2015

• Our aim is not only the absolute amount of net income, but also to achieve a high level of profitability while enhancing the financial stability of our operations

<sup>1</sup> Cash-basis figures are calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit  
<sup>2</sup> Return on risk assets is calculated as net income divided by fiscal year end risk assets

<sup>3</sup> Basel III fully loaded basis

<sup>4</sup> Nonconsolidated basis nonperforming loan ratio