

INTRODUCTION TO THE BUSINESSES OF THE SHINSEI BANK GROUP

As of December 1, 2016

About the Shinsei Bank Group
Introduction to the Businesses of the Shinsei Bank Group

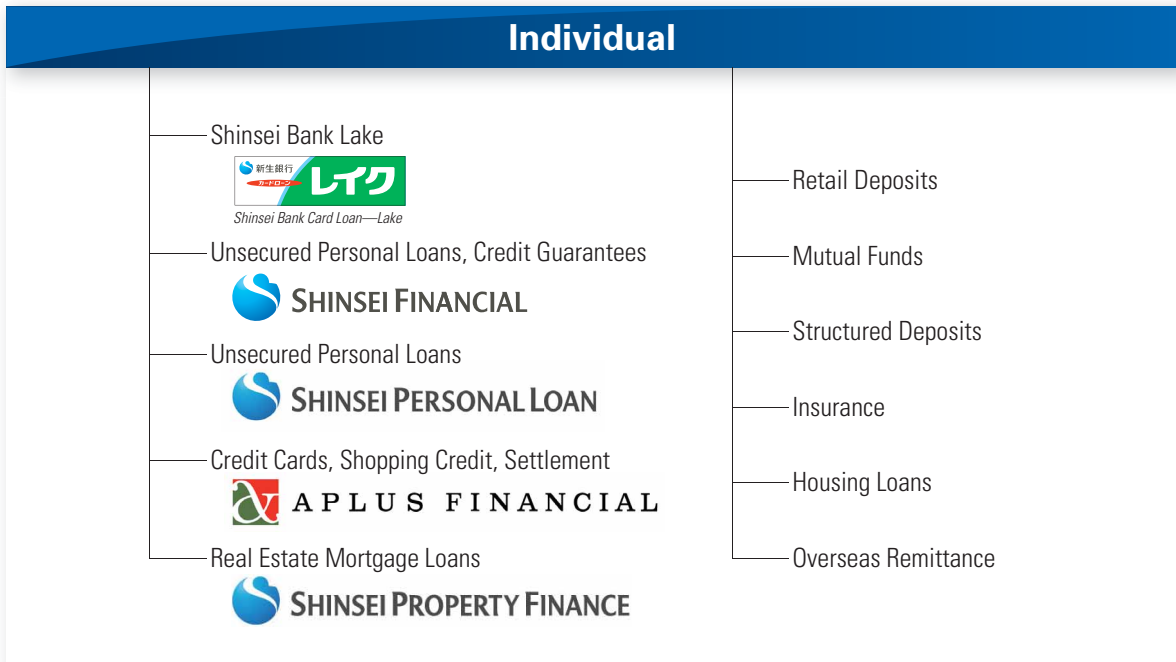
Strategies for Increasing Corporate Value

Creating Value Through Our Businesses

Strategies Supporting Corporate Value

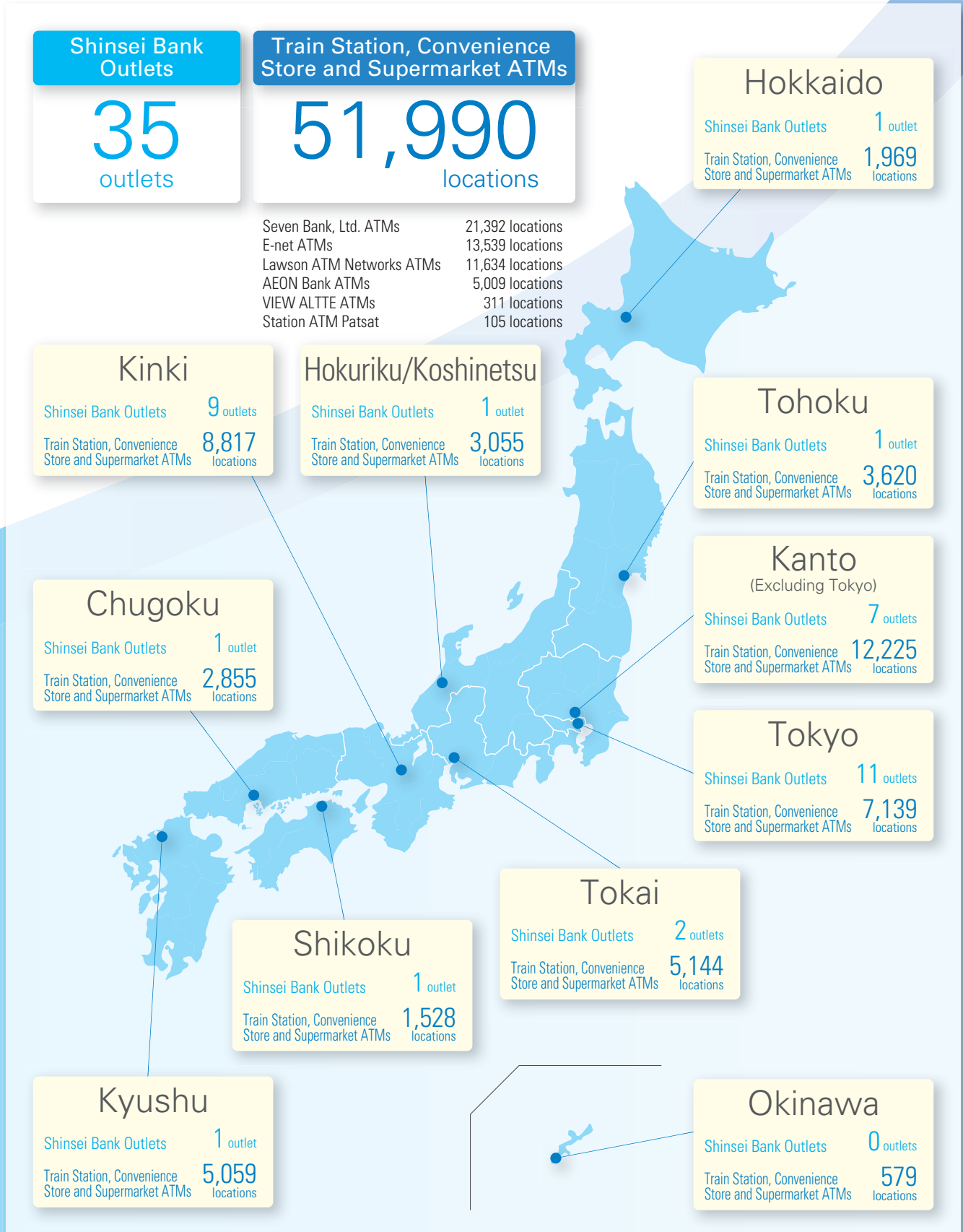
Data Section

SHINSEI BANK GROUP



THE NETWORK OF SHINSEI BANK

As of November 30, 2016



CONSOLIDATED FINANCIAL HIGHLIGHTS

Shinsei Bank, Limited, and its Consolidated Subsidiaries

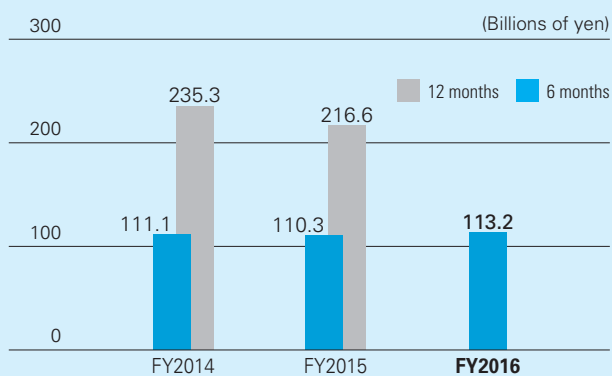
Six months ended September 30, 2014, 2015 and 2016, and years ended March 31, 2015 and 2016¹

	Billions of yen				
	September 30 (6 months)			March 31 (12 months)	
	2014	2015	2016	2015	2016
For the fiscal year:					
Net interest income	¥ 60.5	¥ 61.0	¥ 60.4	¥ 126.4	¥ 122.3
Noninterest income	50.5	49.3	52.7	108.8	94.2
Net fees and commissions	10.8	13.1	12.9	24.6	25.4
Net trading income	5.4	5.1	4.8	11.5	8.4
Net other business income	34.1	31.0	34.9	72.6	60.3
Total revenue	111.1	110.3	113.2	235.3	216.6
General and administrative expenses	71.1	70.1	72.8	144.2	141.3
Ordinary business profit	35.3	36.3	37.3	82.4	67.8
Net credit costs	5.0	(1.2)	14.7	11.8	3.7
Ordinary business profit after net credit costs	30.3	37.6	22.6	70.5	64.0
Profit attributable to owners of the parent	28.9	37.4	24.9	67.8	60.9

¹ Since all yen figures have been truncated rather than rounded, the totals do not necessarily equal the sum of the individual amounts.

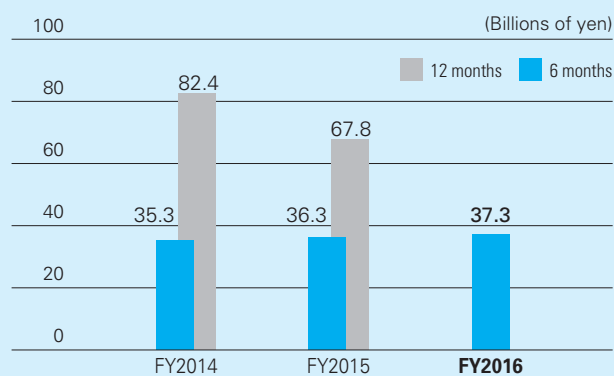
Total revenue

Total revenue—the indicator of gross profit—is composed of “Net interest income,” such as interest from loans, and “Noninterest income,” such as fees from the sales of investment products.



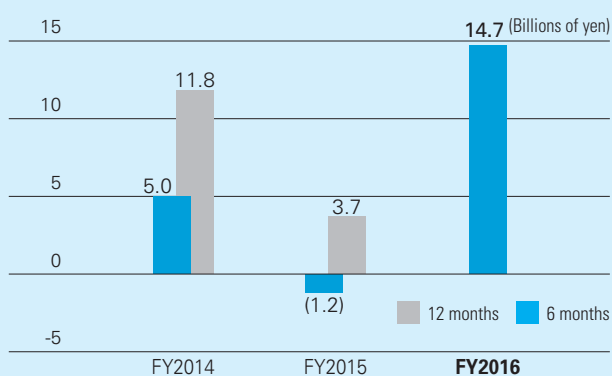
Ordinary business profit

Ordinary business profit—the indicator of profit (loss) from core business after expenses—is calculated by subtracting “expenses” from “total revenue.” “Net credit costs” are excluded from this calculation.



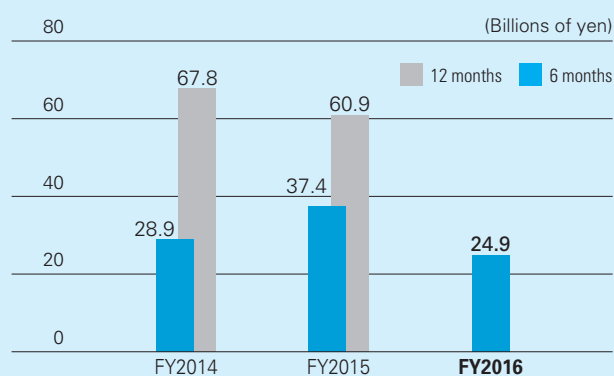
Net credit costs

Net credit costs are the sum of reserves for loan losses provisioned (credit costs) according to the credit standing of borrowers, reversal (gains) of reserves for loan losses and recoveries of written-off claims resulting from their disposal.



Profit attributable to owners of the parent

Profit attributable to owners of the parent represents the accounting basis bottom-line profit for the relevant interim period (fiscal year).



	Billions of yen				
	As of September 30			As of March 31	
	2014	2015	2016	2015	2016
Balance sheet:					
Securities	¥ 1,621.3	¥ 1,283.6	¥ 1,028.6	¥ 1,477.3	¥ 1,227.8
Loans and bills discounted	4,338.6	4,463.2	4,611.3	4,461.2	4,562.9
Total assets	9,190.1	8,999.2	8,997.1	8,889.8	8,928.7
Deposits, including negotiable certificates of deposit	5,611.0	5,489.4	5,785.7	5,452.7	5,800.9
Total liabilities	8,483.9	8,223.9	8,206.9	8,136.0	8,135.6
Total equity	706.2	775.3	790.2	753.7	793.1
Total liabilities and equity	9,190.1	8,999.2	8,997.1	8,889.8	8,928.7

	Yen				
	September 30 (6 months)			March 31 (12 months)	
	2014	2015	2016	2015	2016
Per share data:					
Common equity	¥ 257.94	¥ 287.49	¥ 303.96	¥ 275.45	¥ 294.41
Fully diluted equity ²	257.94	287.49	303.94	275.45	294.41
Basic profit	10.90	14.11	9.51	25.57	22.96
Diluted profit	10.90	14.11	9.50	25.57	22.96
Dividends	—	—	—	1.00	1.00

	%				
	September 30 (6 months)			March 31 (12 months)	
	2014	2015	2016	2015	2016
Ratios:					
Return on assets ³	0.6	0.8	0.6	0.7	0.7
Return on equity (fully diluted) ⁴	8.6	10.0	6.3	9.8	8.1
Expense-to-revenue ratio	64.0	63.5	64.4	61.3	65.3
Consolidated capital adequacy ratio (Basel III, Domestic standard)	13.81	14.26	14.09	14.86	14.20
Ratio of nonperforming claims classified under the Financial Revitalization Law to total claims	2.61	0.83	0.78	1.42	0.79

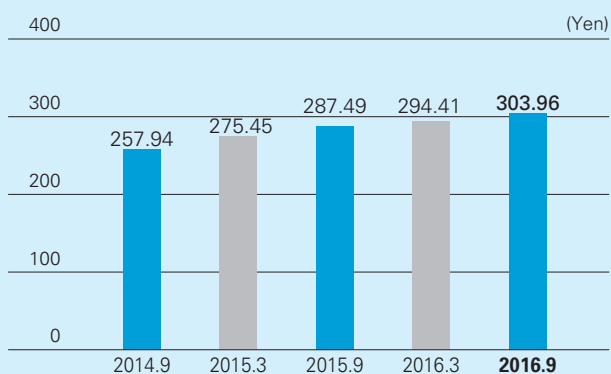
2 Fully diluted equity per share is calculated by dividing equity at the end of the periods presented by the number of common shares that would have been outstanding had all securities convertible into or exercisable for common shares been converted or exercised with an applicable conversion or exercise price within the predetermined range at the end of the period.

3 Return on assets is calculated by dividing profit (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the period presented.

4 Return on equity (fully diluted) is calculated by dividing profit (loss) attributable to owners of the parent by the average of fully diluted equity at the beginning and end of the period presented.

Common equity per share

Common equity per share is calculated by dividing common equity by the total number of common shares outstanding at the end of the period.



Nonperforming loan ratio under the Financial Revitalization Law

The Nonperforming loan ratio is the ratio of nonperforming claims, categorized as "Claims against bankrupt and quasi-bankrupt obligors," "Doubtful claims" and "Substandard claims," to total claims under the Financial Revitalization Law.

