



# **Business and Financial Highlights**

## **Six Months Ended September 30, 2012**

**Shinsei Bank, Limited**  
**November 9, 2012**

# 1H FY2012 Results: Key Points

## 1 On course to achieve MTMP, with progress towards FY2012 targets at 50%

- Consolidated Net Income: JPY25.7 billion (EPS: JPY9.70)
- Consolidated Cash Basis Net Income: JPY30.6 billion (Cash Basis EPS: JPY11.56)
- Diluted Equity Per Share: JPY220.70
- ROE/Cash Basis ROE: 8.9%/11.6%

## 2 Steadily growing core business assets as basic earnings power stabilizes

- Good growth in housing loans with balance exceeding JPY1 trillion for first time as of Sept. 30, 2012
- Combined consumer finance loan balance of Lake business grew for first time in six years (based on September 2012 single month data)
- Strong growth in loan assets in core institutional businesses
- Steady performance at Bank resulting in smaller gap between consolidated/non-consolidated results

## 3 Increased earnings and improved asset quality contribute to capital ratios

- Steady earnings growth and lower deductions drove increase in capital
- Reduction in risk weighted assets due to improvement in asset quality also strengthened capital ratios
- Reduced NPL amount by over JPY20 billion, and Need Caution amount by almost JPY40 billion (compared with March 31, 2012)

## FY2010

Lay groundwork for stabilized earnings

## FY2011

Revenue diversification through new businesses

## FY2012

Record stable normalized earnings

### Key Initiatives in FY2012

#### Individual Business

##### ■ Retail Banking

- ✓ Further expansion of yen and foreign currency funding base
- ✓ Steady growth in loan assets through expanding new housing loan initiatives
- ✓ Asset management services based on provision of wide range of investment products

##### ■ Consumer Finance

- ✓ New customer acquisition and loan growth in “Shinsei Bank Card Loan – Lake”
- ✓ Further promotion of Shinsei Financial’s guarantee business
- ✓ Expansion of APLUS’ installment sales credit, credit card and settlement businesses

### Progress up to end of FY2012 1H

##### ■ Retail Banking

- ✓ Steady growth in foreign currency deposits with new currencies added, despite lower yen deposits balance due to structured deposit maturities
- ✓ Good growth in housing loans with balance now over JPY1 trillion
- ✓ Lower non-interest income from sales of investment products

##### ■ Consumer Finance

- ✓ Customer acquisition up 22% y-o-y compared with Shinsei Financial
- ✓ Widening targets through collaboration with Financial Institutions Sub-Group
- ✓ Active introduction of new products with launch of Shinsei-APLUS card, MU affiliate card and Auto Credit with T-Points

#### Institutional Business

##### ■ Expanding Client Franchise

- ✓ Growth in both domestic and overseas assets with emphasis on infrastructure-related project finance
- ✓ Continuous new business development
- ✓ Strengthening consulting capabilities for middle-market & SMEs

##### ■ Further Strengthening Shinsei’s Distinctive Business Approach

- ✓ Proactive engagement in new business domains and regional revitalization, and developing business incubation services aimed at providing management solutions to growth companies, as part of VBI

##### ■ Multi-faceted Transactions with Financial Institution Customers

- ✓ Promoting co-work through new businesses and regional revitalization
- ✓ Providing financial products and other solutions

##### ■ Expanding Client Franchise

- ✓ Growing domestic/overseas assets centered on infrastructure-related project finance. Quality portfolio growth through selective acquisition in asset sales with foreign banks exiting or downsizing operations in Asia-Pacific including Japan

- ✓ New business development progressing ahead of Plan

- ✓ Comprehensive alliance in institutional business with YES BANK strengthens capabilities to support customers’ overseas expansion

##### ■ Further Strengthening Shinsei’s Distinctive Business Approach

- ✓ VBI transactions executed including investment in “Fukushima Growth Industry Development Fund”

##### ■ Multi-faceted Transactions with Financial Institution Customers

- ✓ Promoting Shinsei Financial’s UPL guarantee services to regional financial institutions

# 1H FY2012 Results: Financial Summary

(JPY billion)

- 1H FY2012 net income represents 50% progress towards full-year forecast
- Impact of non-recurring items remains limited, with results reflecting improvement in basic earnings power

<b>【Consolidated】</b>	<b>1HFY2011 (6 months)</b>	<b>1HFY2012 (6 months)</b>	<b>FY2012 Full-Year Forecast</b>	<b>Progress</b>
Revenue	105.6	104.1	218.0	48%
Net Interest Income	60.7	56.1	115.0	49%
Non-Interest Income	44.9	47.9	103.0	47%
Expenses	63.3	63.7	133.0	48%
Net Credit Costs	8.8	6.2	18.0	34%
Net Income	20.3	25.7	51.0	50%
Cash Basis Net Income <sup>1</sup>	25.6	30.6	60.0	51%
ROE	7.3%	8.9%	About 9%	-
Cash Basis ROE	10.3%	11.6%	Over 10%	-
<b>【Non-Consolidated】</b>				
Operating Business Profit	10.8	18.7	35.0	53%
Net Income	4.5	15.6	22.0	71%

## Progress in 1H FY2012

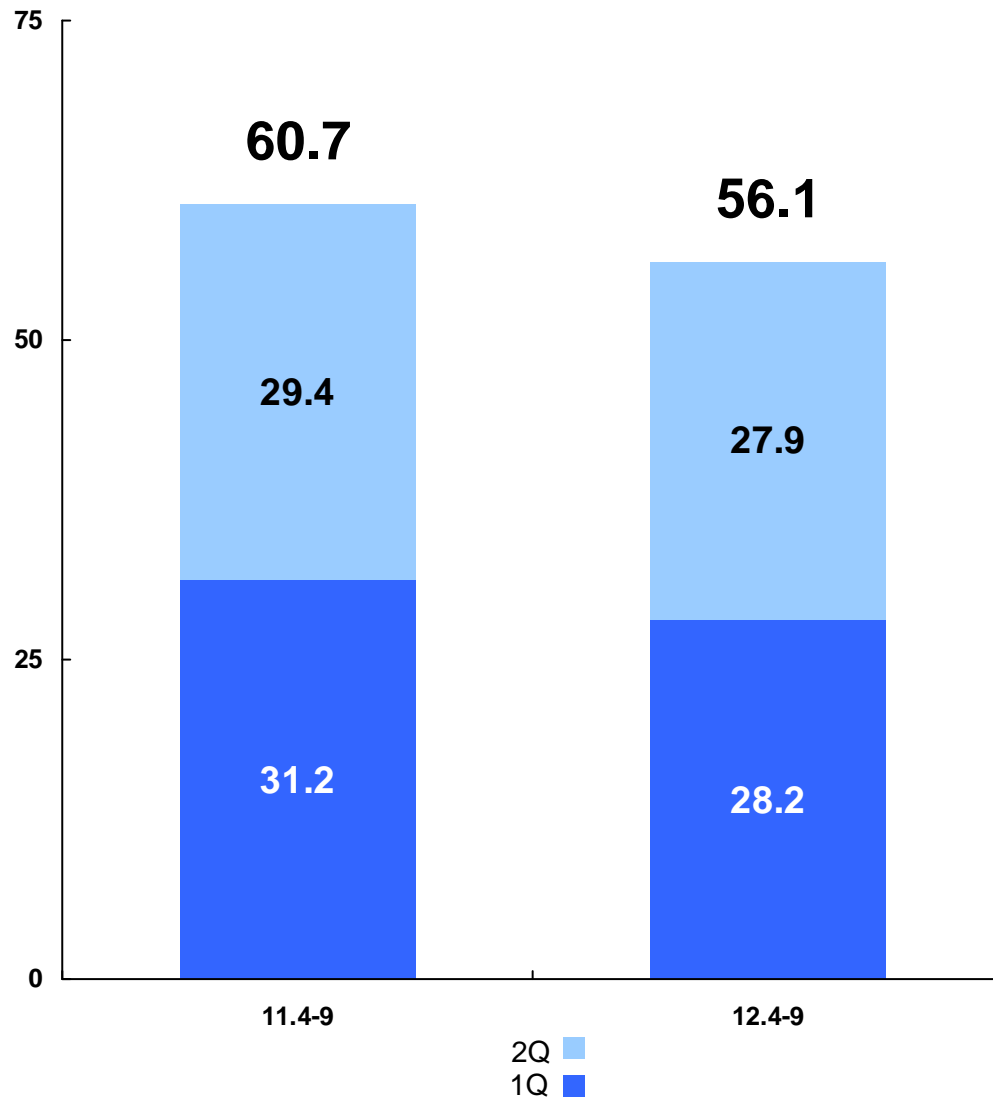
- Good progress in revenue against Plan, despite JPY1.5 billion decline y-o-y
- Expenses largely in line with Plan
- Net credit costs improved by JPY2.5 billion y-o-y due to lower loan balance and improved asset quality in consumer finance business
- Achieved 50% of full-year net income forecast in 1H

<sup>1</sup>Cash basis net income is calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit

# Financial Results: Revenue (Net Interest Income)

(Consolidated, JPY billion)

- Marked slowdown in net interest income downward trend as lending increases at Bank and pace of decrease in loan assets at consumer finance subsidiaries slows down



## Institutional Group/Global Markets Group

- Institutional: Growth in loan assets in core businesses contributes to increase of JPY1.7 billion y-o-y from JPY12.7 billion to JPY14.5 billion. Institutional Business Sub-Group shows steady increase from JPY4.3 billion to JPY5.2 billion
- Global Markets: Unchanged from 1H FY2011 at JPY1.5 billion

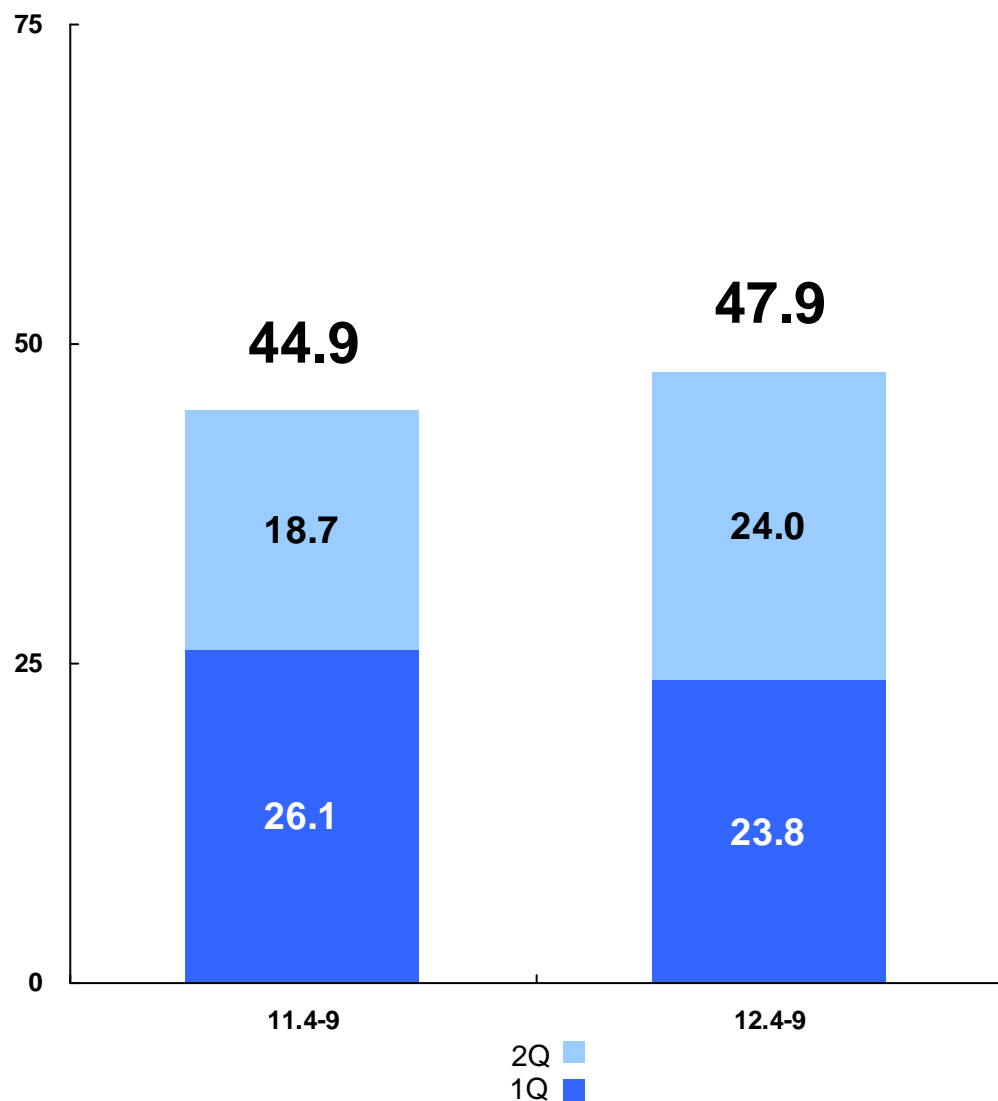
## Individual Group

- Retail Banking: Decrease of JPY2.1 billion y-o-y from JPY15.3 billion to JPY13.1 billion due to lower net interest income on deposits amid prevailing low interest rate environment. On the other hand, loan earnings rose from JPY3.1 billion to JPY3.4 billion
- Consumer Finance: Decrease of JPY6.7 billion y-o-y from JPY36.6 billion to JPY29.9 billion

# Financial Results: Revenue (Non-Interest Income)

(Consolidated, JPY billion)

- Non-interest income is trending steadily in FY2012 due to reduction of non-recurring items
- Strong earnings from transactions with institutional customers in core businesses



## Institutional Group/Global Markets Group

- Institutional: Decrease of JPY2.7 billion y-o-y from JPY19.7 billion to JPY16.9 billion
- Global Markets: Increase of JPY1.9 billion y-o-y from JPY4.0 billion to JPY6.0 billion
- Non-recurring items, such as JPY0.9 billion in impairments to non-recourse finance related bonds, were limited in 1H FY2012

## Individual Group

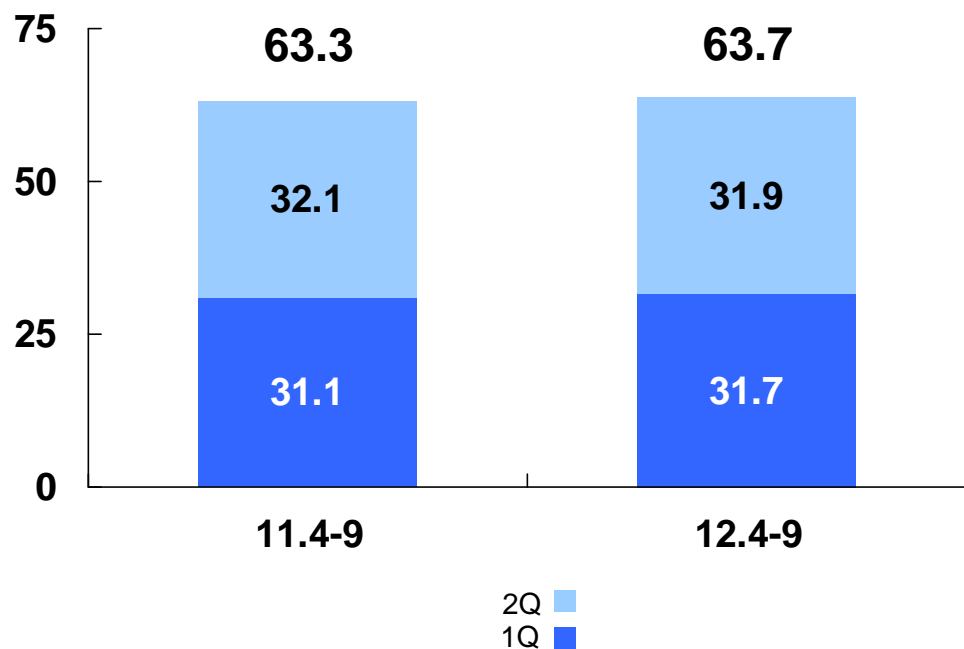
- Retail Banking: Decrease of JPY0.3 billion from JPY3.9 billion to JPY3.5 billion
- Consumer Finance: Increase of JPY1.1 billion y-o-y from JPY15.6 billion to JPY16.8 billion due to increase in non-interest income from steady volume growth in APLUS FINANCIAL's installment sales credit, settlement and other businesses

# Financial Results: Expenses and Net Credit Costs

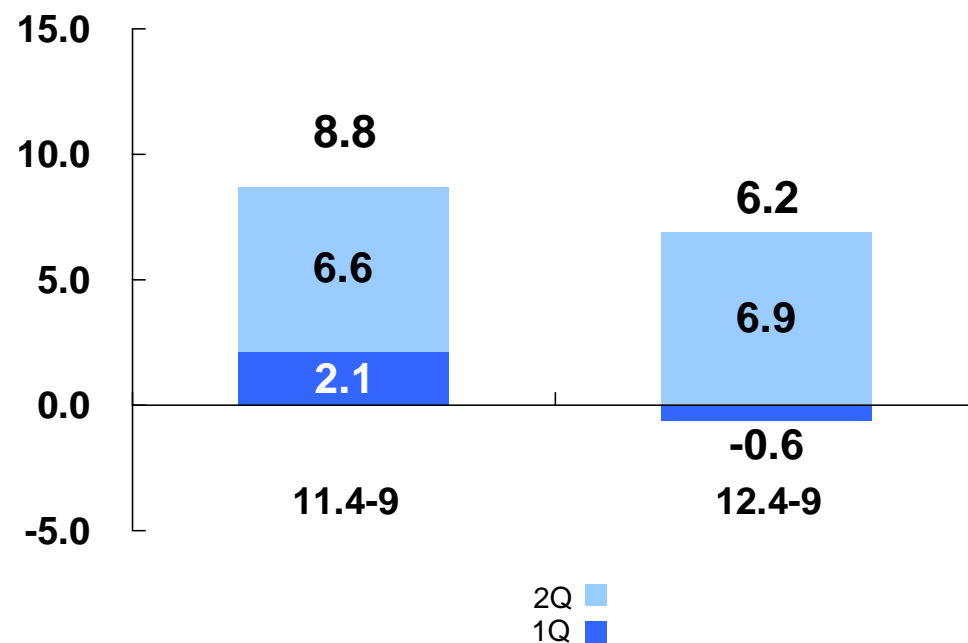
(Consolidated, JPY billion)

- Expenses increased JPY0.4 billion y-o-y
  - ✓ Slight y-o-y increase due in part to depreciation of systems-related capex
- Net credit costs decreased JPY2.5 billion y-o-y
  - ✓ Lower loan balance and improvement in asset quality in consumer finance business
  - ✓ Recorded reserves of JPY4.4 billion for domestic real estate non-recourse finance

## Expenses



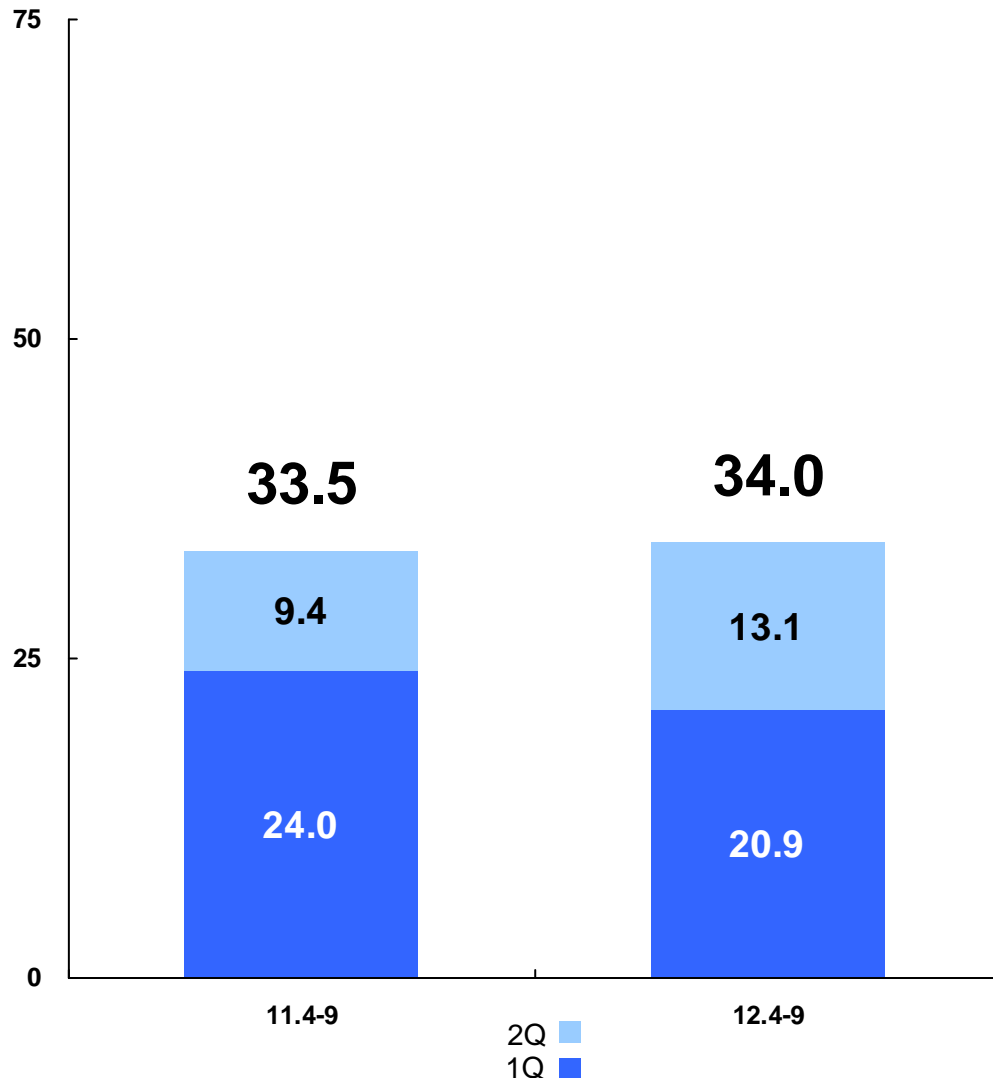
## Net Credit Costs



# Financial Results: OBP after Net Credit Costs

(Consolidated, JPY billion)

- Reduction in net credit costs through asset quality improvement offset lower revenue and higher expenses



## Institutional Group/Global Markets Group

- Institutional: Decrease of JPY0.7 billion y-o-y from JPY16.8 billion to JPY16.1 billion
- Global Markets: Increase of JPY1.9 billion y-o-y from JPY2.8 billion to JPY4.7 billion

## Individual Group

- Retail Banking: Decrease of JPY1.1 billion y-o-y from JPY2.5 billion to JPY1.3 billion
- Consumer Finance: Decrease of JPY4.6 billion y-o-y from JPY15.4 billion to JPY10.7 billion

## Corporate/Other

- Improvement of JPY5.2 billion y-o-y from a loss of JPY4.1 billion to a gain of JPY1.0 billion due to factors including increase of gains on JGB sales



# Non-Recurring Items: Limited Impact on PL

(Consolidated, JPY billion)

- Non-recurring items continued to have only limited impact on earnings in 1H FY2012

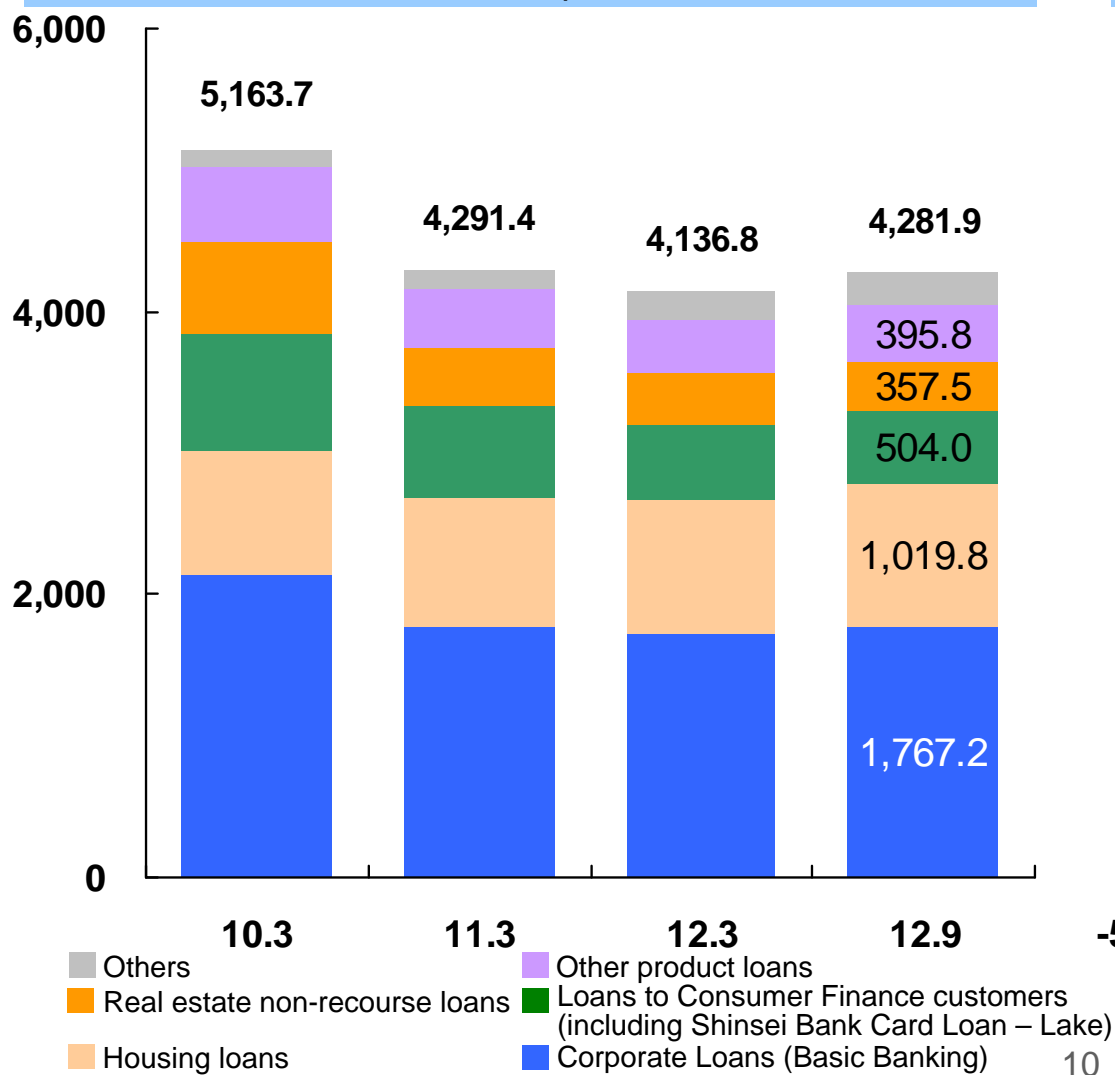
Non-Recurring Items	FY2011 Full Year (12 months)	FY2011 1H (6 months)	FY2012 1H (6 months)
<b>Gains included in revenues</b>	<b>6.3</b>	<b>6.3</b>	<b>-</b>
Large gains from the sale/redemption of non-core assets	6.3	6.3	-
Others	1.1	-	-
<b>Major positive items (1)</b>	<b>7.4</b>	<b>6.3</b>	<b>-</b>
<b>Mark-downs/impairments included in revenues</b>	<b>-11.9</b>	<b>-8.2</b>	<b>-0.9</b>
Impairment of major listed shares	-5.2	-5.2	-
Impairment of domestic real estate non-recourse finance (bonds)	-3.3	-2.2	-0.9
Others	-3.3	-0.7	-
<b>Items included in net credit costs</b>	<b>-10.1</b>	<b>-3.0</b>	<b>-3.7</b>
Reversal of major institutional credit reserve	17.2	-	-
Specialty finance	-18.8	-	0.8
Domestic real estate non-recourse finance	-8.0	-4.7	-4.4
Large net credit costs related to non-core assets	-2.2	-	-1.2
Others	1.6	1.6	1.1
<b>Items included in other losses</b>	<b>-33.1</b>	<b>-0.8</b>	<b>-</b>
Grey zone related provisions	-32.8	-0.8	-
Others	-0.2	-	-
Corporate tax adjustment due to tax reform	-1.3	-	-
<b>Major negative items (2)</b>	<b>-56.6</b>	<b>-12.1</b>	<b>-4.7</b>
<b>(1) + (2)</b>	<b>-49.1</b>	<b>-5.8</b>	<b>-4.7</b>

# Balance Sheet: Loans

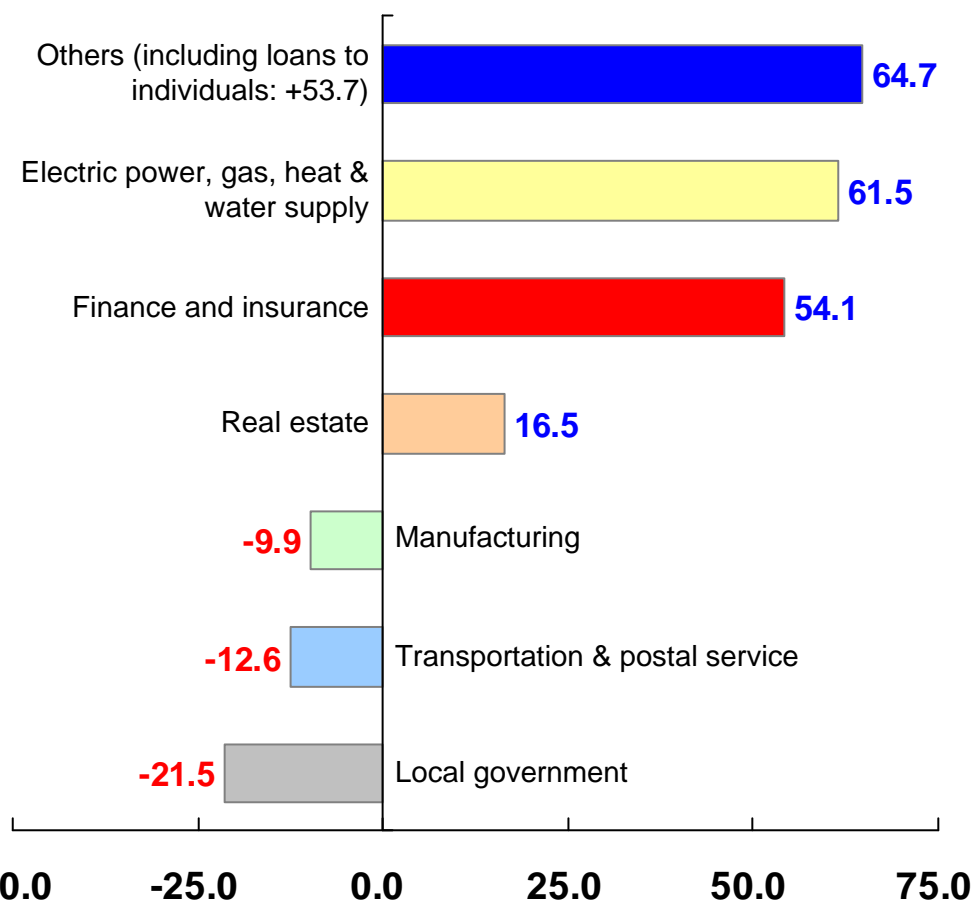
(Consolidated, JPY billion)

- Strong growth in housing loans boosted increase in loans to individuals
- Flexibly responded to domestic corporate loan funding needs while building up high quality overseas assets

Loans Composition



Main Changes in Loans by Industry (v. March 31, 2012)

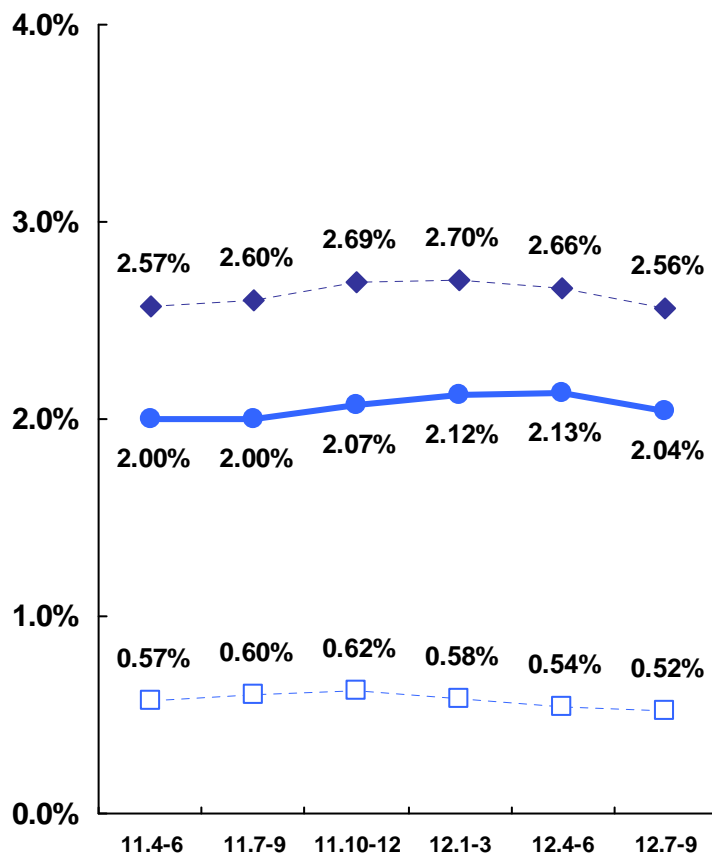


# Net Interest Margin: Maintained Above 2%

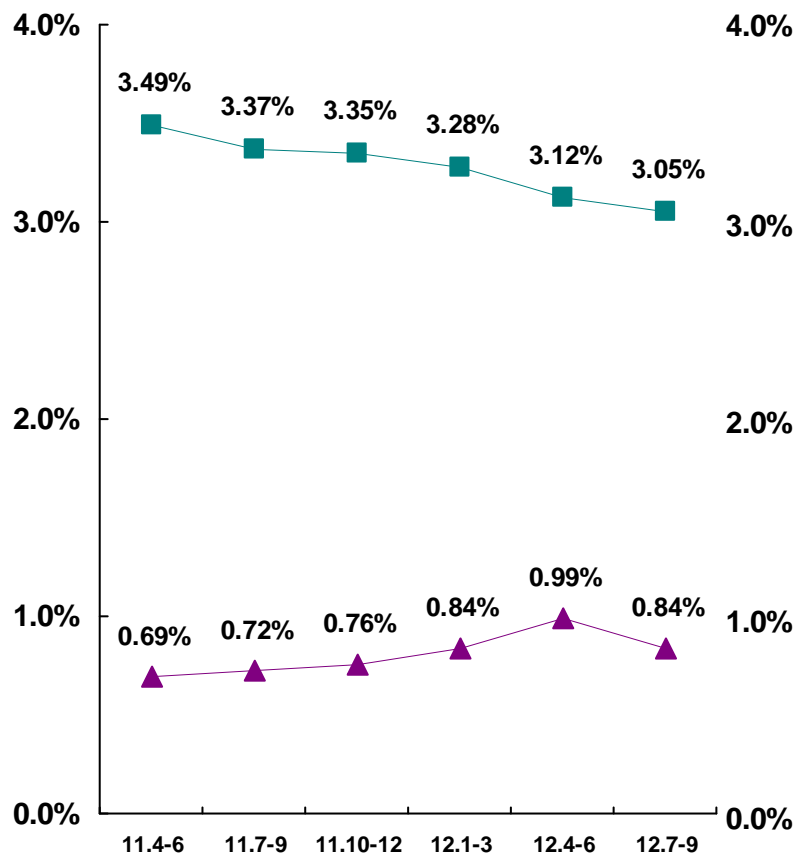
(Consolidated, JPY billion)

- Maintained NIM above 2% despite decline in yield on interest earning assets due to increase in JGB balance
- Continued improvement in rate on interest bearing liabilities due to lower deposit/NCD rates

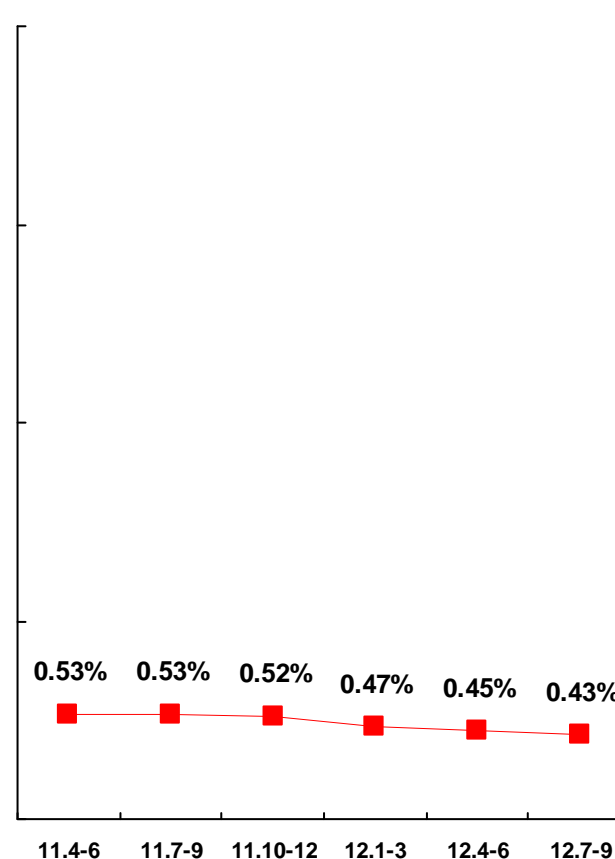
### Net Interest Margin<sup>1</sup>



### Yield on Loans and Securities



### Rate on Deposits



◆ Yield on interest earning assets<sup>1</sup>

● Net interest margin<sup>1</sup>

□ Rate on interest bearing liabilities

■ Yield on loans and bills discounted

▲ Yield on securities

■ Rate on deposits, including negotiable certificates of deposit (NCD)

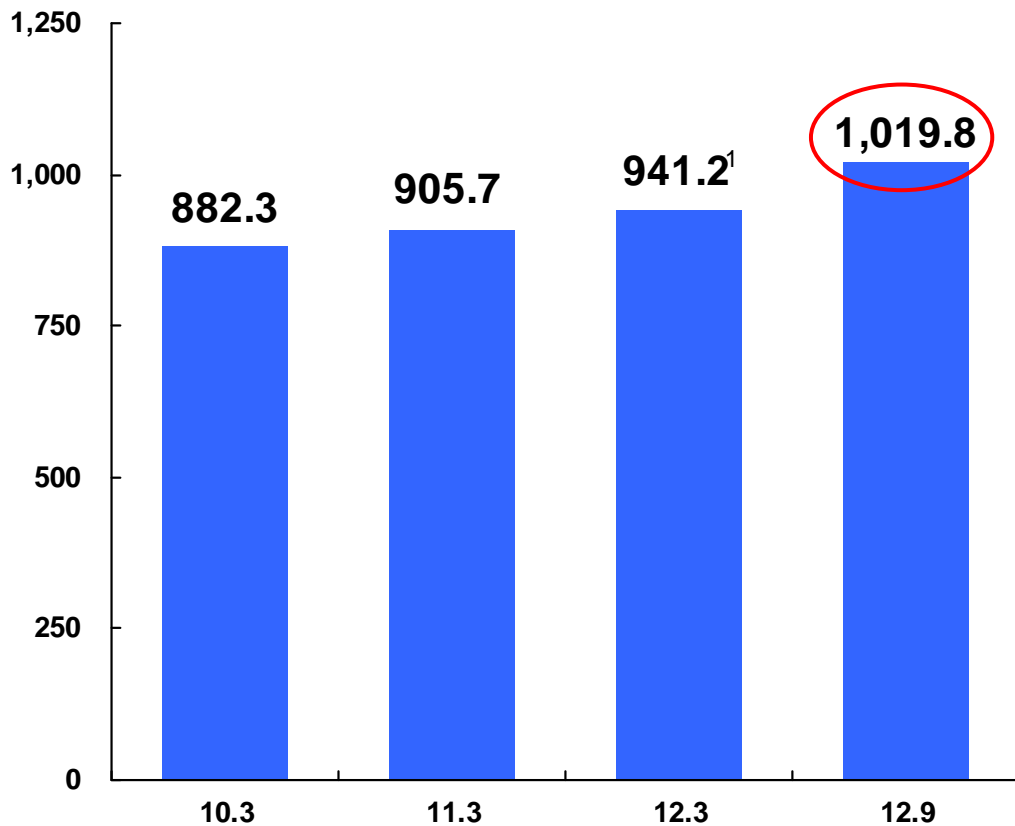
<sup>1</sup> Includes income on leased assets and installment receivables

# Business: Housing Loans

(JPY billion)

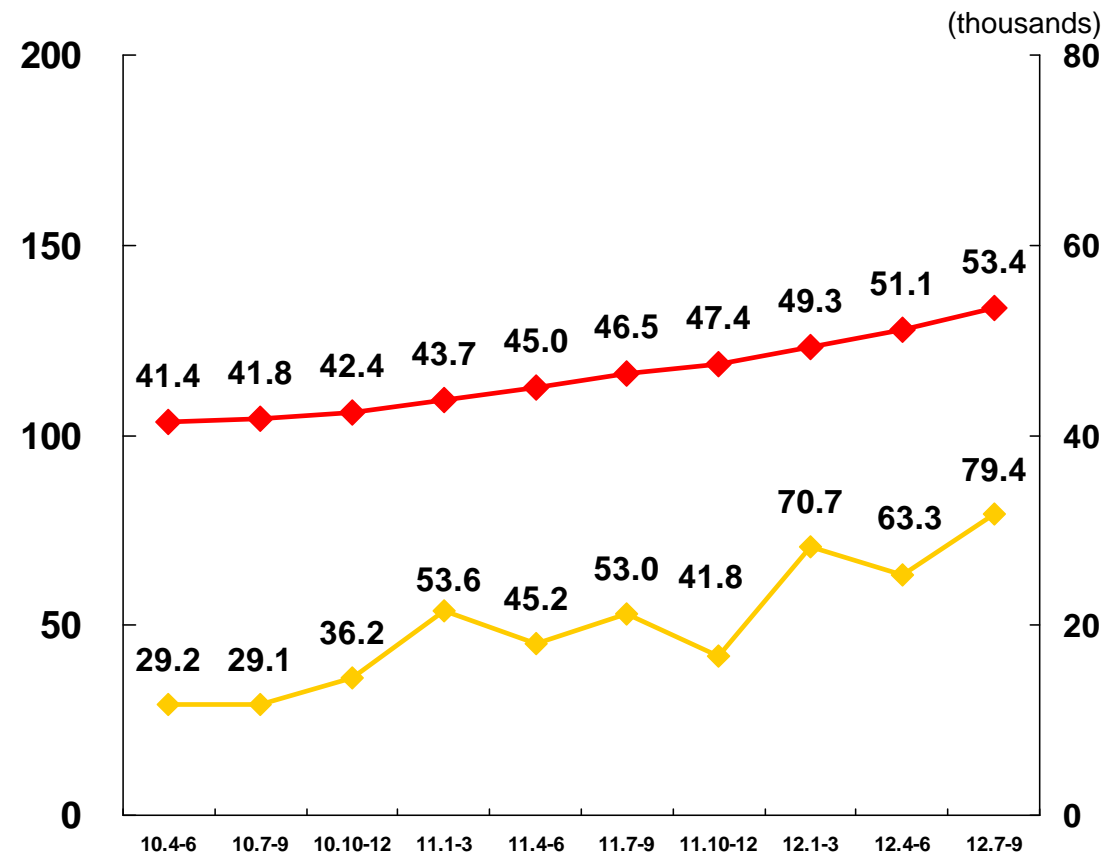
- Strong increase in housing loans, now over JPY1 trillion for first time, due to unique product characteristics
- Solid increase in new origination as customer numbers continue to grow

### Housing Loan Balance



<sup>1</sup> A portion of housing loans previously held through a subsidiary were sold in 2Q FY2011

### Quarterly Trend in Disbursement and Customer Numbers



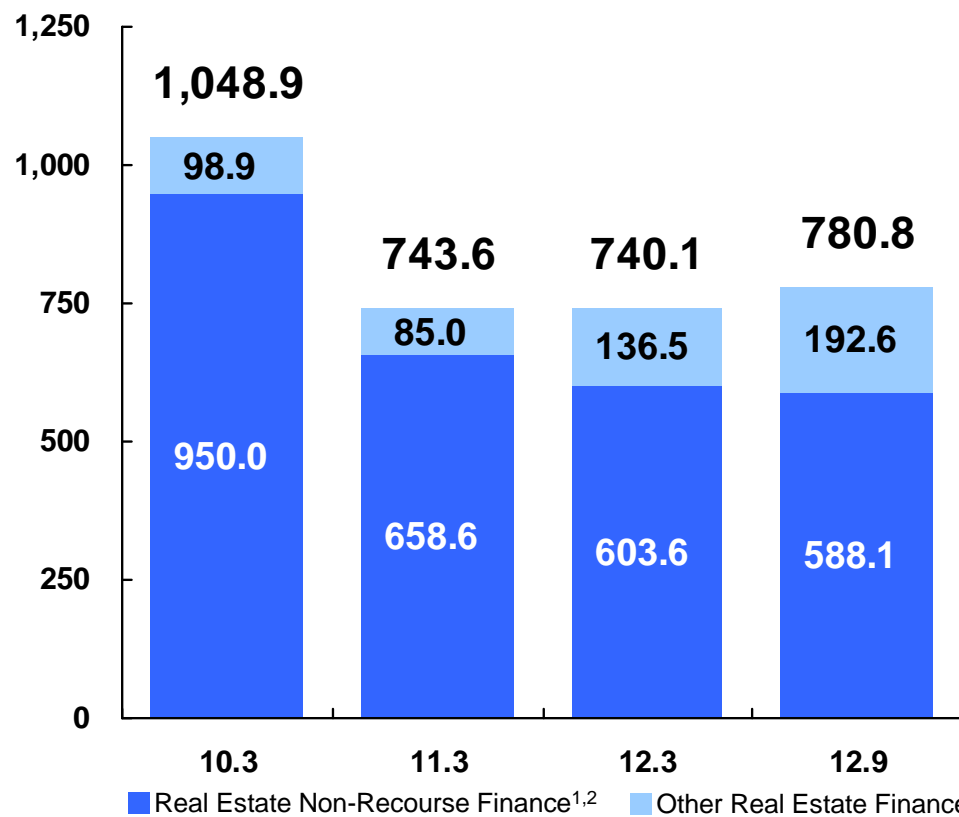
- ◆ Power Smart Housing Loan customers (thousands) (rhs)
- ◆ New origination disbursement (lhs)

# Business: Real Estate Finance

(JPY billion)

- Careful and selective new origination in real estate non-recourse finance
- Continued growth in balance of loans to real estate companies and REITs

### Real Estate Finance Balance

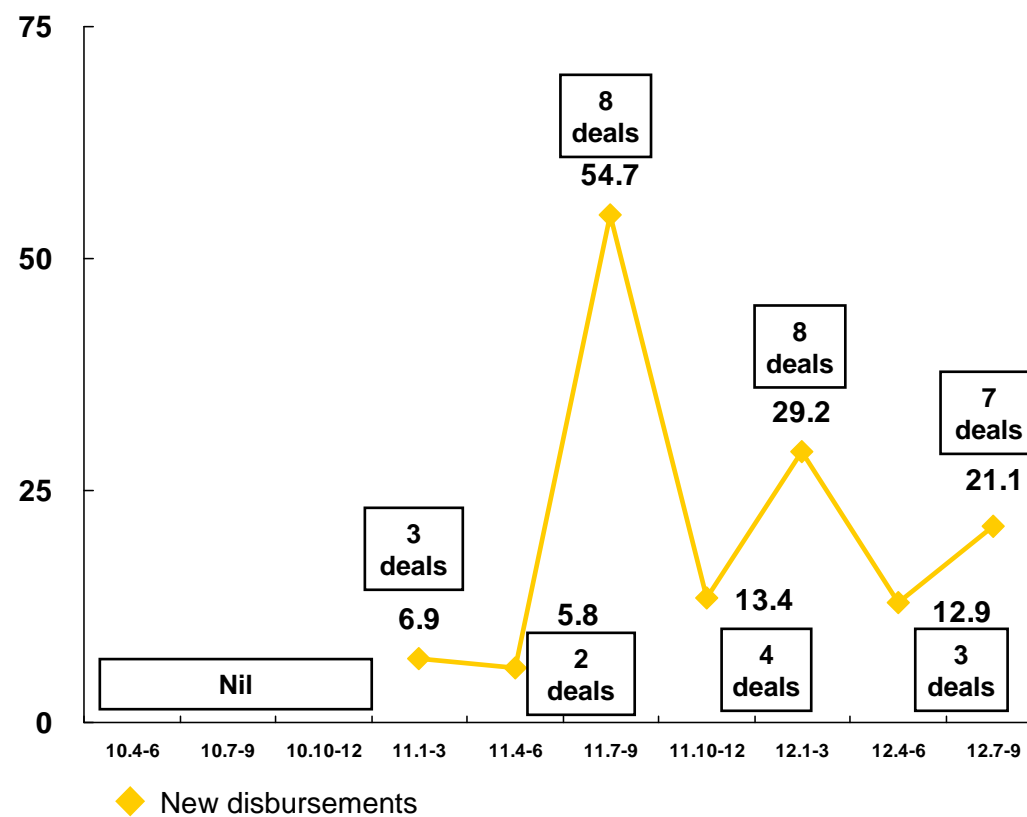


<sup>1</sup> Real estate non-recourse finance includes bonds (including other monetary claims purchased)

<sup>2</sup> Excludes the portion (JPY24.5 billion) eliminated through consolidation in FY2011

<sup>3</sup> Other real estate finance loans include loans to real estate companies and REITs

### Quarterly Trend in New Disbursements for Non-Recourse Finance



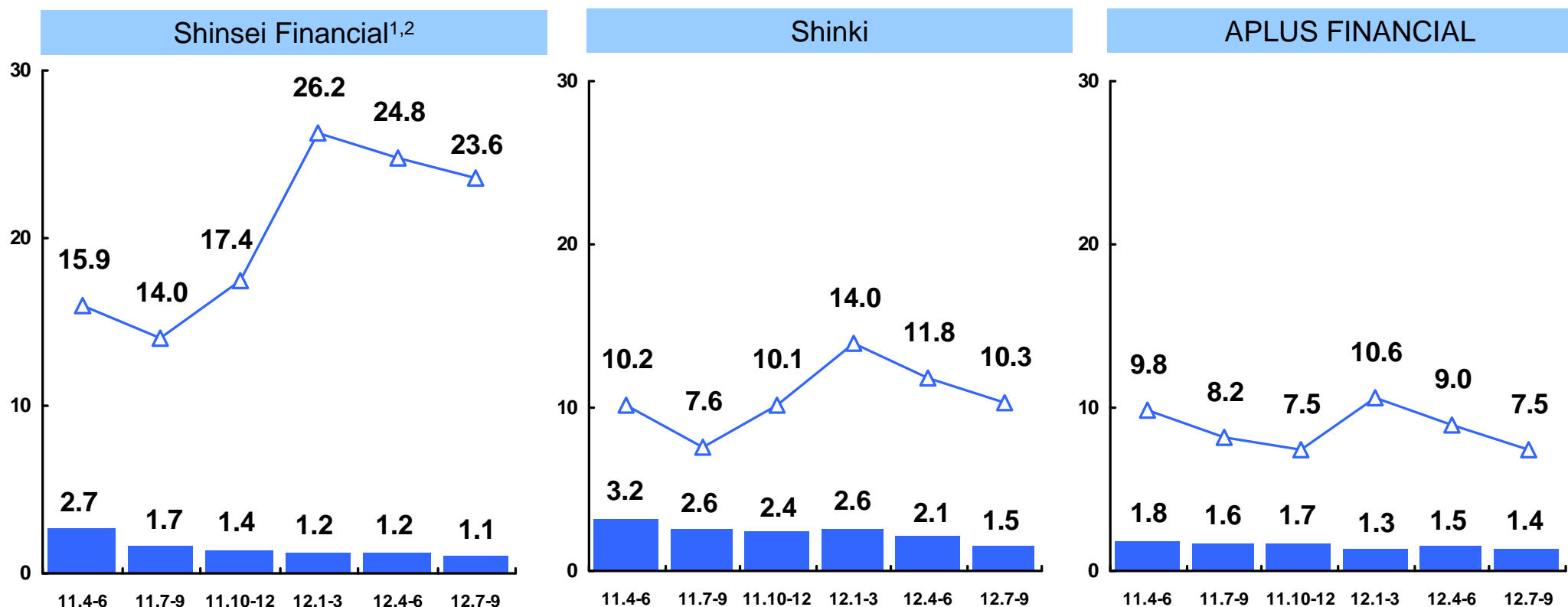
# Business: Grey Zone Interest Repayment

(JPY billion)

- Lower grey zone repayment amount trend continues, down over 40% y-o-y at Shinki
- Number of disclosure claims also continues on long-term downward trajectory

(Unit: thousands)

Number of Disclosure Claims	11.4-6	11.7-9	11.10-12	12.1-3	12.4-6	12.7-9
Shinsei Financial	25.0	19.5	17.8	16.5	16.6	14.4
Shinki	4.1	3.1	3.0	2.7	2.8	2.5
APLUS FINANCIAL	4.2	2.9	2.9	2.6	2.7	2.4



<sup>1</sup> A certain portion of Shinsei Financial's portfolio is covered by a GE indemnity contract. Interest repayment amount is net of refunds subject to the GE indemnification

<sup>2</sup> Reversals of reserves for losses on interest repayment include reversals of provision of reserves for loan losses

# Non-Performing Loans: Clean Up Steadily Progressing

(Non-Consolidated, JPY billion)

- NPLs down by JPY21.2 billion and NPL ratio fell 50 bps compared to March 31, 2012
- Need Caution amount declined by almost JPY40 billion compared to March 31, 2012

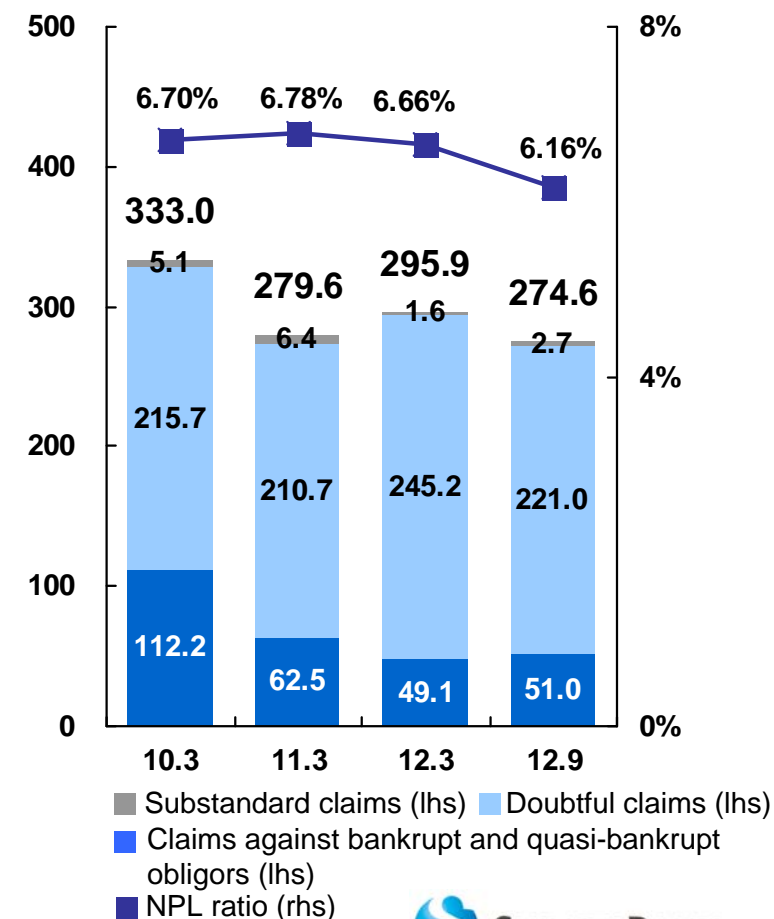
## Breakdown of Total Claims and Coverage by Credit Category<sup>1</sup>

(as at September 30, 2012)

	Balance	Reserves for Loan Losses	Collateral/ Guarantees	Coverage Ratio	Partial Write-Off
Normal	3,927.8	20.3			0.0
Need Caution	255.3	14.6			0.1
Performing Loans	4,183.1	34.9			0.1
Substandard/ Possible Bankrupt	223.7	71.0	144.8	96.5%	0.1
Virtually Bankrupt/ Legally Bankrupt	51.0	3.9	47.0	100.0%	68.8
Non-Performing Loans	274.6	75.0	191.9	97.2%	68.8
<b>Total Claims</b>	<b>4,457.8</b>	<b>109.9</b>			<b>69.0</b>

<sup>1</sup> Coverage of total claims based on Financial Revitalization Law

## NPL Amounts and NPL Ratio Based on Financial Revitalization Law

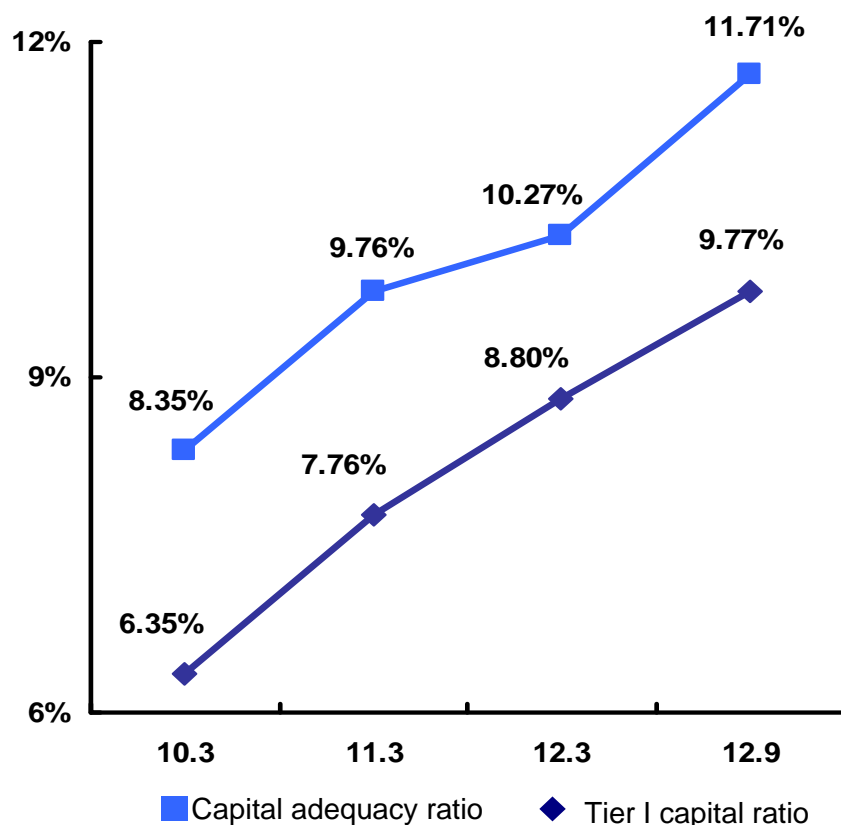


# Capital: Maintaining Adequate Level with Higher Retained Earnings

(Consolidated, JPY billion)

- Steady earnings growth and lower deductions led to increase in capital
- Reduction in RWAs due to improvement in asset quality also contributed to stronger capital ratios

### Trend of Capital Ratios (Basel II)



### Capital Composition

	2012.3 (Basel II <sup>1</sup> )	2012.9 (Basel II <sup>1</sup> )	2012.9 (Basel III Estimate <sup>2</sup> )	MTMP (Target) (Basel III)
Common Equity Tier I			561.3	
Other Tier I				
Basic Item (Tier I)	537.1	573.8	561.3	
Amount Eligible for Inclusion in Capital (Tier II)	197.0	186.4	110.1	
Deduction	-107.2	-72.4		
Total Capital	626.9	687.8	671.4	
Risk Weighted Assets	6,102.5	5,869.2	6,300.4	
Capital Adequacy Ratio	10.27%	11.71%	10.7%	10%
			<i>Estimate:</i>	
Common Equity Tier I Capital Ratio			8.9%	5%
Tier I Capital Ratio	8.80%	9.77%	8.9%	7%

<sup>1</sup> Reflected stressed VaR of so-called "Basel 2.5"

<sup>2</sup> Estimates have been made by Shinsei Bank based on information available at the time point. Estimate for September-end 2012 is based on the international standard



# ***Review of Lake Business' First Year***

# Lake Business: Strategy & Year 1 Achievements

- Building a convenient service with bank-standard quality. Targeting same consumer segment with similar risk profile as previously, in consumer/individual bank UPL market – a relatively growing market
- Credit strategy: made progress on data collection and ready to provide smooth financing to meet borrower demand in line with spirit of Money-Lending Business Law

## Strategy

### ■Shinsei Bank Card Loan - Lake

- ✓Continue to acquire customers from traditional consumer finance customer segment, while making in-roads into new segment through building trust as a bank-based service
- ✓Maximizing earnings through optimization of credit strategy

### ■Shinsei Financial

- ✓Leverage experience and data gained through Lake business to expand guarantee business in partnership with other banks
- ✓Improving service to existing customers, while spearheading a customer retention-focused strategy

## Year 1 Achievements

### ■Shinsei Bank Card Loan - Lake

- ✓Acquisition of traditional customer target continues to progress strongly
- ✓Gaining insights into new segment acquisition through collaboration with Retail Banking
- ✓Executed robust fine-tuning of credit strategy

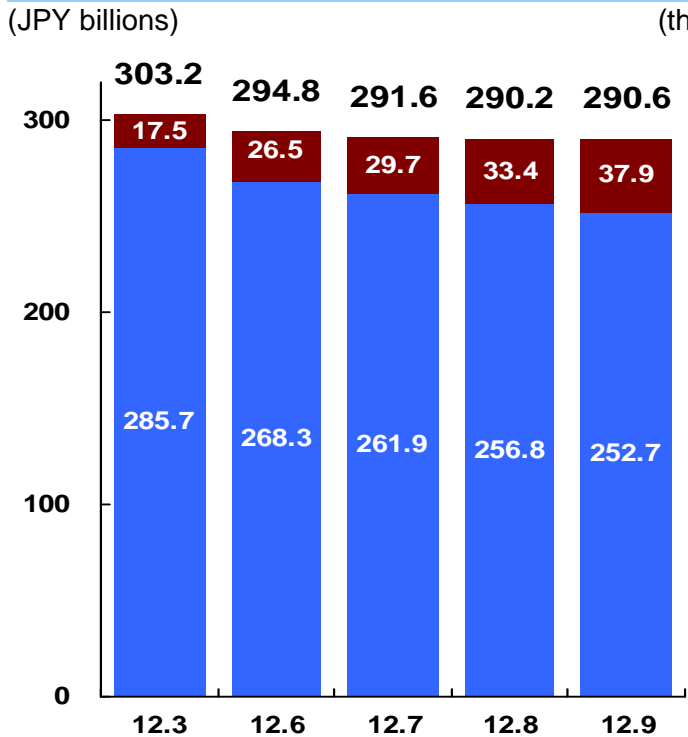
### ■Shinsei Financial

- ✓Total of 6 partnerships with regional banks and expect further expansion including large-scale business
- ✓Dramatic improvement in customer retention rates

# Lake Business: Year 1 Achievements

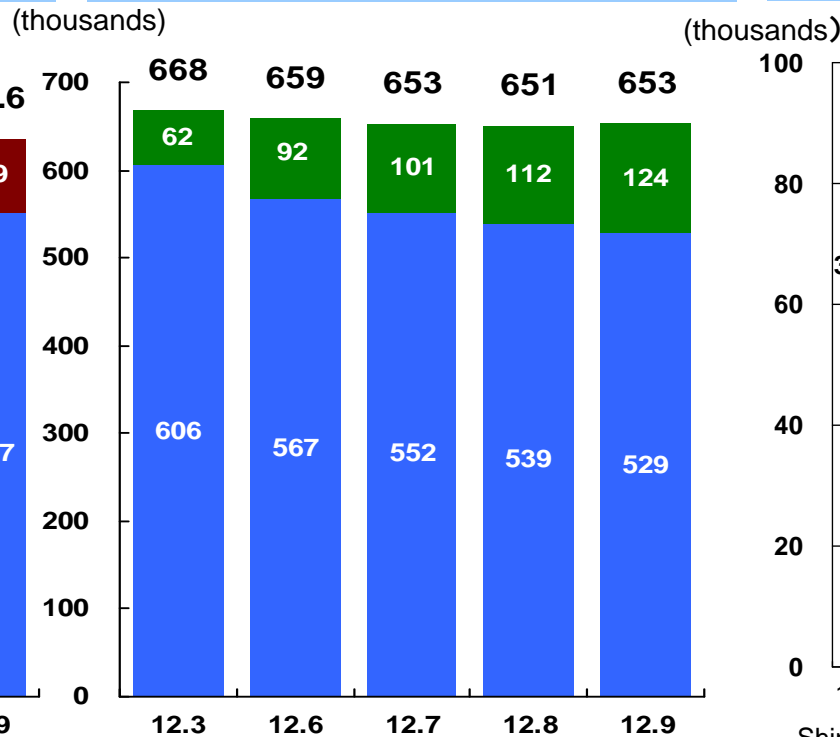
- Good progress in loan balance growth and new customer acquisitions for Shinsei Bank Card Loan - Lake
- Combined loan balance and customer numbers of Shinsei Bank Card Loan – The combined loan balance for September end (Vs. August) grew for the first time in six years

Shinsei Financial and Shinsei Bank Card Loan – Lake UPL Balance



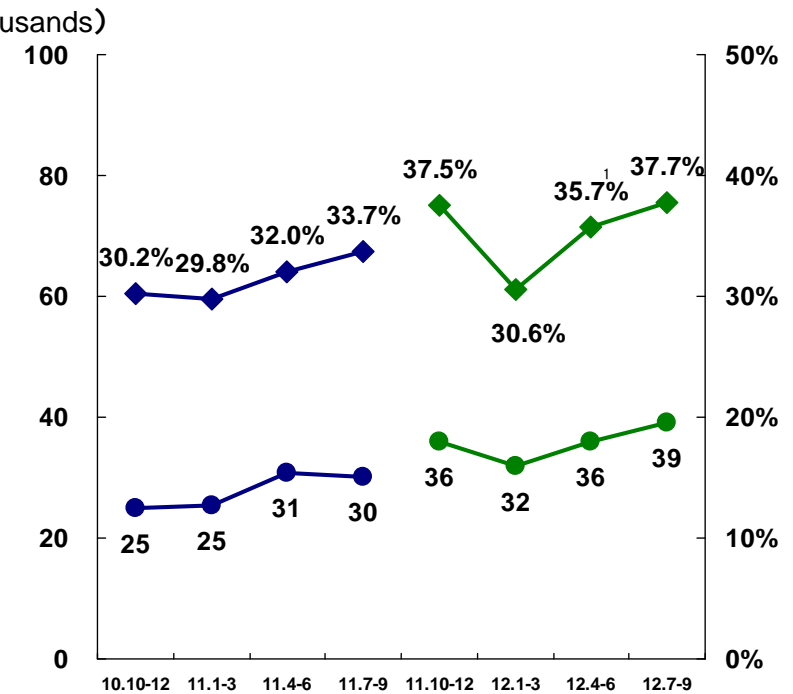
■ Shinsei Bank Card Loan - Lake  
■ Shinsei Financial

Shinsei Financial and Shinsei Bank Card Loan – Lake Customer Numbers



■ Shinsei Bank Card Loan - Lake  
■ Shinsei Financial

Quarterly Trends in New Customer Numbers and Approval Rate

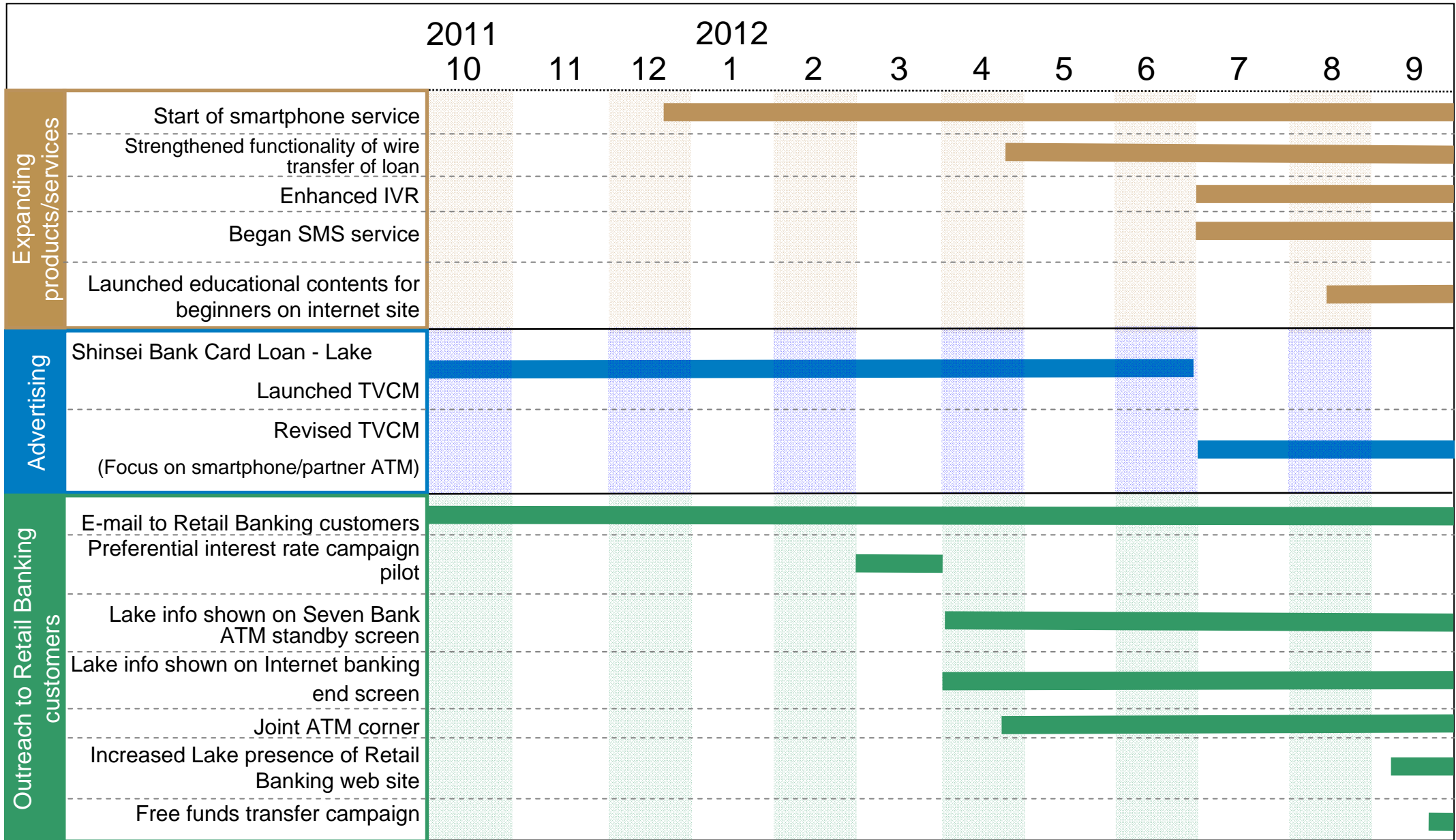


Shinsei Financial  
● No. of new customers (lhs)  
◆ Approval rate (rhs)

Shinsei Bank Card Loan - Lake  
● No. of new customers (lhs)  
◆ Approval rate (rhs)

<sup>1</sup> 1Q FY2012 numbers have been revised

# Shinsei Bank Card Loan – Lake: Year 1 Marketing Activities



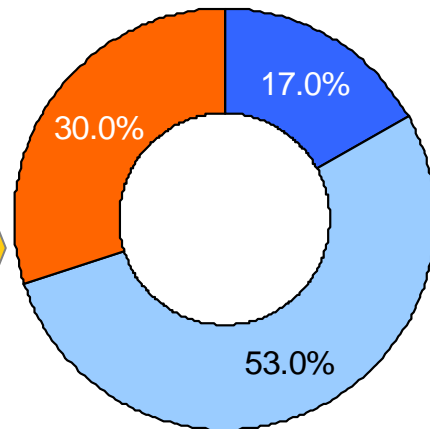
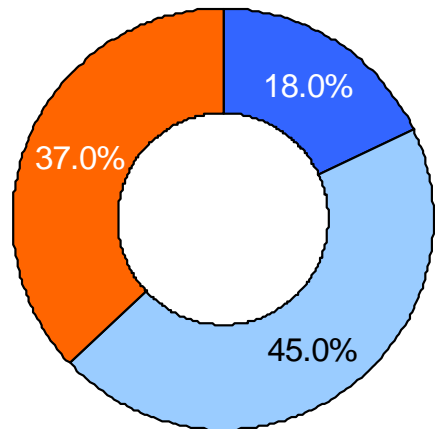
# Shinsei Bank Card Loan – Lake: Customer Attributes

- Application Channels: Growth in internet applications over the year as a result of enhancement of service / functionality
  - ✓ Smartphone service
  - ✓ Enhanced IVR (Interactive Voice Response) service
  - ✓ Introduced SMS
- ATM Channels: Growth in partnership ATMs (Seven Bank), and increased usage of Retail Banking ATMs. May reflect communication of fee-free ATM services and customers' consciousness of Bank service

## Application Channel Trends

Shinsei Financial era (reference)  
(Oct. 2010 – Sept. 2011)

Shinsei Bank Card Loan - Lake  
(Oct. 2011 – Sept. 2012)



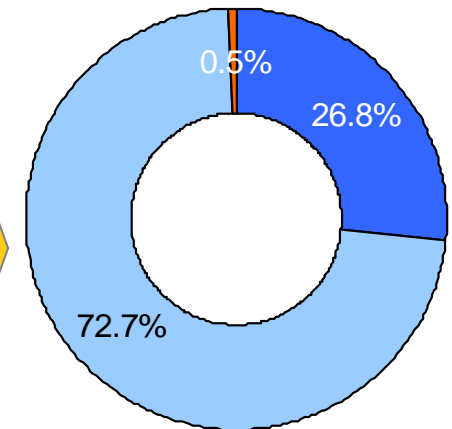
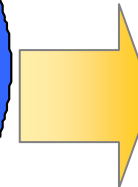
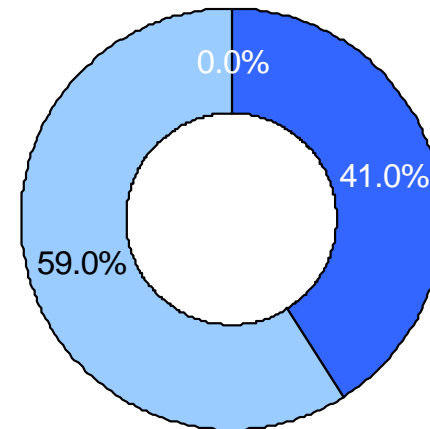
■ Telephone ■ Internet ■ ACM

■ Telephone ■ Internet ■ ACM

## ATM Channel Trends

Shinsei Financial era (reference)  
(Oct. 2010 – Sept. 2011)

Shinsei Bank Card Loan - Lake  
(Oct. 2011 – Sept. 2012)



■ Lake ■ Partnership ■ Retail Banking

■ Lake ■ Partnership ■ Retail Banking

# Shinsei Bank Card Loan – Lake: Retail Banking Initiatives

## Objectives

- **Develop base for rolling out new comprehensive retail financial services**
  - ✓ Creating new retail business domain through full-scale provision of Bank-based unsecured personal loans
  - ✓ Provide products/services with greater value through collaborating with Retail Banking
- **Gain insights for Retail Banking customer segment through test (pilot) marketing**

## Details

- **Initiatives to increase awareness among Retail Banking customers**
  - ✓ Tests/research through segment-specific electronic direct marketing (eDM)
  - ✓ Piloting Lake product placement in Retail Banking customer touchpoints (ATM, Internet banking etc.)
- **Developing campaigns aligned with Retail Banking customers' needs**
  - ✓ Preferential interest rates, fee-free funds transfer and other campaigns

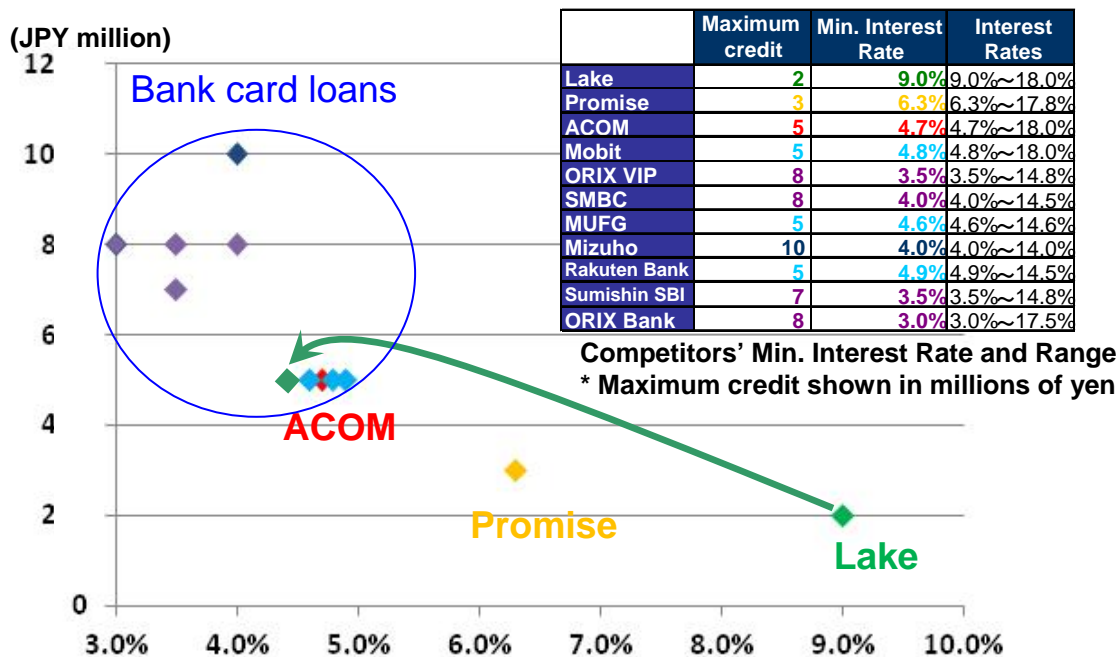
## Achievements

- **Steady level of UPL needs exist among Retail Banking customers and expect ongoing applications and customer acquisition**
- **Confirmed unique attributes for the Retail Banking customer in comparison with the traditional segment:**
  - ✓ High quality applications, higher approval rates compared with traditional segment
  - ✓ Wider age range
  - ✓ Higher income
  - ✓ As a result, initial credit line is higher
  - ✓ Expect additional earnings by adding loan card to Retail Banking product line-up

# Shinsei Bank Card Loan – Lake: Next Steps

- Based on Year 1 results, will revise minimum interest rate and maximum credit line from late November
- Aim to capture bank card loan users by introducing competitive interest rates/credit line
- Aim to increase awareness levels by introducing new face of brand – Ms. Nanao – who is popular with traditional high volume segment (20-34 year old males). New campaign will launch along with the introduction of new interest rates/credit line

## Max. Credit Line & Min. Interest Rate Positioning



\*As of June 30, 2012  
Source: Company websites

## New Brand Face & Product Communication

選ぶなら、  
新生銀行のレイク!  
でしょ♪

**レイクちゃん**

期間限定! 契約額1~200万円の方! **3/31**まで  
初めたら! お借入額のうち5万円まで! **180日間利息¥0**

初めたら! お借入額のうち5万円まで! **30日間利息¥0**

セブン銀行で、ATM手数料¥0

金利下りました! **4.5~18.0%** 1~500万円まで

0120-09-09-24

# Appendix

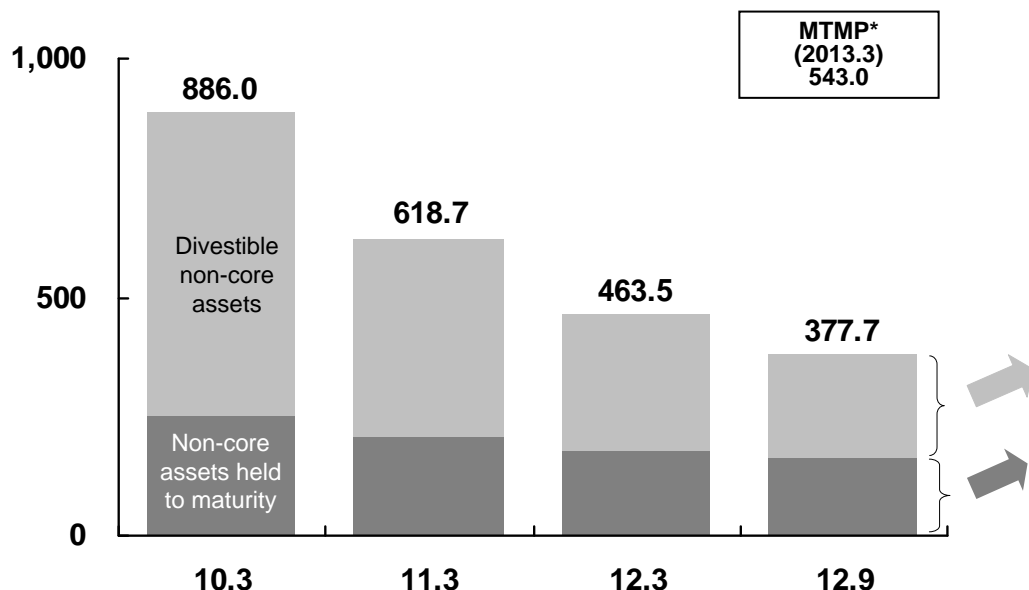


# Non-Core Targets Already Achieved Allowing Assets: Management to Focus on Core Business

(JPY billion)

- Reduction of non-core assets continues well ahead of MTMP schedule
- Limited risk of large losses from residual non-core assets

### Outstanding Balance of Non-core Assets



\*Reduce divestible non-core assets by approximately 50% by end of MTMP (March 31, 2013)

### Non-core Assets Composition by Asset Type and Region

(as at September 30, 2012)

Balance (2012.9)	Region				Total
	U.S.	Europe	Asia, Others	Japan	
Loans	5.3	22.3	0.9	28.3	① 56.9
Securities	38.2	54.7	37.2	27.5	② 157.8
<b>Divestible Total (1)</b>	<b>43.5</b> ③	<b>77.1</b>	<b>38.2</b>	<b>55.9</b>	<b>214.8</b>
Loans	-	-	-	-	-
Securities	30.1	8.8	-	123.9	162.9
<b>Held to Maturity Total (2)</b>	<b>30.1</b>	<b>8.8</b>	<b>-</b>	<b>123.9</b> ④	<b>162.9</b>
<b>Non-Core Assets Total (1)+(2)</b>	<b>73.6</b>	<b>85.9</b>	<b>38.2</b>	<b>179.9</b>	<b>377.7</b>

Limited PL impact from non-core assets

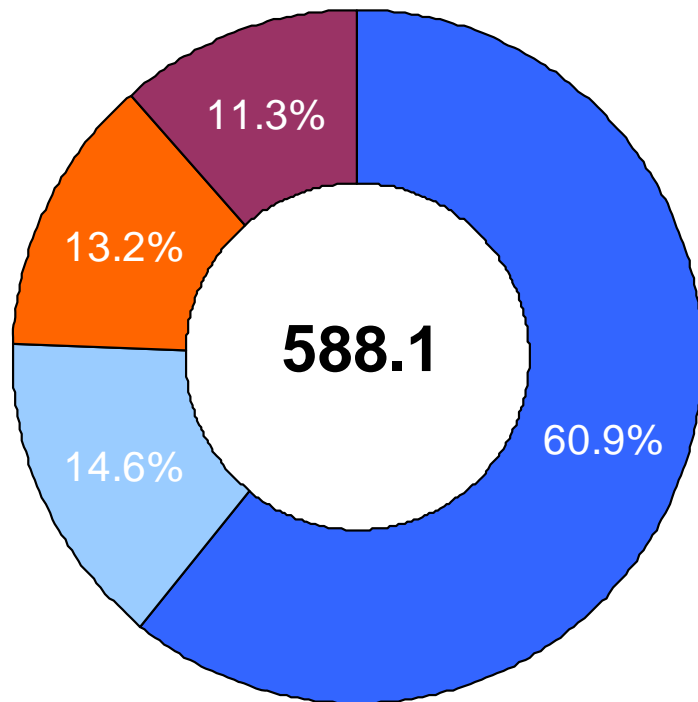
- Only JPY11.8 billion of NPLs (including JPY11.2 billion of ABI, 96% coverage ratio)
- Evaluation gains for non-core securities with fair value that are divestible are about JPY1.6 billion as of Sept. 2012
- About half of European exposures in divestible non-core assets are in Germany and the U.K.
- Held-to-maturity non-core assets are primarily composed of domestic housing loan warehousing and rest is CLO

# Real Estate Non-Recourse Finance: By Region/Asset Category

(JPY billion)

## Breakdown by Region

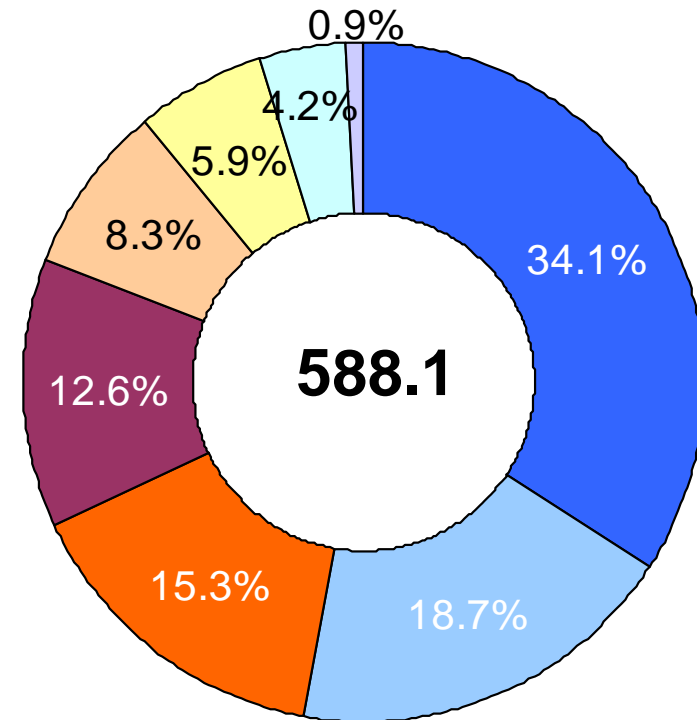
(as at September 30, 2012)



- Kanto (Mainly Tokyo)
- Kansai (Mainly Osaka)
- Portfolio (Diversified)
- Other Regions

## Breakdown by Asset Category

(as at September 30, 2012)



- Office
- Land
- Hotel
- Industrial/Parking/Other
- Retail (shops)
- Residential
- Other Portfolio (Diversified)
- Development

# Major News in FY2012

## 1<sup>st</sup> Quarter (April – June 2012)

- Apr. 25: Shinsei Bank to Install Shinsei Bank Card Loan - Lake ACMs in Bank ATM Corners
- June 12: Shinsei Bank to Take Over Ownership of Lloyds Banking Group's Overseas Remittance Services in Japan
- June 25: Shinsei Bank Begins Handling Chinese Yuan, Brazilian Real, and Turkish Lira (total of 13 foreign currencies)

## 2<sup>nd</sup> Quarter (July – Sept. 2012)

- July 2: gumi and Shinsei Bank to Establish Venture Fund Targeting Mobile Entertainment Companies
- July 19: Shinsei Bank Group to Team Up With Manchester United to Issue Affiliate Credit Cards in Japan
- July 23: APLUS Introduces APLUS Auto Credit with T Points
- July 30: Shinsei Bank Forges Comprehensive Business Alliance with India's YES BANK

## 3<sup>rd</sup> Quarter (Oct. – Dec. 2012)

- Oct. 1: Housing Loan Balance Exceeds JPY 1 trillion as of Sept. 30, 2012
- Oct. 12: Shinsei Bank to Invest in "Fukushima Growth Industry Development Fund" alongside NEC Capital Solutions Limited & Others
- Oct. 26: Shinsei Bank Issues Fourth Series of Unsecured Callable Subordinated Bonds
- Nov. 1: APLUS Introduces APLUS Rent Service with T Points

## 4<sup>th</sup> Quarter (Jan. – Feb. 2013)

- **The above description of Shinsei' s medium-term plan contains forward-looking statements regarding the intent, belief and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.**
- **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.**