

For Immediate Release

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 Name of Representative: Hideyuki Kudo
 President and CEO
 (Code: 8303, TSE First Section)

Shinsei Bank Reports Financial Results for the First Quarter Ended June 30, 2015 - Progression toward FY 2015 Full Year Target Net Income at 32% -

Tokyo (Thursday, July 30, 2015) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”), a leading diversified financial institution serving both institutional and individual customers, today announced a consolidated reported basis net income¹ of 22.5 billion yen in the first quarter ended June 30, 2015 increased by 2.5 billion yen compared to the same period of fiscal year 2014. The progression toward FY2015 full year target of 70 billion yen is at 32%. Additionally, Shinsei Bank announced a nonconsolidated net income of 19.4 billion yen in the first quarter ended June 30, 2015 increased by 2.7 billion yen compared to the same period of fiscal year 2014.

Highlights of Consolidated Financial Results

	15.4-15.6	14.4-14.6	(JPY Billion) Change
Total Revenue	57.9	57.8	0.0
General and Administrative Expenses	-34.9	-35.0	0.1
Ordinary Business Profit	23.0	22.8	0.1
Net Credit Recoveries	2.0	0.7	1.2
Net Income ¹	22.5	19.9	2.5
Cash Basis ² Net Income	24.2	21.9	2.2

¹ In accordance with the revision of the Accounting Standard for Business Combination, as of FY2015 net income and cash basis net income are referred to as profit attributable to owners of parent and cash basis profit attributable to owners of parent.

² Cash-basis figures are calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit.

- **Total revenue** increased slightly to 57.9 billion yen for the first quarter of fiscal year 2015. Net interest income increased 0.2 billion yen from the first quarter of fiscal year 2014 to 31.1 billion yen. This increase in interest income reflected factors such as loan balance increases in consumer finance businesses as well as a decrease in funding costs partly offsetting the absence of one-time gain factors recorded in the same period of the previous fiscal year. Noninterest income decreased slightly to 26.8 billion yen in the first quarter of fiscal year 2015 compared to the same period of fiscal year 2014. Noninterest income grew reflecting increased revenues from investment product sales in retail banking and shopping credit business of APLUS FINANCIAL as well as an increase in revenue from markets transactions including ALM activities offsetting lower noninterest income from Principal Transactions.
- **General and administrative expenses** decreased slightly to 34.9 billion yen compared to the first quarter of fiscal year 2014, and expense-to-revenue ratio was 60.3%.
- **Net credit recoveries** of 2.0 billion yen were recorded in the first quarter of fiscal year 2015 as large credit recoveries in the Institutional Group exceeded the credit costs increase in consumer finance businesses resulting from loan balance growth.
- **Consolidated net income** increased 2.5 billion yen from 19.9 billion yen in the first quarter fiscal of year 2014 to 22.5 billion yen.
- **Nonconsolidated net income** increased 2.7 billion yen from 16.7 billion yen in the first quarter of fiscal year 2014 to 19.4 billion yen.
- **Total assets** increased 122.6 billion yen from 8,889.8 billion yen at March 31, 2015 to 9,012.5 billion yen at June 30, 2015.

Capital and Asset Quality

- **Consolidated core capital adequacy ratio** (Basel III, domestic standard) as of June 30, 2015 was 15.14%,

increased compared to 14.86 % as of March 31, 2015, due to the steady accumulation of retained earnings.

- **Nonperforming loan ratio** was 0.83% as of June 30, 2015, improved from 1.42% as of March 31, 2015, as the nonperforming loan balance continues to decline.

For further details on the first quarter financial results, please visit our website through the link below:
http://www.shinseibank.com/corporate/en/ir/quarterly_results/

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 9.1 trillion yen on a consolidated basis (as of June 30, 2015) and a network of outlets throughout Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <http://www.shinseibank.com/english/index.html>