

[TRANSLATION]

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14th Annual General Meeting of Shareholders

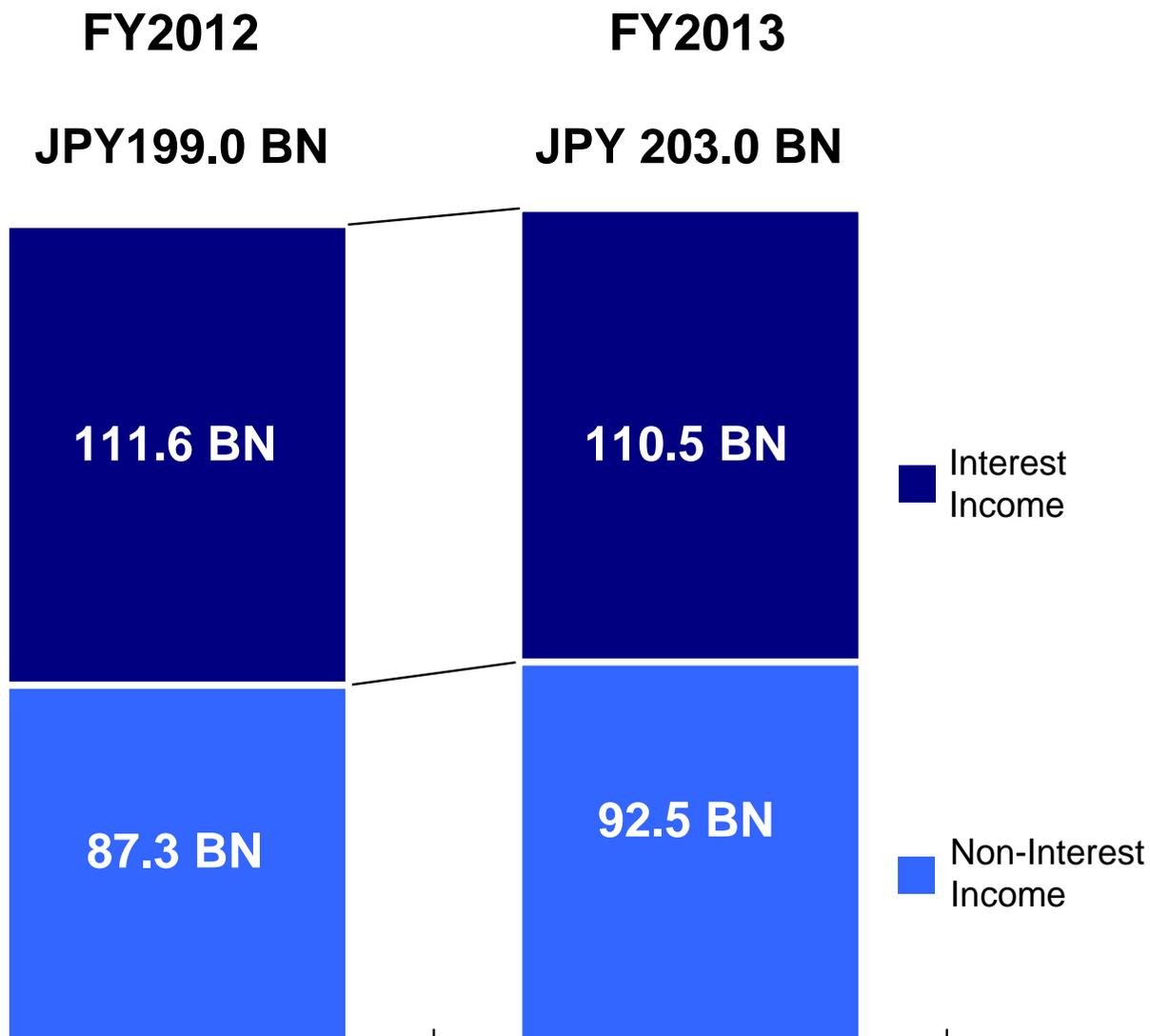
**Shinsei Bank, Limited
June 18, 2014**



Fiscal Year 2013 Financial Results

FY2013 Consolidated Financial Summary:

Total Revenue grew due to expansion of customer base and promotion of initiatives in priority areas



- Net interest income, despite an improvement in interest margin, declined vs. FY2012 as a result of an increase in the total balance of interest bearing liabilities and the sluggish growth of operating assets.
- Increase vs. FY2012 due to factors such as steady growth of principal transactions business income and investment product sales and increase in shopping credit transaction volume in the Individual Group.

FY2013 Consolidated Financial Summary:

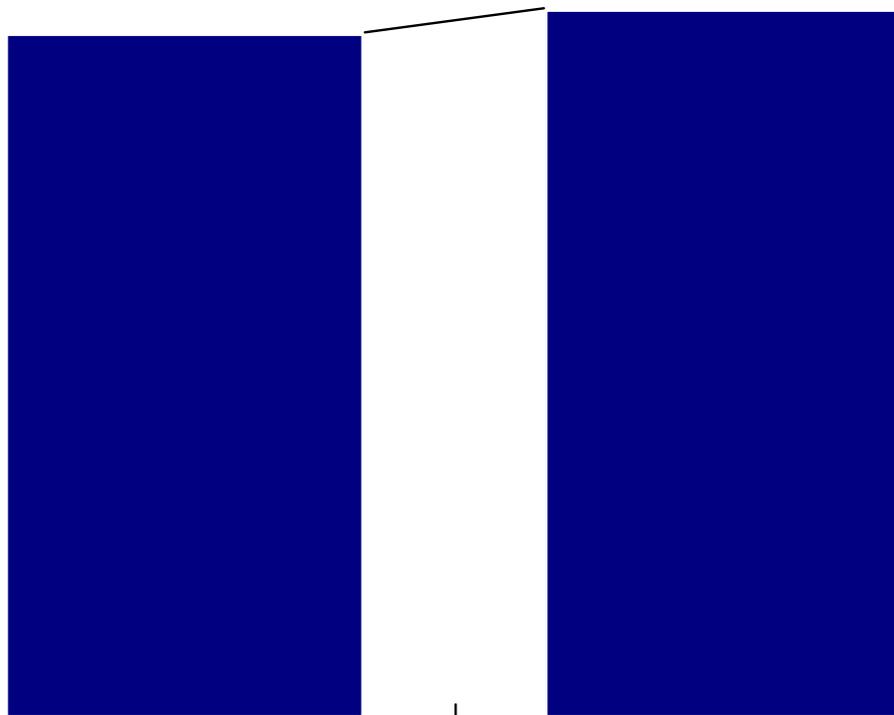
Expenses increased due to increased investment of management resources in strategic areas, etc.

FY2012

FY2013

JPY 128.6 BN

JPY 132.8 BN



- Investment of management resources into strategic areas such as personnel and advertising undertaken in order to grow the customer base.
- Will continue to promote operational rationalization and efficiency.

FY2013 Consolidated Financial Summary:

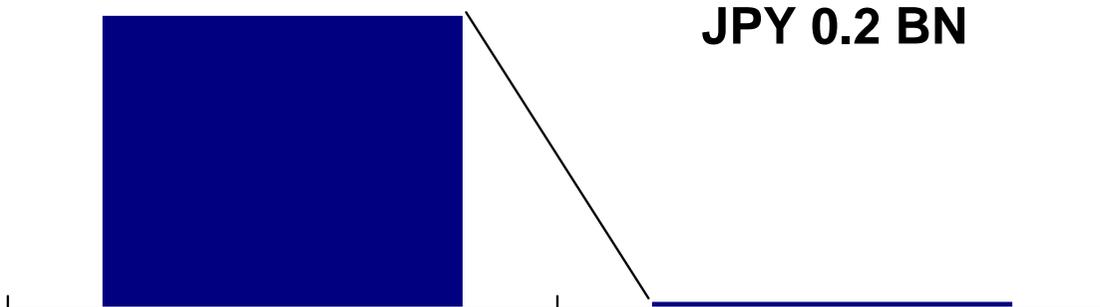
Large improvement in net credit costs

FY2012

FY2013

JPY 5.5 BN

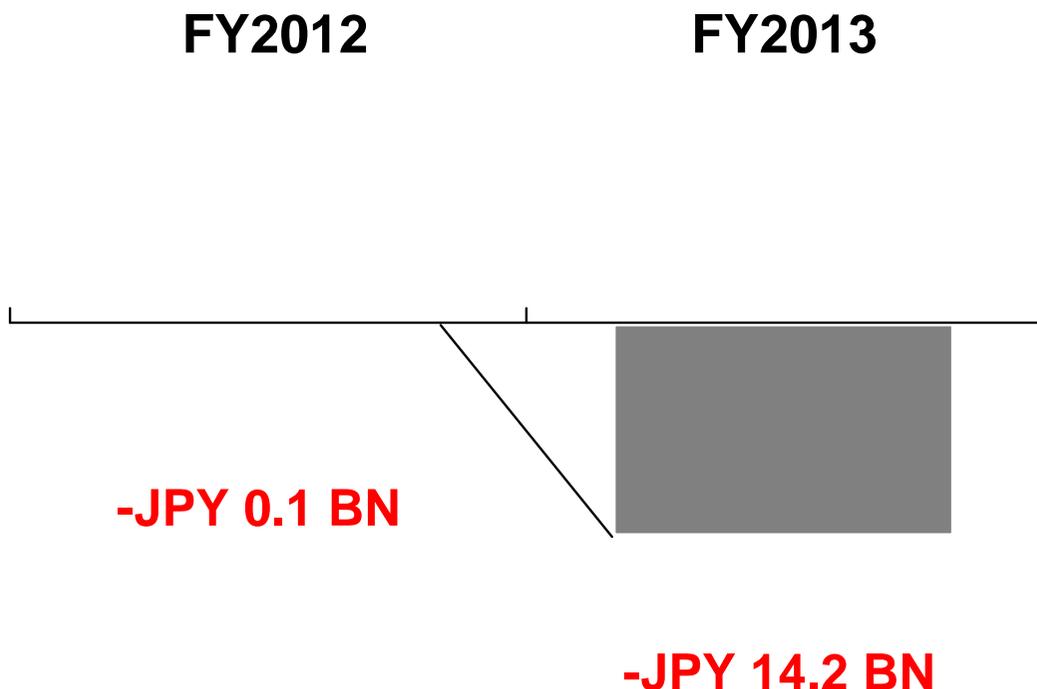
JPY 0.2 BN



- Large improvement in net credit costs vs. previous period due to reversals of reserves for loan losses associated with NPL disposal at the Institutional Group and improvement in asset quality.

FY2013 Consolidated Financial Summary:

Other losses increased due to additional provisioning of reserves for losses on interest repayment (grey zone)



- The necessary amount to cover future grey zone risk at consumer finance subsidiaries was recalculated based upon recent grey zone repayment trends.
- A total of 15.6BN provisioned as additional reserves for grey zone losses.

FY2013 Consolidated Financial Summary:

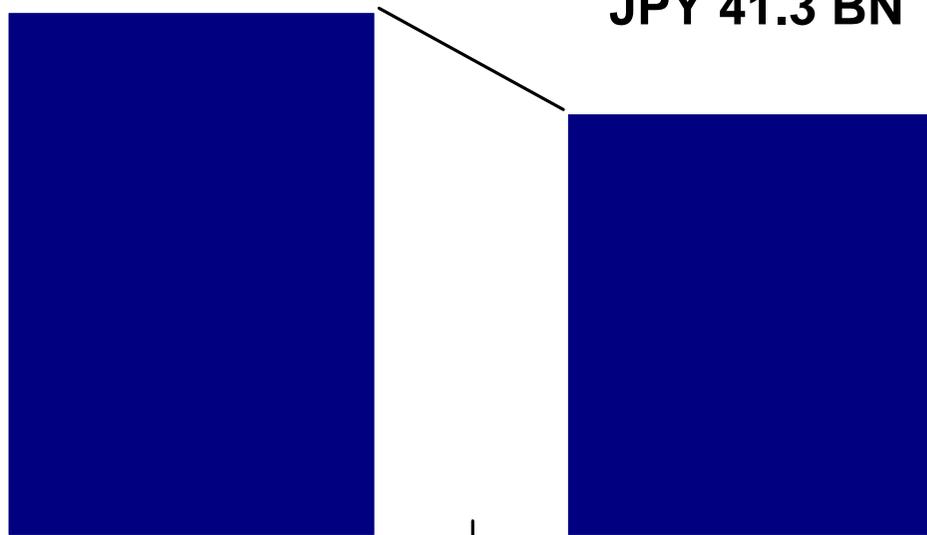
Net income in-the-black for 4 consecutive years since 2010

FY2012

FY2013

JPY 51.0 BN

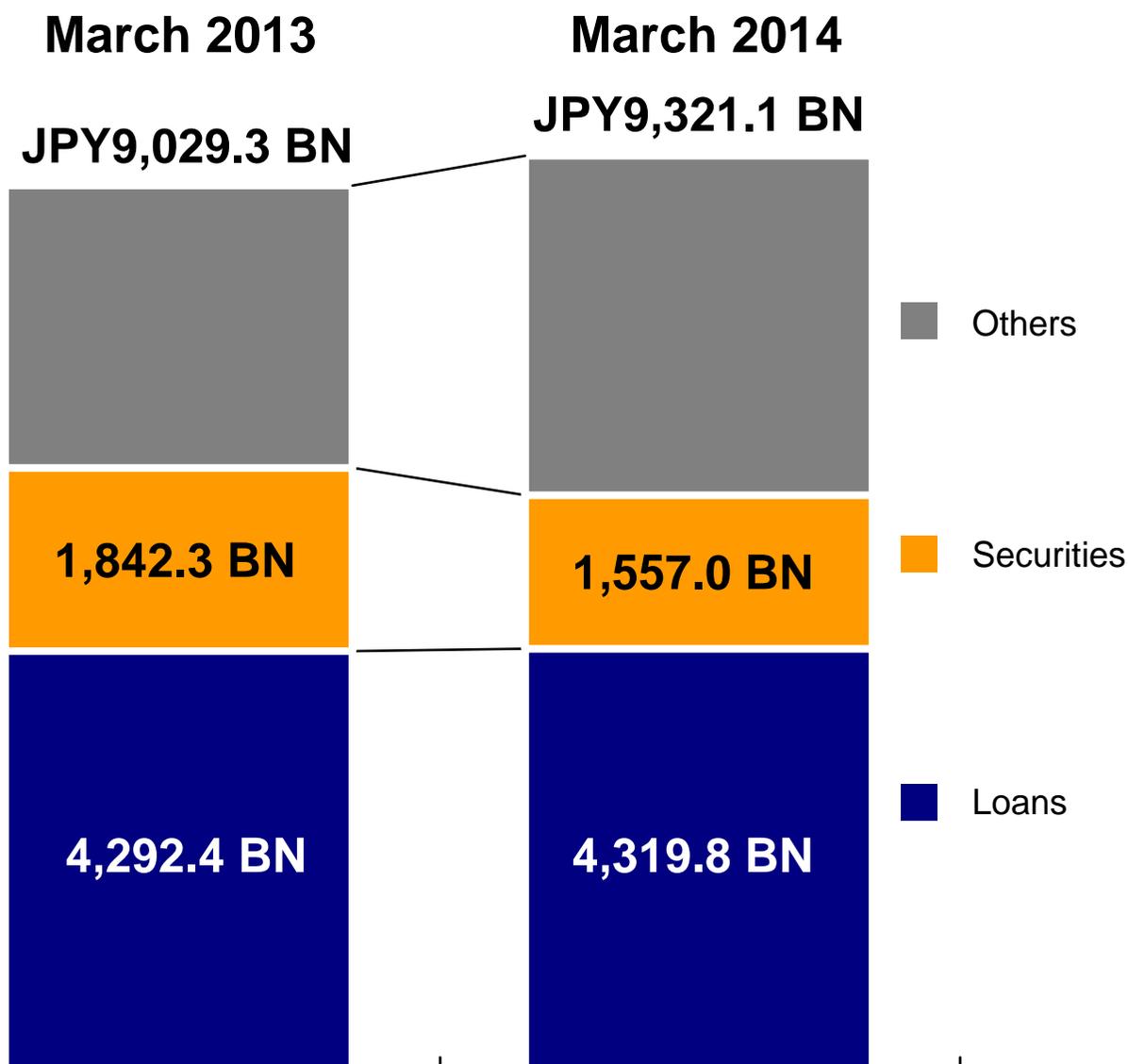
JPY 41.3 BN



- While net income was down vs. the previous period due to the additional provisioning of grey zone reserves, in-the-black net income has been recorded for 4 consecutive years.
- The steady accumulation of capital and improvement of asset quality progresses.

Assets:

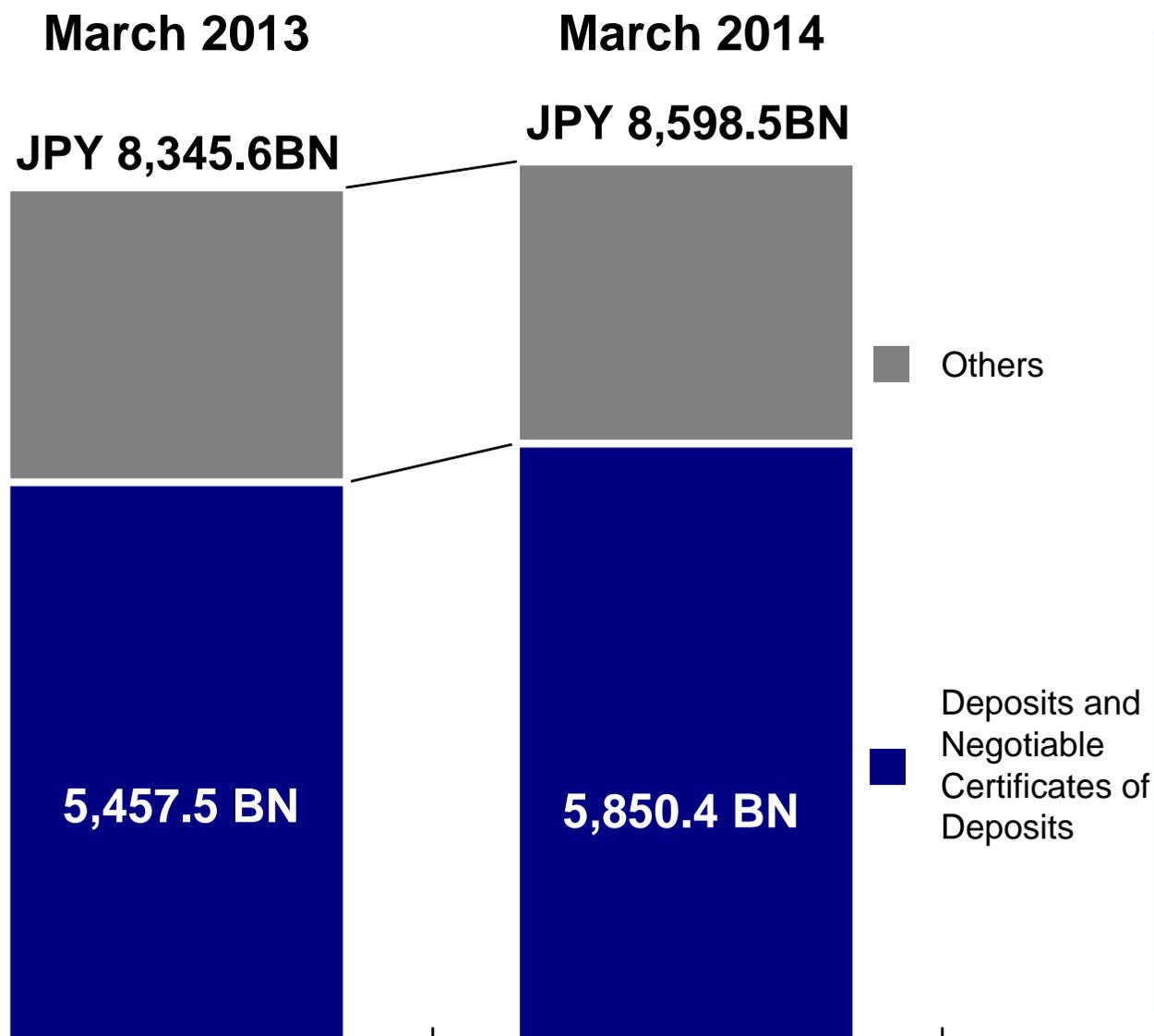
Asset balance has grown vs. previous period despite progression of NPL disposal



- While institutional lending has declined as the fiercely competitive environment continues and there was a reduction in the NPL balance as there were some collections. In lending to individuals, the overall asset balance grew due to the steady accumulation of housing loans and the consumer finance balance returning to a growth trend.
- Securities investment kept in check.

Liabilities:

Deposits have a large contribution as a source of funding for Shinsei Bank

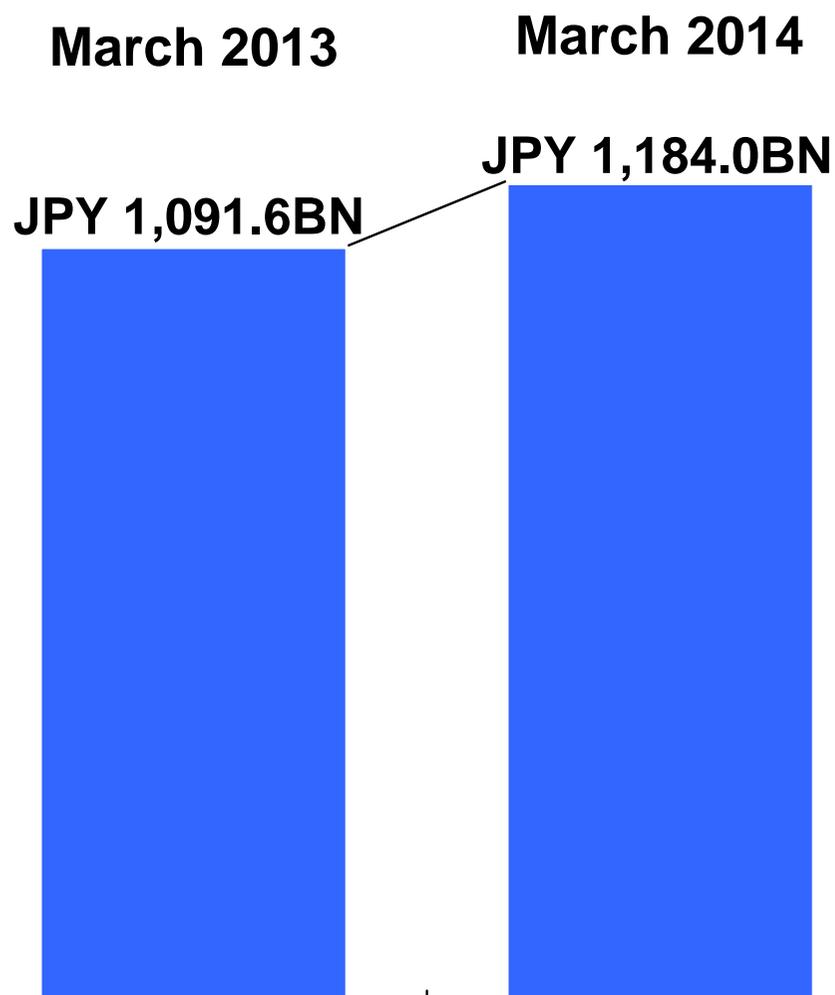


- Continuing to promote the optimization of the funding base, which is centered on deposits from retail banking customers
- Retail deposits account for approximately 87% of deposits and negotiable certificates of deposits

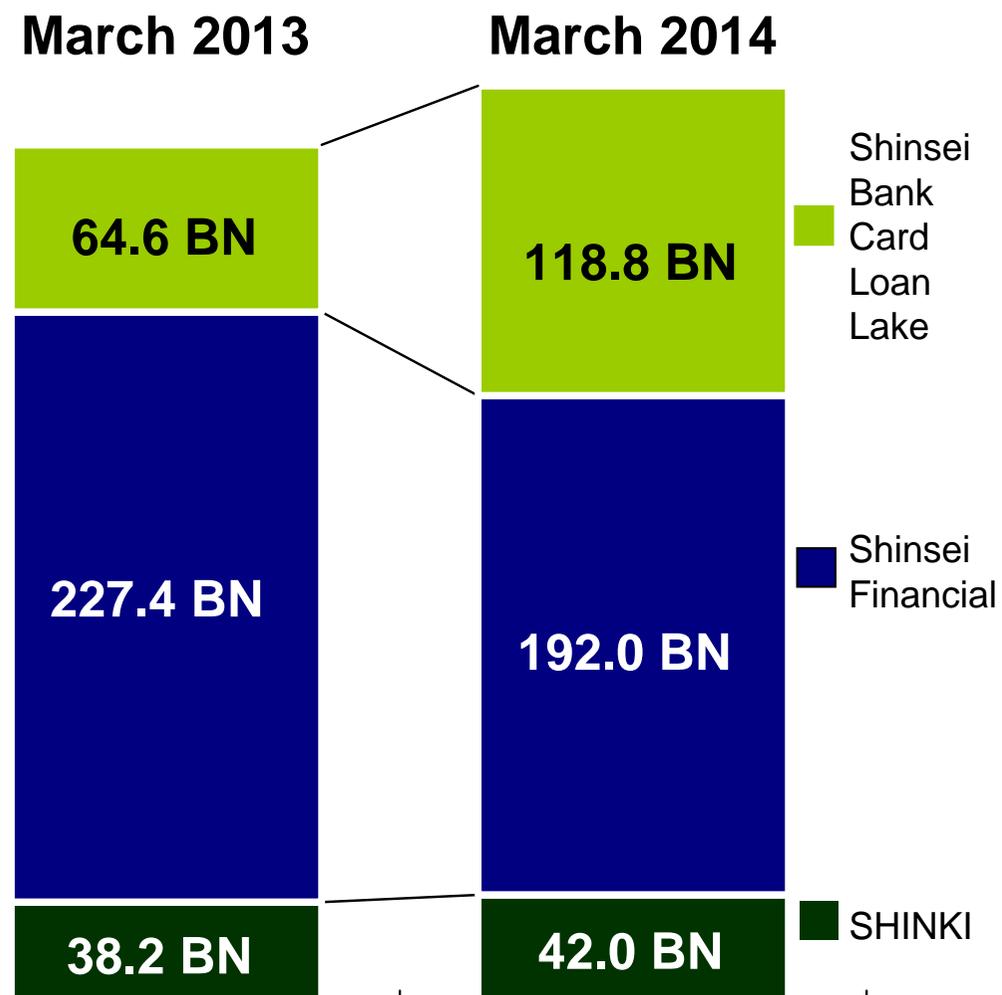
Major Operating Assets:

Housing loans and Shinsei Bank Card Loan Lake leading growth

Housing Loan Balance



Unsecured Personal Loan Balance



Major Operating Assets:

Reducing NPLs whilst increasing loan assets in strategic focus areas

Institutional Business Loan Balance

March 2013

JPY 1,504.9 BN



March 2014

JPY 1,479.9 BN



Real Estate Finance Balance^(*)

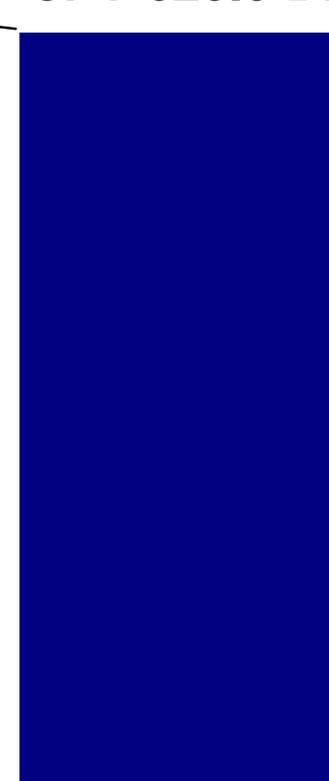
March 2013

JPY 721.2 BN



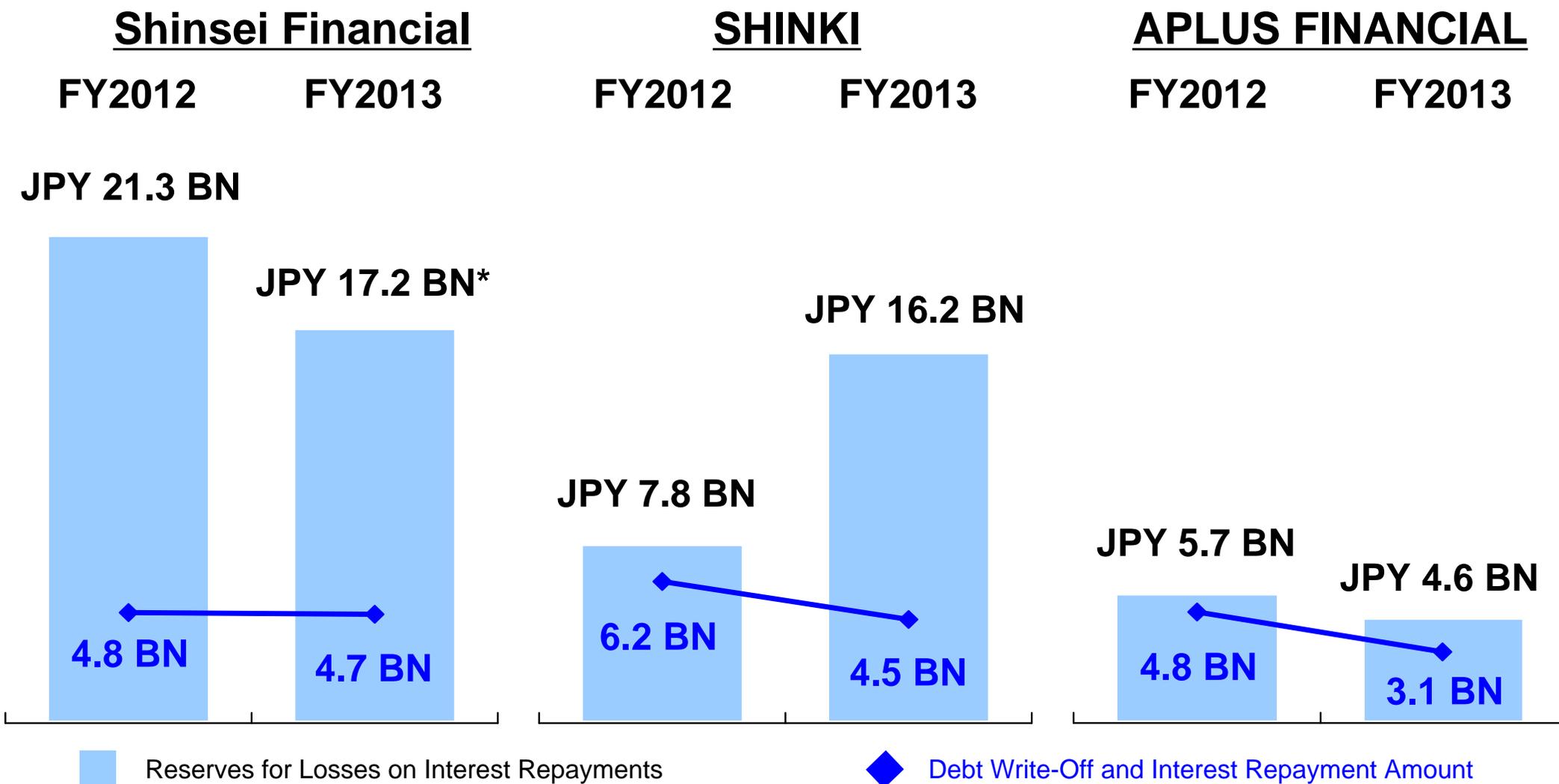
March 2014

JPY 620.0 BN



Grey Zone Interest Repayments:

15.6BN of additional grey zone reserves provisioned
GE indemnity concluded on March 31, 2014 in lieu of 175.0BN payment



* Net of Repayments for Claims Covered by GE Indemnity

Asset Quality:

NPL ratio decreased due to NPL disposal

Non-Performing Loans (NPL) Balance and Coverage (Ratio)

March 2013

March 2014

JPY 242.6 BN

JPY 164.7 BN

232.7 BN
(95.9%)

157.0 BN
(95.3%)

■ Amount of NPL Under Financial Revitalization Law (Non-Consolidated)

■ Amount of Coverage (Ratio)

NPL Ratio

March 2013

March 2014

6%

5.32%

5%

3.81 %

4%

0%

■ NPL Ratio Under Financial Revitalization Law (Non-Consolidated)

Capital:

High core capital adequacy ratio achieved due to retention of earnings and reduction of risk weighted assets

Capital Adequacy Related Information (Basel 3, Domestic Standard)

JPY BN	March 2014
Basic Items Related to Core Capital	889.5
Deductions Related to Core Capital	(71.9)
Total Core Capital	817.6
Risk Assets	6,016.7
Core Capital Adequacy Ratio	13.58%

■ Year-end Dividend

JPY 1.00 per share



FY2014 Earnings Forecast:

- **Consolidated Net Income:
55.0 billion yen**
- **Non-consolidated Net Income:
34.0 billion yen**
- **Fiscal Year-end Dividend:
JPY 1.00 per share**