

Innovation of Customer Experience Value - Strategy for Interface and Contents

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Our Review of Current Asset Management Businesses in Japan

Mega Banks

They will focus on optimizing their operating resources for the time being as they still hold huge branch networks and a larger number of staffs.

Regional Banks

They will focus on stabilizing their management base through merging with other banks and so on as decreasing population would accelerate overbanking situation going forward.

Start-up Banks

New banks from logistics or internet service industries provide their own customers with financial services. They will also enter into the markets where existing banks have not penetrated so far by making use of Fintech, etc.

New Entrants from non-financial industries

Companies that have a large customer base will enter in financial business by collaborating with financial companies. They will provide asset management services on their platforms such as SNS infrastructure.

Challenge (1)

**Consulting service channel
is limited to
manned branches only**

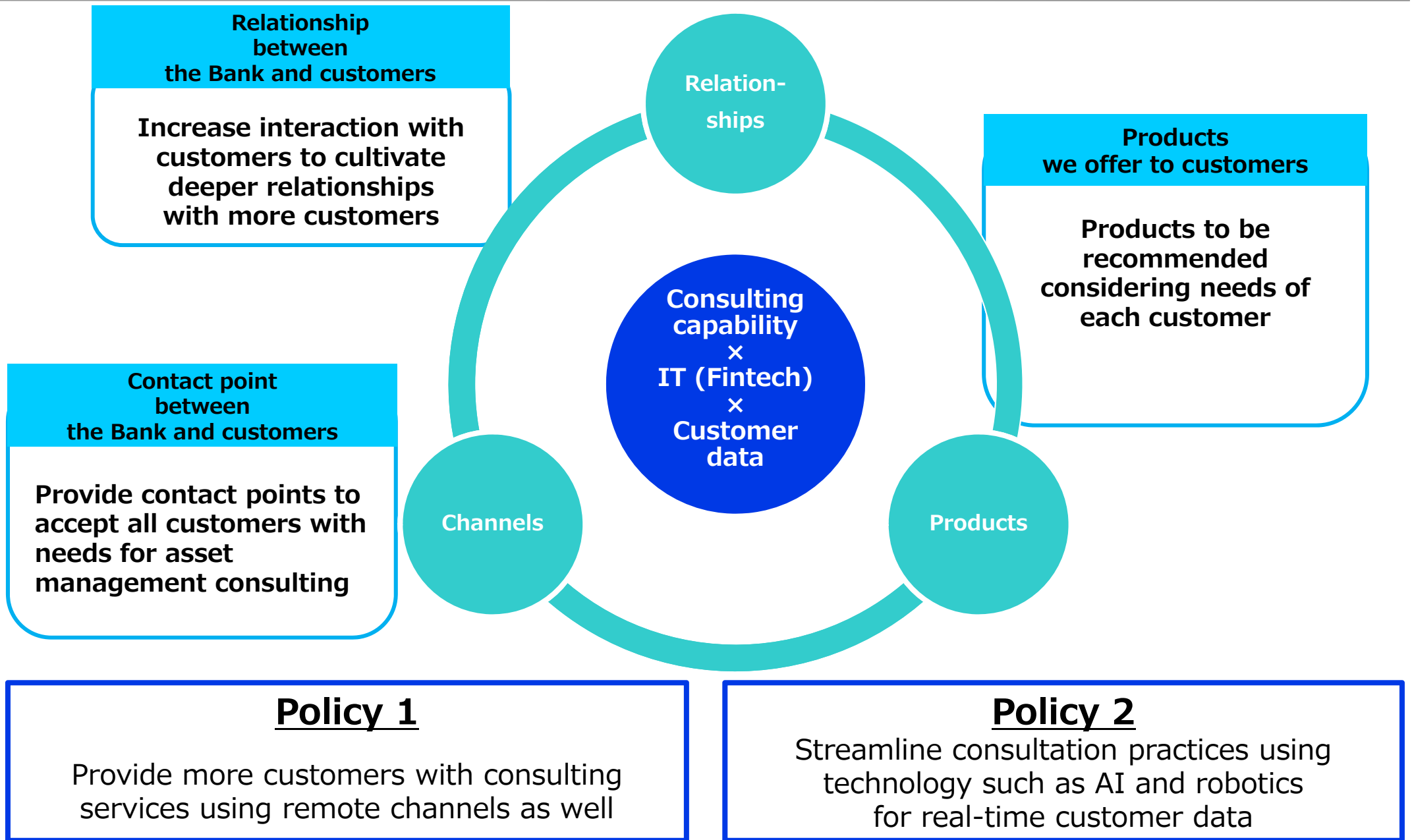
Challenge (2)

**Time that sales reps can
spend over the counter
is limited**

**Provide more customers with our high quality asset
management consulting services more frequently
in order to improve customer experience value**

Among existing channels, over-the-counter consultation delivers the highest level of profitability

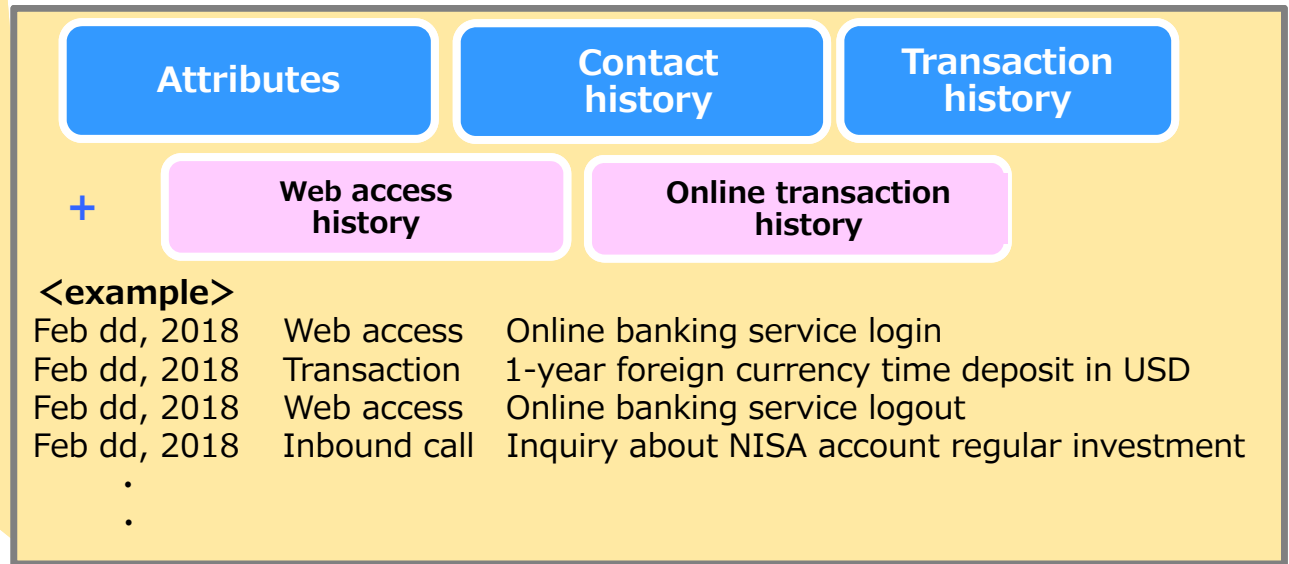
Shinsei Retail Business Vision



Initiatives to improve Customer Experience Value using Data

Data Use

Grasp more information on customers in real time



Analysis by AI

<Analysis Results by AI>

- Customer A) Follow up about mutual funds purchased
- Customer B) Inform USD forex rates
- Customer C) Invite to a branch

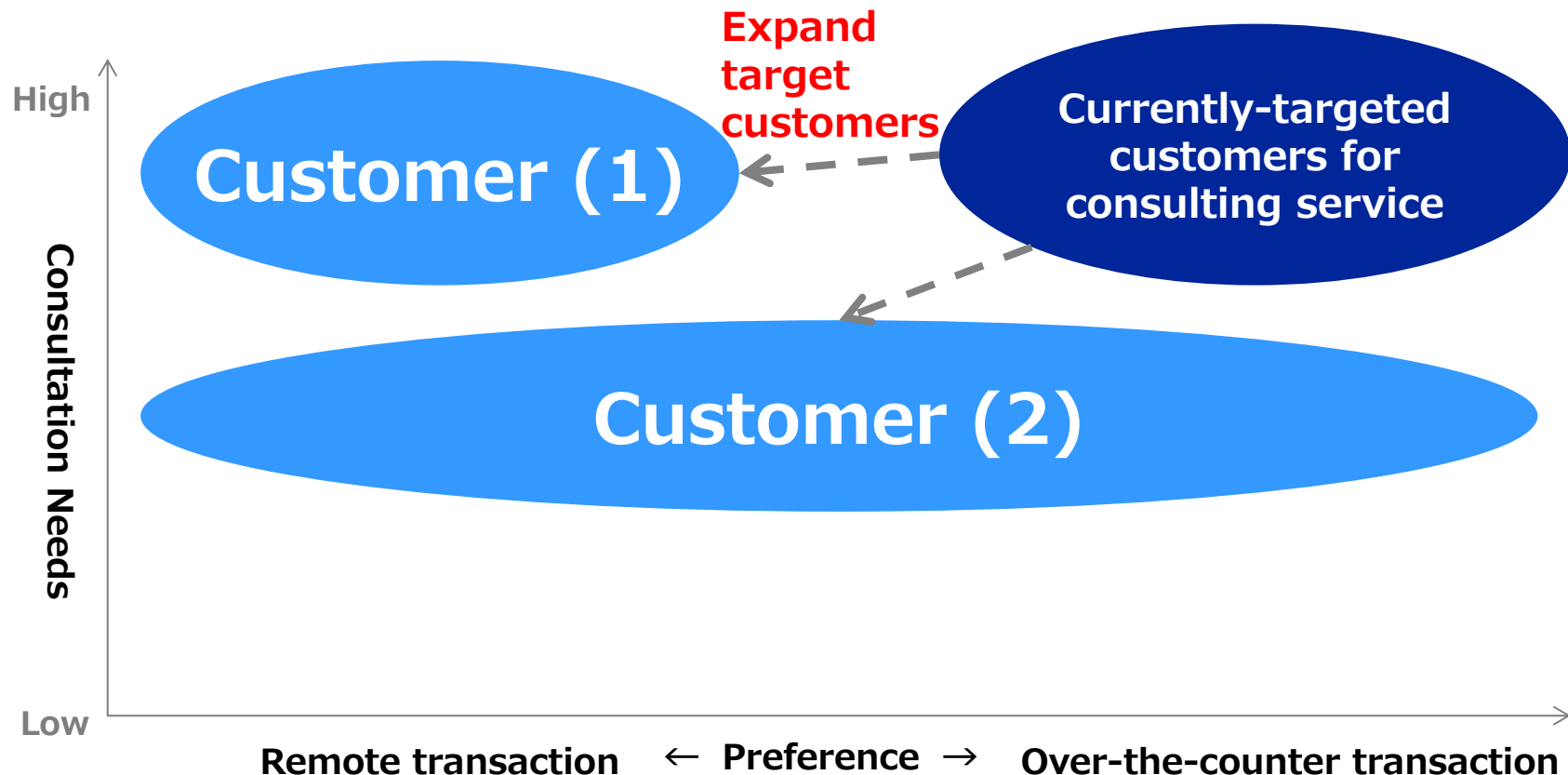
This effective approach ensures more time to spend for interaction with customers

Standardize sales reps' skill with the help of **robo advisor**

Initiatives to improve Customer Experience Value using multiple Channels

Expand our over-the-counter consulting services to remote channels in accordance with customers segmented in (1) and (2) to our targeted customers segmented for consulting service

- (1) Customers who desire to receive consulting services but are unable to visit a branch due to limited time or location
- (2) Customers who have potential needs for consultation services if they can access such services easily (Customers who have not realized their own consulting needs)



What is expected of Productivity Improvement

Help consulting staff making use of technology such as CRM, AI, robotics, etc. Improve productivity of consulting staff by realizing an automated processing of their clerical work and supporting for collecting customers information in order to increase the number of their daily consulting sessions.



Number of asset-management
consultation session per day
per consulting staff
3.4 times on average

(simple average of sales sessions made during the period
between April 2017 and January 2018)



Future



Number of asset-management
consultation session per day
per consulting staff
3.4 + α times on average



×

AI
Robotics

×

Remote
consulting
channels

Reference

[Reference] Current Status Comparison with Competitors

Mega/Regional banks

Settlement

- Further promote cashless payment products such as brand debit cards, credit cards, etc.

Asset Management

- Optimize operating resources such as branch and ATM networks
- Strengthen management base by merging with other institutions

Other

- Streamline business practices using AI or robots (RPA)

New entrants

- New players including internet service providers and major logistic companies have entered aiming to join cashless settlement markets. Further new players are expected to enter into the market.

- Phone carriers, SNS providers, etc. which have a large number of customers collaborate with megabanks or FinTech firms to enter into the market.

- Enter into the financing business for the territories where existing banks are not able to cover by using a crowdfunding system, a new scoring model with AI, etc.

Shinsei Bank

- Sales of cashless payment products such as prepaid card (GAICA), credit cards, growing steadily.
- Ahead of competitors, started to collaborate with overseas settlement companies

- Optimization of branch networks is already underway to a certain extent while abolishing Shinsei's own ATMs. Already built the base where we can go forward to the business expansion.

- Started initiatives for RPA and clerical-work outsourcing in order to streamline operations. Implemented collaboration or capital tie-up with FinTech firms, and will provide more services.

[Reference] Our Initiatives taken for Asset Management Business

Initiatives taken so far aiming to streamline asset management business operation and improve customer experience value

	FY2013	FY2014	FY2015	FY2016	FY2017
Operating resources optimization		<ul style="list-style-type: none"> ● Outsourced A/C opening operation ● Outsourced NISA A/C opening operation ● Deployment of Seven Bank's ATM 	<ul style="list-style-type: none"> ● Centralization of processing of a/c opening requested at branches 	<ul style="list-style-type: none"> ● Centralization of some clerical works such as registration changes, overseas remittance, etc. ● Abolishment of Shinsei's own ATMs ● Closure of Kawaguchi, Sakai-Higashi, and Takatsuki Consulting Spots** 	
Channel		<ul style="list-style-type: none"> ● Shibuya SFC* opened ● Nagoya SFC* opened 			<ul style="list-style-type: none"> ● Call center 24-hour services discontinued ● Release of new version of our online banking service
Contents					<ul style="list-style-type: none"> ● Shift of CRM ● Timeline function
Products		<ul style="list-style-type: none"> ● Birthday yen time deposit ● NISA Plus 	<ul style="list-style-type: none"> ● Prepaid Card "GAICA" launched ● The third sector insurance and level premium insurance introduced 		<ul style="list-style-type: none"> ● Capital tie-up with Money Design Co. ● THEO Plus, MyDC introduced

* SFC: Shinsei Financial Center
 ** Consulting Spot: Lite branch

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