

For Immediate Release

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

Shinsei Bank Reports Financial Results for the Fiscal Year Ended March 31, 2018

Tokyo (Friday, May 11, 2018) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced a consolidated reported basis net income of 51.4 billion yen for fiscal year ended March 31, 2018 (12 months), increased by 0.6 billion yen compared to the previous fiscal year. Nonconsolidated net income was 40.5 billion yen, a decrease of 2.9 billion yen compared to the previous fiscal year. A dividend of 10 yen per common share will be paid out in line with the dividend forecast.

Highlights of Consolidated Financial Results

(JPY Billion)

	FY2017 (12 Months)	FY2016 (12 Months)	Change
Total Revenue	232.0	228.5	3.5
General and Administrative Expenses	-142.5	-142.4	-0.1
Ordinary Business Profit	89.4	86.0	3.3
Net Credit Costs	-37.2	-31.8	-5.3
Net Income	51.4	50.7	0.6

- **Total revenue** increased 3.5 billion yen to 232.0 billion yen for fiscal year 2017.
 - **Net interest income** increased 6.4 billion yen to 128.7 billion yen from 122.2 billion yen for the previous fiscal year. This increase was due primarily to the growth of the asset balance of the Consumer Finance Business.
 - **Noninterest income** decreased 2.9 billion yen to 103.2 billion yen from 106.2 billion yen for the previous fiscal year. The decrease reflected factors such as an absence of a large gain on sale of securities recorded in the previous fiscal year and a reduction in gains on sales of bonds in ALM operations and revenues associated with the sale of asset management products in the Retail Banking Business despite gains on sales of equities in the Corporate Business and Showa Leasing as well as profits from the equity method investment in the Principle Transactions Business and the increase in fee income from the Corporate Business.
- **General and administrative expenses** increased 0.1 billion yen to 142.5 billion yen compared to the previous fiscal year. Despite the increase in expenses associated with IT systems and advertisement expenses for bolstering the business franchise, the total expenses remains almost flat compared to the previous fiscal year due to efforts to diminish the expenses including personnel expenses following an implementation of productivity enhancement project. The Bank’s expense-to-revenue ratio was 61.5%.
- **Net credit costs** of 37.2 billion yen were recorded in fiscal year 2017, increased 5.3 billion yen, due primarily to specific reserves for loan losses in the Institutional Business and the provisioning of general reserves for loan losses as a result of the steady growth of the loan balance of the Consumer Finance Business.
- **Consolidated net income** increased 0.6 billion yen to 51.4 billion yen compared to the previous fiscal year.
- **Nonconsolidated net income** decreased 2.9 billion yen to 40.5 billion yen compared to the previous fiscal year due primarily to the decrease in the noninterest income because of the absence of the large gain on sale of securities recorded in the previous fiscal year and the increase in the corporate taxes.
- **Total assets** increased 198.3 billion yen from March 31, 2017, to 9,456.6 billion yen at March 31, 2018, due to the increase in operating assets including securities, and loans and bills discounted.

Capital and Asset Quality

- **The Basel III domestic standard (grandfathering basis) consolidated core capital ratio** was 12.83% as of March 31, 2018, from 13.06% as of March 31, 2017. **The Basel III international standard (fully loaded basis) common equity Tier 1 capital ratio** was 12.2% as of March 31, 2018, from 12.3% as of March 31, 2017. Capital ratios continue to be maintained at ample levels.
- **Nonperforming loan ratio** was 0.17% as of March 31, 2017, from 0.22% as of March 31, 2018, and remains at a low level.

FY2018 Forecast

- **Full fiscal year consolidated net income forecast** at 52.0 billion yen.
- **Nonconsolidated net business profit forecast** at 37.0 billion yen, and **Nonconsolidated net income forecast** at 32.0 billion yen.
- **Fiscal year end common share dividend forecast** is not yet determined.

For further details on the third 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 a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its 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/corporate/en/index.html>