



Business and Financial Highlights

Third Quarter Ended December 31, 2018

Shinsei Bank, Limited
January 2019



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Key Points

1 Net income : JPY 41.5 billion (80% progression)

- Ordinary Business Profit after Net Credit Costs: JPY 45.1 billion (78% progression)
- Net credit costs: JPY 21.1 billion (62% progression)
- Solid progress toward JPY 52 billion of FY2018 full year net income forecast

2 Per share value improved significantly

- EPS: JPY 167.32 (+22% Y-o-Y)
- BPS: JPY 3,597.98 (+9% Y-o-Y)

3 Next management plan (FY2019 – FY2021)

- Next management plan starting from FY2019 will be announced together with FY2018 full year financial results

3Q FY2018 Financial Results Summary

(Unit: JPY billion; %)

Consolidated	17.4-12 (Actual)	18.4-12 (Actual)		18.4-19.3 (Plan)	
		YoY % B(+)/W(-)	Progress %		
Total Revenue	174.9	172.8	-1	73	236.5
Net Interest Income	96.7	100.1	+4		
Noninterest Income	78.1	72.7	-7		
Expenses	-107.1	-106.6	0	74	-144.5
Ordinary Business Profit (OBP)	67.7	66.2	-2	72	92.0
Net Credit Costs	-29.9	-21.1	+29	62	-34.0
OBP after Net Credit Costs	37.8	45.1	+19	78	58.0
Others	-2.2	-3.5	-59	58	-6.0
Income Tax, etc.	-3.7	-3.4	+8		
Net Income	35.6	41.5	+17	80	52.0

Points

Total revenue: JPY 172.8 billion

- Net Interest Income: Increase in interest income from Unsecured Loans
- Net interest margin (NIM): Continuously improving
- Noninterest income: Decrease in gains on stock transactions while increasing fee income in Retail Banking and APLUS FINANCIAL

Expenses: JPY 106.6 billion

Expense-to-Revenue Ratio: 61.7%

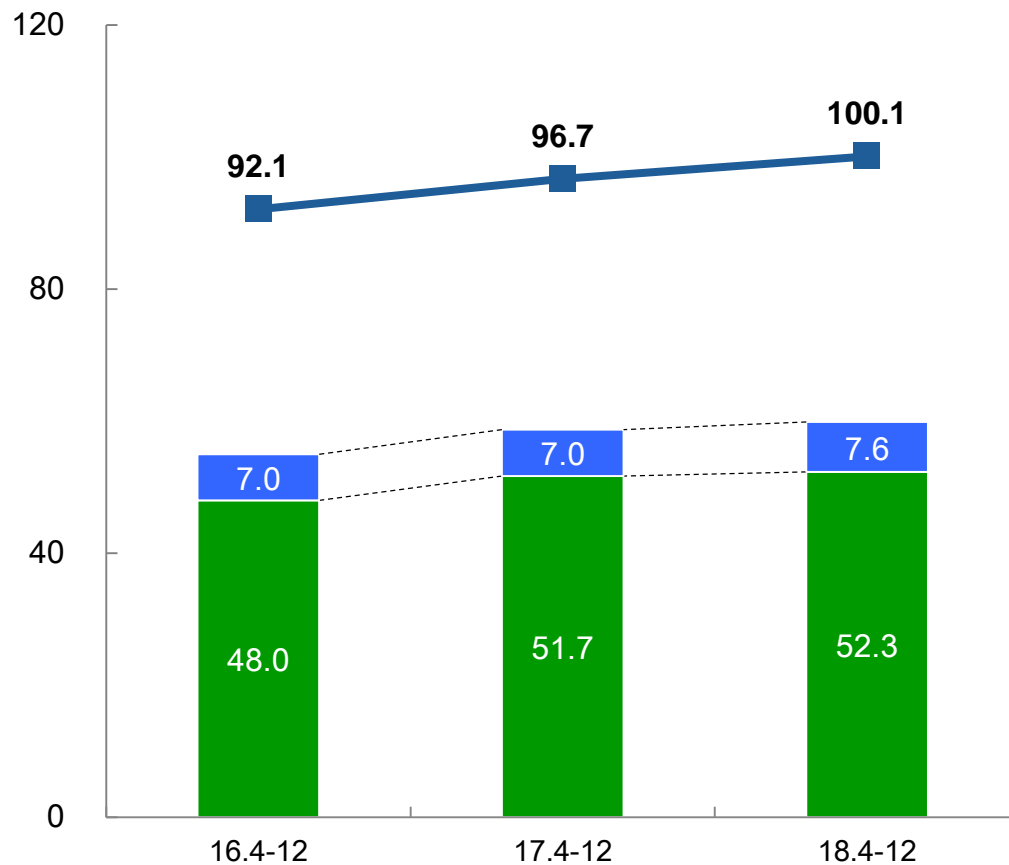
Net Credit Costs: JPY 21.1 billion

- ◆ Structured Finance : JPY 2.9 billion (reversal)
- ◆ Unsecured Loans : JPY 10.5 billion (provision)
- ◆ APLUS FINANCIAL : JPY 10.9 billion (provision)
- Structured Finance recorded higher net credit recoveries than our original plan
- Unsecured Loans' net credit costs decreased due to credit recoveries and lower loan balance compared to the plan

Financial Update: Net Interest Income

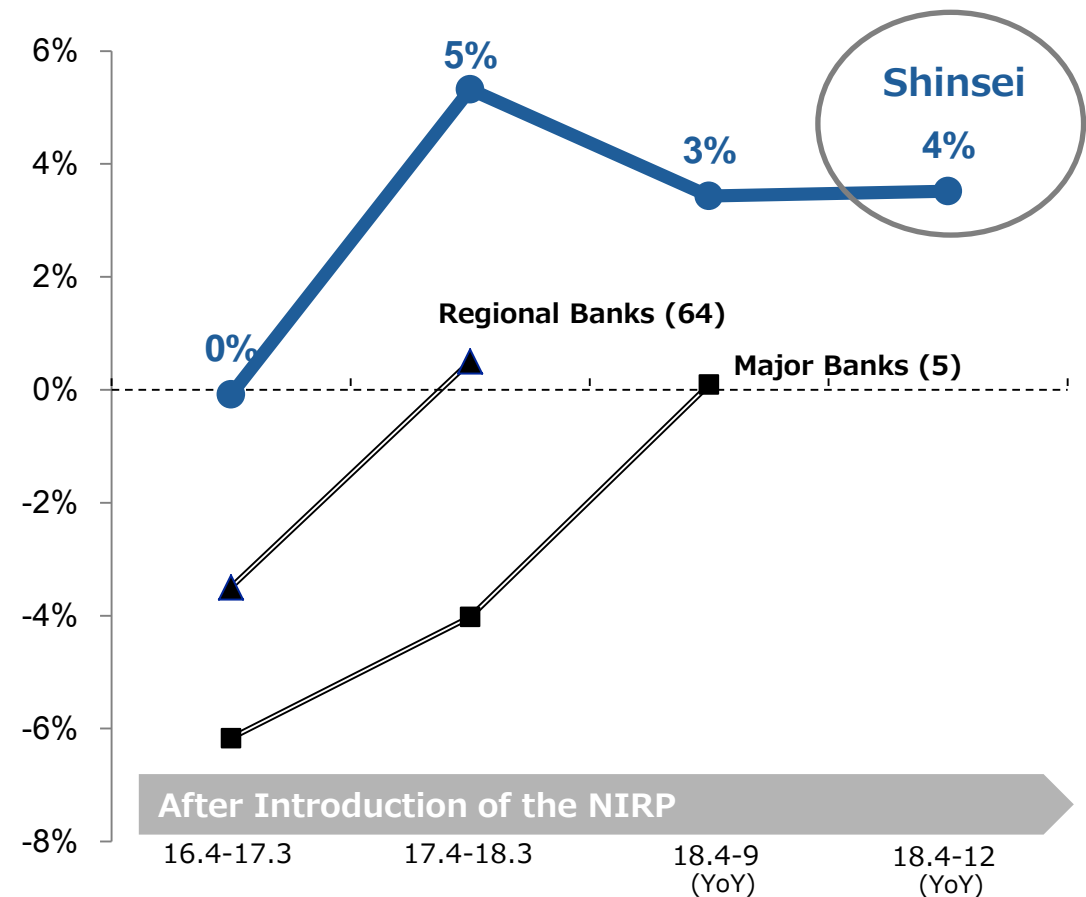
(Unit: JPY billion; %)

- Net Interest Income
- Of which, Structured Finance
- Of which, Unsecured Loans
(Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus)



Net Interest Income YoY Comparison

■ Shinsei's net interest income has shown steady growth each year despite introduction of the Negative Interest Rate Policy (NIRP)

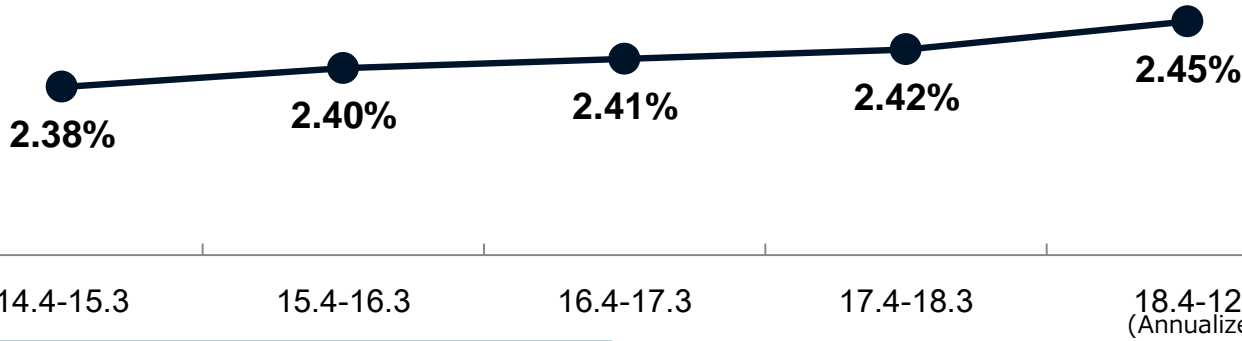


(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis):
 Compiled based on disclosures of Japanese Bankers Association
 Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Interest Margin(NIM), Yield on Interest Earning Assets, Funding Costs

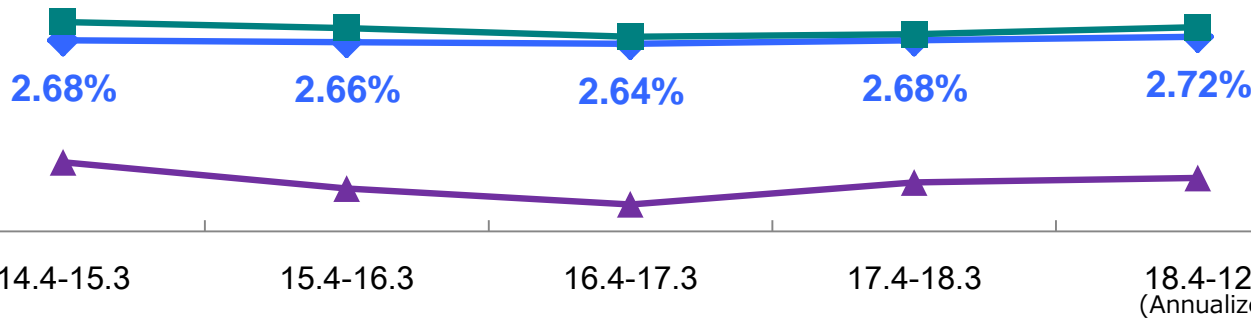
(Unit: %)

Net Interest Margin¹



■ NIM has continuously improved despite the NIRP environment

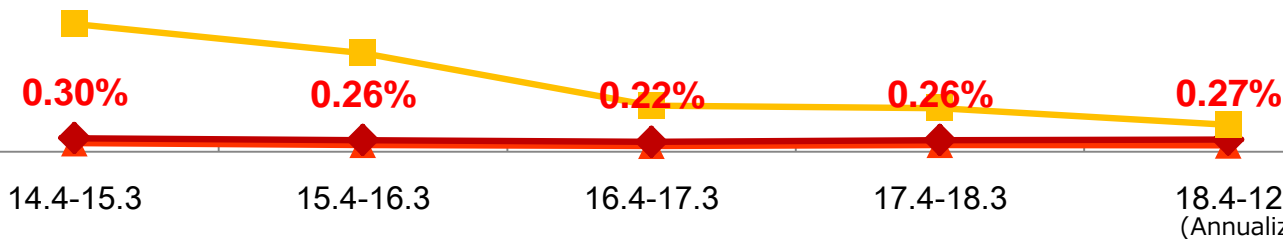
Yield on Interest Earning Assets



■ Yield on interest earning assets bottomed out in 16.4-17.3 and loan yield has been improving since

- Yield on Loans and Bills Discounted
- ◆ Yield on Interest Earning Assets¹
- ▲ Yield on Securities

Funding Costs



■ Overall funding cost remains stable and at a low level, reflecting redemption of subordinate bonds and low level of deposits cost

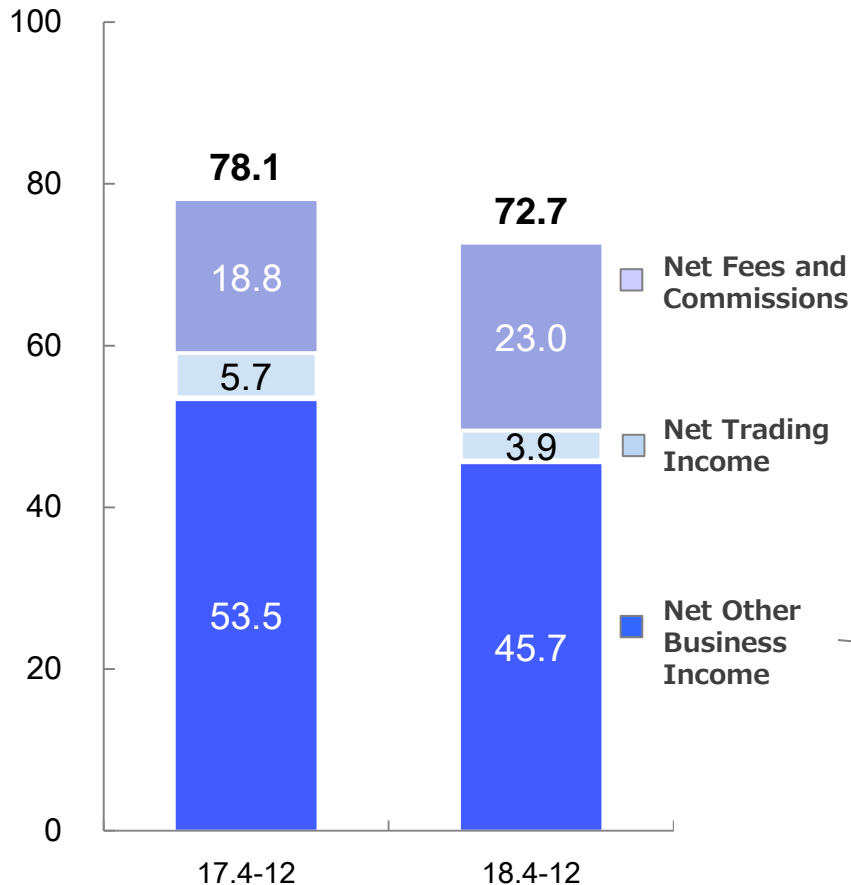
- Rate on Corporate Bonds
- ◆ Rate on Interest Bearing Liabilities
- ▲ Rate on Deposits, including NCDs

¹ Includes income on leased assets and installment receivables

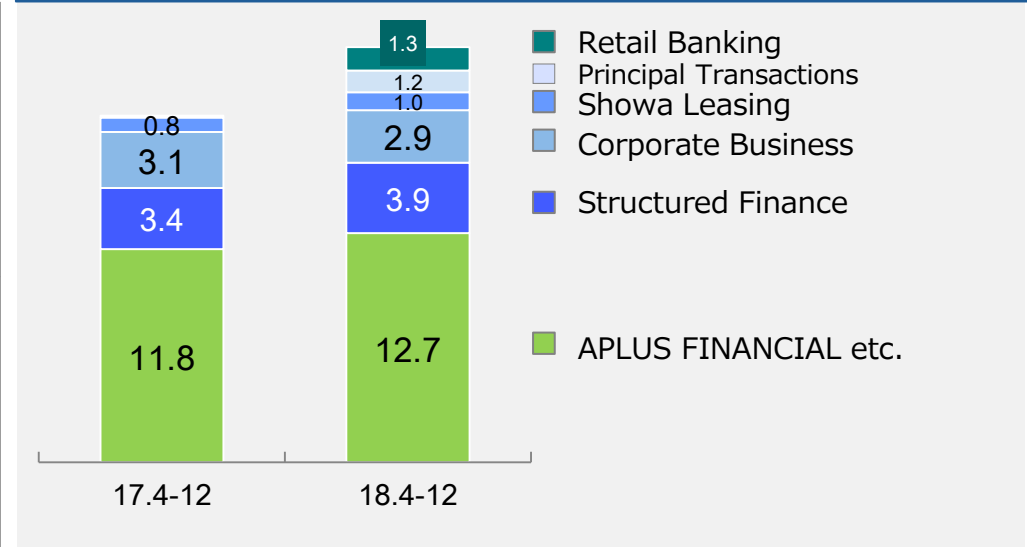
Financial Update: Noninterest Income

(Unit: JPY billion)

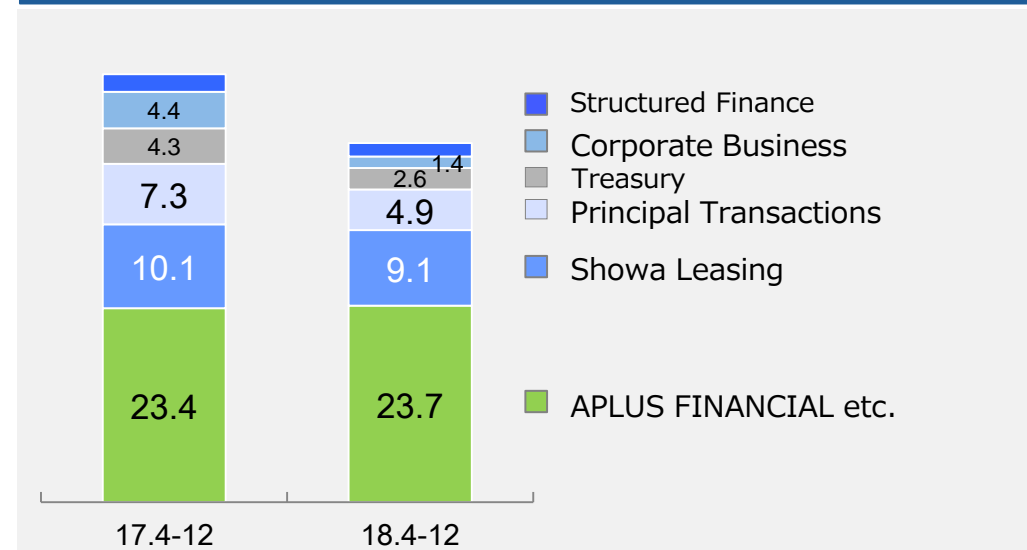
- **Net fees and commissions:** increase in fee income in Retail Banking and APLUS FINANCIAL
- **Net trading income:** decrease in derivative related income in Global Markets Business
- **Net other business income:** mainly decreased due to absence of large gains on stock transactions in Institutional Business (down JPY 6.9 billion Y-o-Y)



Net Fees and Commissions: Major Segments



Net Other Business Income: Major Segments

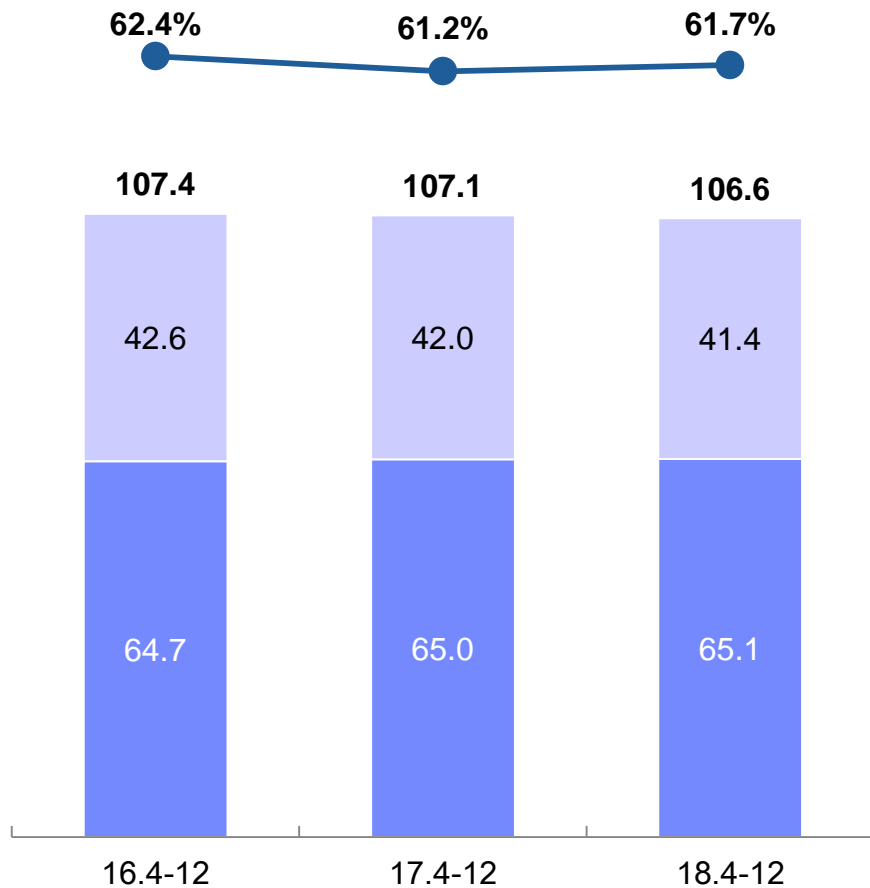


Financial Update: Expenses, Expense-to-Revenue Ratio

(Unit: JPY billion)

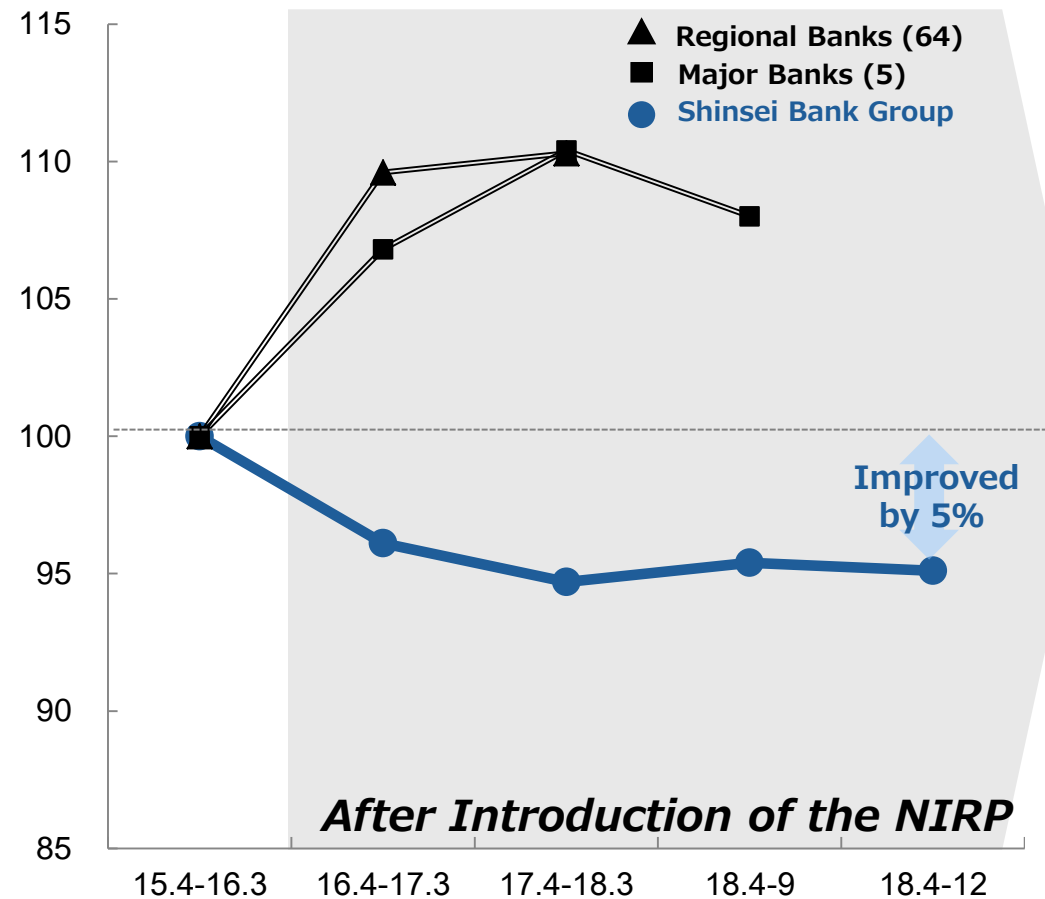
Expenses

- Personnel Expenses
- Nonpersonnel Expenses
- Expense-to-Revenue Ratio



Expense-to-Revenue Ratio Trend (FY15=100)

Shinsei's expense-to-revenue ratio has been trending downward since FY2015



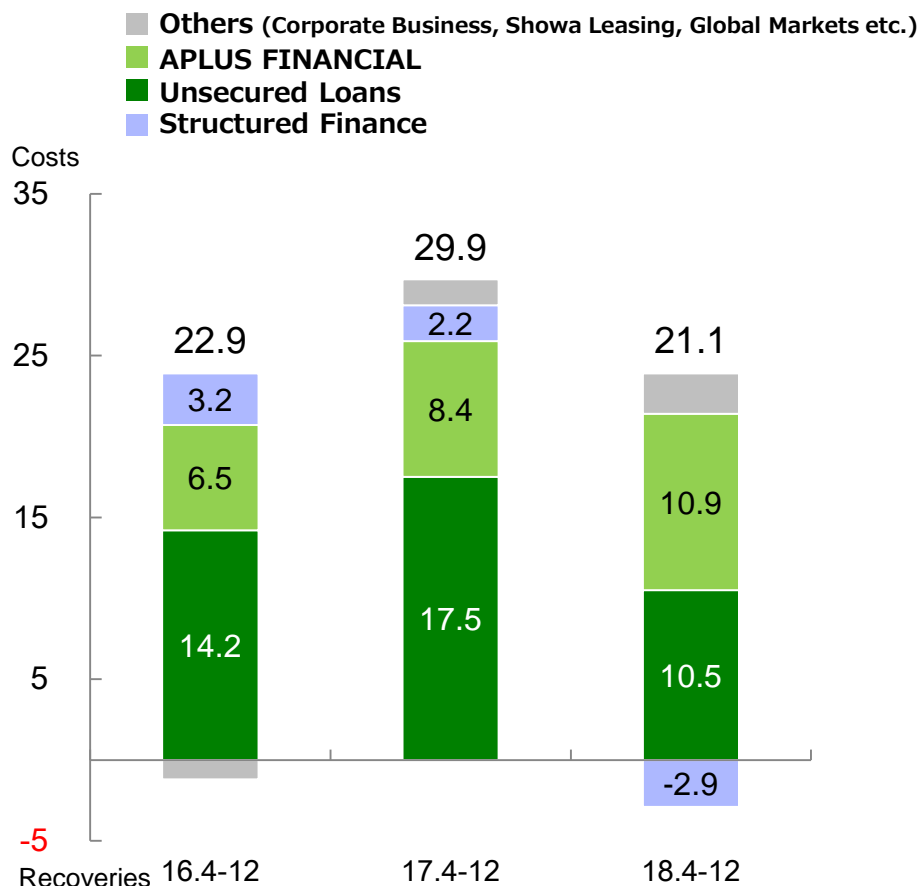
(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis): Compiled based on disclosures of Japanese Bankers Association
Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Credit Costs

(Unit: JPY billion; %)

Net Credit Costs

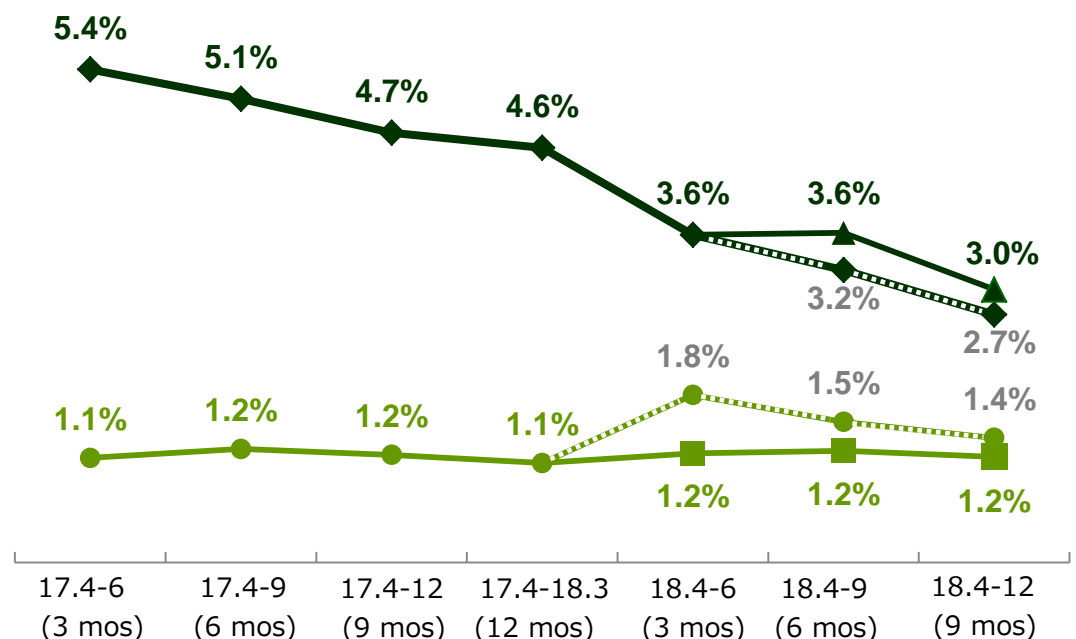
- In Structured Finance, net credit recoveries were recorded due primarily to calculation of general reserve for loan losses in 2Q in accordance with growth of portfolio including project finance transactions etc.
- In APLUS FINANCIAL, increase in net credit costs reflects provisioning related to a bulk sale of delinquent loans in 1Q



Net Credit Costs Ratio: Consumer Finance

- In Unsecured Loans, net credit costs decreased due to credit recoveries and lower loan balance
- Net credit costs ratio of the Unsecured Loans was down to 2.7%. The ratio excluding credit recovery from former-Lake portfolio in Shinsei Financial was at 3.0%

- ◆ Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- ▲ Unsecured Loans: Net Credit Costs Ratio (excluding the write-back gain on reserves of ex-Lake portfolio, annualized basis¹)
- APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)
- APLUS FINANCIAL: Net Credit Costs Ratio (excluding the factor of a bulk sale of delinquent loans, annualized basis¹)

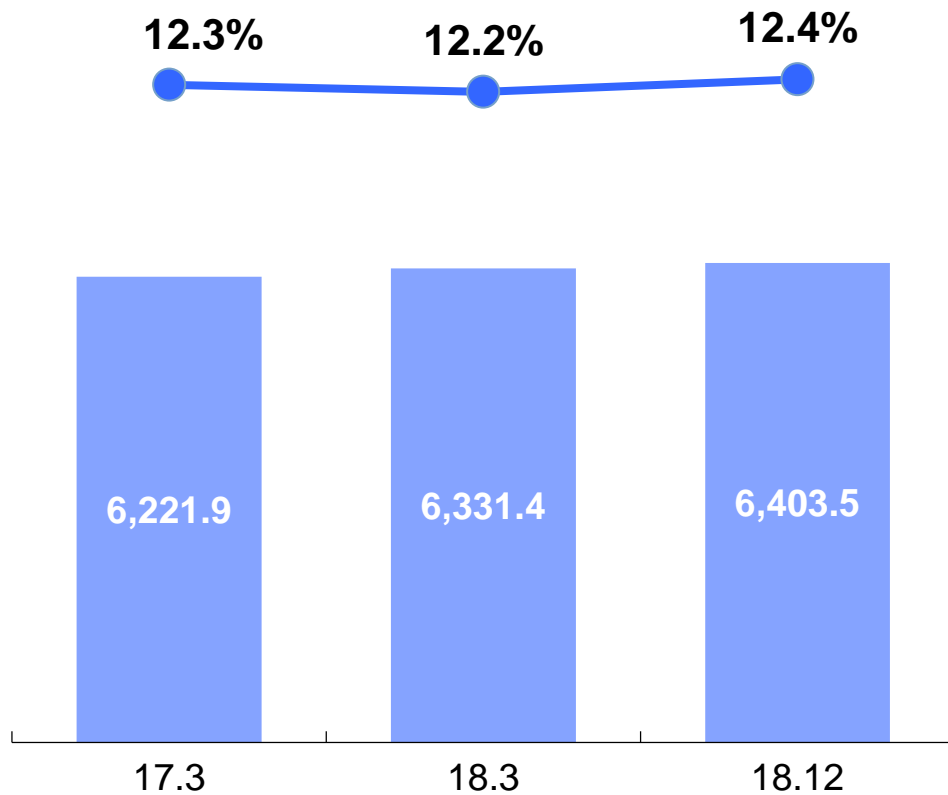


¹ Net Credit Costs Ratio = Calculated by annualizing the following formula :
(Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances)

Financial Update: Capital

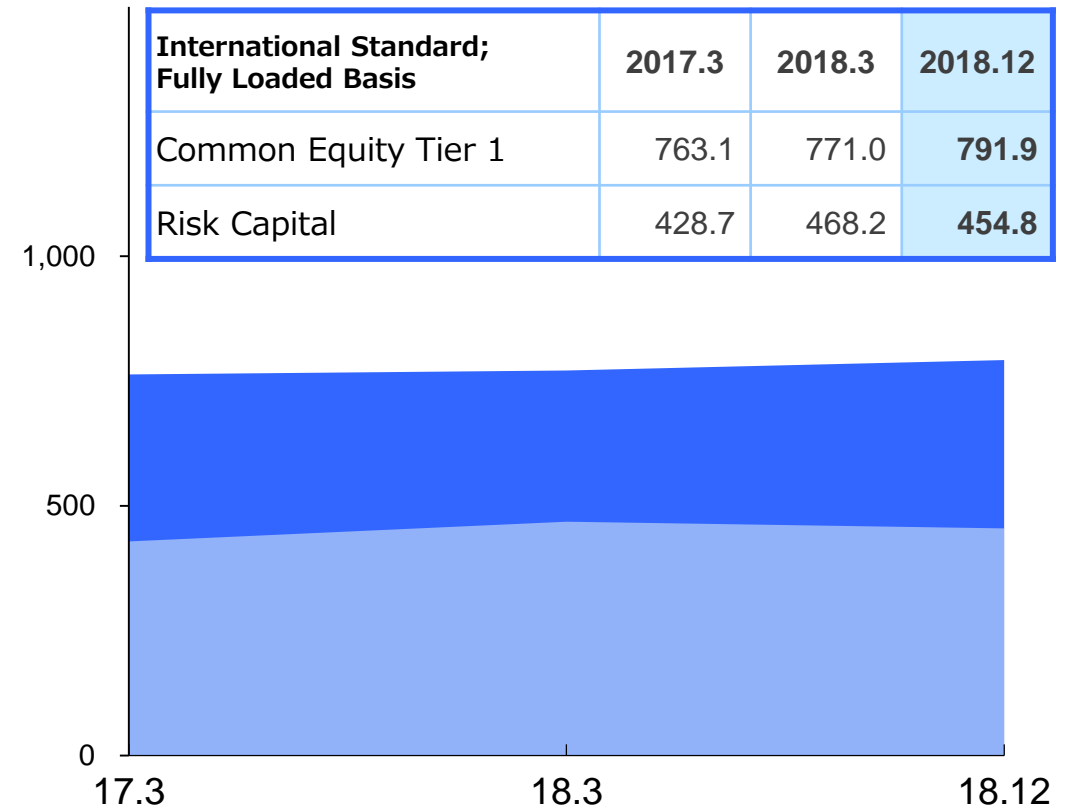
(Unit: JPY billion; %)

Common Equity Tier1 Ratio



- Common Equity Tier 1 Ratio (International Standard; Fully Loaded Basis)
- Risk Assets (International Standard; Fully Loaded Basis)

Amounts of Capital



- Common Equity Tier 1 Capital (Regulatory Capital)
- Risk Capital

Financial Update: Excess Interest Repayment (Kabarai)

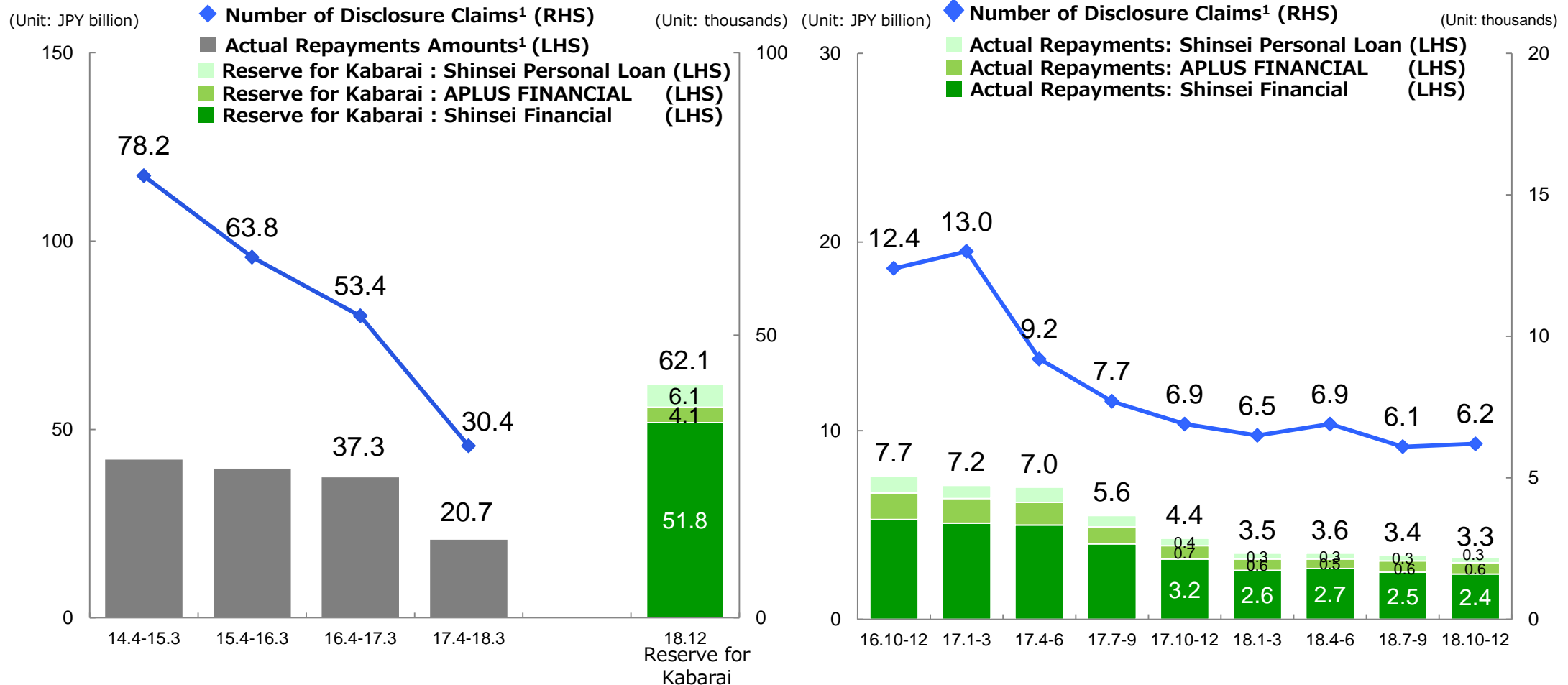
(Unit: JPY billion)

Annual Trend

- Combined reserve coverage ratio based on the total actual payments in 2018.10-12 is over 4 years (Shinsei Financial: approx. 5 years, APLUS FINANCIAL: approx. 1.7 years, Shinsei Personal Loan: approx. 5 years)

Recent Quarterly Trend

- The number of disclosure claims returned to downward trend after it once increased due to resumption of advertising activities by certain legal firms in 2018.4-6
- Actual repayments have been gradually decreasing



¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Business Update

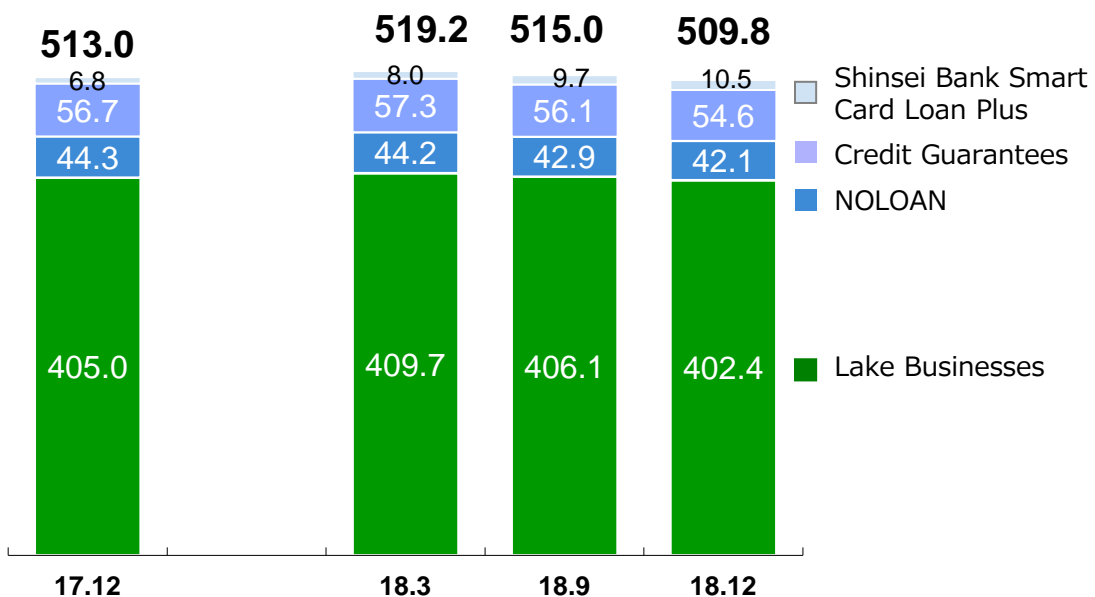


Business: Unsecured Loans

(Unit: JPY billion; %)

Balance

- Unsecured loan balance stood at JPY 509.8 billion
- ✓ Lake ALSA loan balance stands at JPY 17.5 billion



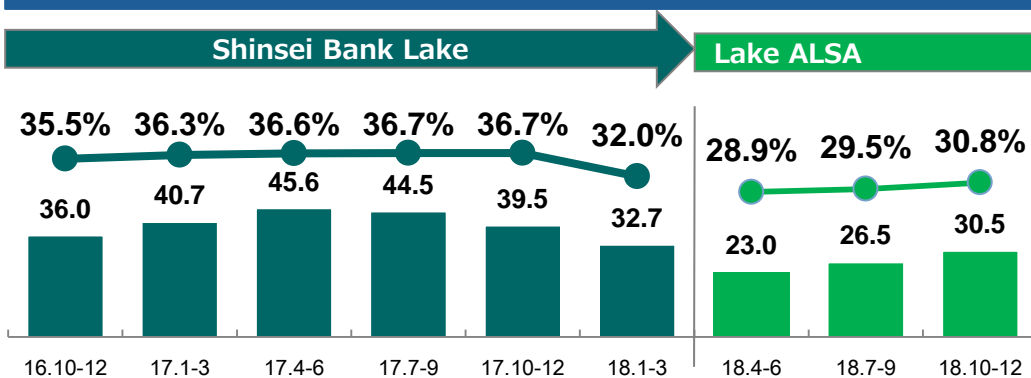
P&L

- OBP after net credit costs increased 78%
- Decrease in net credit costs reflects lower loan balance in addition to credit recoveries from former-Lake portfolio in Shinsei Financial

Shinsei Financial ¹	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	51.7	52.3	+1
of which, Lake Businesses	47.0	47.8	+2
Noninterest Income	-0.1	0.0	n.m.
Total Revenue	51.6	52.3	+1
Expenses	-24.4	-24.8	-2
Ordinary Business Profit (OBP)	27.1	27.4	+1
Net Credit Costs	-17.5	-10.5	+40
OBP after Net Credit Costs	9.5	16.9	+78

¹ Includes profits and losses of Shinsei Financial, Shinsei Bank Lake, and Shinsei Bank Smart Card Loan Plus

Lake: New Customers (K), Approval Rate (%)



- Continued improvement in both number of applications and approval rate reflects numerous actions taken during 1Q to 3Q
- Striving to improve the approval rate further through various credit assessment measures

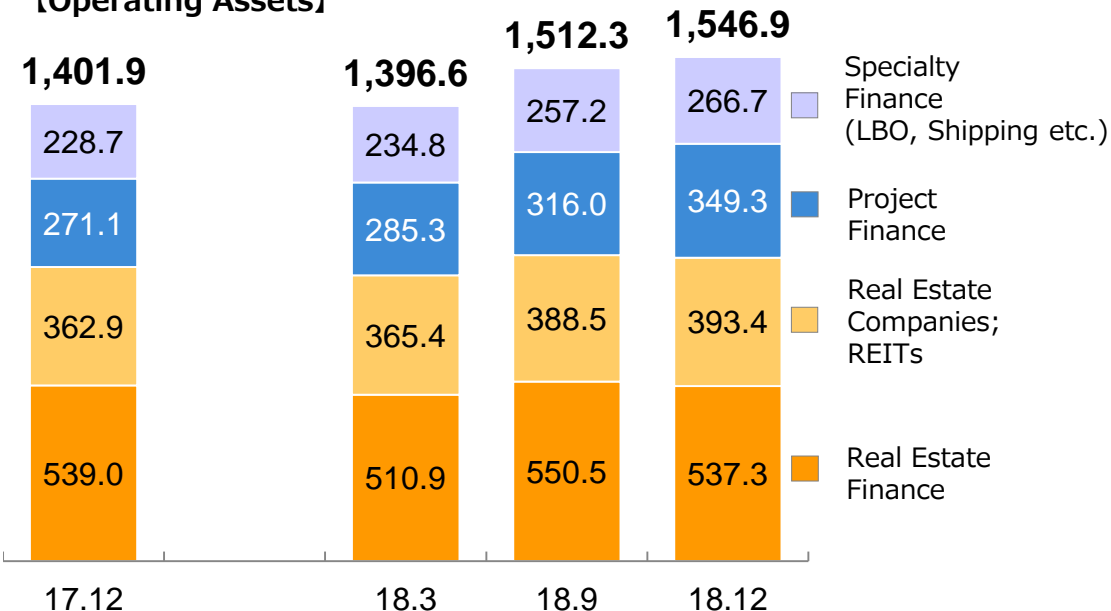
Business: Structured Finance

(Unit: JPY billion; %)

Balance

- Structured finance grew at 10% from 2017.12

[Operating Assets]



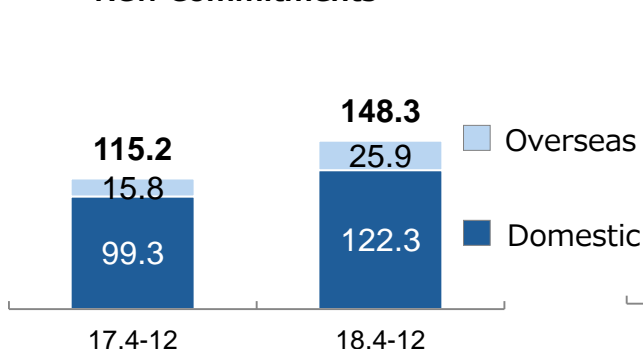
P&L

- Increase in expenses reflects indirect expenses together with operating asset growth in Structured Finance
- JPY 2.9 billion of net credit recoveries were recorded due primarily to calculation of general reserve for loan losses in 2Q in accordance with growth of portfolio including project finance transactions etc.

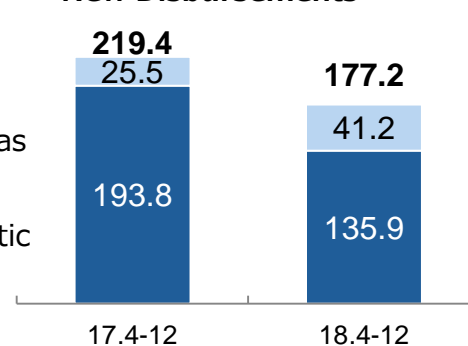
Structured Finance	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	7.0	7.6	+9
Noninterest Income	5.6	5.5	-2
Expenses	-5.1	-5.8	-14
Ordinary Business Profit (OBP)	7.5	7.3	-3
Net Credit Costs	-2.2	2.9	n.m.
OBP after Net Credit Costs	5.2	10.2	+96

New Commitments; New Disbursements

Project Finance New Commitments



Real Estate Nonrecourse Finance New Disbursements



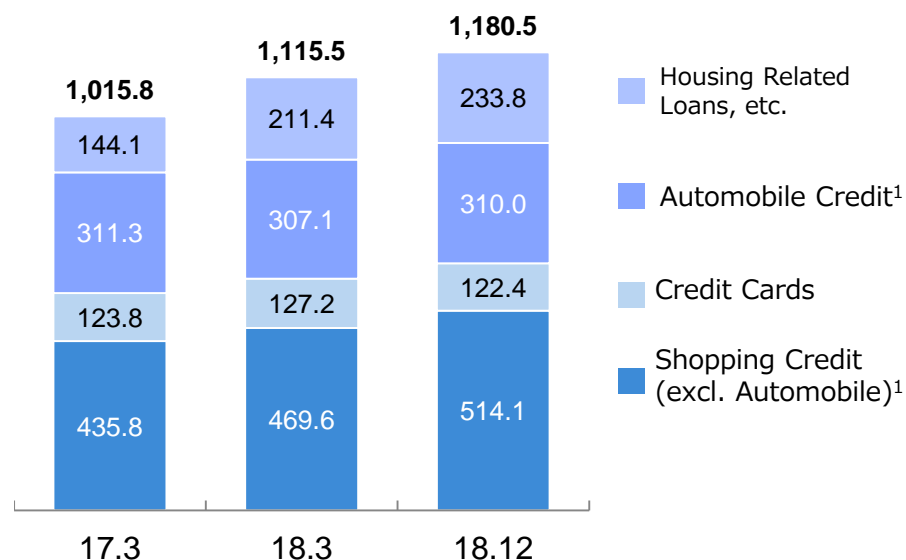
- In project finance, domestic mega solar and overseas wind power projects etc. were newly committed in 2018.10-12, and as a result the asset balance has been steadily growing

Business: APLUS FINANCIAL, Showa Leasing

(Unit: JPY billion; %)

APLUS FINANCIAL

[Operating Assets]



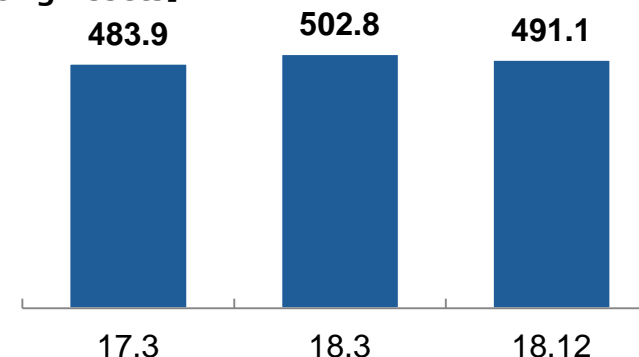
APLUS FINANCIAL	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	8.4	8.2	-2
Noninterest Income	33.9	35.1	+4
Expenses	-27.7	-28.5	-3
Ordinary Business Profit (OBP)	14.7	14.8	+1
Net Credit Costs	-8.4	-10.9	-30
OBP after Net Credit Costs	6.2	3.8	-39

¹ Includes credit guarantees business

Showa Leasing

- Decrease in OBP reflects absence of gains on stock transactions while system depreciation expenses increased
- Lower net credit costs reflects provisioning for specific reserves in the previous fiscal year

[Operating Assets]



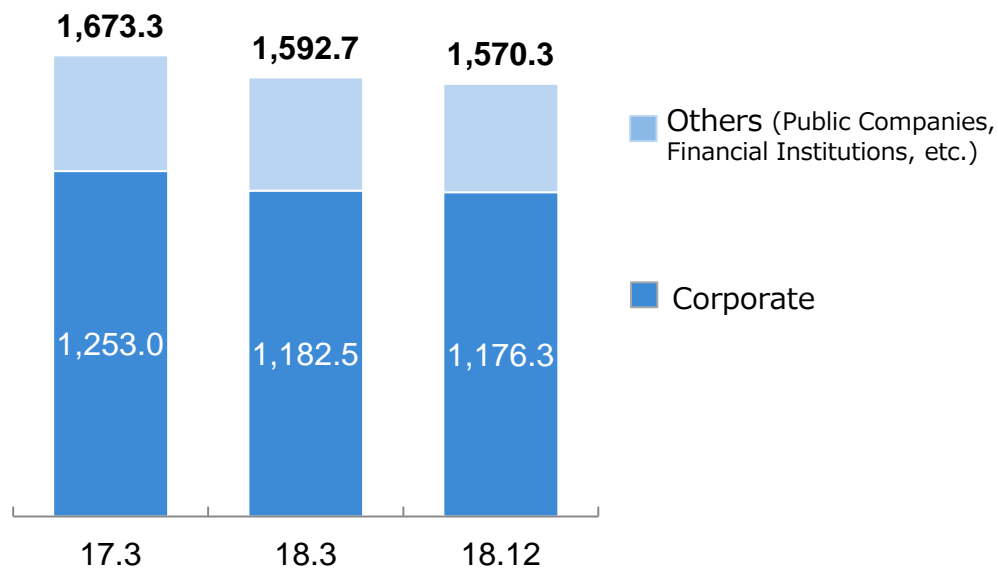
Showa Leasing	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	-0.0	-0.2	n.m.
Noninterest Income	10.9	10.1	-7
Expenses	-6.4	-7.1	-11
Ordinary Business Profit (OBP)	4.4	2.7	-39
Net Credit Costs	-2.6	0.5	n.m.
OBP after Net Credit Costs	1.7	3.3	+94

Business: Corporate Business, Global Markets

(Unit: JPY billion; %)

Corporate Business

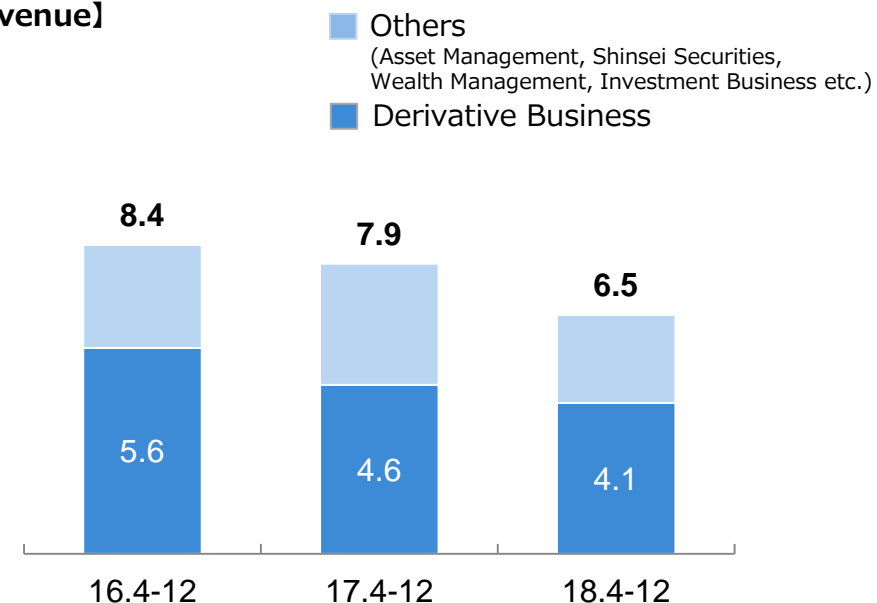
[Operating Assets]



Corporate Business	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	7.5	7.5	0
Noninterest Income	7.2	4.3	-40
Expenses	-8.9	-8.9	0
Ordinary Business Profit (OBP)	5.8	3.0	-48
Net Credit Costs	0.0	-2.9	n.m.
OBP after Net Credit Costs	5.9	0.1	-98

Global Markets

[Revenue]



Global Markets	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	1.7	1.4	-18
Noninterest Income	6.1	5.1	-16
Expenses	-5.3	-5.3	0
Ordinary Business Profit (OBP)	2.5	1.2	-52
Net Credit Costs	-0.0	-0.0	n.m.
OBP after Net Credit Costs	2.5	1.1	-56

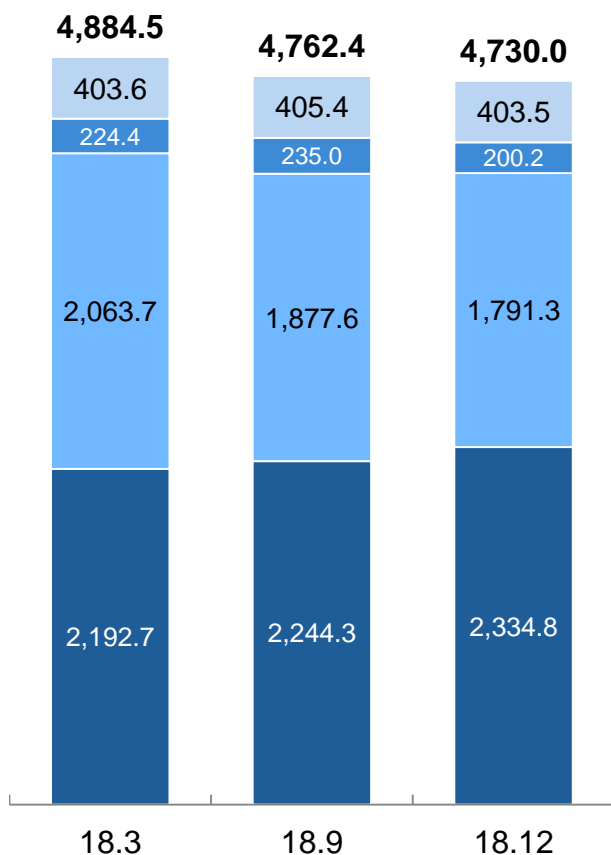
Business: Retail Banking

(Unit: JPY billion; %)

Deposits by Product Type

- Charging ATM fees resulted in no material impact on deposit balance
- Lower time deposit balance reflects redemption of campaign time deposits

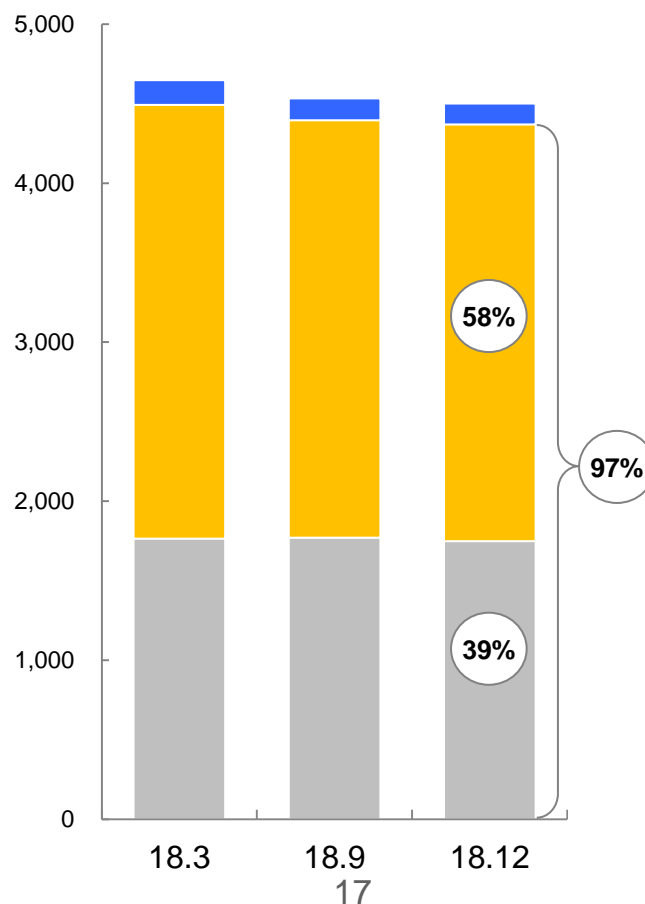
- FCY Deposits
- JPY Structured Deposits
- JPY Time Deposits (Incl. 2-Week Maturity Deposits)
- JPY Saving Deposits



Deposits by Stage

- Deposits from platinum and gold customers constitute 97% of total deposits

- Standard Stage
- Gold Stage
- Platinum Stage



P&L

- Revised Step Up Program is expected to reduce ATM transaction fees by JPY 1.5 billion to 2 billion per annum
- Actual ATM fees reduction since October 2018 is in line with our expectation

Retail Banking	17.4-12	18.4-12	YoY % B(+)/W(-)
Net Interest Income	16.7	17.9	+7
of which, from Loans	7.9	7.4	-6
of which, from Deposits, etc.	8.8	10.5	+19
Noninterest Income	0.6	1.9	+217
of which, from Asset Management Products	4.8	5.1	+6
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-4.2	-3.2	+24
Expenses	-22.1	-20.7	+6
Ordinary Business Profit (OBP)	-4.6	-0.8	+83
Net Credit Costs	-0.1	0.0	n.m.
OBP after Net Credit Costs	-4.8	-0.7	+85

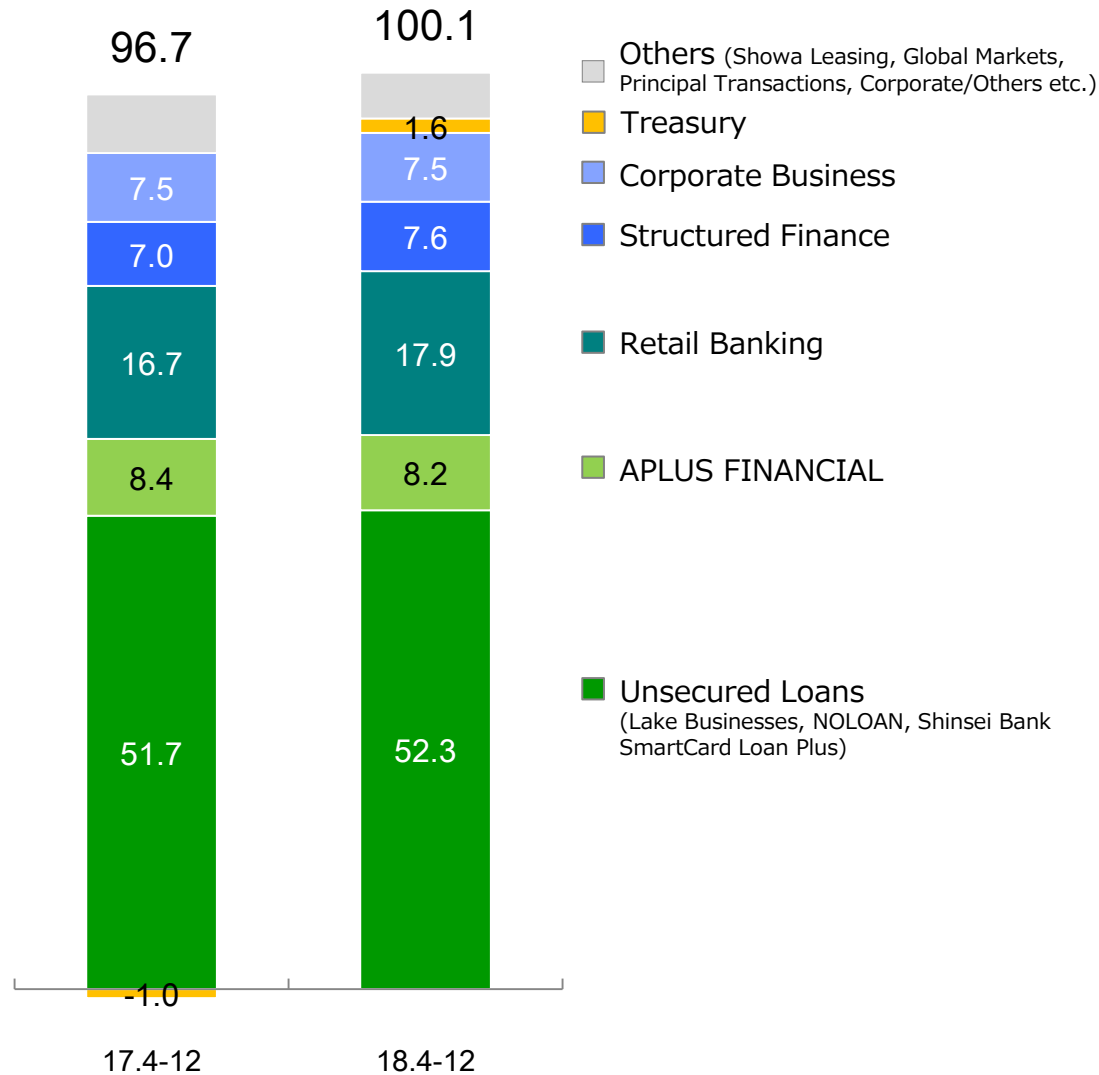
Segment Information



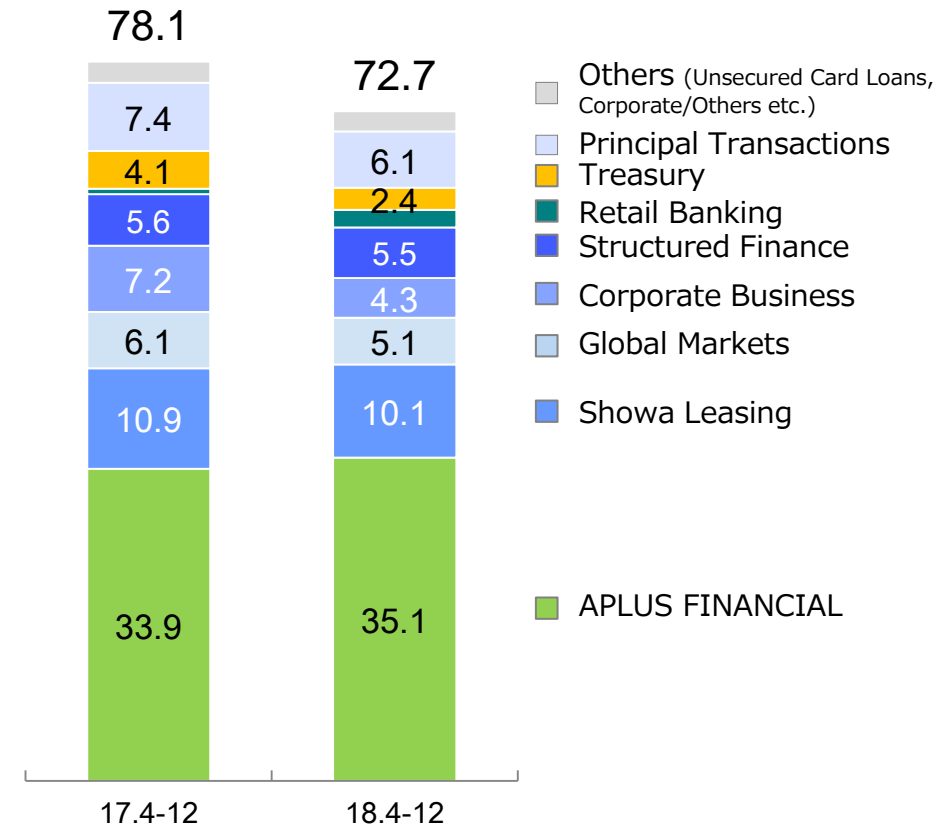
Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income: Segment YoY



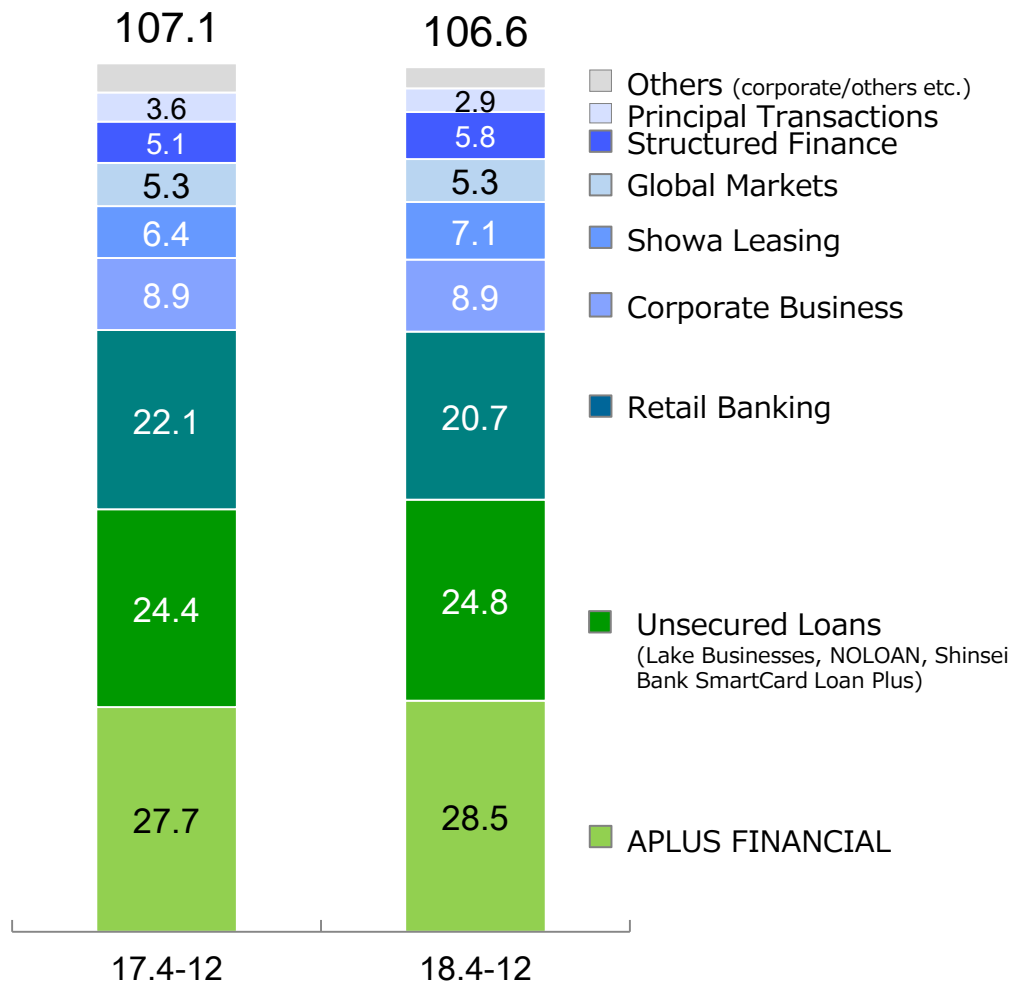
Noninterest Income: Segment YoY



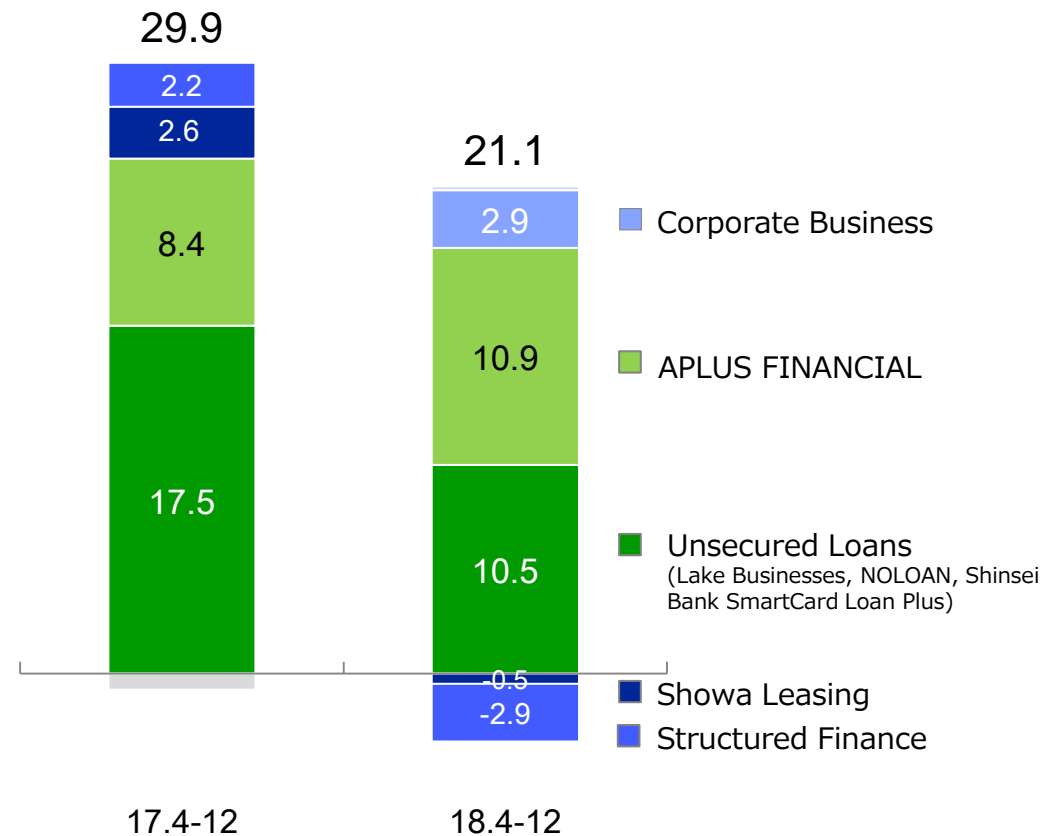
Segment: Expenses, Credit Costs

(Unit: JPY billion)

Expenses: Segment YoY



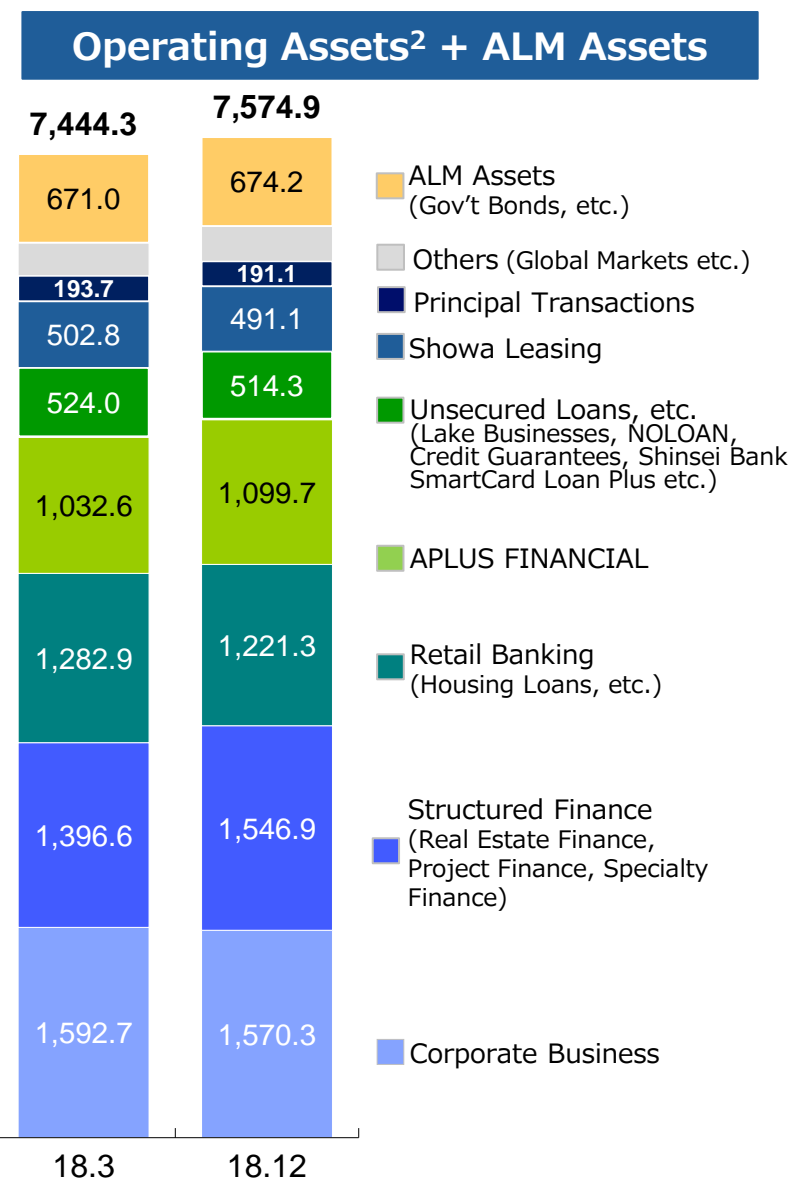
Net Credit Costs: Segment YoY



Segment: P&L and Operating Assets Balance (3Q FY2018)

(Unit: JPY billion; %)

Segment	18.4-12 (3Q FY2018)		
	Amounts (OBP after net credit costs)	Weight %	ROA ³ % (Reference)
Individual Business	20.4	45	-
Retail Banking	-0.7	-2	-0.1
Shinsei Financial ¹	16.9	37	4.3
APLUS FINANCIAL	3.8	8	0.5
Others	0.4	1	1.0
Institutional Business	19.9	44	-
Corporate Business	0.1	0	0.0
Structured Finance	10.2	23	0.9
Principal Transactions	6.2	14	4.3
Showa Leasing	3.3	7	0.9
Global Markets Business	1.1	2	-
Markets	1.9	4	n.m.
Others	-0.8	-2	n.m.
Corporate/Other	3.6	8	-
Treasury	2.7	6	0.5
Corporate/Other (excluding Treasury)	0.8	2	n.m.
Total (OBP after net credit costs)	45.1	100	0.8



(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

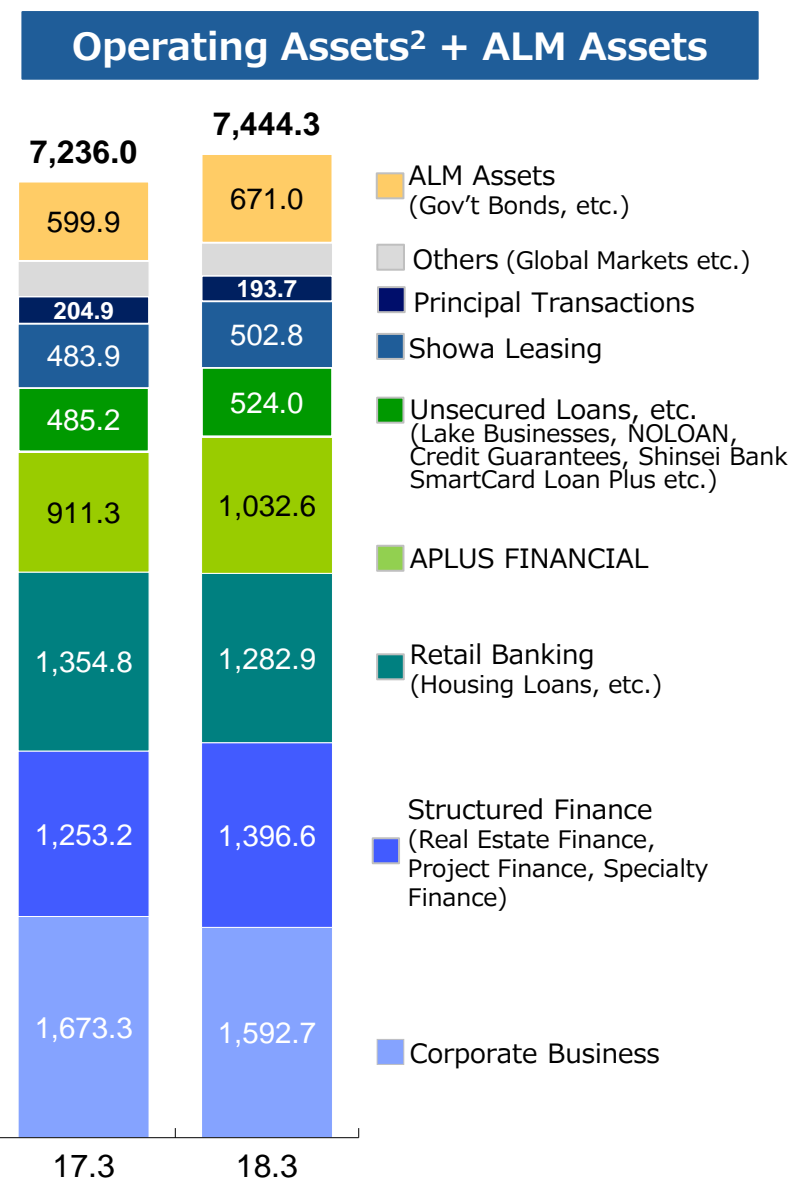
² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term

Segment: P&L and Operating Assets Balance (FY2017)

(Unit: JPY billion; %)

Segment	17.4-18.3 (FY2017)		
	Amounts (OBP after net credit costs)	Weight %	ROA ³ % (Reference)
Individual Business	19.0	36	-
Retail Banking	-5.8	-11	-0.4
Shinsei Financial ¹	13.7	26	2.7
APLUS FINANCIAL	9.1	17	0.9
Others	2.0	4	4.8
Institutional Business	28.6	55	-
Corporate Business	6.6	13	0.4
Structured Finance	8.4	16	0.6
Principal Transactions	9.3	18	4.7
Showa Leasing	4.2	8	0.9
Global Markets Business	4.3	8	-
Markets	4.8	9	n.m.
Others	-0.5	-1	n.m.
Corporate/Other	0.2	0	-
Treasury	1.0	2	0.2
Corporate/Other (excluding Treasury)	-0.8	-2	n.m.
Total (OBP after net credit costs)	52.1	100	0.8



(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term

Segment: Quarterly P&L

(Unit: JPY billion)

Segment P&L (OBP after Net Credit Costs)	FY2017				FY2018		
	17.4-6	17.7-9	17.10-12	18.1-3	18.4-6	18.7-9	18.10-12
Individual Business	2.1	3.0	6.5	7.1	4.5	6.5	9.3
Retail Banking	-1.7	-1.7	-1.3	-1.0	-0.5	-0.4	0.2
Shinsei Financial ¹	1.7	3.0	4.8	4.1	4.6	5.6	6.6
APLUS FINANCIAL	1.9	1.5	2.7	2.9	0.4	1.1	2.2
Others	0.3	0.2	0.3	1.1	0.0	0.1	0.2
Institutional Business	8.7	7.6	5.6	6.5	5.0	10.2	4.6
Corporate Business	1.4	4.0	0.3	0.7	0.6	-0.6	0.0
Structured Finance	1.9	0.7	2.5	3.1	-0.2	7.8	2.6
Principal Transactions	4.3	1.8	2.9	0.1	2.4	2.1	1.5
Showa Leasing	0.9	0.8	-0.1	2.4	2.2	0.8	0.2
Global Markets Business	1.2	0.4	0.8	1.7	0.2	0.4	0.4
Markets	1.3	0.6	0.9	1.8	0.3	0.7	0.8
Others	-0.0	-0.1	-0.1	-0.1	-0.1	-0.3	-0.3
Corporate/Other	0.5	0.4	0.3	-1.1	1.4	0.8	1.3
Treasury	0.7	0.4	0.5	-0.6	1.0	0.7	0.9
Corporate/Other (excluding Treasury)	-0.1	-0.0	-0.1	-0.4	0.4	0.0	0.4
Total (OBP after Net Credit Costs)	12.7	11.6	13.4	14.3	11.3	17.9	15.8

(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

Key Data

Balance Sheet

(Unit: JPY billion)	15.3	16.3	17.3	18.3	18.12
Loans and bills discounted	4,461.2	4,562.9	4,833.4	4,895.9	4,943.4
Securities	1,477.3	1,227.8	1,014.6	1,123.5	1,118.6
Lease receivables/ leased investment assets	227.0	211.4	191.4	171.4	178.1
Installment receivables	459.1	516.3	541.4	558.8	563.3
Reserve for credit losses	-108.2	-91.7	-100.1	-100.8	-101.1
Deferred Tax Assets	15.3	14.0	15.5	14.7	14.5
Total assets	8,889.8	8,928.7	9,258.3	9,456.6	9,532.4
Deposits including negotiable certificates of deposits	5,452.7	5,800.9	5,862.9	6,067.0	6,047.0
Borrowed money	805.2	801.7	789.6	739.5	688.7
Corporate bonds	157.5	95.1	112.6	85.0	92.3
Grey zone reserves	170.2	133.6	101.8	74.6	62.1
Total liabilities	8,136.0	8,135.6	8,437.5	8,600.6	8,647.1
Shareholders' equity	728.5	786.8	823.7	862.5	889.0
Total net assets	753.7	793.1	820.7	856.0	885.3

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

² Domestic Standard; Grandfathered Basis

Financial Ratios

(Unit: %)	14.4-15.3	15.4-16.3	16.4-17.3	17.4-18.3	18.4-12
Expense-to-revenue ratio	60.2	64.9	62.3	61.5	61.7
Loan-to-deposit ratio	81.8	78.7	82.4	80.7	81.8
ROA	0.7	0.7	0.6	0.5	0.6 ⁴
ROE	9.8	8.1	6.3	6.1	6.4 ⁴
RORA	1.2	1.1	0.8	0.8	0.9 ⁴
NPL Ratio ¹	1.42	0.79	0.22	0.17	0.16
Core Capital Ratio ²	14.86	14.20	13.06	12.83	12.41

Per Share Data

(Unit: JPY)	14.4-15.3	15.4-16.3	16.4-17.3 ³	17.4-18.3 ³	18.4-12
BPS ³	275.45	294.41	3,163.89	3,376.39	3,597.98
EPS ³	25.57	22.96	194.65	199.01	167.32

Credit Ratings

	15.3	16.3	17.3	18.3	18.12
R&I	BBB+	BBB+	BBB+	A-	A-
JCR	BBB+	BBB+	BBB+	BBB+	A-
S&P	BBB+	BBB+	BBB+	BBB+	BBB+
Moody's	Baa3	Baa3	Baa2	Baa2	Baa2

³ Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017

Per share data for FY16 has been adjusted to conform to current period presentation

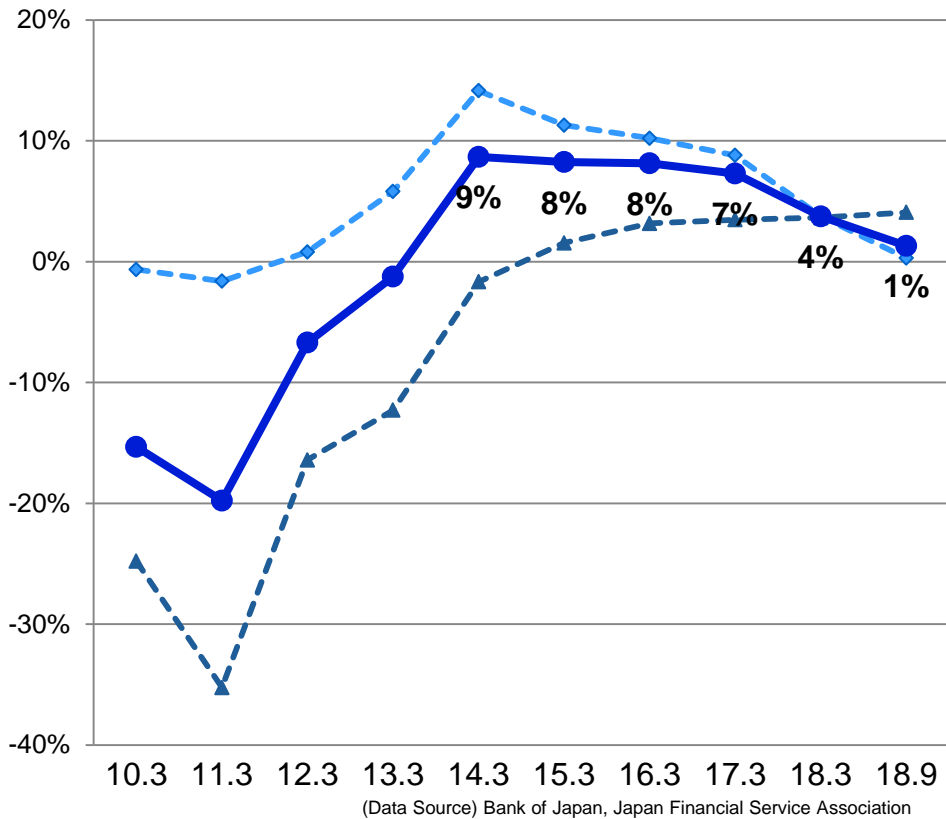
⁴ Annualized basis

Appendix



Unsecured Loan Market

Unsecured Loan Market: Growth Rate (YoY)



- ◆ YoY: Bank Card Loan Growth Rate
- YoY: Unsecured Loan Market Growth Rate
- ▲ YoY: Nonbank Unsecured Loan Growth Rate

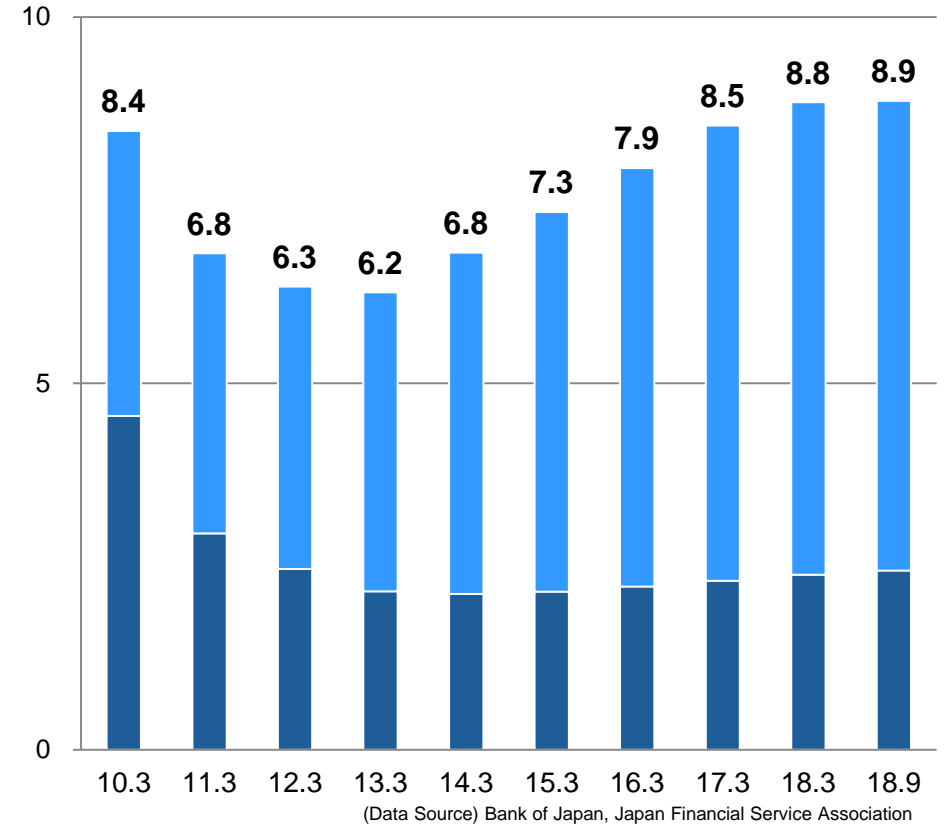
“Unsecured loan market”= “Bank card loan balance” + “Nonbank unsecured loan balance”

“Bank card loan balance”: Statistics aggregated by the Bank of Japan; Balance of consumer card loans extended by domestic banks and credit unions

“Nonbank unsecured loan balance”: Statistics aggregated by the Japan Financial Services Association; Unsecured loans (consumer finance sector) month end balance (excludes housing loans)

Unsecured Loan Market: Size

(Unit: JPY trillion)

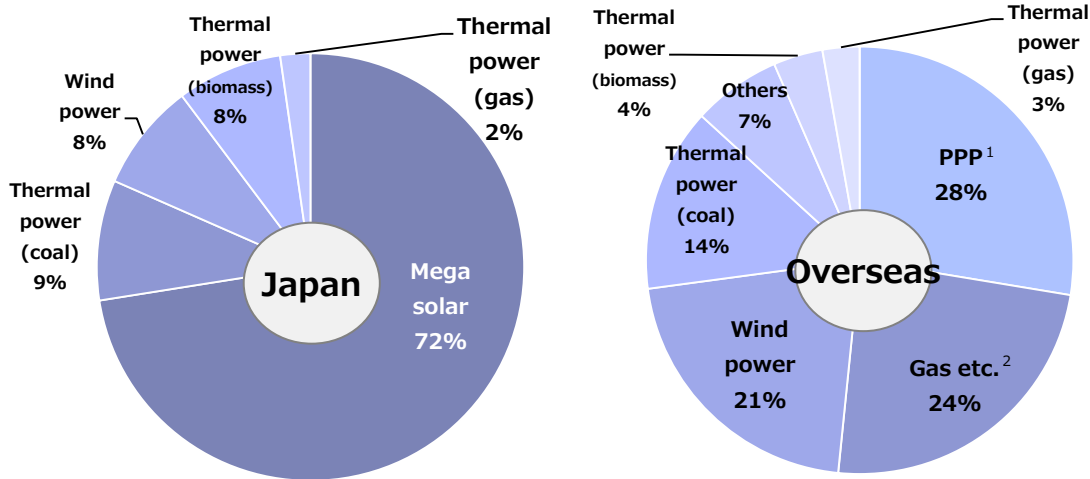


- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

Structured Finance: Portfolio (as of December 2018)

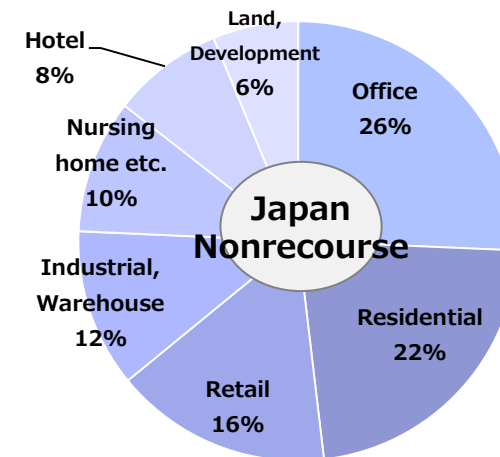
Project Finance

[Balance: project type, includes commitment basis]

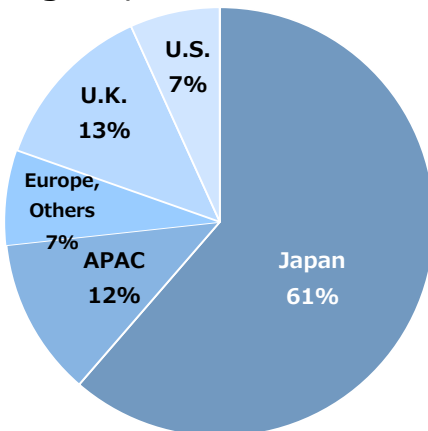


Real Estate Finance

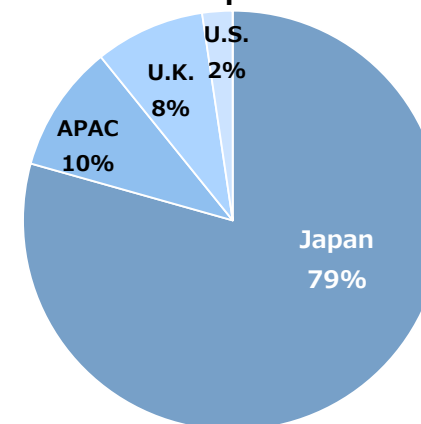
[Balance: asset type]



[Balance: regions, includes commitment basis]



[Balance: regions in nonrecourse, real estate companies and REITs]



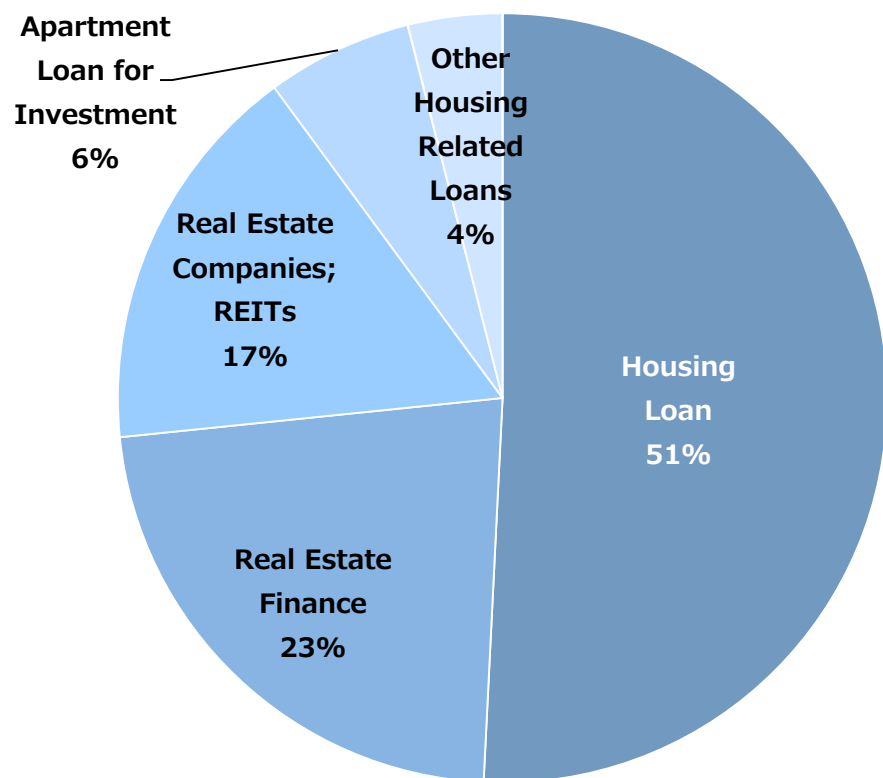
Nonrecourse finance accounts for half of the Japanese exposure

¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

Major Real Estate Exposure (as of December 2018)

- Shinsei Bank Group's real estate exposure stood at approx. JPY 2.4 trillion
- It comprises approx. 50% of retail banking housing loan for individual customers and approx. 40% of real estate nonrecourse and corporate finance for institutional customers
- Loan to one-room studio type of apartment for investment purposes to individual customers accounts for 6%



(as of December 31, 2018)

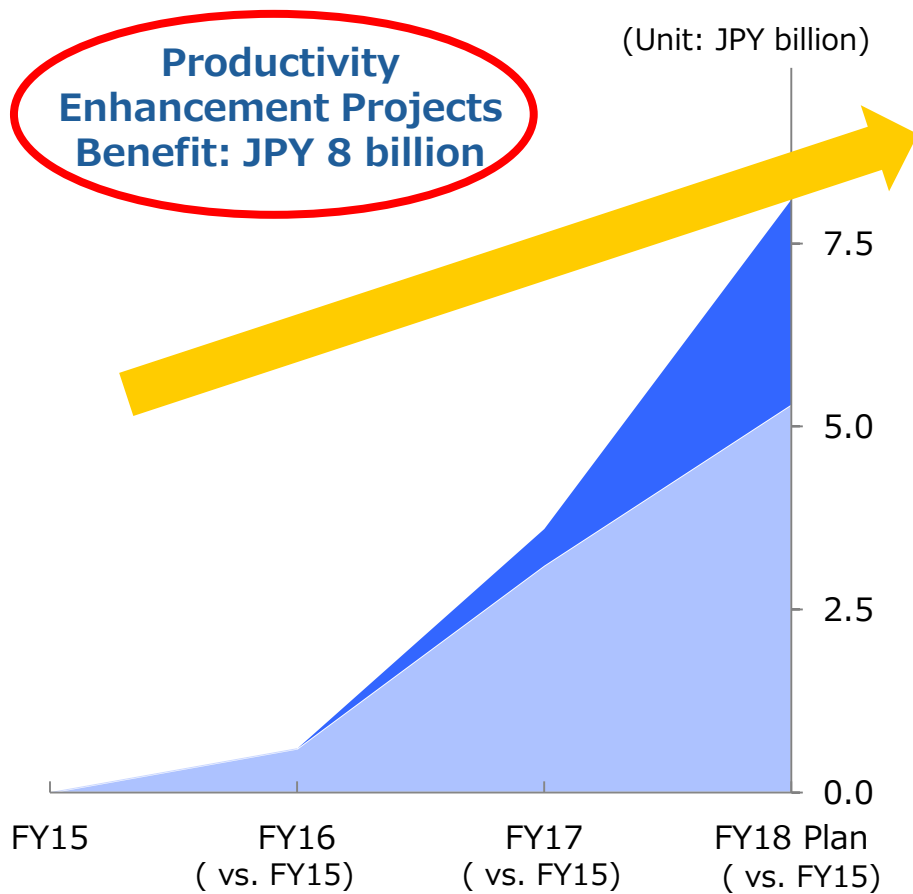
Individual Customers

- Retail banking housing loan
 - ✓ Providing mortgage for primary residence
- APLUS' apartment loan for investment purpose
 - ✓ Small-sized loans for individuals to purchase second-hand one-room studio type of apartments mainly located in Tokyo metropolitan area
- Other housing related loan
 - ✓ Includes loans associated with housing equipment and bridge finance type of loan

Institutional Customers

- Real estate finance
 - ✓ Finance based on repayment which entirely relies on the cash flow generated from the underlying assets and the value of the assets
- Real estate companies, REITs
 - ✓ Corporate loan to real estate companies and real estate investment trusts

Productivity Enhancement



- Productivity enhancement projects benefit additionally expected
- Productivity enhancement projects benefit originally expected

**Projects Total Investment for 3 years:
JPY 3.5 billion**

Measures Toward FY18 Plan

- ✓ **Solid progress toward FY18 benefit plan**
- ✓ **Optimizing earnings structure of Retail Banking**
 - Revised ATM fee table in “Shinsei Step Up Program” in October
 - Commenced initiatives for productivity enhancement such as new CRM, area management system of branches, etc.
- ✓ **Streamlining operation in call centers**
 - Developed on-line system and automation system of the operation such as online password resetting via internet banking etc.
- ✓ **Optimizing branch channels**
 - Bank: branch closure (2), call center relocation (1)
 - Lake : closure of branches (24), new branches (9)
 - Showa Leasing: consolidation with the Bank’s offices (2)
- ✓ **Consolidating head office function and enhancing technology**
 - Expanding common platform: HR evaluation system, consolidation of compliance program
 - Creating benefit of 13% FTE¹ of employees in the head office function
 - Enhancing FTE reduction by automating operations including RPA² in APLUS, Showa Leasing and Shinsei Financial

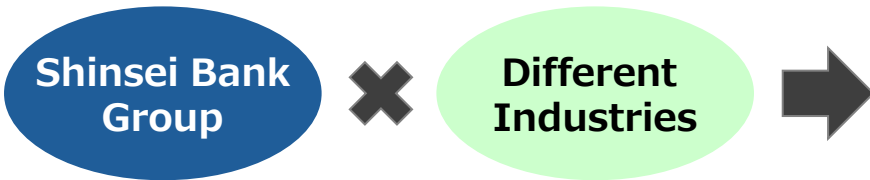
Measures Toward FY19 and beyond

- ✓ **Realigning the Group’s offices in Tokyo area**
 - Consolidating the Group’s offices to reduce costs
 - Streamlining operation by shifting from entity-wide organization to function-wide organization format

¹ Full Time Equivalent

² Robotics Process Automation

Financial Innovation by Aligning with Players in Nonfinancial Sectors



- ✓ Alliance with players which have non-financial customer base
- ✓ Strategic capital and business alliance aiming for creating eco-system for underserved customer (freelancer, foreign residents etc.)

Case 1:

For NTT DOCOMO line subscribers:
Shinsei Bank Smart Money Lending
 from March 2019 (Plan)



Facilitates Shinsei to offer new lending proposal



Service fully completed via a smart phone

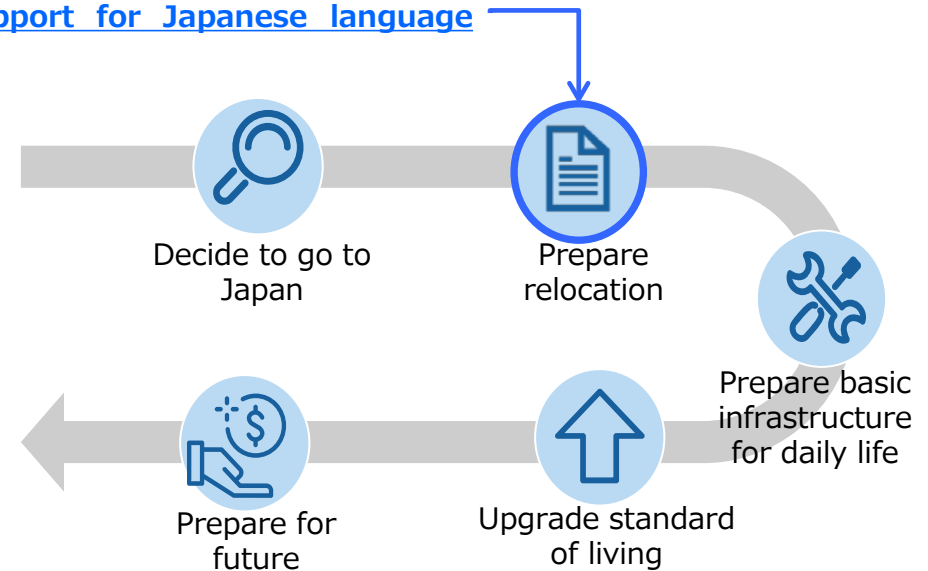


Support "smart" use of lending service

Case 2:

With Global Trust Networks:
 ① Commencement of capital and business alliance
 ② Establishment of International Students Support Fund

- ① Financial/nonfinancial services based on life events of foreign residents
- ② Tuition support for Japanese language schools



- **The preceding description of Shinsei’s Medium-Term Management 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.**
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