

[TRANSLATION]

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18th Annual General Meeting of Shareholders

**Shinsei Bank, Limited
June 20, 2018**

Fiscal Year 2017 Financial Results

Financial Results : Overview

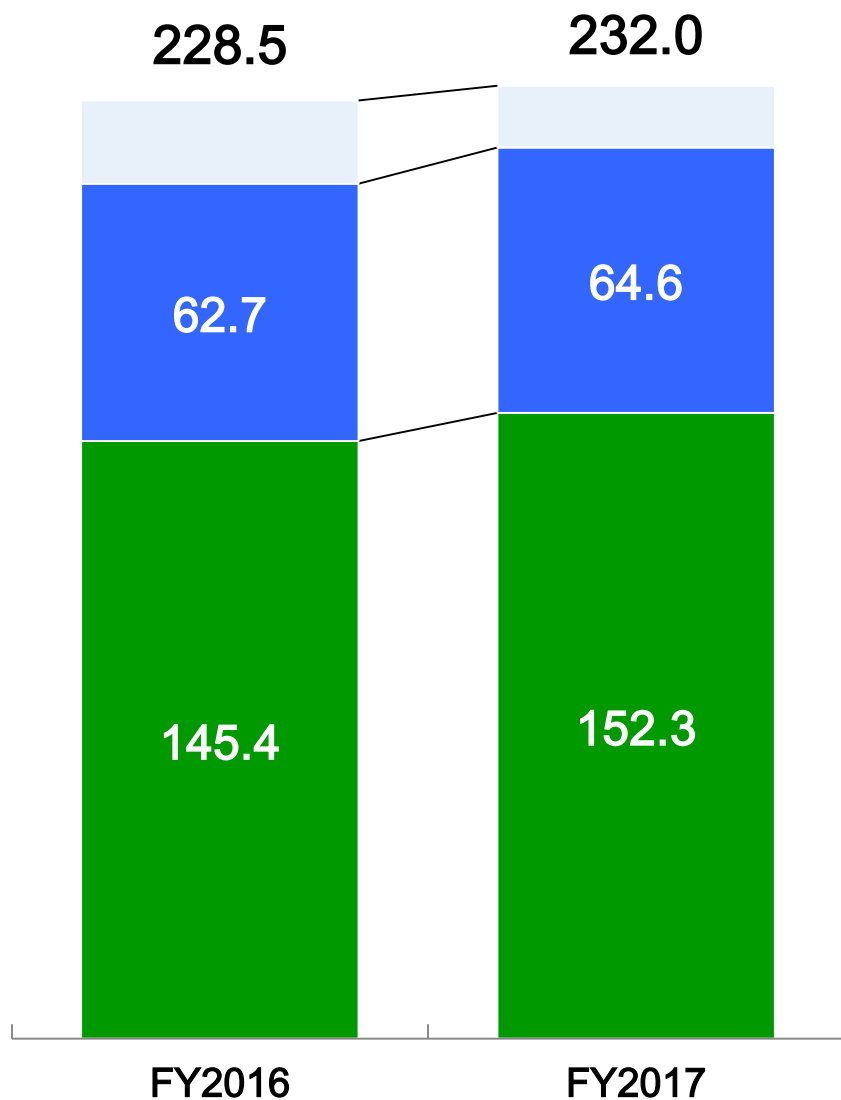
(Unit: JPY billion)

【Consolidated】	FY2017	YoY Change B(+)/W(-)
Total Revenue	232.0	+2%
Expenses	-142.5	-0%
Ordinary Business Profits	89.4	+4%
Net Credit Costs	-37.2	-17%
Others	-0.7	+79%
Net Income	51.4	+1%

Year-end Dividend	10 yen per share
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Financial Results : Total Revenue

(Unit: JPY billion)



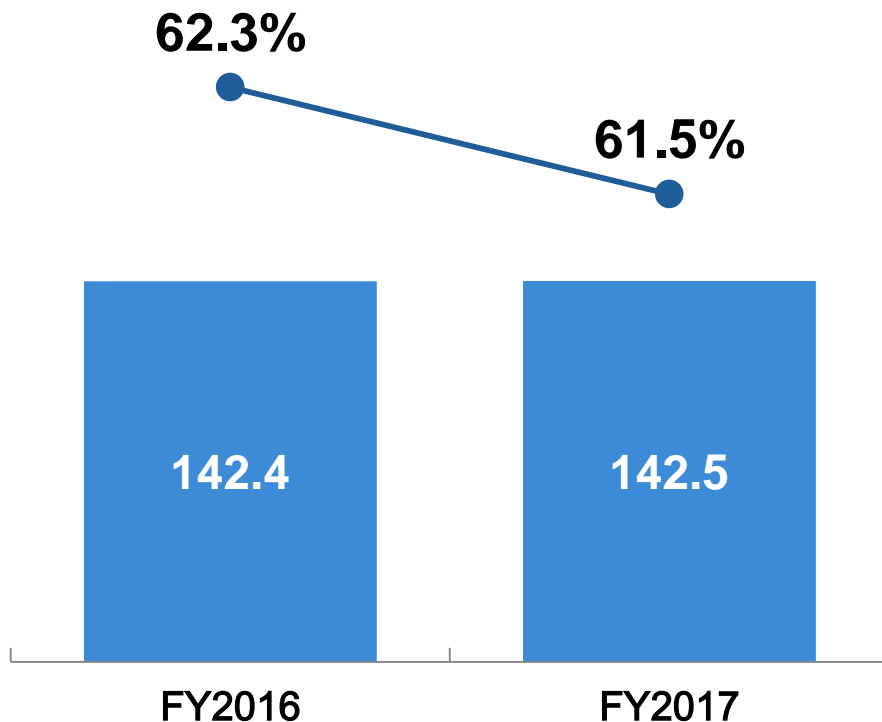
- **Institutional Business:**
JPY 64.6 billion
(YoY JPY +1.8 billion)
 - ◆ Increase in fee income and gain on sales of equities etc.
- **Individual Business:**
JPY 152.3 billion
(YoY JPY +6.8 billion)
 - ◆ Increase reflecting loan growth in the consumer finance businesses including unsecured card loans

Financial Results : Costs

(Unit: JPY billion)

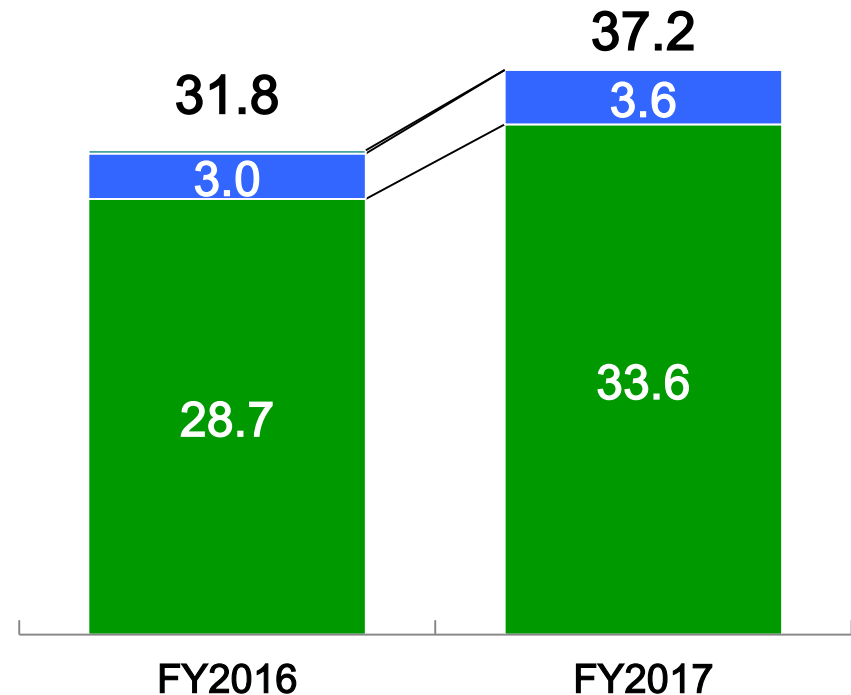
Expenses

- Expense-to-Revenue Ratio improved
- Flat expenses resulting from progress on productivity enhancement benefits



Net Credit Costs

- Institutional Business: Increase due mainly to provisioning of specific reserves for loan losses
- Individual Business: Increase due to provisioning of general reserves for loan losses as a result of the loan growth



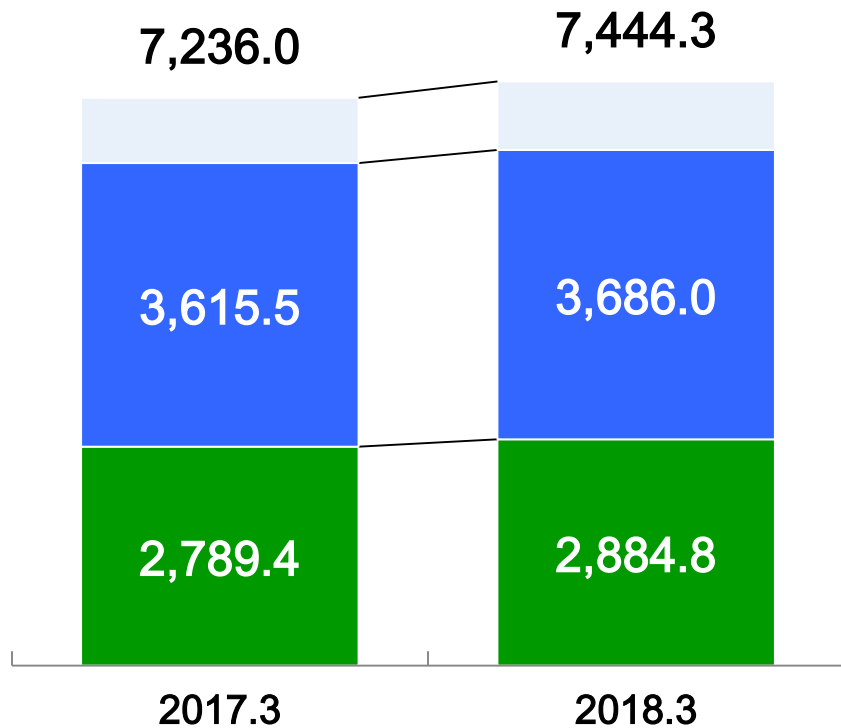


Financial Results : Balance Sheet

(Unit: JPY billion)

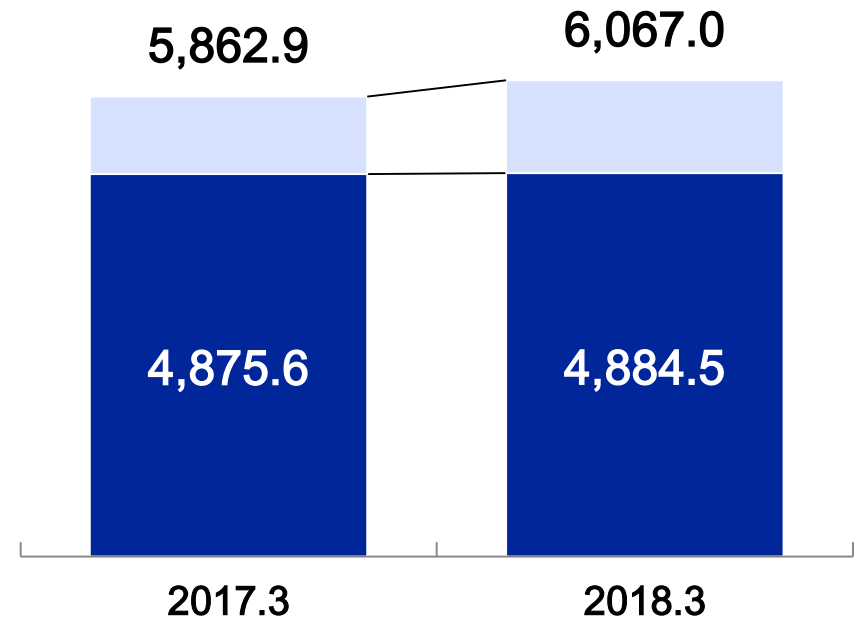
Operating Assets

- Institutional Business: Increase in Structured Finance Business
- Individual Business: Increase in Consumer Finance Business



Deposits

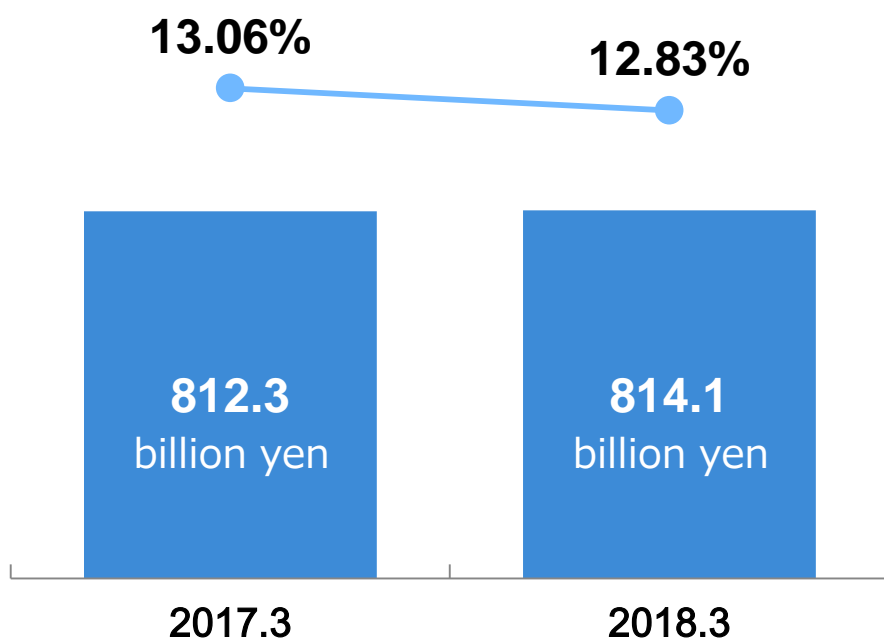
- Stable retail deposits constitute 80% of total deposits



Financial Results : Capital Adequacy, Per Share Value

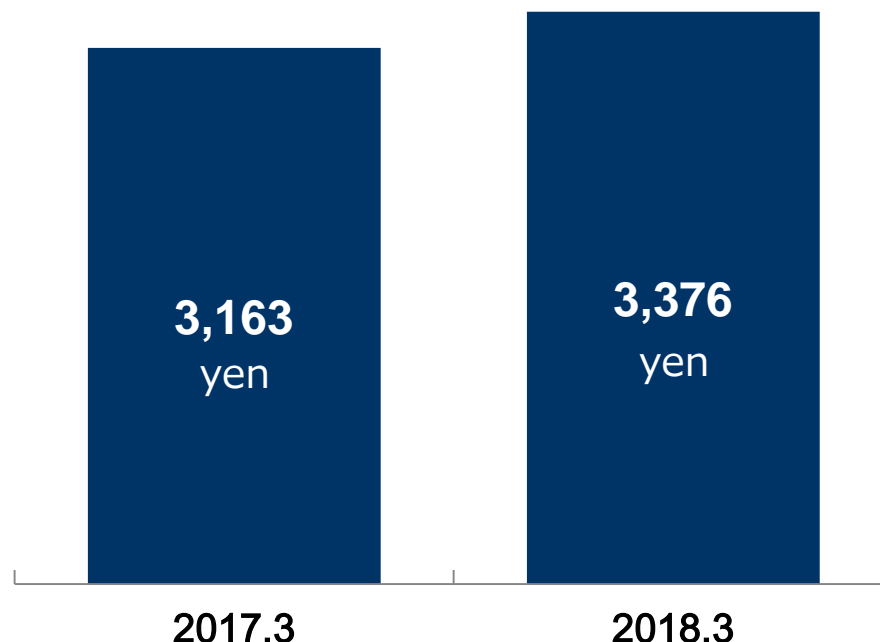
Capital Adequacy

- Core capital adequacy ratio remains at ample level
- The amount of capital steadily increased

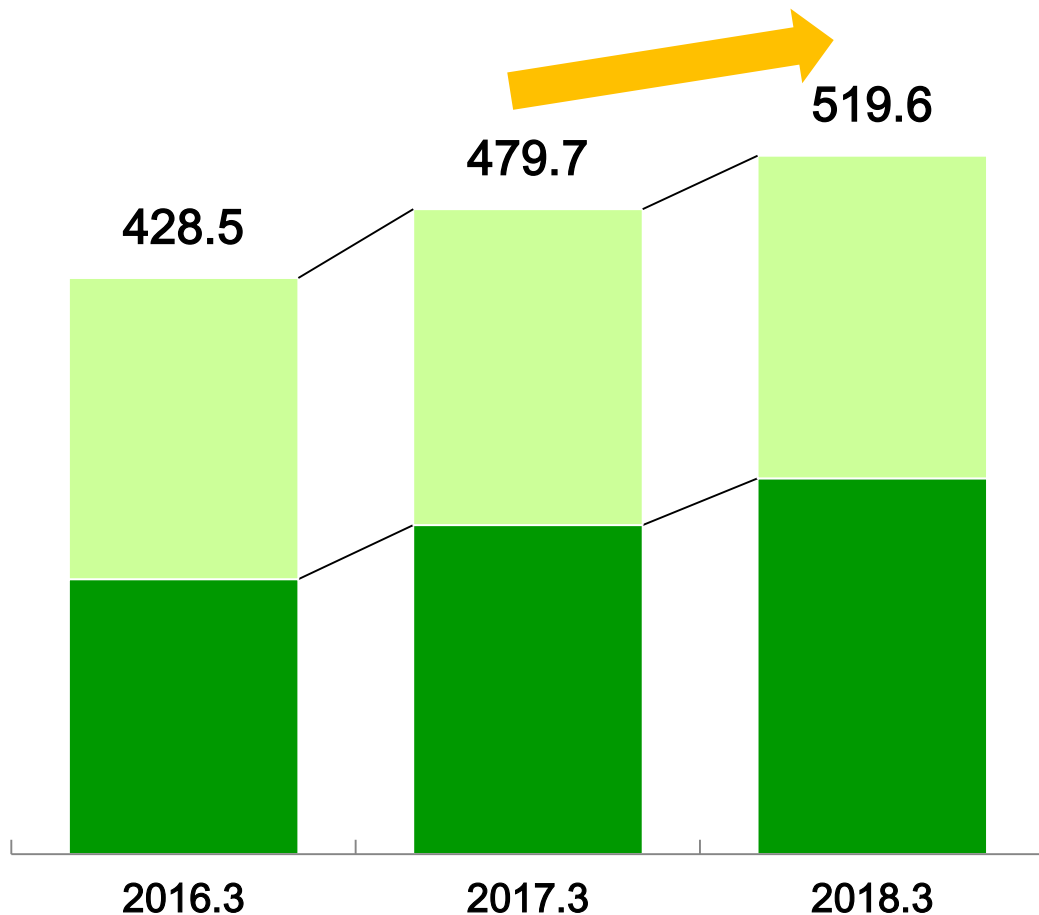


BPS

- BPS improved reflecting accumulation of retained earnings and share buyback programs



Unsecured Card Loans



Unsecured card loan balance increased 8%

- Shinsei Bank Lake contributed to the growth

Business : Growth Areas

FY2017

FY2018~

Unsecured Card Loans

- ✓ To acquire new customers to lead the loan growth mainly by “Lake ALSA” brand

レイク ALSA

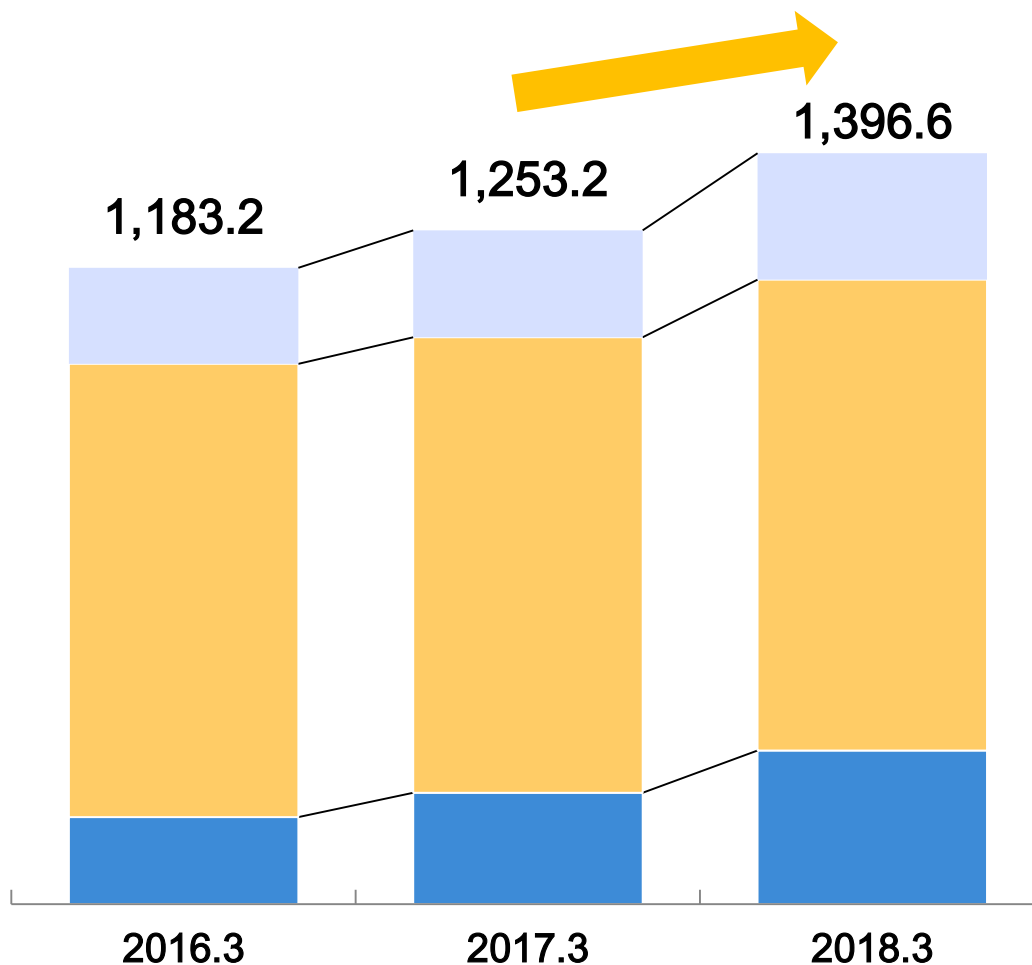
- ✓ To upgrade capability of marketing and credit assessment/collection, and to optimize operations costs by leveraging digital technology
- ✓ To explore further growth opportunity in Asia

- ✓ Reviewed our card loan business strategy, realigning based on our target customer segment
- ✓ Developed AI score, combining big data and machine learning
- ✓ Commenced consumer finance business in Vietnam

Business : Growth Areas

(Unit: JPY billion)

Structured Finance



Structured finance asset balance increased 11%

- Moderate growth in real estate finance
- Solid growth in project finance

Business: Growth Areas

FY2017

FY2018~

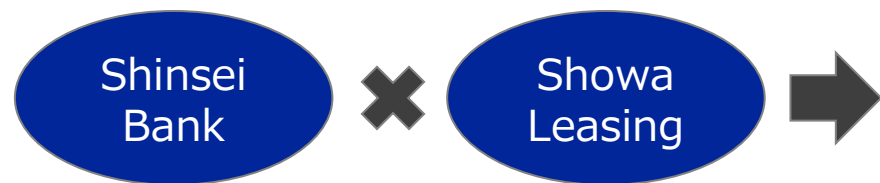
Structured
Finance

- ✓ To diversify into projects such as wind-power, biomass and thermal power
- ✓ To diversify financing to private funds, listed infrastructure funds etc.

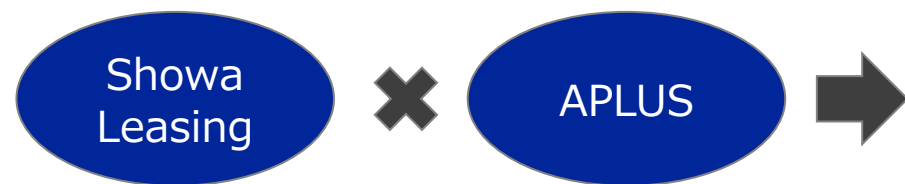
- ✓ Propelled syndication and distribution leveraging our best-in-class expertise in origination and customer base in Japan

Strategy: Leveraging Synergies across Key Businesses

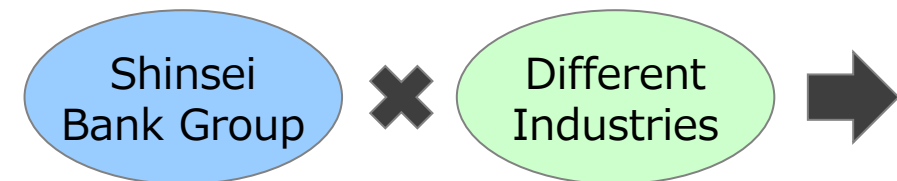
Creating new business beyond existing framework, reflecting customers' intrinsic needs



Units have been established across legal entities and organization of the Group, aiming to integrated management and advanced risk management in institutional business



Vendor leasing to business owners and auto leasing to individuals via merchants of APLUS



Business alliances and investments aiming to create ecosystems targeting underserved customers such as freelancers and foreigners in Japan, and business alliance with non-financial players who have customer base



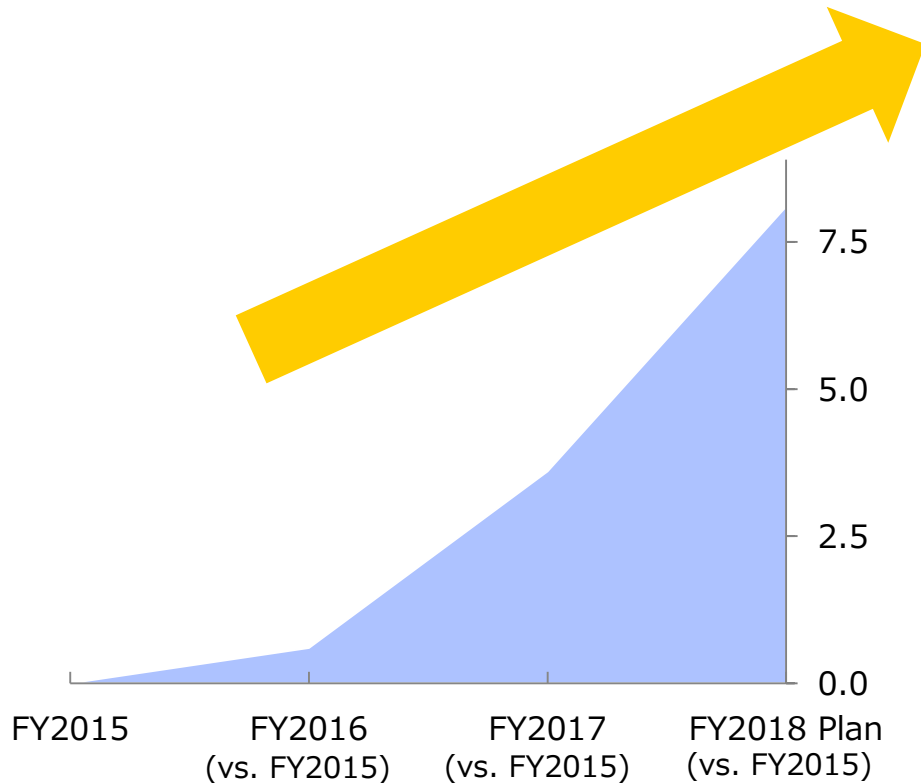
Strategy: Productivity Enhancement

(Unit: JPY billion)

Pursuing operational efficiency by integrating support functions and by realizing productivity enhancement

Productivity Enhancement Projects Benefit

Measures



- To enhance efficiency and advance operations by integrating mainly in headquarters functions and administrative operations
- To review front office functions
- To pursue further efficiency using technology

FY2018 Projection

**Consolidated
Net Income**

JPY 52 billion

**Nonconsolidated
Net Income**

JPY 32 billion

Year-end Dividend

To be determined

