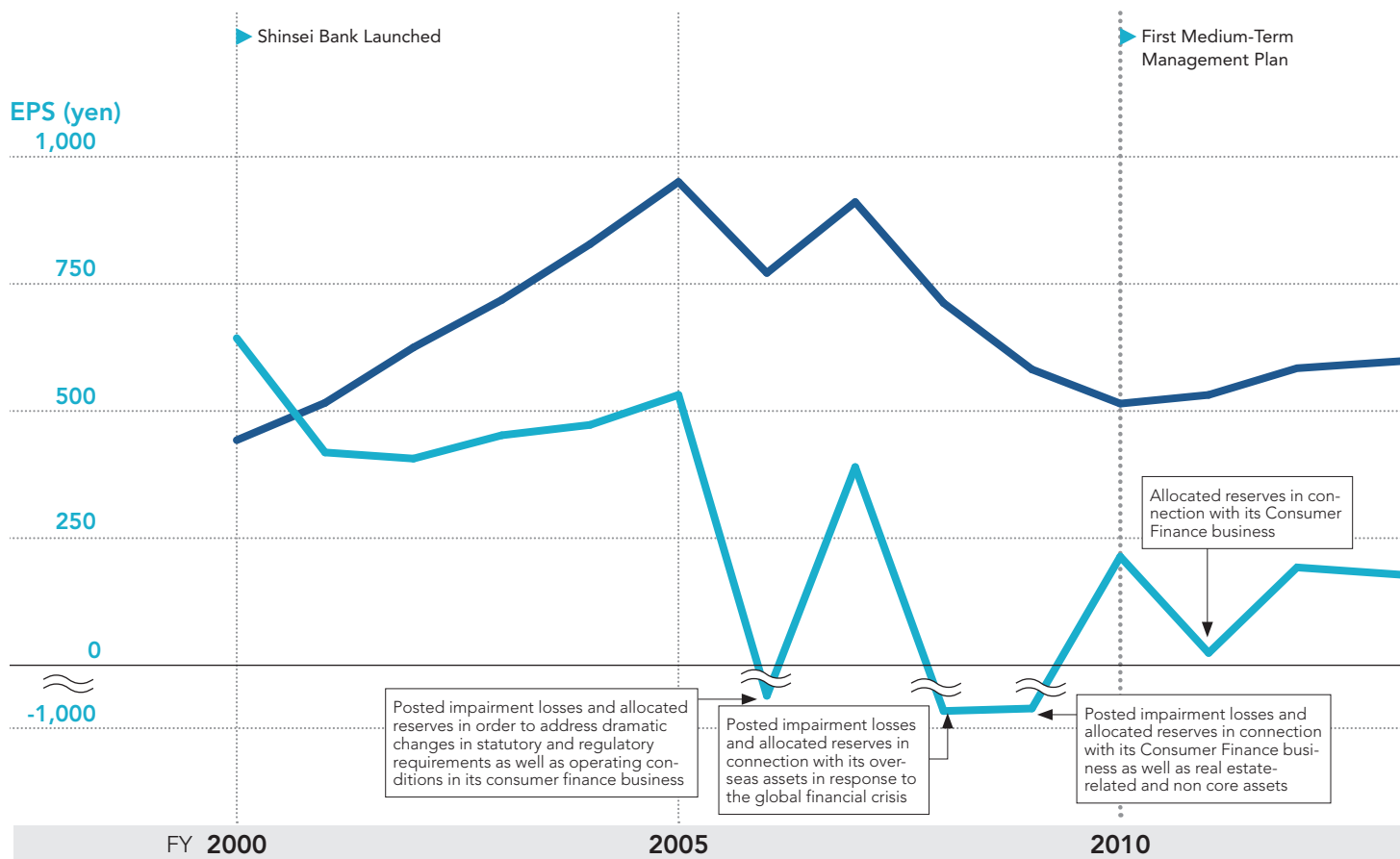


The Approach of the Shinsei Bank Group

Evolution of the Shinsei Bank Group



▶ The Shinsei Bank Group ▶ External Environment ▶ Transition of Stock

1998

- ▶ Preferred stock capital injection

2000

- ▶ Shinsei Bank launched
Name changed from The Long-Term Credit Bank of Japan, Limited (LTCB), to Shinsei Bank, Limited
- ▶ Collapse of the IT bubble economy
- ▶ Preferred stock capital injection and a partial reduction of preferred stock capital without compensation

2001

- ▶ Shinsei Securities Co., Ltd. commenced operations

2003

- ▶ Shinsei Investment Management Co., Ltd. commenced operations
- ▶ Reduction of capital through the merger of two shares of common stock into one share

2004

- ▶ APLUS Co., Ltd. (now APLUS FINANCIAL Co., Ltd.) converted into a consolidated subsidiary
- ▶ Listed the Bank's common stock on the First Section of the Tokyo Stock Exchange
Converted the Bank's long-term credit bank charter to an ordinary bank charter

2005

- ▶ Launched 32 colors of new cash cards for retail Power-Flex account customers
- ▶ Showa Leasing Co., Ltd. converted into a consolidated subsidiary
- ▶ End of the government guarantee on full savings deposits

2006

- ▶ Partial repayment of public funds
- ▶ Cancellation of treasury shares

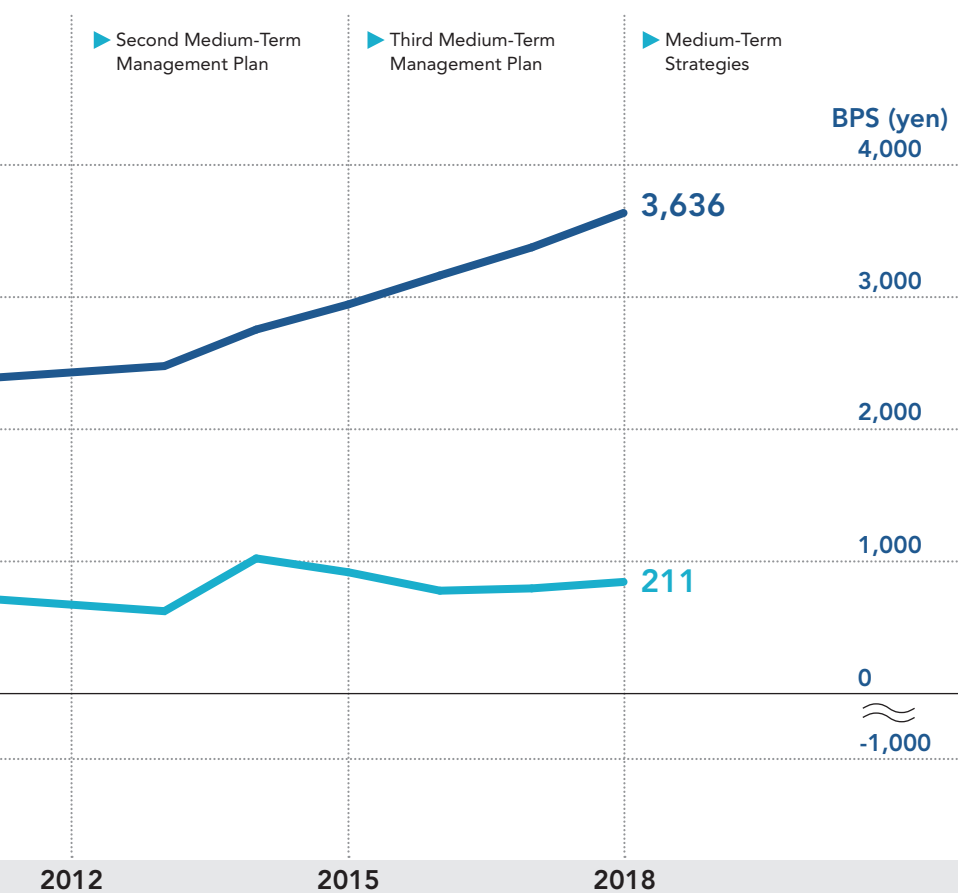
2007

- ▶ SHINKI Co., Ltd. (now Shinsei Personal Loan Co., Ltd.) converted into a consolidated subsidiary
- ▶ Conversion of preferred stock into common stock

2008

- ▶ Bankruptcy of Lehman Brothers
- ▶ Issuance of new shares by third-party allotment
- ▶ Conversion of preferred stock into common stock
- ▶ GE Consumer Finance Co., Ltd. (now Shinsei Financial Co., Ltd.) converted into a consolidated subsidiary

Since its launch as the Shinsei Bank, Limited in 2000, the Group has continued to expand its customer base and stabilize income while acquiring new financial functions through acquisitions including APLUS FINANCIAL Co., Ltd., Showa Leasing Co., Ltd. and Shinsei Financial Co., Ltd.



Note: Shinsei Bank executed a 1-for-10 reverse stock split on October 1, 2017. Per share data is calculated on the assumption that the said reverse stock split was executed prior to fiscal 2017.

2010

- ▶ European debt crisis

2011

- ▶ Issuance of new shares through international offering

2016

- ▶ Showa Leasing Co., Ltd. converted into a wholly owned consolidated subsidiary
- ▶ Shinsei Financial Co., Ltd. entered the unsecured personal loan business in Vietnam
- ▶ Introduction of negative interest rate policy
- ▶ Acquisition of treasury shares

2017

- ▶ Established the "Shinsei Bank Group Headquarters"
- ▶ Acquisition of treasury shares
- ▶ Merger of 10 shares of common stock into one share

2018

- ▶ Shinsei Financial Co., Ltd. launched a new "Lake ALSA" brand, an unsecured loan product
- ▶ Acquisition and cancellation of treasury stock

Fiscal 2018 Business Topics

2018

April

Institutional Business **ESG**

Child-care Support Fund executes investment in Compass Inc., a company that has developed and offers an artificial intelligence-driven tablet learning system.

October

Individual Business

Revision made to Shinsei Step Up Program with regard to Shinsei PowerFlex account customers.

Individual Business

Announced to offer "Shinsei Bank Smart Money Lending" for NTT Docomo line subscribers.

Individual Business **Institutional Business**

Alliance established with Global Trust Networks, Co. to establish fund to aid international students.

November

Institutional Business **ESG**

Shinsei Corporate Investment Limited invests in TBM Co. Ltd., a company that develops, produces and sells LIMEX, a material made mainly from limestone.

December

Shinsei Bank Group **ESG**

Financial literacy education program "MoneyConnection" achieves cumulative deployment to 1,000 schools.

2019

February

Institutional Business

Business alliance with geechs inc. aimed at the joint development and provision of financial and nonfinancial products and services geared toward IT freelancers.

March

Shinsei Bank Group **ESG**

The Nomination and Compensation Committee established as an elective advisory body composed entirely of outside directors.

Individual Business

Shinsei Bank ranked No. 1 in "Internet Banking" category of Oricon's customer satisfaction survey for third consecutive year.

April

Individual Business **Institutional Business**

Initiative commenced for the coordinated management of Group businesses by customer segment.

Individual Business

Acquisition of shares in Financial Japan, Co., Ltd. (insurance agent)

Institutional Business

Showa Leasing Co., Ltd. announced to acquire shares of Shinko Lease Co., Ltd.

May

Shinsei Bank Group

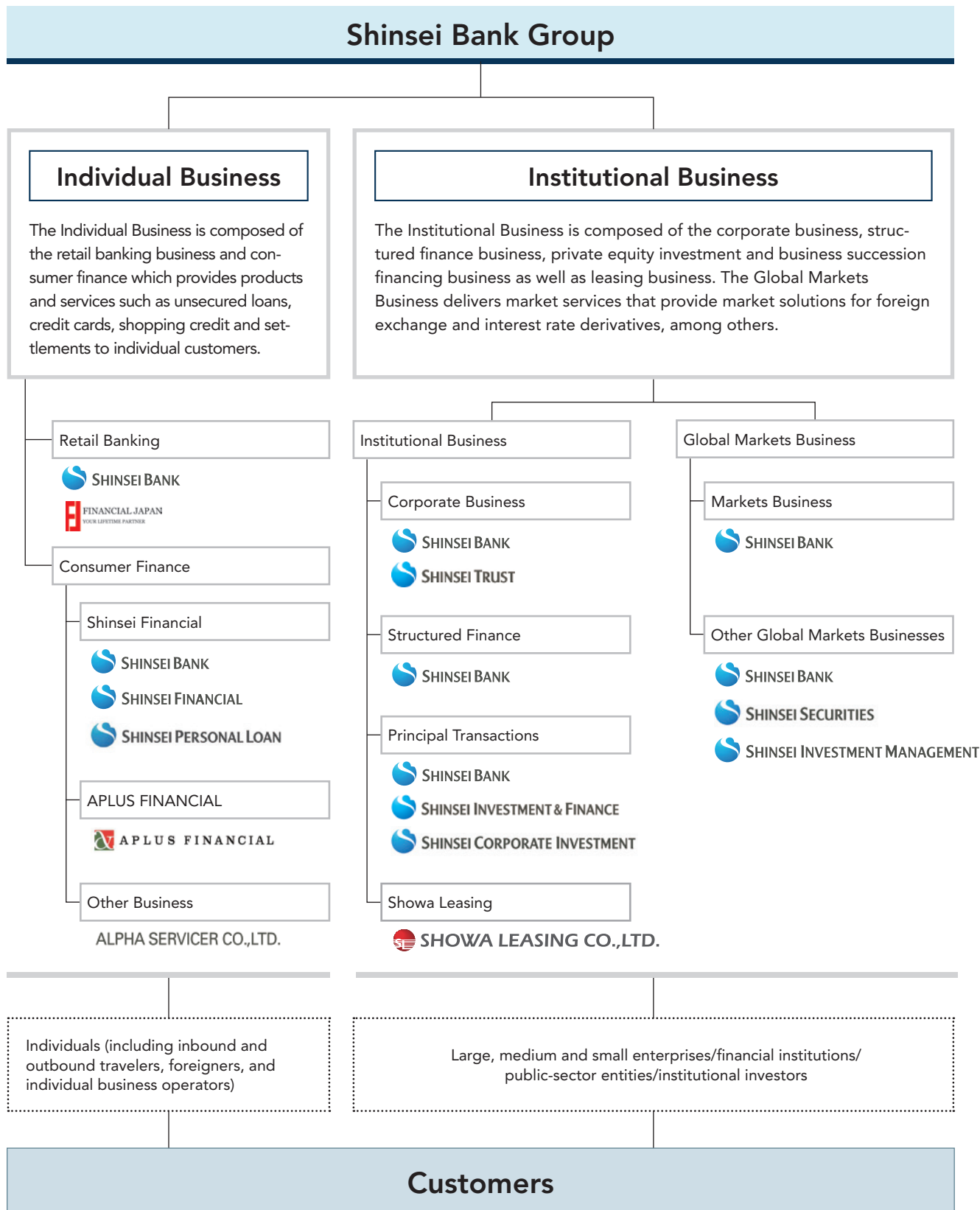
Formulation of "Redesigning Finance" Medium-Term Strategies (fiscal 2019 to 2021)

Individual Business **Institutional Business**

Conclusion of a basic agreement with regard to a business partnership with Suruga Bank Ltd.

Group Business Profile

The Shinsei Bank Group continues to proactively identify underserved customer needs, which are not met by conventional financial products and services. At the same time, we provide solutions to these needs as a financial enterprise group. Targeting both individual and corporate customers, we harness the functions within the Group to deliver unique financial products and services.



Major Businesses

Contribution

Individual Business

■ Total Revenue

■ Ordinary Business Profit after Net Credit Costs

Individual Business

- Retail Banking

Yen/foreign currency deposits, structured deposits, investment trusts, brokerage service (through a partner institution), life and nonlife insurance (through partner institutions), housing loans, provision of financial transactions and services for individuals

- Shinsei Financial

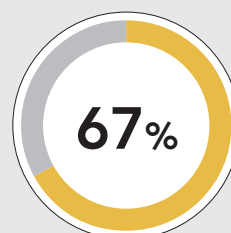
Unsecured loans (Lake, NOLOAN) and credit guarantees

- APLUS FINANCIAL

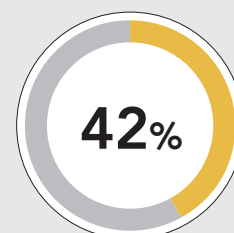
Shopping credit and settlements, credit cards, credit guarantees, loans and collection services

- Other Individual Business

Consumer Finance Division functions and profits and losses of other subsidiaries



155.7 Billion yen



23.3 Billion yen

Institutional Business

Institutional Business

- Corporate Business

Provision of financial products, services and advisory services for corporations, public-sector entities and financial institutions, healthcare finance business, trust banking business

- Structured Finance

Real estate related nonrecourse finance and corporate finance, project finance, specialty finance including M&A-related finance

- Principal Transactions

Credit trading, private equity, business succession finance, corporate restructuring, asset-backed investment, etc.

- Showa Leasing

Financial products and services focused around lease finance

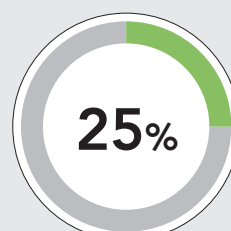
Global Markets Business

- Markets Business

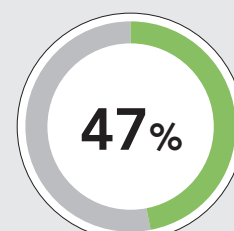
Foreign exchange, derivatives, equity-related and other capital markets business

- Other Global Markets Businesses

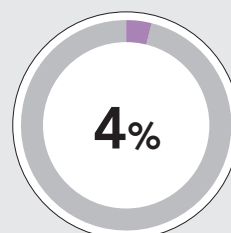
Securities business, asset management business, wealth management business



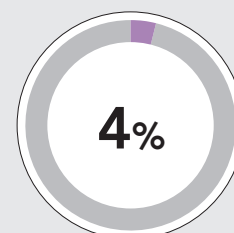
58.0 Billion yen



26.4 Billion yen



9.4 Billion yen

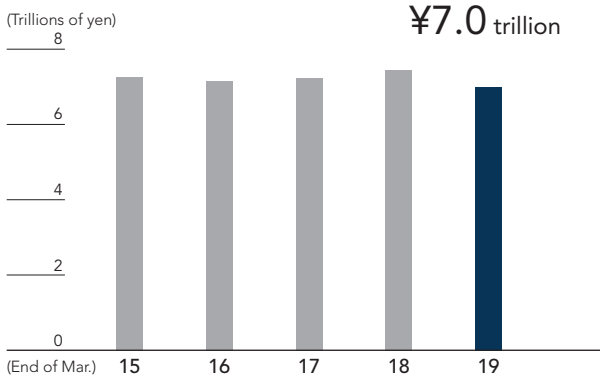


2.3 Billion yen

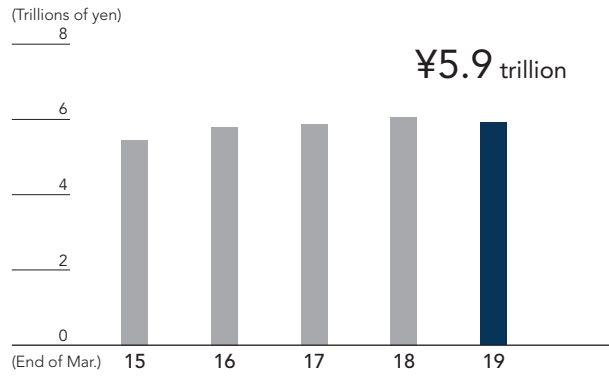
The percentage figures do not add up to 100% due to the contribution of Corporate/Other.

Financial Highlights

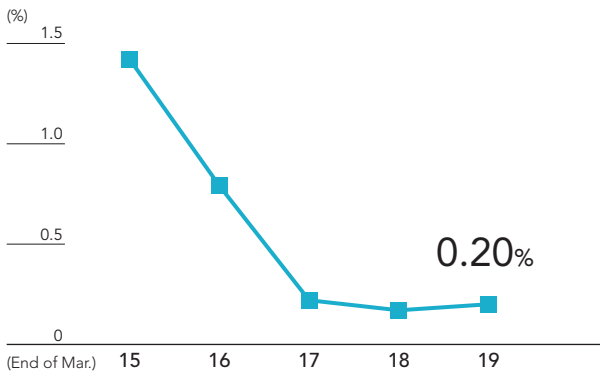
Operating Assets



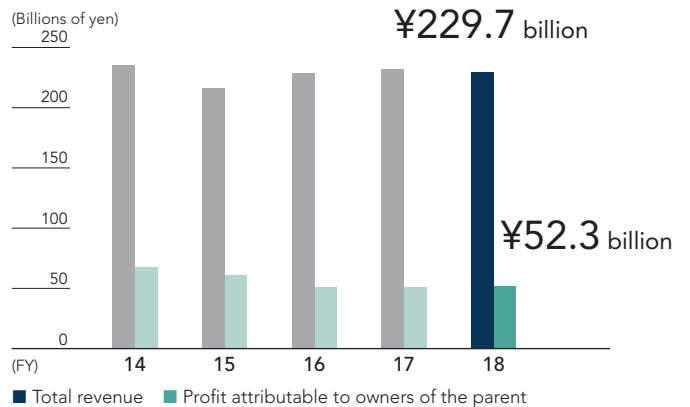
Deposits



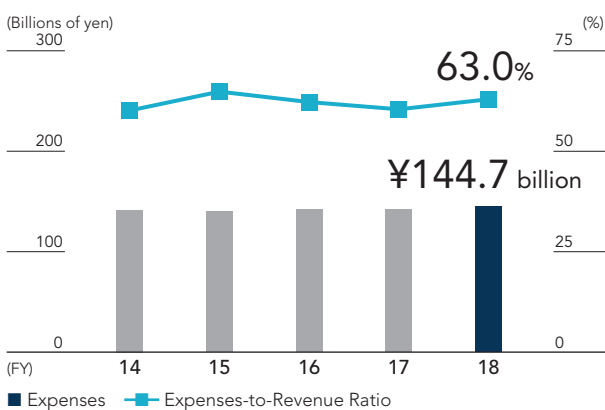
Ratio of Nonperforming Claims Classified under the Financial Revitalization Law to Total Claims (Nonconsolidated)



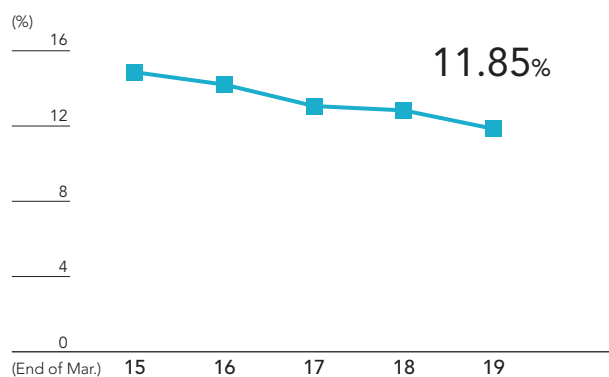
Total Revenue/Profit Attributable to Owners of the Parent



Expenses/Expenses-to-Revenue Ratio (Management Accounting Basis)



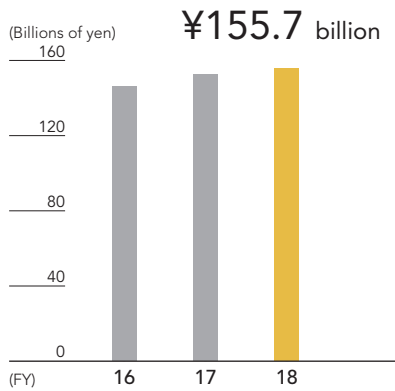
Capital Ratio (Basel III, Domestic Standard)



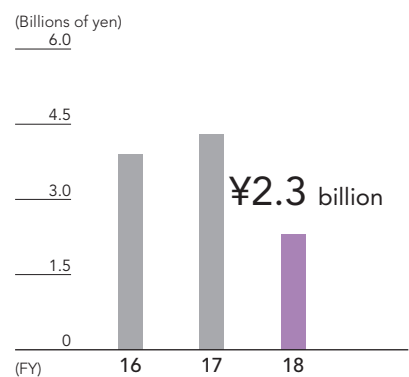
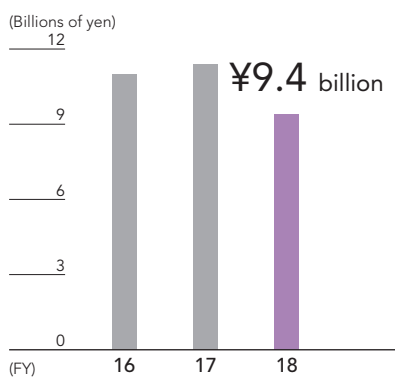
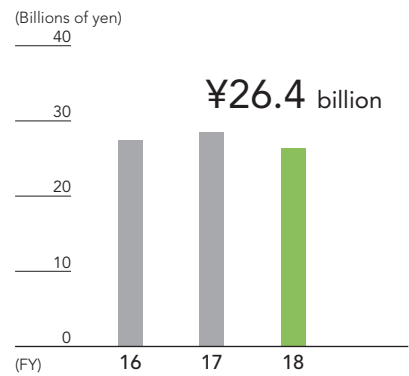
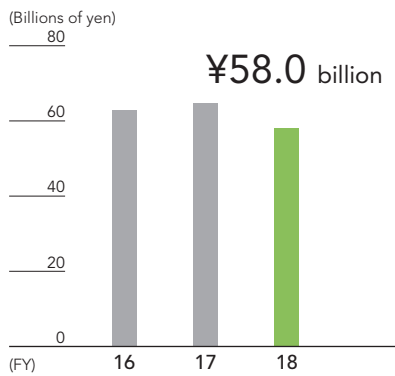
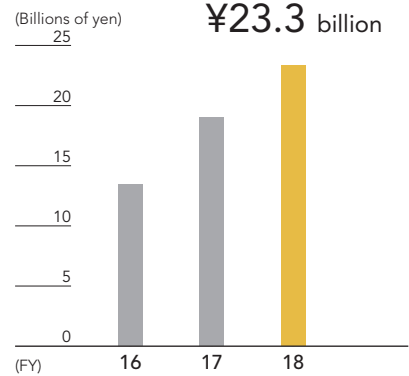
●●● Segment Highlights



■ Total Revenue



■ Ordinary Business Profit after Net Credit Costs



Distinctive Business Activities

While engaging in a wide range of distinctive business activities, the Shinsei Bank Group promotes unsecured personal loans that offer considerable strengths through a customer base built on the Lake brand as well as robust marketing, credit and collection functions, and corporate structured finance that boasts substantial competitive advantage through expertise based on a wealth of experience and relationships with institutional investors.

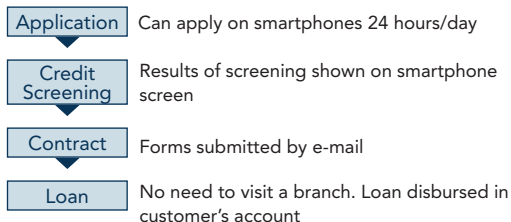
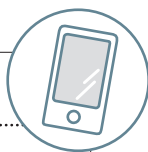
Unsecured Loan Business

Lake ALSA Strengths and Strategies

- Development of customer base and customer data by major consumer finance Lake brand
- Use of conventional scoring models derived from nonbank credit-risk control methods, plus use of AI to enhance credit assessment/collection
- Optimization of operation costs using digital technology
- Fixed-term, no-interest loans for new customers
 1. Customers with a contract amount under ¥2 million, no interest for 180 days for loans up to ¥50,000, or
 2. 30-day no-interest loan
- Customers' smartphones can act as a substitute for a branch, enabling them to receive services in real time 24-hours a day. Smartphones can also be used to make repayments, increase credit limits and receive other services without being restricted to time or place.
- Loan disbursement and loan repayments are also possible using a card issued especially for this purpose. Beginning in May 2018, customers can make "cardless" transactions at Seven Bank ATMs.



70% of Lake's customers apply on smartphones

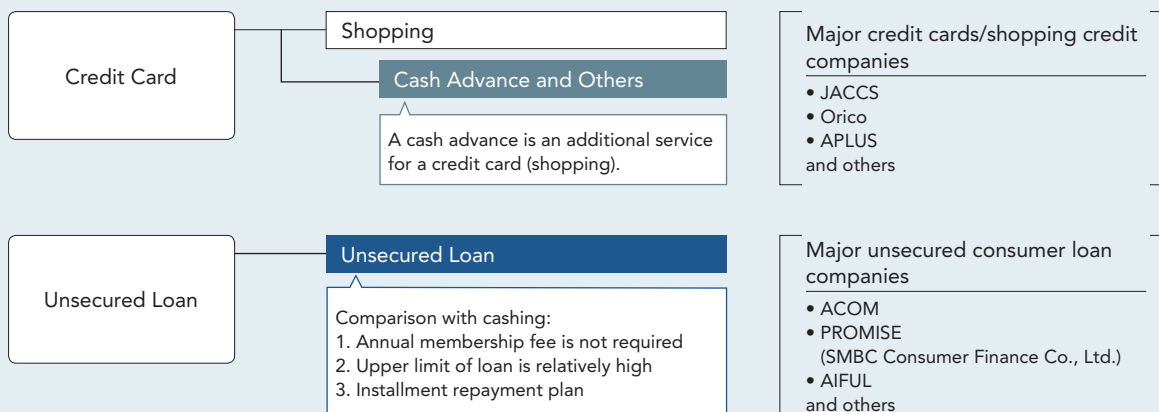


Number of New Unsecured Loan Customers and Approval Rate

	FY2016	FY2017	FY2018
Number of New Customers (Thousands)	155	162	113
Approval Rate (%)	34	36	30

The Difference between an Unsecured Loan Service and Cash Advances

Unsecured loans are loans to individual consumers providing finance that is appropriate to the needs and timing of customers. The loans are available, even to customers who do not possess a credit card, through the use of smartphones and a dedicated card that can access ATMs at convenience stores and unstaffed branches.



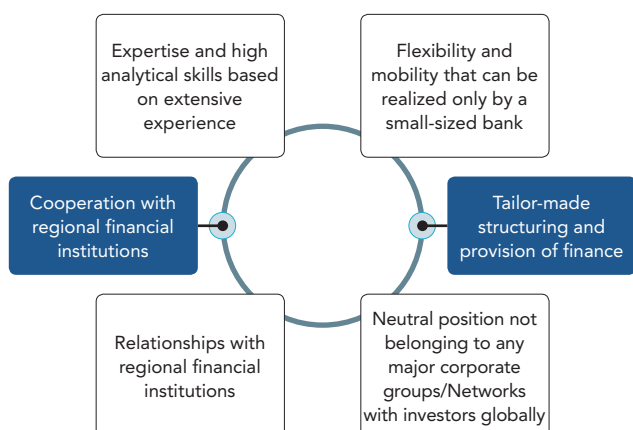
Structured Finance Business

Shinsei Bank Group's Strengths

As neither a megabank nor a regional financial institution, the Shinsei Bank maintains a unique position with the following strengths.

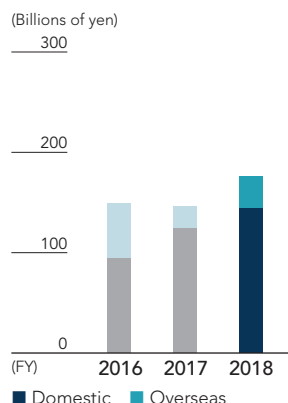
- We are better able to tackle projects with a focus on flexibility and speed than megabanks.
- We have more expertise and greater analytical skill given our extensive experience than regional financial institutions.
- We are able to do business from an independent standpoint with a broad range of customers because we do not belong to a specific capital group.

Create added values from our unique positioning that is different from both megabanks and regional financial institutions



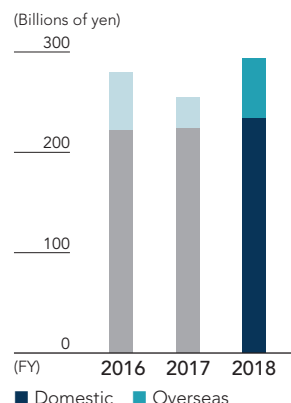
New Commitments

Project Finance



New Disbursements

Real Estate Nonrecourse Finance



Product Structure

The Structured Finance Business primarily delivers project finance for renewable energy power generation facilities and infrastructure facilities, and provides real estate finance for commercial real estate.

