

Special Features

Overview of the Second Medium-Term Management Plan (MTMP)	14
Progress of the Second MTMP	15
President's Conversation with Investors	16
Individual Group Roundtable Discussion	20
Overview of the Shinsei PI Group	24
Undertakings of the Venture Banking Initiative	26
Contributing to Regional Economies through Collaboration with Regional Financial Institutions	28
Summary of Major Events	30

OVERVIEW OF THE SECOND MEDIUM-TERM MANAGEMENT PLAN (MTMP)

(FY2013 - FY2015)

Management Principles

- To be a banking Group that is sought out by customers, with stable profitability, and contributing to be the development of the industrial economies in Japan and overseas
- To be a banking Group that values diverse talents and cultures and that is continually able to take on new challenges in a changing environment while taking into consideration experience and history
- To be a banking Group that has highly transparent management as well as be trusted by all stakeholders including customers, investors and employees

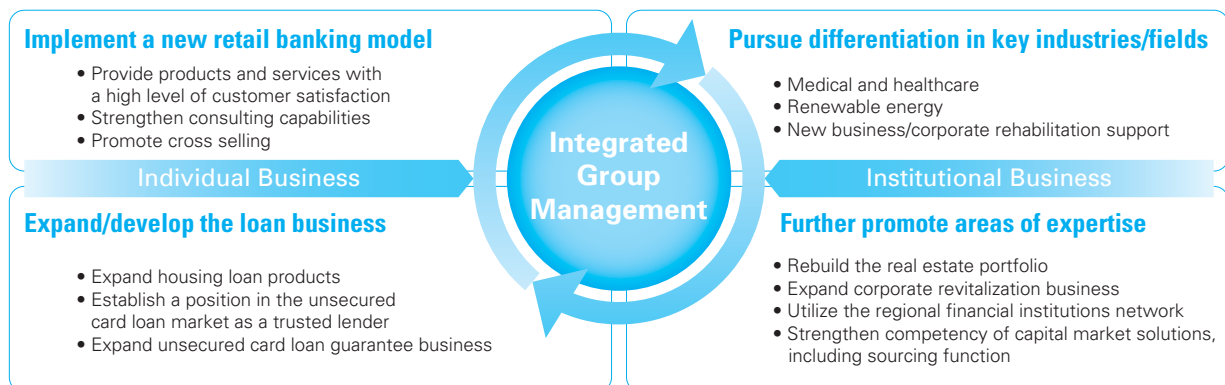
Basic strategy

In the Second MTMP, we will aim to integrate the management of both the individual business and the institutional business by combining and utilizing the customer base, networks, and financial functions held by the entire Shinsei Bank Group.

In the individual business, we will implement a new retail banking model to create 5 million "core customers" that are able to freely use the Shinsei Bank Group's products and services that fit their needs. In the institutional business, we will be implementing our "VBI" model as part of our plan, where we will support the growth of businesses, industries and regions, as well as support our customers in strengthening and applying business expertise.

Individual Business: To implement a new retail banking model to grow our core customer base to 5 million

Institutional Business: To strengthen and utilize expertise to support the growth of companies, industries and regions by working together with customers



Targets

We have established the three targets: "establishing a unique business base," "increasing revenues and further improving financial fundamentals," and "becoming a financial group appreciated by customers and valued by society and markets." Our financial targets are aimed at pursuing not only earnings in absolute amounts, but also high profitability and improving our financial soundness at the same time.

FY2015 Financial Targets

Growth	Net Income	70.0 BY
	Cash Basis ¹ Net Income	76.0 BY
Profitability	RORA ²	about 1.0%
	Expense-to-Revenue Ratio	50% level
	ROE	about 10%
Financial Stability	Common Equity Tier I Ratio ³	about 7.5%
	NPL Ratio ⁴	2% level

• We are targeting consolidated reported basis net income of 70.0 billion yen and consolidated cash basis¹ net income of 76.0 billion yen in FY2015

• Our aim is not only the absolute amount of net income, but also to achieve a high level of profitability while enhancing the financial stability of our operations

¹ Cash-basis figures are calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit
² Return on risk assets is calculated as net income divided by fiscal year end risk assets

³ Basel III fully loaded basis

⁴ Non-consolidated basis non-performing loan ratio

PROGRESS OF THE SECOND MTMP

Progress of the Second Medium-Term Management Plan

(Consolidated, Billions of yen)

	FY2012 Results	FY2013		FY2014 Forecast	FY2015 2nd MTMP Targets
		Targets	Results		
Growth					
Net Income	51.0	48.0	41.3	55.0	70.0
Cash Basis Net Income	60.4	56.0	49.8	62.0	76.0
Profitability					
RORA ¹	—	—	0.69%	—	about 1.0%
Expense-to-Revenue Ratio	64.6%	63%	65.4%	60%	50% level
ROE	8.6%	—	6.5%	—	about 10%
Financial Stability					
Common Equity Tier I Ratio (International Standard) ²	—	—	9.2%	—	about 7.5%
NPL Ratio	5.32%	—	3.81%	—	2% level

¹ Return on risk assets is calculated as net income divided by fiscal year end risk assets ² Basel III fully loaded basis

Growth

In fiscal year 2013, the first year of the Second MTMP, the Bank recorded a net income of 41.3 billion yen and a cash basis net income of 49.8 billion yen, regrettably below the original target of 48.0 billion yen net income (56.0 billion yen cash basis net income) set in the Second MTMP. This was due to the unexpected additional provisioning of 15.6 billion yen for grey zone reserves during the same period.

Profitability

In regards to profitability, the expansion of revenue in fiscal year 2013 fell behind schedule, with a ROE of 6.5% and an Expense to Revenue Ratio of 65.4%, and compared to fiscal year 2012 (ROE: 8.6%; Expense to Revenue Ratio: 64.6%), ROE has declined, and the Expense to Revenue Ratio has increased. Additionally, RORA in fiscal year 2013 has remained at 0.69%, and in order to achieve the profitability targets set for the final year of the Second MTMP (2015), the Bank recognizes that it must make further efforts in order to achieve the Second MTMP targets.

Financial Stability

The disclosed nonperforming loan ratio as of March 31, 2014 was 3.81%, a significant improvement compared to March 31, 2013 (5.32%), and the achievement of the 2% level target set for the final year of the Second MTMP is now within sight.

Regarding the capital ratio target, while the Bank has set its March 31, 2016 Common Equity Tier 1 (CET1) Ratio (Basel III, International Standard, fully loaded basis) target as approximately 7.5%, as of March 31, 2014, the CET1 Ratio stood at 9.2%, far above the target. This was due to the steady accumulation of retained earnings, as well as the growth of assets being slower than originally expected in the Second MTMP, resulting in the capital ratio rising more than originally anticipated.

Fiscal Year 2014 Forecast

The forecast for fiscal year 2014, in line with the figures originally released in the Second MTMP, is a net income of 55.0 billion yen (cash basis net income of 62.0 billion yen).

In fiscal year 2014, due to an improvement in funding costs as high interest rate campaign time deposits made in the past reached maturity, as well as the accumulation of high quality assets in the strategic focus areas of both the individual and institutional businesses as management resources are proactively invested in these areas, we expect to achieve the established targets through a significant increase in revenue.



Shigeki Toma
President & CEO, Shinsei Bank



Moderator:
Toyoki Sameshima
Senior Analyst,
Equity Research,
Global Equities & Commodity Derivatives,
BNP Paribas Securities (Japan) Limited



Institutional Investor:
Hideichiro Nishimura
Senior Analyst,
Equity Research Department,
Nomura Asset Management Co., Ltd.



Institutional Investor:
Hiroyuki Hanaoka
Managing Director,
JPMorgan Asset Management (Japan) Ltd.

PRESIDENT'S CONVERSATION WITH INVESTORS

We invited Mr. Hideichiro Nishimura from Nomura Asset Management Co., Ltd. and Mr. Hiroyuki Hanaoka from JPMorgan Asset Management (Japan) Ltd. to discuss with Mr. Shigeki Toma, President & CEO of Shinsei Bank, the Shinsei Bank Group's growth strategy, development of products and services unique to Shinsei Bank, and the capital and shareholder return policies. Mr. Toyoki Sameshima of BNP Paribas Securities (Japan) Limited, a banking sector analyst, participated in the discussion as the moderator.

Growth Strategy

Sameshima Exactly four years have passed since you took the helm of Shinsei Bank in 2010 President Toma, and you have completed the First Medium-Term Management Plan ("MTMP") and the first year of the Second MTMP. What progress have you made so far?

Toma When I joined Shinsei Bank, the first thing I had to do was to "put out the fire." In other words, I had to dispose of the legacy assets which the bank had invested in in the past and to bring the Bank back to the way it should have been in the first place, and I think we achieved this at the end of the previous term (which ended March 2014). For example, we disposed of nonperforming loans so that they would not place downward pressure on our profits, and we set

aside additional reserves for grey-zone losses in our consumer finance business.

We have thus cleaned up our legacy issues. However, now what we really have to do is develop the raison d'être of Shinsei Bank. There are so many banks in Japan. We are not a megabank or regional financial institution, and as such, we need to figure out how we can demonstrate our value proposition.

Hanaoka Having resolved the legacy issues, your growth strategy is very important in order to create new value in the future, and differentiation is an aspect of your strategy. However, unless you are constantly differentiating yourself from your competitors, larger companies will often emulate what you have started and penetrate into the market. What is your view on the creation and promotion of a structure for maintaining differentiation efforts within the Bank?

Toma Instead of fighting megabanks on an equal footing, we began by changing our target markets and our approach to them. For example, we became a trailblazer in the area of Internet banking services in our retail banking business. We had a new concept, not charging fees and offering services 24 hours a day, seven days a week. Our online banking services were derived from an outsider's idea and was not an idea coming from the traditional banking business. In the traditional banking business, many banks close their branches at 3 p.m. and are not open on Saturdays or Sundays, and of course charge fees for their services. We changed all of this, and as a result, we enjoyed much support from our customers. It was a huge success as the number of retail accounts increased dramatically in the beginning. We intend to differentiate ourselves

from our competitors by constantly implementing these kinds of initiatives.

In terms of the internal structure, we are bringing together staff members who have contact with customers at branches and ask them what customers want and what difficulties the staff members have in their duties and discuss these issues in depth.

Hanaoka In order to accumulate growth assets, you need to take some risks at some stage, but you have had the experience of taking on too much risk in the past. Do you have a framework to keep you from taking on too much risk?

Toma We of course take risks. But we take risks based on careful assessment. To do this, we try to get to the bottom of the risks we are taking to find out what they actually are. However, while new technologies and cutting edge approaches will keep developing in the future, we may not have professional expertise in these areas. To accurately judge their real growth potential, we have created networks with technological experts, entrepreneur groups and universities, and we often utilize their inputs in our decision making. We take risks taking into account information from these networks. One thing that is completely different from the way we did things in the past is that we have a credit limit for each transaction. We establish credit limits depending upon internal ratings. For instance, entrepreneur-type companies which just started their business tend to have the highest level of risk, so the maximum we will lend to such borrowers would be 100



million yen. The primary job of a bank is to take risks, and we have therefore begun brushing up our risk assessment abilities in order to identify the risks we can take, the risks we should not take, and the risks we should take.

Nishimura Shinsei Bank's strategy under the Second MTMP is to proactively increase expenses in order to expand the customer base. If this doesn't work as planned and your revenues don't increase, what will your next actions be?

Toma We are going to increase personnel related expenses including expenses for professional development and IT system expenses. For our bank to grow significantly in the future, we have to shift our "typical Japanese style" bankers into attack mode. Practical training is essential for this and we will actively promote it. Outsiders have said that our top-line revenue target in fiscal year 2014 plan is too aggressive. However, what underlies our bank's long-term value is our differentiation strategy. We are confident that an im-

pact from this will emerge in the form of support from our customers, and I believe that our top-line revenue will increase as a result. This is why we have a plan with strong top-line revenue and conservative cost targets.

Hanaoka As an investor, given the quality of your bank's earnings, we are now just waiting for your efforts to yield fruits. While it may take a little more time for top-line revenue to start increasing, are there any indicators we should look at to be reassured of the coming success of your differentiation strategy?

Toma We have set qualitative targets as Key Performance Indicators (KPI). For instance, in the individual business, this includes the number of customers, deposit balance, and so on. If you look at these indicators, you will understand that volumes are expanding. With respect to the number of customers, we aim to increase the current 2.5 million to 5 million. At the moment, the number of young customers is increasing. However, because young people don't have many assets, they open accounts in order to benefit from convenient account features such as free remittance fees. This means we incur a loss per account. However, if we fail to capture these customers, there is no future growth for us. These accounts do not lead to short term earnings, but will lead to future growth.

For the institutional business, for instance, the balance of loans to small- and medium-sized companies and the number of companies that have transactions with us should be the key indicators.





Developing Products and Services Unique to Shinsei Bank

Sameshima With respect to the development of products and services that are unique to Shinsei Bank, can you please talk about products and services for individual customers?

Toma In housing loans, fierce interest rate competition is underway involving megabanks and regional banks. If Shinsei Bank, whose fundraising costs are higher than megabanks and regional banks, competes head on against them, what will result is clear. As a result, we decided to focus on the creation of new segments. First, we launched a housing loan that supports working women and families with children. This is a housing loan that features sick child care service and housekeeping service coupons, and through this feature we have differentiated this housing loan from the housing loans of other banks. Rather than competing on interest rates, we have changed our approach to compete with other banks by creating products with high value added.

In the discussions with branch staff members I mentioned earlier, a topic that was often raised was smart phones. While the trend of on-line banking transactions using PCs is generally unchanged, transactions using smart phones have noticeably increased. Therefore, we plan to improve our smart phone banking

services so that our customers can do everything from their smart phones.

With regard to the T-Point service offered in partnership with Culture Convenience Club Co., Ltd. ("CCC"), while there are other banks who are offering the same service, no other bank is promoting it as aggressively as Shinsei Bank. At this stage, the types of transactions for which we are award T-Points are limited, such as opening accounts at our bank. However, we are considering the financial services we can offer together with CCC to the approximately 48 million T-Point members.

In our services at branches, the Futakotamagawa Branch has an innovative approach. To match the customer profiles of the area where there are many high net worth housewives, the Branch has deployed only female staff

members to make it easier for female customers to have consultations.

Sameshima What about products and services for institutional customers?

Toma Because our relationships with institutional customers were severed once when the former Long-Term Credit Bank of Japan failed and the margin on interest income became thin after the Bubble period, we have not aggressively pursued transactions with institutional customers since the launch of Shinsei Bank. However, what we are going to do from now on is to provide cash flow finance to corporate customers. We will grant loans to entrepreneur companies or companies in new business areas. In addition to collateral and transaction history, we also ask questions about the characteristics of their business, their strengths, their backgrounds, and if they are confident of making their business work. We then assess their business and look to support the growth of our customers. We take pride in the idea that our approach in creating relationships with customers is different from the banks in the past. You may call it a "niche" business, but I believe that we will be able to cultivate new areas through this approach.

Nishimura What are the prospective industries that are likely to contribute to an increase in revenues?

Toma Renewable energy, healthcare and Private Finance Initiatives* (PFI)



are likely to grow. We are also looking into specific technologies such as smartphone glass, thin films and liquid crystal for smart phones. In some of these areas, Japan has over 90% market share in the world, has patents and some of the technologies have become de facto industry standards.

* Use of private funds and technologies for the construction, maintenance and management of public facilities.

Capital Policy/ Shareholder Return Policy

Sameshima Shinsei Bank's Common Equity Tier 1 Capital Ratio is currently significantly above the 7.5% target set in the Second MTMP. What is your assessment on this? Also, as an analyst, I think share buy-backs could be one of the options for your capital policy. What are your views on this, and what is the possibility of share buy-backs in the future?

Toma Our Common Equity Tier 1 Capital Ratio currently stood at 9.2%. This is attributable to the accumulation of retained earnings through the generation of profits combined with the decrease in risk assets due to generally sluggish asset growth and progress in the disposal of nonperforming loans. However, going forward, we are committed to growth, and in order to grow we need capital and we need to enhance our business promotion. Our price-to-book value ratio (PBR) is currently below 1. While share buy-backs are an option, we cannot use up our capital only to buy back our shares. In particular, because we have received public funds, we must not repeat being in a situation where we have a capital shortage. However, I would like to carefully think about how we will provide shareholder returns in the future. In addition, I consider return on equity (ROE) important. Although it is hard to balance ROE and capital position required under Basel III, I don't think our current ROE is acceptable at all.

Hanaoka Because there is the Second MTMP, we tend to use the numbers and time frame of the Second



MTMP as our reference points. But, in fact, what do you think should be the timeline for your capital policy and growth strategy? Will you wrap them up when the MTMP ends?

Toma Regarding the capital policy, as a bank that has received public funds, we must make sure that we will not suffer from the lack of capital in the future. In addition, we should repay public funds. This is to be discussed as part of the Revitalization Plan.

Nishimura What kind of a bank will Shinsei Bank be in five to ten years time?

Toma Rather than expanding in size, I would like to improve our quality, especially our intelligence. In addition, I would like to develop overseas business in the near future. Our target market will likely be Asia and Oceania including Japan. I also would like to offer investment consulting service to individual customers. The baby-boomers are around 60 years old now and will retire soon. The asset management needs of people in this generation are certain to increase, and we are preparing ourselves to deal with such needs.

Sameshima Are you looking into M&A as an option for your growth strategy?

Toma If we have a good opportunity, we will. But we don't intend to get together and do something with a company whose ideas and principles are different from ours.

Sameshima You may have a long way to go before you can repay public funds. What is the timeline you are thinking of?

Toma I cannot make any promises. But I am optimistic by nature, and I think our performance will improve significantly if the business model I have explained works well. Share price normally is a leading indicator, so our share price might improve much earlier. I cannot say when we can do it, but I think it won't be that far ahead. I hope to set out a specific scenario within five years or with the next MTMP. We will do everything we can in order to do this. We have dealt with most of our nonperforming loans, so there are not many of them left. Our nonperforming loan ratio as of March 31, 2014 was 3.81%, and I think we can bring it down to the 2% level by the end of fiscal year 2014. At the very least, in the four years since I joined the Bank, we haven't become burdened with any new, significant nonperforming loans. Even if we have nonperforming loans in the future, they won't affect us in a serious way. Therefore, if we can successfully switch to an offensive approach in our business promotion activities with sufficient commitment, I am optimistic that the path to success will open up before us.



Sanjeev Gupta
Head of Individual Group

Masashi Yamashita
Head of Consumer Finance Sub-Group

Tetsuro Shimizu
Head of Retail Banking Sub-Group

Yasuhiro Aoki
President
SHINKI Co., Ltd.

Riku Sugie
President and CEO
Shinsei Financial Co., Ltd.

Satoshi Noguchi
President
APLUS Co., Ltd.

INDIVIDUAL GROUP ROUNDTABLE DISCUSSION

The Head of the Individual Group, the Heads of its Sub-Groups and Presidents of Group companies at Shinsei Bank convened for a roundtable discussion on initiatives undertaken in FY2013 and future initiatives aimed at attaining 5 Million "Core Customers," the cornerstone of the Individual Group's strategy under the Second Medium-Term Management Plan.

Efforts During FY2013

Gupta At the beginning of 2013, we formulated our three-year Second Medium-Term Management Plan ("MTMP"). While the highest-priority goal of the Individual Group under the Plan is to attain 5 million core customers, this does not mean that we are looking to expand the number of retail banking customers from the current 2.5 million to 5 million. Rather, our goal is to attain a total of 5 million customers that are able to, depending upon their needs, freely utilize not only the products and services of retail banking, but those of the member companies of the Shinsei Bank Group, including APLUS FINANCIAL, Shinsei Financial, Shinsei Bank Card Loan—Lake ("Lake"), SHINKI, and Shinsei Property Finance, as well.

In order to achieve this goal, in March 2013, we first established a steering committee that brought together key members of the Individual Group, including member companies of the Shinsei Bank Group. We used this committee as a forum for engaging in frank discussions and determining specific initiatives that should be undertaken

in order to attain 5 million core customers. This was followed by the formation of working teams that would then work on the actual execution of these initiatives.

One of the first initiatives we implemented was making customers with Shinsei APLUS credit cards and customers utilizing Lake's loan services eligible for the "Gold" stage of Shinsei's step-up program. We also implemented various other measures such as enclosing flyers for Lake in new account starter kits and sending retail banking customers direct mailings of Lake pamphlets.

Additionally, we entered into a partnership with Culture Convenience Club Co., Ltd., the company that operates the TSUTAYA chain of rental media shops, and a business partner of APLUS, an operating subsidiary of APLUS FINANCIAL, in order to offer a T-Point program through Shinsei Bank. We are now proactively leveraging this partnership, offering T-Points in promotional campaigns such as rewarding existing customers with T-Points when they utilized ATMs operated by E-net Co., Ltd. ("E-net"), one of our ATM partners.

Challenges Faced and Positives Created through Inter-Group Cooperation

Noguchi For the Shinsei APLUS credit card, we conducted a promotional campaign that combined the card with Shinsei Bank's Japanese yen time deposits, which proved to be extremely effective. However, business laws prevented Shinsei Bank employees from directly soliciting customers in campaigns for APLUS, the credit card issuer, at Shinsei Bank branches. We at APLUS therefore arranged for our employees to go to Shinsei Bank branches to provide explanations of our credit card. While there may indeed have been other, better methods for implementing the campaign, our campaign was still highly effective. Close to 90% of customers acquired through this campaign applied for a Gold card, and usage rates of these Shinsei APLUS credit cards are exceptionally high. I feel that not only was the campaign effective, it was also successful in terms of our collaboration together with Shinsei Bank. Additionally, during FY2013, the most significant event from APLUS' perspective was that Shinsei Bank joined the T-Point program. Due to our newfound ability to collaborate in developing initiatives that utilize T-Points, I believe in the future we can collaborate in developing programs aimed at attaining 5 million core customers.

Shimizu In the Retail Banking Sub-Group, the number of new accounts opened during FY2013 has not changed from to the previous year. Additionally, regarding our retail banking initiatives for Shinsei APLUS credit card and Lake customers, we must not rest on our laurels. During FY2013, we focused on creating our foundation. Without fundamentally changing the behavior and working style of our employees' at retail banking branches, there were limits to the extent to which credit cards and other products could be newly activated at those branches. First, we focused our efforts on revising these frameworks. Up until this point, branch functions tended to be split between consulting and large-account sales and various smaller-account product sales by our front office teams. In order to provide consulting services of a more customer-centric nature, we have established our branch sales framework to integrate those functions together into a single set of cohesive sales functions. I believe that FY2014 is going to be the year where we will be asked to add various products and services to that framework and be challenged to make them grow.

Additionally, as we aim to attain 5 million core customers, we must significantly expand the number of our customers in retail banking as well. In order to accomplish this, the degree to which we can facilitate the activation of accounts opened by customers as well as control the costs associated with the newly opened accounts as they increase in number will take on increasing importance. Our expanded partnership with convenience store ATM operators has been significant in

this regard. Up until now, our only convenience store ATM partnership was with Seven Bank. Our most recent efforts to expand these ATM partnerships will prepare the Bank for when the total number of customer accounts reaches 4 million or 5 million in the future. With regards to facilitating the activation of accounts that have been opened, the activation rate (account utilization rate) of customers who opened their accounts through the T-Point program is the highest, and is in fact roughly double the activation rate of customers who opened their accounts through other routes. In FY2014 a major challenge will be to understand how to increase that rate going forward.

Efforts Undertaken at Shinsei Financial and SHINKI

Sugie I regard FY2013 as the year that we were able to recognize that we will deal with customers that are different from those under the former Lake brand, and that those customers expect services that differ from those offered under the former Lake brand. In September 2011, in addition to the transfer of the Lake brand into Shinsei Bank, Shinsei Financial provided the Bank with a credit guarantee as well as undertook certain "backyard" operations. However, credit models, customer pathways created on websites and other routes formerly used in the old Lake brand had to be reformulated from scratch, making 2013 a year where we had many learnings. In the future, we will need to develop an understanding of how to draw customers, who do not necessarily view Lake positively, closer into that brand. At the same time, we have to consider how we should provide services to customers that are loyal to the APLUS brand. As an extension of those preparations, we also have to put together completely different services for customers of the regional financial institutions that we partner up with for credit guarantee operations. I think FY2014 will be a year where our ability to customize solutions in such a manner will be tested. The services our customers require will differ according to their entry products in initial transactions, whether they are retail banking, Shinsei APLUS credit cards or Lake products. The effective customization of products and



Sanjeev Gupta
Head of Individual Group



Yasuhiro Aoki
President, SHINKI Co., Ltd.

Satoshi Noguchi
President, APLUS Co., Ltd.

services to suit individual customers through a shared, modularized framework that this will require will be challenging. However, I believe that the skills and expertise required to provide such services will become one of our core strengths in the future. We at Shinsei Financial seek to become the kind of company that is able to flexibly accommodate its customers' needs in addition to providing basic services.

Aoki At SHINKI, we offer unsecured personal card loans under the "NO LOAN" brand, and we have worked exhaustively to acquire customers for the products and services that we provide. We have engaged in our business with the hope that being part of the "Shinsei" approach will enable us contribute to the achievement of the Group's goal of attaining 5 million core customers. Our customers are, of course, different from the customers of Lake, and we have spent a year intently following up on customers who want to use services offered by personal loan companies rather than unsecured card loans offered by banks. Many customers who use unsecured personal card loans prefer to keep their use of these services a secret from others, which I feel creates a certain level of difficulty for us in collaborating with Shinsei Bank in providing a variety of products. Still, I am optimistic that there are opportunities for us to collaborate with Shinsei Bank, such as having it to introduce some of the customers who applied for Lake to SHINKI.

Differentiation of the NO LOAN and Lake Brands

Aoki Regarding the differentiation of these two brands, we have not gone so far as to draw lines delineating the two. By having SHINKI promote the NO LOAN brand and Shinsei Bank promote the Lake brand to the best of their respective abilities, I believe that in the end, customers will choose the institution that is the best match for them. SHINKI could be categorized as having a large number of customers using petty loans, and I believe that by actively engaging these kinds of customers,

SHINKI is able to follow up on customers that Shinsei Bank is unable to obtain.

Sugie The NO LOAN and Lake brands are completely different, including the way they are sold. Lake's business model is to conduct massive amounts of investment across all channels, be they TV commercials, physical branches or the Internet, in order to gradually build brand awareness. Conversely, the strategy surrounding NO LOAN is to generate brand recognition and demonstrate the brand's appeal to customers strictly through the Internet. While this does not necessarily mean that the target customers under each company are different, my impression is that the expectation values of customers under

each brand are different. Where NO LOAN is concerned, I believe that examining how we will continue our approach using the relatively-nascent channel that the Web represents and working in tandem with Lake will result in the gradual growth of the NO LOAN brand.

Initiatives in the Credit Card Business

Noguchi In APLUS's T-Point program, by rewarding users with points whether they shop on credit, pay their rent or settle their bills, we are seeking to create a system that retains customers who are fond of T-Points. The T-Card Plus (issued by APLUS), a T-Card equipped with a credit card function that we have been offering since March 2013, has revolving credit as the default setting, and a year later, the revolving credit payment ratio of those cards is greater than 70%. I believe that by giving customers the option of revolving credit payments, we are effectively providing them with a feature that enables a greater degree of freedom in terms of lifestyle and consumption compared to simple deferred payments. Going forward, in addition to the effective application of T points, we seek to address on a group-wide basis, measures for making the use of these cards easier and further develop partnership card programs.

Attaining 5 Million Core Customers

Yamashita I was directly involved in the formulation of the Second MTMP in the capacity of the Head of the Corporate Staff Group. Throughout the process, our idea was to draw up and incorporate a growth and differentiation strategy for Shinsei Bank. Looking at the resources available to the Shinsei Bank Group and the competitive landscape, we came to the conclusion that the point of focus was, as expected, the Individual Group in its entirety, including member companies of the Shinsei Bank Group. With that in mind, we proceeded to formulate the Plan based largely on the concept of directly approaching customers as a group

as a differentiation strategy that simultaneously worked to leverage the strengths of the Shinsei Bank Group. This process would in effect firmly establish the identity of the Shinsei Bank Group as defined by having 5 million core customers.

Compared to other bank groups, while the banking component of the Shinsei Bank Group may be small in scale, it possesses the greatest level of functionality out of any bank group in Japan, as well as the greatest level of intimacy with retail customers. As such, a major idea behind the formulation of the Second MTMP was “how can we best leverage those strengths?” A simple calculation of the total number of customers amongst Shinsei Bank, APLUS FINANCIAL, Shinsei Financial, SHINKI, and Shinsei Property Finance comes to about 10 million customers in the entire Shinsei Bank Group. Yet, we are unable to conduct cross-selling in units other than 1 million customers. Taking that into consideration, our idea was that if we can integrate the diverse functions of the Shinsei Bank Group in order to tie together our customers, the Group will be able to increase its base of loyal customers.

I believe this approach was the correct one for us. In terms of having to begin with realizations regarding mutual awareness within the Group, such as what each component of that Group is capable of doing relative to the others, what it is incapable of doing, and what the respective differences are between those components, in my eyes, we were able to take our first step in 2013. The steering committee is fulfilling its intended functions, albeit one step at a time, and the sense of urgency involved in its processes is becoming gradually faster. Every month, top management members from Group companies come together to propose on the spot how their own companies can help and what should be done to resolve certain problems. Their conclusions are then incorporated into actions within the following month or so. In my opinion, this is an excellent way of promoting initiatives. Shinsei Bank and its Group companies have cleared the first step of aligning



Masashi Yamashita
Head of Consumer Finance Sub-Group

ourselves on the same vector. Now that we have come together, we have also become capable of approaching other divisions, and I believe that the Shinsei Bank Group has truly begun to move forward as a group. A crucial point for us in FY2014 will be properly establishing products and services with the “Shinsei” brand attached to them that meet a reasonable standard of quality and elicit satisfaction from our customers. During FY2014, I hope to put together a framework in preparation for the third year of the Second MTMP after we have addressed that point.

Shimizu During FY2014, I hope to incorporate discussions by the steering committee on a slightly more practical business level. If we can make that happen, I anticipate that customers will take the view that the products, services and quality offered by the Shinsei Bank Group are uniformly excellent.

Sugie The law that Shinsei Financial has been particularly mindful of so far is the conduct regulation known as the Money Lending Business Law. We, too, have endeavored to enhance our awareness of the Banking Law to coincide with the new handling of Lake products by Shinsei Bank, and believe that we now have a strong understanding in place. Our employees’ new approach focuses a great deal on whether or not we should do something, rather than whether or not we were told not to do something. Going forward, we intend to provide services that are representative of the “Shinsei Bank” brand.

Gupta As the initial year of our three-year Second MTMP, FY2013 is when we sowed the seeds of that plan. Call it the building-blocks phase, if you will. Over the next two years, those seeds are sure to bear fruit that will be ripe for the picking. In the Individual Group, our direction has become increasingly clear, and our members are working with a forward-looking perspective. I therefore hope to further elevate the speed with which we execute initiatives as we move forward.



Tetsuro Shimizu
Head of Retail Banking Sub-Group

Riku Sugie
President and CEO, Shinsei Financial Co., Ltd.

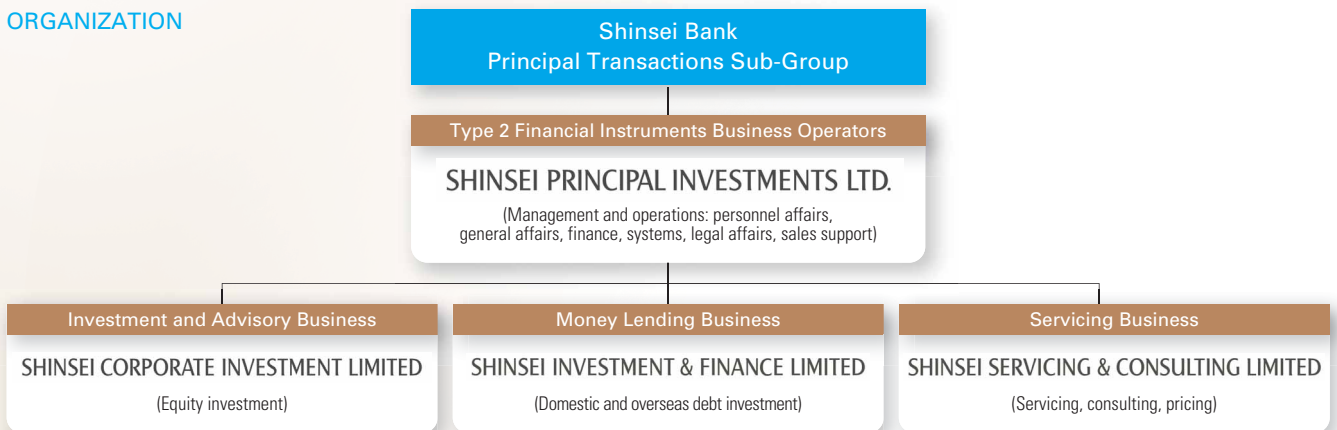
OVERVIEW OF THE SHINSEI PI GROUP

Principal Transactions Sub-Group

In July 2013, Shinsei Bank reorganized the Principal Transactions Sub-Group and its consolidated subsidiaries into the “Shinsei Principal Investments (PI) Group” which engages in the credit trading and private equity businesses.

With the phrase “A financial institution can accomplish more” as its corporate mantra, the Shinsei PI Group offers one-stop solutions for the financial needs of corporate customers, which range from debt to equity, depending on the companies’ life cycle stages.

ORGANIZATION



The Shinsei PI Group opened its office in Otemachi, Tokyo in order to pursue high profitability and productivity and to expand partnerships with external partners as one of the growth drivers for the Institutional Group under the Second Medium-Term Management Plan. We are a new type of corporate group with a unique human resources system that implements a flat personnel structure with only three job positions, and our office environment is one which encourages flexible thinking and action.

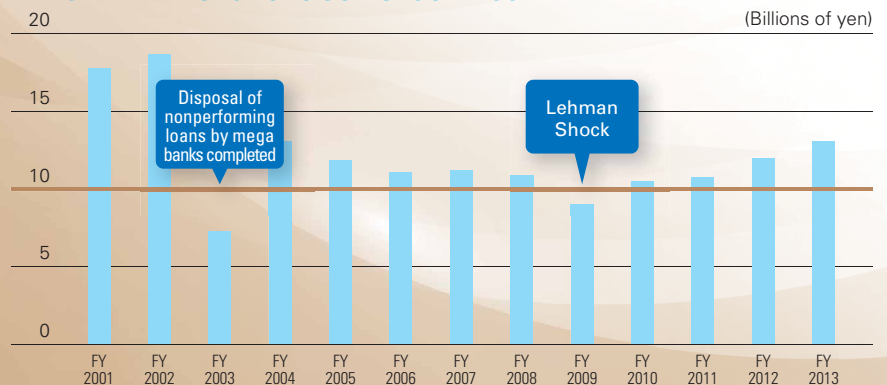
The Principal Transactions Sub-Group began engaging in the credit trading business in 2001 and in the private equity business in 2002. Within Shinsei Bank, the credit trading business has stably posted approximately 10 billion yen in revenues per annum for more than 10 years. In the current environment where the investment market for monetary claims and other types of receivables has been shrinking, we have made investments focusing on company cash flows instead of collateral, utilizing our expertise that we have cultivated over a long period of time. We invest in monetary claims such as loans held by financial institutions, including

banks and non-bank companies, as well as account receivables held by business corporations.

Utilizing the expertise developed within the entire Shinsei Bank Group, we have expanded our areas of business to offer solutions that address the real needs of our customers without being constrained by precedents. For instance, we provide solutions for the business succession needs of companies that have no successor, develop business with financial institutions in order to expand our debt servicing business related to the SME Financing Facilitation Act and offer solutions for servicing receivables from business corporations.



PRINCIPAL TRANSACTIONS SUB-GROUP INCOME TREND



Shinsei Corporate Investment

Shinsei Corporate Investment is the private equity investment arm of the Shinsei PI Group. We are a unique investment company that aggressively utilizes its expertise and proactively leverages its networks outside of the Shinsei Bank Group. Our core team members have over 10 years of investment experience and one-stop venture and buyout investments.

In venture investments, we make pre-IPO investments in private companies preparing for an IPO. We have a strong track record due to our disciplined investment decisions as evidenced by the fact that over 30% of our investees have successfully conducted IPOs. We are also actively looking to engage in the operation of joint investment funds with partners that are able to identify good investments. An example of this is our involvement in the operation of the Femto Growth Capital Fund, which we jointly established together with Mr.

Tetsuya Isozaki, a leading figure in venture finance. The purpose of the Femto Growth Capital Fund is to invest in early-stage companies in the Internet sector. We are also involved in the operation of gumi ventures—a fund investing in smart phone content companies in Japan and overseas—jointly established by gumi Inc., which is a smart phone game developer. Furthermore, we have co-established Cell Innovation Partners together with ReproCELL Inc., a listed iPS cell biotech company, to prepare for the creation of a fund to invest in iPS cell and regenerative medicine venture companies both inside and outside of Japan. We also actively undertake buyout investments, offering hands-on support for management buyouts (MBO) of the non-core business areas of companies that have business succession needs due to the absence of a successor and mezzanine investments using preferred shares.

Shinsei Investment & Finance

As a new service for corporate customers, Shinsei Investment & Finance started a business proposing solutions for removing long-term receivables from their balance sheets in October of 2013. Specifically, we provide off-balance sheet solutions for our corporate customers' assets which include account receivables and uncollected balances for completed work (where repayment has been prolonged and is falling behind), rights to claim the return of security deposits for vacated shop premises and so forth (which are to be returned over an extended term in installments) and loans to and equity investments in group member companies whose performance is weak or are subject to restructuring.

Our solution is to purchase these long-term claims at an appropriate price, and to service them whilst paying attention to past transaction relationships. This new business became

possible thanks to our track record in responding to the off-balance sheet treatment needs of financial institutions through the purchase of their receivables and the trust we have built with our clients over a period of more than 10 years. Another factor is the sense of security we can provide as an institution that is both a Japanese investor as well as a Bank.

Once fixed receivables are removed from their balance sheets, customers can re-focus their organization and their staff members, who have been focused on managing and collecting such receivables, on their original duties, allowing them to redirect their energy to improving their organizations. In addition, these services will enable them to improve their financial fundamentals. Shinsei Investment & Finance will provide custom-made solutions to meet the diverse needs of each of our customers.

Shinsei Servicing & Consulting

Shinsei Servicing & Consulting is a unique servicer which combines expertise as an investor in receivables together with the trust afforded us as a debt servicing company affiliated with a Bank. Leveraging our experience in addressing the needs of over 6,000 corporate customers for more than 10 years in the investment business of receivables, we work to analyze and develop an understanding of our customers' specific needs concerning their liabilities, and work with them to develop solutions together. Our role is to offer unique financial services to customers who have difficulty finding receiving support from other banks, and we look to enlarge our customer base as a company that can offer both risk investment and consulting services. In our consulting services, we don't simply offer financial support such as grace periods for debt repayments or partial debt forgiveness, but we also

offer support to improve repayment resources by working together with our customers in improving the value of their businesses and collateral real estate.

While many companies have received financial support, including grace periods for repayments under the SME Financing Facilitation Act, they will eventually require fundamental solutions. Accordingly, we believe that the roles and responsibilities expected of us will grow in the future. As a debt servicing company affiliated with a bank, we are in a position to abide by the spirit of the SME Financing Facilitation Act. This makes us an investor with whom the sellers of receivables are comfortable doing business, and places us in an advantageous position compared to our competitors. We will support some of the roles of a financial institution by acting as a debt servicing expert.

UNDERTAKINGS OF THE VENTURE BANKING INITIATIVE

The Venture Banking Initiative (VBI) is a new initiative Shinsei Bank has initiated in the First Medium-Term Management Plan and continues to engage in the Second Medium-Term Management Plan. The VBI represents the values of the Bank in its pursuit of what it believes is its fundamental role and its identity as a bank. As representative examples of the VBI, the following are interviews with our two customers:

Utilization of Cash Flow Financing



Renova

(left)
Yosuke Kiminami

President & CEO
Renova, Inc.

(right)
Yuichiro Kawabe

The Project Finance Department and the Business Incubation Department, VBI Promotion Division, Shinsei Bank, Limited

Kiminami Renova's three main businesses are mega-solar (a large solar power plant), plastic recycling, and environmental consulting. Going forward, we are planning on entering other renewable energy sectors. Our relationship (with the Bank) started when Shinsei invested in us and became our shareholder while we were investing in our first large recycling business.

Kawabe When I met Mr. Kiminami, Shinsei Bank had already conducted its own independent risk analysis and market evaluation for the business at an early stage from the perspective of a financial institution, and we began discussions with Renova, exploring opportunities for doing business together. Three months later, in April 2012, the Business Incubation Department was established within the VBI Promotion Division, and I was assigned to the renewable energy sector.

Kiminami The solar business requires long-term financing so we thought project financing would be the

optimal method to raise funds. We are grateful for Shinsei to have started discussions with us at an early stage. The total project cost of the Shizuoka Kikugawa Mega Solar Project which was closed in November 2013 is approximately 5.4 billion yen. The sponsors include Renova and its co-investors, and Shinsei Bank granted financing for the project. We had originally planned this project because we were already operating a recycling factory in Kikugawa City. However, the sites were very difficult to bring together for the project because they were over 100 owners for the land we were looking to acquire.

Kawabe Honestly, I thought that the project could not be closed. However, Renova successfully closed the project. Renova expanded the possibility of mega-solar projects with complicated issues regarding the right to use land and gaining approval.

Kiminami We decided to ask Shinsei to become the arranger for the project

because it continued discussions with us, rather than declining the project in the initial phase. The most helpful characteristic of Shinsei is that we can have direct discussions with staff members who fully understand the project. Based on the general recognition of risks, Shinsei made reasonable decisions on minor matters about which we did not care much.

Kawabe Our project finance team is small. The team members are responsible for all processes ranging from sourcing to loan disbursement. This is our advantage in independently controlling transactions, making adjustments between relevant parties, and closing transactions in a designated period as the arranger.

Kiminami We would appreciate it if you could continue to study financing methods suitable for Renova, which is in a growth stage.

VBI Terminology

Cash Flow Financing

A form of financing backed by cash flows from a specific business.

Management Solutions

Solutions that support the growth of our customers, buy providing our customers with various solutions to their management issues, including the development of business strategies, provision of support for the execution of the strategies, financial control support, development of financial strategies, and the provision of human resources.

Provision of Management Solutions



Green Earth Institute

(left)

Tomohito Ihara

Chief Executive Officer
Green Earth Institute, Co., Ltd.

(right)

Hiroshi Kawashima

Business Incubation Department, VBI Promotion Division,
Shinsei Bank, Limited
(Currently seconded to Green Earth Institute, Co., Ltd.)

Ihara Green Earth Institute has the technology to convert inedible biomass¹, such as stems and leaves from agricultural products and plants, into biofuels and chemical products by using the *Corynebacterium glutamicum*² bacterium. We have been engaged in the commercialization of this technology and currently, in addition to financing our commercialization, Shinsei Bank has seconded one of its employees, Mr. Kawashima, to our organization. At Green Earth Institute, Mr. Kawashima provides support related to promoting our commercialization. His efforts in this regard include devising business strategies, formulating business plans, and negotiating with business partner candidates for our company. I had never heard of a bank dispatching an employee to a venture business it had invested in, and I feel Mr. Kawashima's support has contributed immensely in producing a more convincing proposal, especially in the financial and business plan areas.

Kawashima Dispatching an employee to the investee is a very unique arrangement from the position of a financier. At the time I was told by the Bank about being seconded to Green Earth Institute, out of the sites of investment that I had been overseeing, that company

struck me as appealing due to its possession of latent technological prowess that could be implemented on a global basis. Consequently, I was confident that there was so much I could gain from having the opportunity to actually enter the company and work there. Amid constantly-changing factors, such as the relationship between business partner candidates and financiers, venture enterprises need to seize opportunities within these situations. I believe that the changes business plans undergo from their initial state are matter of fate. When issuing explanations to banks, investors, and other stakeholders, venture enterprises need to imbue their business plans with a sense of reality to ensure they are not labeled as being haphazard. I believe that supporting Green Earth Institute in that regard is a natural part of my duties there.

Ihara As we proceed with the commercialization within the time-based and financial constraints that will follow, we at Green Earth Institute seek to bring products created using our technology to the world with a sense of urgency. We are scheduled to release our products in January 2015. To ensure that becomes a reality, the moving of our business forward is our top-priority mission. Our expectation

of Shinsei Bank is that they will allow us to consult with them on a variety of matters pertaining to mechanisms for financing as we move from our long-running research phase and enter our commercialization phase. Additionally, as our organization grows, my hope is that Shinsei Bank will keep pace with us to assist in the greater need for financing that Green Earth Institute will be faced with. My hope is that our management philosophy at Green Earth Institute, namely "to create new energy in the form of biofuels and green chemicals from things that were formerly thrown away," becomes a reality through our technology. If our initial efforts overseas to implement our technology eventually translate into that technology taking root in Japan, I will be most impressed.

1 Biomass is a concept which represents a mass of biological resources. They are organic resources born from animals or plants that can be renewed to energy or another material (excluding fossil resources such as oil and coal). Specifically, they refer to agricultural and marine products, rice straw, rice husks, food, domestic animal waste, and woodchips.

2 *Corynebacterium glutamicum* is a coryneform bacteria independently designed by Research Institute of Innovative Technology (RITE), using metabolic pathways, in order to allow for producing targeted substances efficiently. *Corynebacterium glutamicum* can produce ethanol, amino acids, and chemical substances by genetic modification.

CONTRIBUTING TO REGIONAL ECONOMIES THROUGH COLLABORATION WITH REGIONAL FINANCIAL INSTITUTIONS



Eiji Shibazaki
Head of Financial Institutions Sub-Group

The Financial Institutions Sub-Group, as a part of the Second MTMP, is engaging in business operations that look to “contribute to regional economies through collaboration with regional financial institutions, and the establishment of the Bank’s *raison d’être*,” leveraging the functions and strengths of Shinsei Bank as well as its Group companies.

Up until this point, while we have engaged in a wide range of transactions with our financial institutions customers, and in particular, asset management and fund raising with regional financial institutions. We have also engaged in a broad range of business activities, such as the provision of products and services developed by the Shinsei Bank Group, in order to meet the business promotion needs of our customers.

On the other hand, in recent years, regional financial institutions are increasingly focusing their efforts on actively undertaking initiatives in growing sectors and support activities in SME business rehabilitation and business improvement in an effort to contribute to the resolution of the challenge of revitalizing regional economies faced by Japan. Additionally, they are working to develop mid to long term management strategies with 5 to 10 year time horizons in this environment where the aging of the population and low birth rate is expected to bring about large market shifts.

Against such a backdrop, Shinsei Bank has, in an effort to give support to the wide range of initiatives being undertaken by regional financial institutions, proactively provided the various functions available to Shinsei Bank and its Group companies in order to contribute to regional

economies through regional financial institutions. In order to be able to support our customers, we are engaged in a wide range of initiations in order to contribute to regional development and economic revitalization in all regions through collaboration with regional financial institutions to satisfy the funding needs of regional corporations and individuals, to provide growth support and to provide business revitalization support.

Responding to Regional Funding Needs —Working Together in New Business Areas—

In regards to the funding needs of regional institutional customers, Shinsei Bank has long been engaged in and has expertise in collaborating with regional financial institutions in the brokering and buying/selling of loans to corporates and local governments. Additionally, Shinsei Bank has engaged in cash flow finance, which is often utilized in real estate nonrecourse loans and project finance, from early on. In fiscal year 2012, in order to contribute to recovery efforts following the Great East Japan Earthquake, Shinsei Bank contributed to the earthquake reconstruction efforts in Miyagi Prefecture, disbursing a nonrecourse loan that utilized the expertise accumulated within the Bank, in cooperation with a regional financial institution, for the construction of mid-to-long term residential accommodations.

Furthermore, in fiscal year 2013, we have proactively engaged in satisfying the funding needs in new business areas in an effort to meet the diverse needs of our corporate customers. We have started providing project financing for renewable energy and regional development businesses, focus areas of the Venture Banking Initiative (VBI) of the Institutional Group, together with regional financial institutions and have been involved in mega solar initiatives in Kagoshima and Ibaraki Prefectures so far. Additionally, we have also been involved in a syndicated loan to a wood biomass generation business in Kochi Prefecture in cooperation with a regional financial institution.

These preceding initiatives are all funding schemes that limit the repayment of funds to cash flows of the underlying project. By providing full support to our partners in the areas of risk analysis and management system expertise, we are able to actively promote the expansion of finance that is not overly reliant on the creditworthiness of borrowers.

On the other hand, in regards to enhancing capability to meet the borrowing needs of individual customers, we

have provided the personal loan guarantees of Shinsei Financial and APLUS and the personal loan management and servicing services of Alpha Servicing of the APLUS Group. By promoting collaboration with regional financial institutions primarily through the provision of the Group's unique functions, we are able to proactively meet the funding needs of individual customers in all regions.

Among these, for Shinsei Financial, we are not just providing the guarantee services of Shinsei Financial for unsecured personal loans, but are also providing the marketing expertise accumulated through our experience with "Shinsei Bank Card Loan Lake," providing regional financial institutions with insights on making these products more attractive to their customers.

While Shinsei Financial has been involved in the guarantee business since 2010, the business needs of regional financial institutions for personal unsecured loans is significant, and our business alliances in this area are increasing. In fiscal year 2014, we expect to begin additional business partnership with other regional financial institutions.

Revitalizing Regional Businesses —Company and Business Revitalization—

Shinsei Bank has established the area of business and company revitalization support as one of its strategic focus areas, and as such, is strengthening efforts in the area. By utilizing our expertise, we are able to provide funding, equity financing, profit and loss improvement services, financial revitalization, management support and advisory services to SMEs in need of management improvement. By providing our expertise to regional institutional customers in all regions through cooperation with regional financial institution, we look to contribute to the revitalization of regional economies.

In fiscal year 2013, we have engaged in business revitalization in cooperation with regional financial institutions. An example is a SME logistics company which, while it had been running its core business well, faced a financial crisis with its debts exceeding assets due to bad assets from failed investments made in the past. The company decided to rehabilitate its business with the support by the SME Business Rehabilitation Support Cooperative through the second company scheme. Shinsei Bank supported this company through the advice on debt-equity swap and the development of rehabilitation plan as well as providing a

new loan to the new company together with regional financial institutions.

Additionally, as part of a new initiative, we entered into a "Business Cooperation Agreement on Business Succession Support" with Shinkin Central Bank in March 2014. In this, if the Bank is introduced to a company with business succession needs from any of the Shinkin Banks across the country, we will work to provide equity financing using preferred shares subscribed by group companies that accounts for the possibility of repurchase by the successor, relatives or employees of the company receiving funding. This agreement is an opportunity for Shinkin Banks to utilize the knowledge and expertise of Shinsei Bank and its Group companies, and as such we will proactively engage in initiatives in the area.

Raising the Future

As part of its corporate social responsibilities (CSR), Shinsei Bank provides, in collaboration with the NPO "Sodateagenet," a financial literacy program called "MoneyConnection®," aimed at stopping young people from becoming NEETs (Not in Education, Employment or Training). In fiscal year 2006, the program was co-developed and delivered by Shinsei Financial and Sodateagenet. As of fiscal year 2012 the activity was taken over by the Bank, and we have been enlarging the scope of the activity to reach more young people in cooperation with regional financial institutions. Following the tie up in this activity with The Fukui Bank, Ltd. in fiscal year 2012, we entered tie ups with The Kiyo Bank, Ltd. and The Bank of Iwate, Ltd. in fiscal year 2013, expanding the activity into other regions. In fiscal year 2014, we look to promote partnerships with other regional financial institutions, and by offering the program to a larger number of young people in local regions, hope to contribute to the future of those regions.

Shinsei Bank looks to continue providing customer centric solutions that capture changes in financial market and meet the needs of both individual and institutional customers, making full use of the functions and expertise of the Shinsei Bank Group, both directly and together with regional financial institutions, in a timely manner. By increasing our capabilities in all business areas, we hope to make progress toward becoming a "financial group that is appreciated by customers, and needed by society and the market."

SUMMARY OF MAJOR EVENTS

Year	Month	Event	
2000	March	Launched as an innovative Japanese bank under new management and new ownership	
	June	Changed name from The Long-Term Credit Bank of Japan, Limited (LTCB), to Shinsei Bank, Limited	
	2001	May	Commenced operations of Shinsei Securities Co., Ltd.
	2003	April	Commenced operations of Shinsei Investment Management Co., Ltd.
2004	February	Listed the Bank's common shares on the First Section of the Tokyo Stock Exchange	
	April	Converted the Bank's long-term credit bank charter to an ordinary bank charter	
	May	Achieved one million retail accounts	
	September	Acquired a controlling interest in APLUS Co., Ltd.	
2005	March	Acquired a controlling interest in Showa Leasing Co., Ltd.	
	May	Commenced operations of Shinsei International Limited	
2006	July	Commenced resolution of public funds	
2007	April	Achieved two million retail accounts	
	December	Acquired a controlling interest in SHINKI Co., Ltd.	
2008	January	Reached a mutual agreement with Seven Bank, Ltd. to share sales channels and develop products and services together	
	February	Completed a tender offer bid for the Bank's common shares and a third-party allotment of new common shares of the Bank to the investor group led by J.C. Flowers & Co. LLC and affiliates	
	September	Acquired GE Consumer Finance Co., Ltd. (Changed company name to Shinsei Financial Co., Ltd. on April 1, 2009)	
2009	January	Launched <i>Shinsei Step Up Program</i>	
	March	Concluded tender offer for the shares of common stock of SHINKI Co., Ltd.	
	June	Opened first Shinsei Consulting Spots Launched <i>Two Weeks Maturity Deposit</i>	
2010	June	Moved to a "Company with Board of Statutory Auditors" board model	
	November	Announced business alliance with YES BANK LIMITED in Japan-India cross-border M&A business	
2011	January	Commenced operations at new head office (Nihonbashi Muromachi)	
	March	Issued new shares through international common share offering	
	September	Assisted The Daito Bank, Ltd. in arranging its first syndicated loan	
	October	Commenced unsecured personal card loan service under the Lake brand	
2012	March	Established VBI Promotion Division in the Institutional Group	
	April	Added "Shinsei APLUS Gold Card" and "Shinsei APLUS Card" to credit card line-up	
	July	Established venture fund targeting mobile entertainment companies with gumi Inc.	
	September	Balance of <i>PowerSmart</i> Home Mortgages exceeded one trillion yen	
	October	Invested in "Fukushima Growth Industry Development Fund" Issued Fourth Series of Unsecured Callable Subordinated Bonds	
2013	January	Participated in establishment of "Tokutei Mokuteki Gaisha Healthcare Infra Fund Kobe," which is privately placed real estate fund for individual investors where healthcare facilities constitute the underlying investment assets	
	March	Started <i>Go Remit Overseas Remittance Service</i> Syndicated project finance for mega solar project in the Eastern area of Hokkaido	
2014	April	Stopped issuing long-term credit debentures (public sales issues) and long-term credit debentures for workers' property accumulation (<i>Zaikei issue</i>) Established "Femto Growth Capital Investment Business Limited Liability Partnership" to invest in and provide support to early-stage companies in Japan's Internet sector Provided non-recourse loan for special purpose company set up by Singapore-based Healthway Medical Development to purchase healthcare facilities in Japan	
	May	Arranged project finance for the construction of large-scale solar power plants in Mito city and Shirosato town in Ibaraki prefecture Issued unsecured callable subordinated bonds to retail investors in Japan	
	June	Changed Shinsei Step Up Program to further improve convenience for the Shinsei Bank Group's unsecured card loan and credit card customers Formed a business alliance with Culture Convenience Club Co., Ltd. to award T Points to users of Shinsei Bank's financial services	
	July	Formed Shinsei Principal Investments Group Initiated a pilot project aimed at discovering and nurturing "Innovators" in collaboration with Nomura Research Institute, Inc.	
	August	Relocated the Osaka Branch in order to enhance business functions Arranged project financing for a mega solar project in Koshimizu, Shari District, Hokkaido Prefecture	
	September	Participated in a syndicated loan to a wood biomass power generation and wood pellet manufacturing business	
	October	Invested in Private Finance Initiative Promotion of Japan (public-private infrastructure fund) Entered ATM partnerships with "VIEW ALTTTE" ATM, operated by East Japan Railway Company, and major convenience store chains such as LAWSON and FamilyMart	
	November	Arranged project finance for mega solar business in Kikugawa City, Shizuoka Prefecture	
	December	Issued Sixth Series of Unsecured Callable Subordinated Bonds to Retail Investors	
	January	Launched " <i>PowerSmart</i> Home Mortgage Anshin Pack W"	
	February	Arranged project finance for mega solar business in Kokonoe-machi, Kusu-gun, Oita Prefecture Commenced smartphone banking services through Shinsei <i>PowerDirect</i> Reached agreement to conclude the indemnity for losses on interest repayment with GE Japan Corporation	
	March	Participated in business revitalization support project using a debt-equity swap by Japan Finance Corporation Entered business partnership agreement on business succession support with Shinkin Central Bank Launched account opening application for smartphones Concluded a business alliance agreement concerning business development support for small- and medium-sized enterprises entering into countries belonging to the Association of Southeast Asian Nations (ASEAN) with Forval Corporation Entered into business alliance with Military Commercial Joint-Stock Bank, a major private commercial bank in Vietnam	
April	Terminated new loan transactions that utilize the long-term prime rate as the base rate Extended new line of credit to wind power plant operation project in Sakata, Yamagata Prefecture Arranged project finance for mega solar projects in seven locations in Japan utilizing trust schemes Established Japan Senior Living Partners Co., Ltd, a REIT asset management company aimed at founding a healthcare REIT		
May	Launched NISA Plus, an investment trust application program		

Financial Highlights

Message from the Management

Special Features
Summary of Major Events

Review of Operations

Management Structure

Data Section