

COMPANY HISTORY: TIMELINE OF SHINSEI BANK

2000-2001

2000

- Shinsei Bank Founded
- Name changed from The Long-Term Credit Bank of Japan, Limited (LTCB) to Shinsei Bank, Limited



2001

- Shinsei Securities Co., Ltd. commences operations



2002-2004

2003

- Shinsei Investment Management Co., Ltd. commences operations

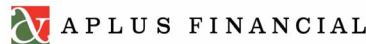


2004

- The Bank's common shares listed on the First Section of the Tokyo Stock Exchange



- Converted the Bank's long-term credit bank charter to an ordinary bank charter
- Controlling interest in APLUS Co., Ltd. (Predecessor of APLUS FINANCIAL Co., Ltd.) acquired



2005-2007

2005

- Controlling interest in Showa Leasing Co., Ltd. acquired



- Commence issuance of cash cards in 32 different colors



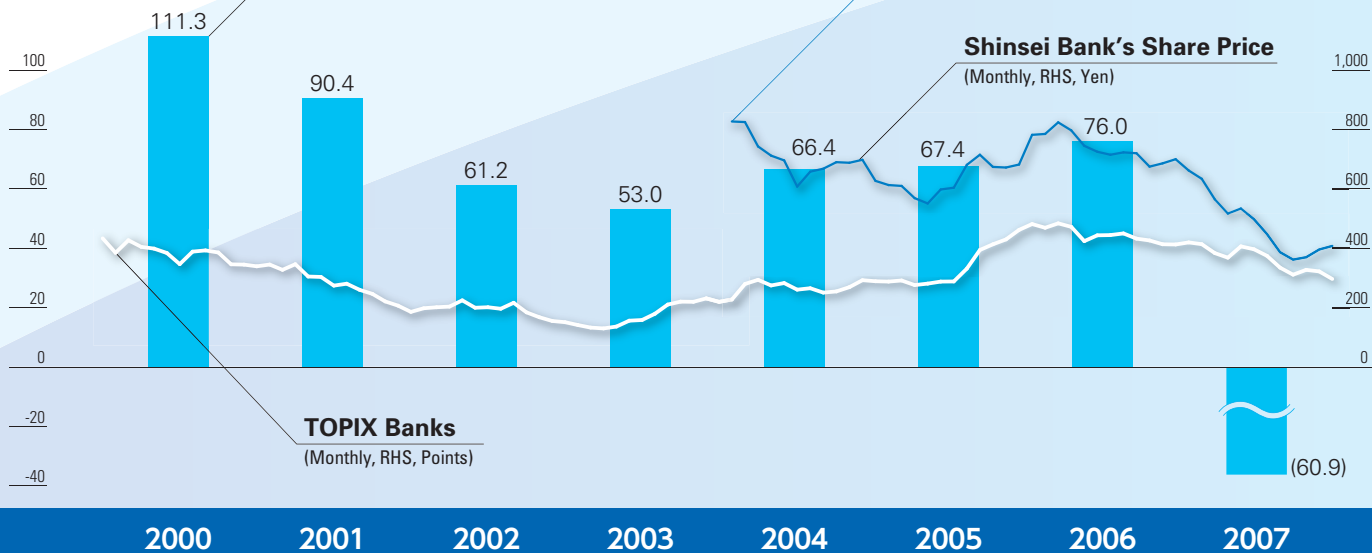
2007

- Controlling interest in SHINKI Co., Ltd. acquired



Profit Attributable to Owners of the Parent

(LHS, Billions of Yen, Fiscal Year)



February 19, 2004
Listed the Bank's common shares on the First Section of the Tokyo Stock Exchange

Shinsei Bank's Share Price

(Monthly, RHS, Yen)

External Environment

2000

- Financial Services Agency Established

2001

- Terrorist Attacks in the United States

2002

- Circulation of the Single European Currency Begins

2003

- Japan Post Commences Operations

2004

- Circulation of New 10, 5 and 1 Thousand Yen Notes Begins

2005

- Full Deregulation of "Payoff"

2006

- Bank of Japan Increases Interest Rate Above Zero

2007

- Japan Post Privatized
- Sub-Prime Mortgage Crisis Emerges in the United States

2008–2010

2008

- 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
- GE Consumer Finance Co., Ltd. (Predecessor of Shinsei Financial Co., Ltd.) acquired



2010

- **The Bank commences the First Medium-Term Management Plan**

2011–2013

2011

- Commenced operations at new head office (Nihonbashi Muromachi)



- Issued new shares through international offering
- Commenced unsecured personal card loan service under the Lake brand



2013

- **The Bank commences the Second Medium-Term Management Plan**
- The Shinsei Principal Investments Group established
- Entered ATM partnership with "VIEW ALTEE" ATM, operated by East Japan Railway Company and major convenience store chains such as LAWSON and FamilyMart

2014–2016

2014

- Arranged project financing for mega solar projects in seven locations in Japan utilizing trust schemes

2015

- Launched "Overseas Prepaid Card GAICA"



- Japan Senior Living Partners Co., Ltd. listed on the real estate investment trust securities market of the Tokyo Stock Exchange
- Launched "Shinsei Bank Smart Card Loan Plus"

2016

- **The Bank commences the Third Medium-Term Management Plan**
- ATM partnerships expanded to include AEON Bank ATMs and Station ATM "Patsat"



2008

- Lehman Brothers Securities Bankruptcy

2009

- The Nikkei Average Records a New Post-Bubble Collapse Close of 7,054.98 Yen

2010

- Full Enforcement of Revised Money Lending Business Law
- European Sovereign Debt Crisis

2011

- Great East Japan Earthquake

2012

- Second Abe Administration Inaugurated

2013

- Bank of Japan Introduces "Quantitative and Qualitative Monetary Easing"

2014

- Consumption Tax Increased to 8%

2015

- Nikkei Average Recovers to Above 20,000 Yen

2016

- Bank of Japan Introduces Negative Interest Rates
- "Leave" Supporters Win Referendum for the British Exit of the European Union

THE NETWORK OF SHINSEI BANK

As of June 30, 2016

About the Shinsei Bank Group
The Network of Shinsei Bank

Strategies for Increasing Corporate Value

Creating Values through Businesses

Strategies Supporting Corporate Value

Data Section

Shinsei Bank Outlets

35
outlets

Train Station, Convenience Store and Supermarket ATMs

51,088
locations

- Seven Bank, Ltd. ATMs 20,936 locations
- E-net ATMs 13,473 locations
- Lawson ATM Networks ATMs 11,281 locations
- AEON Bank ATMs 4,981 locations
- VIEW ALTE ATMs 310 locations
- Station ATM Patsat 107 locations

Hokkaido

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 1,944 locations

Kinki

Shinsei Bank Outlets 9 outlets

Train Station, Convenience Store and Supermarket ATMs 8,630 locations

Hokuriku/Koshinetsu

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 3,016 locations

Tohoku

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 3,525 locations

Chugoku

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 2,775 locations

Kanto (Excluding Tokyo)

Shinsei Bank Outlets 7 outlets

Train Station, Convenience Store and Supermarket ATMs 12,069 locations

Tokyo

Shinsei Bank Outlets 11 outlets

Train Station, Convenience Store and Supermarket ATMs 7,078 locations

Tokai

Shinsei Bank Outlets 2 outlets

Train Station, Convenience Store and Supermarket ATMs 5,049 locations

Shikoku

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 1,507 locations

Kyushu

Shinsei Bank Outlets 1 outlet

Train Station, Convenience Store and Supermarket ATMs 4,936 locations

Okinawa

Shinsei Bank Outlets 0 outlets

Train Station, Convenience Store and Supermarket ATMs 559 locations

DOMESTIC OUTLETS:

AS OF JUNE 30, 2016

35 outlets (28 branches including head office, 7 annexes)

Hokkaido

Sapporo Branch

Tohoku

Sendai Branch

Kanto (Excluding Tokyo)

Omiya Branch

Ikebukuro Branch—Kawaguchi Annex

Kashiwa Branch

Tsudanuma Branch

Yokohama Branch

Head Office—Tama-plaza Annex

Fujisawa Branch

Tokyo

Head Office

Tokyo Branch

Ginza Branch

Ikebukuro Branch

Ueno Branch

Kichijoji Branch

Shinjuku Branch

Shibuya Branch

Futakotamagawa Branch

Hachioji Branch

Machida Branch

Hokuriku

Kanazawa Branch

Tokai

Nagoya Branch

Sakae Financial Center

Kinki

Kyoto Branch

Osaka Branch

Umeda Branch

Umeda Branch—Hankyu Umeda Annex

Umeda Branch—Senri Chuo Annex

Umeda Branch—Takatsuki Annex

Namba Branch

Namba Branch—Sakai Higashi Annex

Kobe Branch

Chugoku

Hiroshima Branch

Shikoku

Takamatsu Branch

Kyushu

Fukuoka Branch

SHINSEI BANK CARD LOAN—LAKE UNSTAFFED BRANCHES:

AS OF JUNE 30, 2016

Shinsei Bank Card Loan—Lake unstaffed branches

761 locations

PARTNER TRAIN STATION, CONVENIENCE STORE AND SUPERMARKET ATMS:

AS OF JUNE 30, 2016

Seven Bank, Ltd. ATMs

20,936 locations

E-net ATMs

13,473 locations

Lawson ATM Networks ATMs

11,281 locations

AEON Bank ATMs

4,981 locations

VIEW ALTTE ATMs

310 locations

Patsat ATMs

107 locations

FINANCIAL HIGHLIGHTS

Shinsei Bank, Limited, and Consolidated Subsidiaries
For the fiscal years ended March 31, 2012, 2013, 2014, 2015 and 2016¹

	Billions of yen				
	2012	2013	2014	2015	2016
For the fiscal year:					
Net interest income	¥ 116.9	¥ 111.6	¥ 110.5	¥ 126.4	¥ 122.3
Noninterest income	86.0	87.3	92.5	108.8	94.2
Net fees and commissions	25.1	19.1	22.4	24.6	25.4
Net trading income	13.6	20.0	13.9	11.5	8.4
Net other business income	47.2	48.1	56.1	72.6	60.3
Total revenue	202.9	199.0	203.0	235.3	216.6
General and administrative expenses	130.3	130.9	135.0	144.2	141.3
Ordinary business profit	60.6	57.2	58.2	82.4	67.8
Net credit costs	12.2	5.5	0.2	11.8	3.7
Ordinary business profit after net credit costs	48.3	51.6	57.9	70.5	64.0
Profit attributable to owners of the parent ²	6.4	51.0	41.3	67.8	60.9
Cash basis profit attributable to owners of the parent ^{2,3}	16.0	60.4	49.8	75.4	67.6

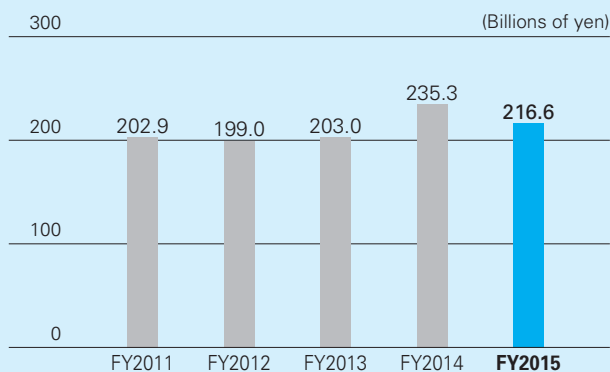
¹ Since all yen figures have been truncated rather than rounded, the totals do not necessarily equal the sum of the individual amounts.

² In accordance with the revision of the Accounting Standard for Business Combination, as of FY2015 net income and cash basis net income are referred to as profit attributable to owners of the parent and cash basis profit attributable to owners of the parent.

³ Cash basis profit attributable to owners of the parent is calculated by excluding impairment and amortization of goodwill and other intangible assets acquired in business combinations, net of tax benefit, from profit (loss) attributable to owners of the parent under Japanese Generally Accepted Accounting Principles (Japanese GAAP).

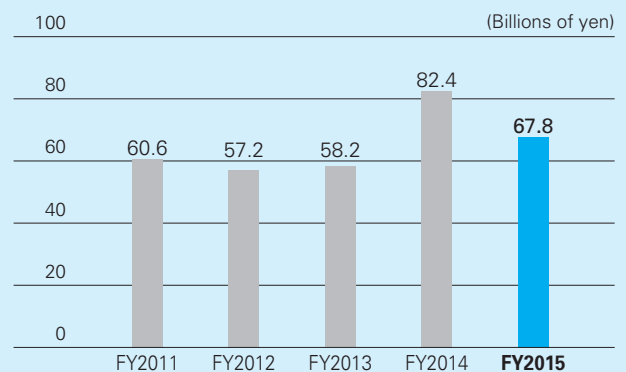
Total revenue

Total revenue—the indicator of gross profit—is composed of “Net interest income” such as interest from loans and “Noninterest income” such as fees from sales of investment products.



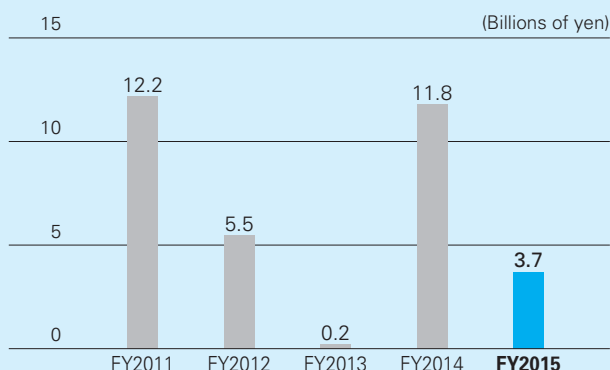
Ordinary business profit

Ordinary business profit—the indicator of profit from core business after expenses—is calculated by subtracting “expenses” from “total revenue.” “Net credit costs” are excluded from this calculation.



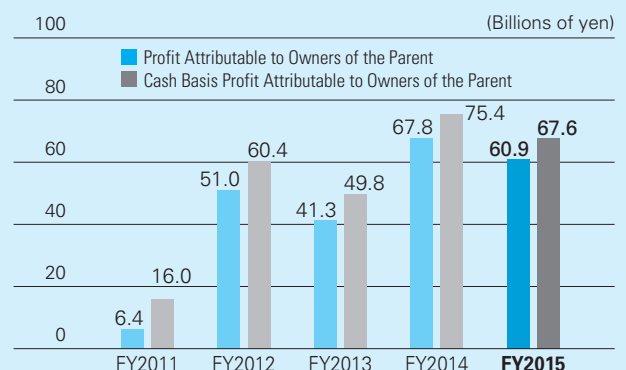
Net credit costs

Net credit costs are the sum of reserves for loan losses set aside (credit costs) according to the credit standing of borrowers, reversal (gains) of reserves for loan losses, and recoveries of written-off claims resulting from their disposal.



Profit attributable to owners of the parent, cash basis profit attributable to owners of the parent

Cash basis profit attributable to owners of the parent is calculated by excluding impairment and amortization of goodwill resulting from acquisitions of subsidiaries and other intangible assets, net of tax benefits, from profit attributable to owners of the parent—and represents the bottom-line profit for the relevant fiscal year.



	Billions of yen				
	2012	2013	2014	2015	2016
Balances at fiscal year-end:					
Securities	¥ 1,873.4	¥ 1,842.3	¥ 1,557.0	¥ 1,477.3	¥ 1,227.8
Loans and bills discounted	4,136.8	4,292.4	4,319.8	4,461.2	4,562.9
Total assets	8,609.6	9,029.3	9,321.1	8,889.8	8,928.7
Deposits and negotiable certificates of deposit	5,362.4	5,457.5	5,850.4	5,452.7	5,800.9
Total liabilities	7,982.0	8,345.6	8,598.5	8,136.0	8,135.6
Total equity	627.6	683.6	722.5	753.7	793.1
Total liabilities and equity	8,609.6	9,029.3	9,321.1	8,889.8	8,928.7

	Yen				
	2012	2013	2014	2015	2016
Per share data:					
Common equity	¥ 212.67	¥ 233.65	¥ 247.82	¥ 275.45	¥ 294.41
Fully diluted equity ⁴	212.67	233.65	247.82	275.45	294.41
Basic profit	2.42	19.24	15.59	25.57	22.96
Diluted profit	2.42	19.24	15.59	25.57	22.96
Dividends	1.00	1.00	1.00	1.00	1.00
Cash basis per share data:					
Basic profit	¥ 6.05	¥ 22.77	¥ 18.78	¥ 28.42	¥ 25.50
Diluted profit	6.05	22.77	18.78	28.42	25.50

	%				
	2012	2013	2014	2015	2016
Ratios:					
Return on assets ⁵	0.1	0.6	0.5	0.7	0.7
Cash basis return on assets ⁶	0.2	0.7	0.5	0.8	0.8
Return on equity (fully diluted) ⁷	1.2	8.6	6.5	9.8	8.1
Cash basis return on equity (fully diluted) ⁸	3.2	11.1	8.3	11.4	9.2
Expense-to-revenue ratio	64.2	65.8	66.5	61.3	65.3
Total capital adequacy ratio (Basel II, Domestic Standard)	10.27	12.24	—	—	—
Capital ratio (Basel III, Domestic Standard)	—	—	13.58	14.86	14.20
Ratio of nonperforming claims classified under the Financial Revitalization Law to total claims	6.66	5.32	3.81	1.42	0.79

4 Fully diluted equity per share is calculated by dividing equity at the end of the periods presented by the number of common shares that would have been outstanding had all securities convertible into or exercisable for common shares been converted or exercised with an applicable conversion or exercise price within the predetermined range.

5 Return on assets is calculated by dividing profit (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the period presented.

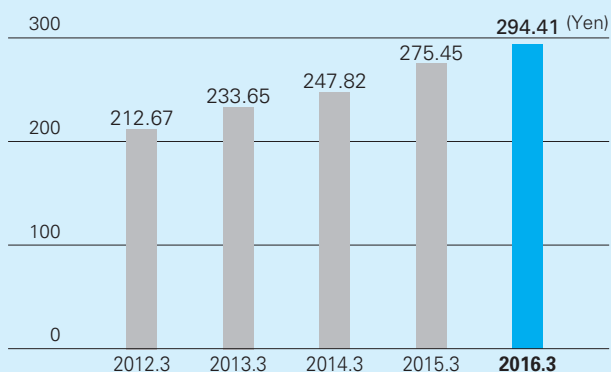
6 Cash basis return on assets is calculated by dividing profit (loss) attributable to owners of the parent by the average of (total assets—goodwill—intangible assets acquired in business combinations) at the beginning of the period and the same values at the end of period presented.

7 Return on equity (fully diluted) is calculated by dividing profit (loss) attributable to owners of the parent by the average of fully diluted equity at the beginning and end of the period presented.

8 Cash-basis return on equity (fully diluted) is calculated by dividing cash basis profit (loss) attributable to owners of the parent by the average of (total equity—goodwill—intangible assets acquired in business combinations (net of associated deferred tax liability)) at the beginning of the period and the same values at the end of period presented.

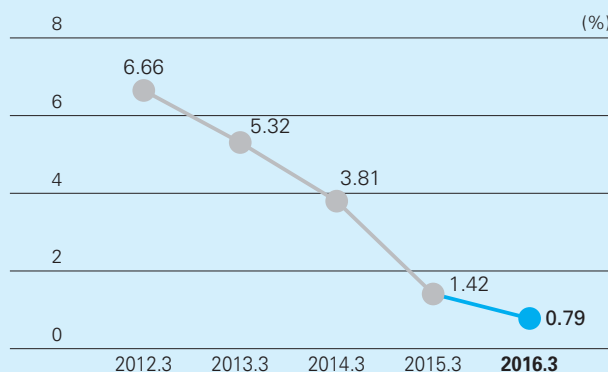
Common equity per share

Common equity per share is calculated by dividing common equity by the total number of common shares outstanding at the end of the term.



Nonperforming loan ratio under the Financial Revitalization Law

Nonperforming loan ratio is the ratio of nonperforming claims, categorized as "Claims against bankrupt and quasi-bankrupt obligors," "Doubtful claims" and "Substandard claims," to total claims under the Financial Revitalization Law.



SHINSEI BANK'S BUSINESS PROFILE

As of July 1, 2016

About the Shinsei Bank Group
Shinsei Bank's Business Profile

Strategies for Increasing Corporate Value




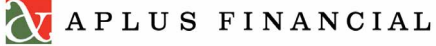
Creating Values through Businesses

Strategies Supporting Corporate Value

Data Section

SHINSEI BANK GROUP

Individual

<ul style="list-style-type: none"> — Shinsei Bank Lake  <small>Shinsei Bank Card Loan—Lake</small> — Unsecured Personal Loans, Credit Guarantees  — Unsecured Personal Loans <small>A Financial Venture</small>  <small>SHINKI Co., Ltd.</small> — Credit Cards, Shopping Credit, Settlement  — Real Estate Mortgage Loans SHINSEI PROPERTY FINANCE 	<ul style="list-style-type: none"> — Retail Deposits — Mutual Funds — Structured Deposits — Insurance — Housing Loans — Overseas Remittance
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Institutional

- Corporate, Financial Institutions & Public Sector Finance
- Real Estate Finance
- Specialty Finance
- Health Care Finance
- Principal Transactions

- Private Equity
 - Credit Trading
 - Business Succession Finance
- Trust (ABS, MBS, Real Estate Trust)

- Leasing (Leasing, Property Management)


Global Markets

- Markets
- Wealth Management
- Asset Management

- Securities (Securitization, Structured Debentures)


Strategies for Increasing Corporate Value

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