



Business and Financial Highlights

First Half Ended September 30, 2019

Shinsei Bank, Limited
November 2019



Table of Contents

■ Key Points -----	P3
■ 1H FY19 Financial Results Summary -----	P4
■ Financial Update -----	P6
■ Strategic Businesses -----	P14
■ Segment Information -----	P28
■ Appendix -----	P35

Key Points

1 JPY 28.1 billion of net income¹; +2% y-o-y; 53% progression toward the full year net income forecast

- Ordinary Business Profit (OBP) : JPY 47.6 billion (increase 9% y-o-y; 52% progression)
- OBP after Net Credit Costs: JPY 31.1 billion (increase 6% y-o-y; 56% progression)

2 Share buyback progressed at 49%; EPS (excl. share buyback) grew at 2%

- Executed JPY 11.5 billion of share buyback (49% progression) as of October 31, 2019
Total share buyback target of JPY 23.5 billion with total payout ratio at 50% (as approved on May 15, 2019)
- EPS growth rate: 5%; it would be 2%² without the effect of share buyback

3 Secondary offering of shares from the largest shareholder

- Offering amount : JPY 63.3 billion, The number of shares: 45 million shares
- Impact on share price: while a drop in share price reflected the concern on imbalance of demand and supply in the market, it has recovered to the announcement of the transaction date:
 - ✓ The offering did not bring dilution of shares
 - ✓ The largest shareholder, JCF funds, had no direct involvement in our businesses and financials
- Retirement of Mr. Flowers, an outside director, poses no impact on our corporate governance given the current state of corporate governance (the Board of Directors is composed of a majority of outside directors with diverse expertise)

¹ Profit attributable to owners of the parent

² Calculation = (Profit attributable to owners of the parent) divided by (the average number of fully diluted common shares for the previous fiscal year (excluding treasury shares))

1H FY19 Financial Results Summary

(Unit: JPY billion; %)

Consolidated	18.4-9 (Actual)	19.4-9 (Actual)		19.4-20.3 (Plan)	
		YoY % B(+)/W(-)	Progress %		
Total Revenue	114.7	121.5	+6%	50%	243.0
Net Interest Income	66.3	66.7	+1%		
Noninterest Income	48.3	54.7	+13%		
Expenses	-70.9	-73.8	-4%	49%	-152.0
Ordinary Business Profit (OBP)	43.7	47.6	+9%	52%	91.0
Net Credit Costs	-14.4	-16.5	-15%	47%	-35.0
OBP after Net Credit Costs	29.3	31.1	+6%	56%	56.0
Others	-1.6	-2.9	-81%	97%	-3.0
Income Tax, etc.	-1.8	-3.2	-78%		
Net Income	27.6	28.1	+2%	53%	53.0

Points

Total Revenue:

Solid progress rates of net interest income and noninterest income are mostly in line with the initial expectation

Expenses:

Lower progress rate of expenses reflects timing difference due to certain projects and IT expenses shifting to 2H

Net Credit Costs:

Lower progress rate of net credit costs relates to improvement of credit quality as well as enhanced collection in Unsecured Loans

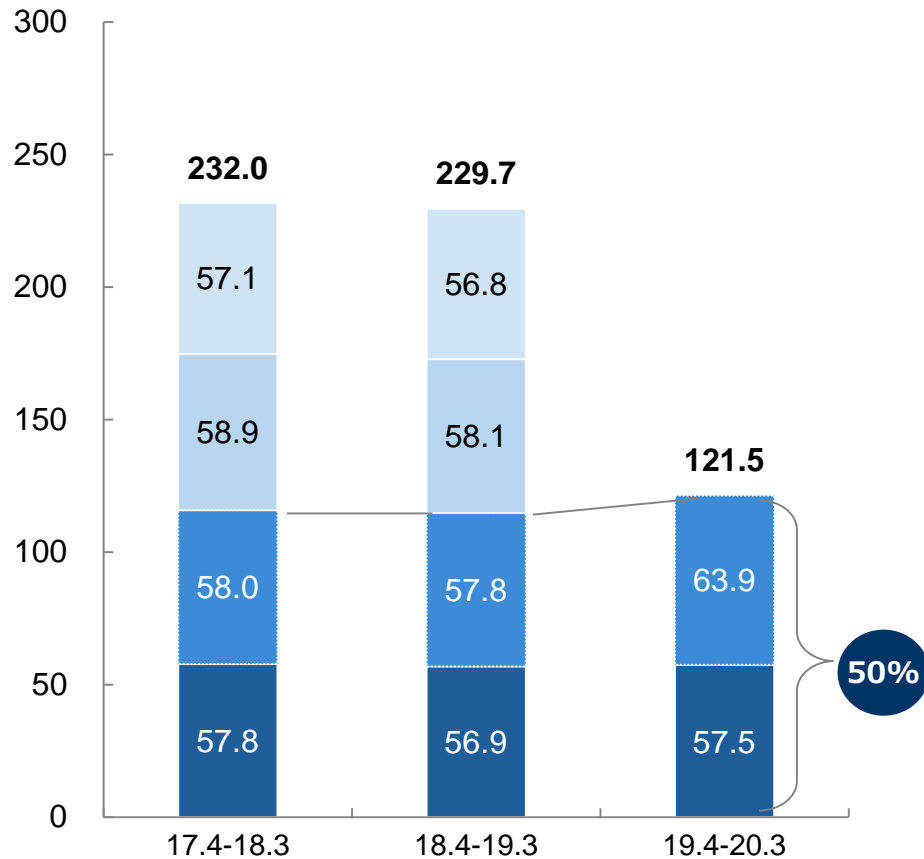
Kabarai:

JPY 1.2 billion was reversed from Kabarai reserves in this 1H

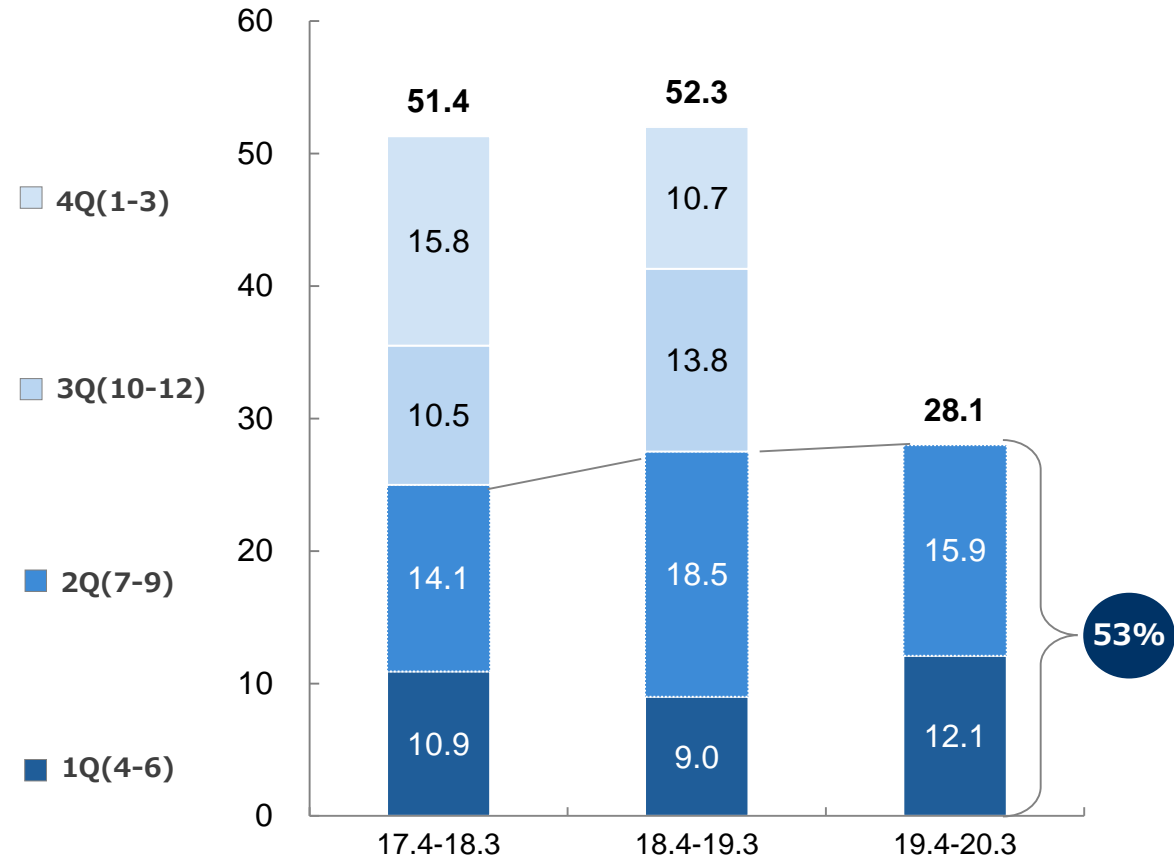
Progression toward Full Year Plan

(Unit: JPY billion)

Total Revenue



Net Income



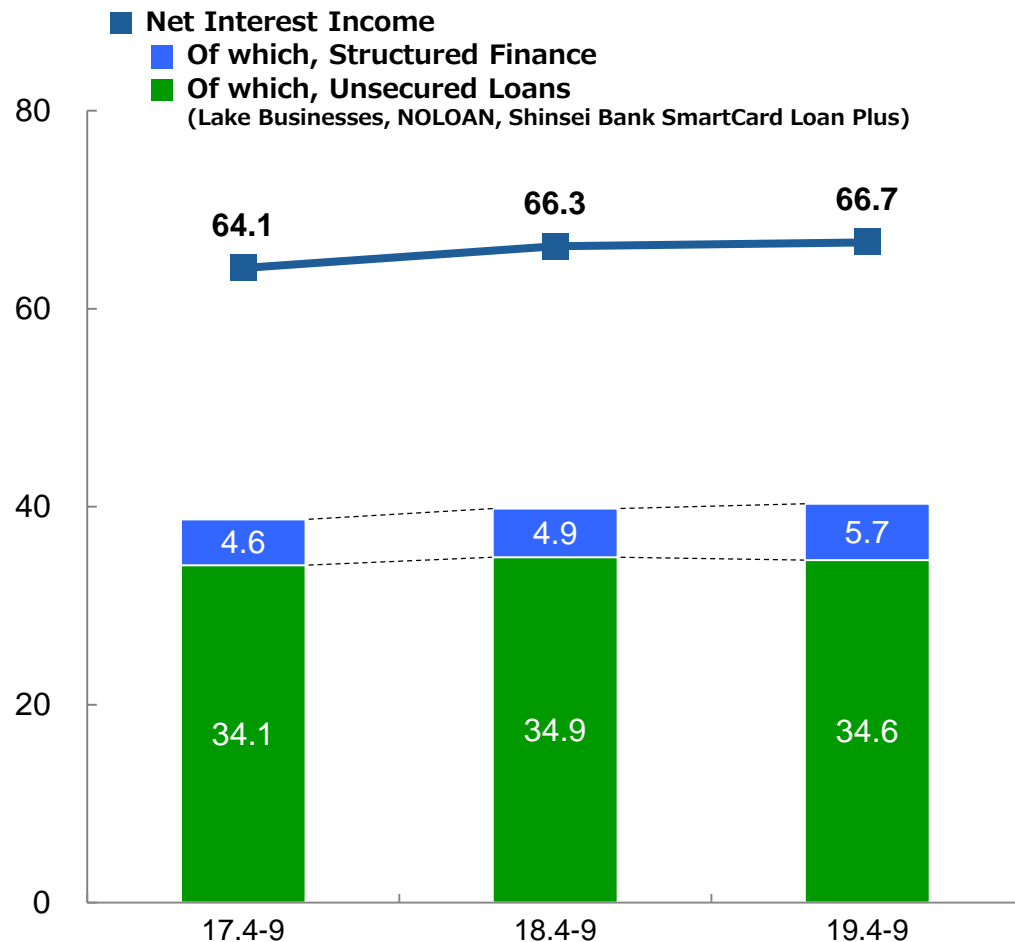
Initial Full Year Plan	230.0	236.5	243.0
------------------------	-------	-------	--------------

Initial Full Year Plan	51.0	52.0	53.0
------------------------	------	------	-------------

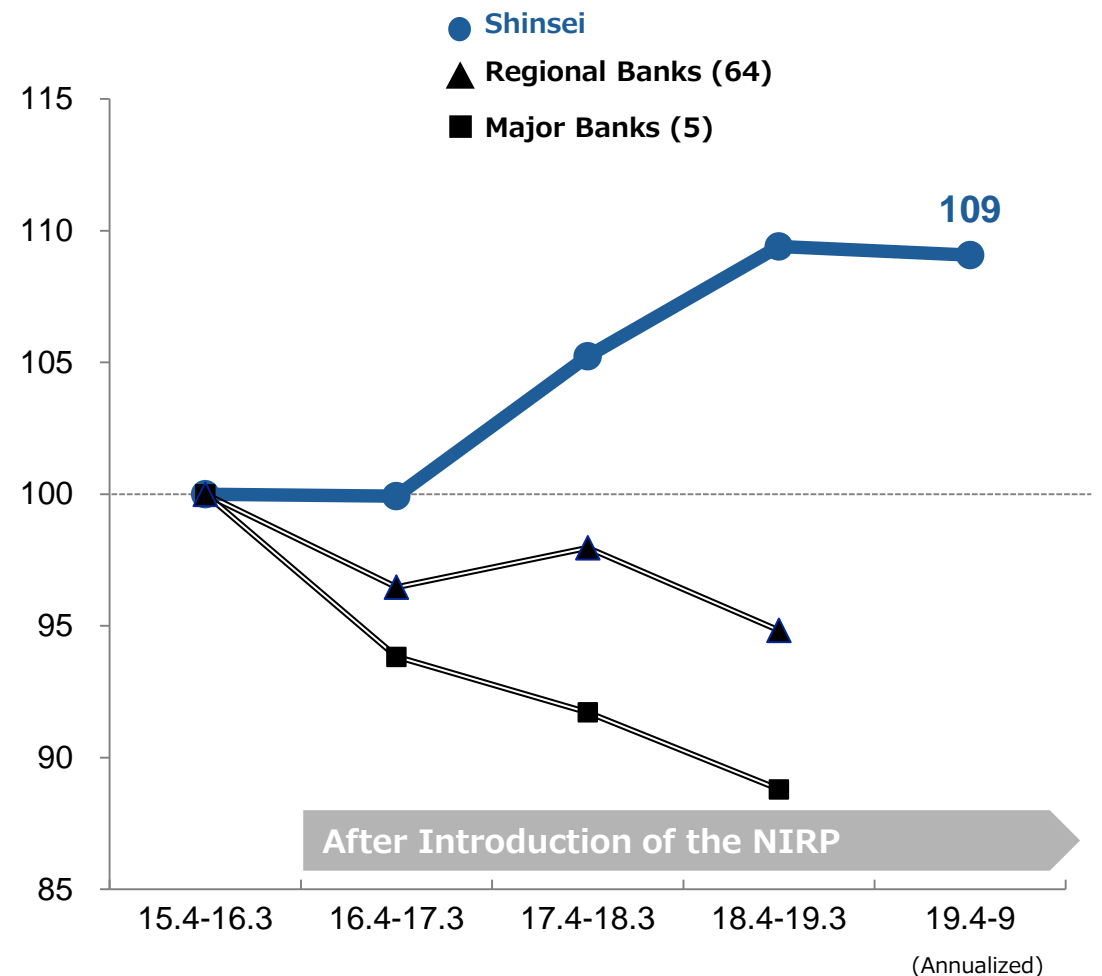
Financial Update: Net Interest Income

(Unit: JPY billion)

- Increase in Structured Finance reflects growth of operating assets balance
- Slight decrease in Unsecured loans reflects lower average loan balance (y-o-y), and now constitutes 52% of total net interest income



Net Interest Income Trend (FY2015=100)



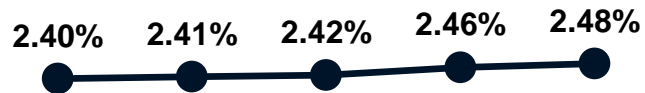
(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis):
 Compiled based on disclosures of Japanese Bankers Association
 Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Interest Margin (NIM), Yields

(Unit: %)

- NIM improved to 2.48%, reflecting lower rate on deposit funding costs

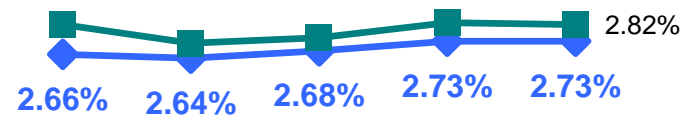
Net Interest Margin¹



15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-9
(Annualized)

Yield on Interest Earning Assets

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



15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-9
(Annualized)

Funding Costs

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



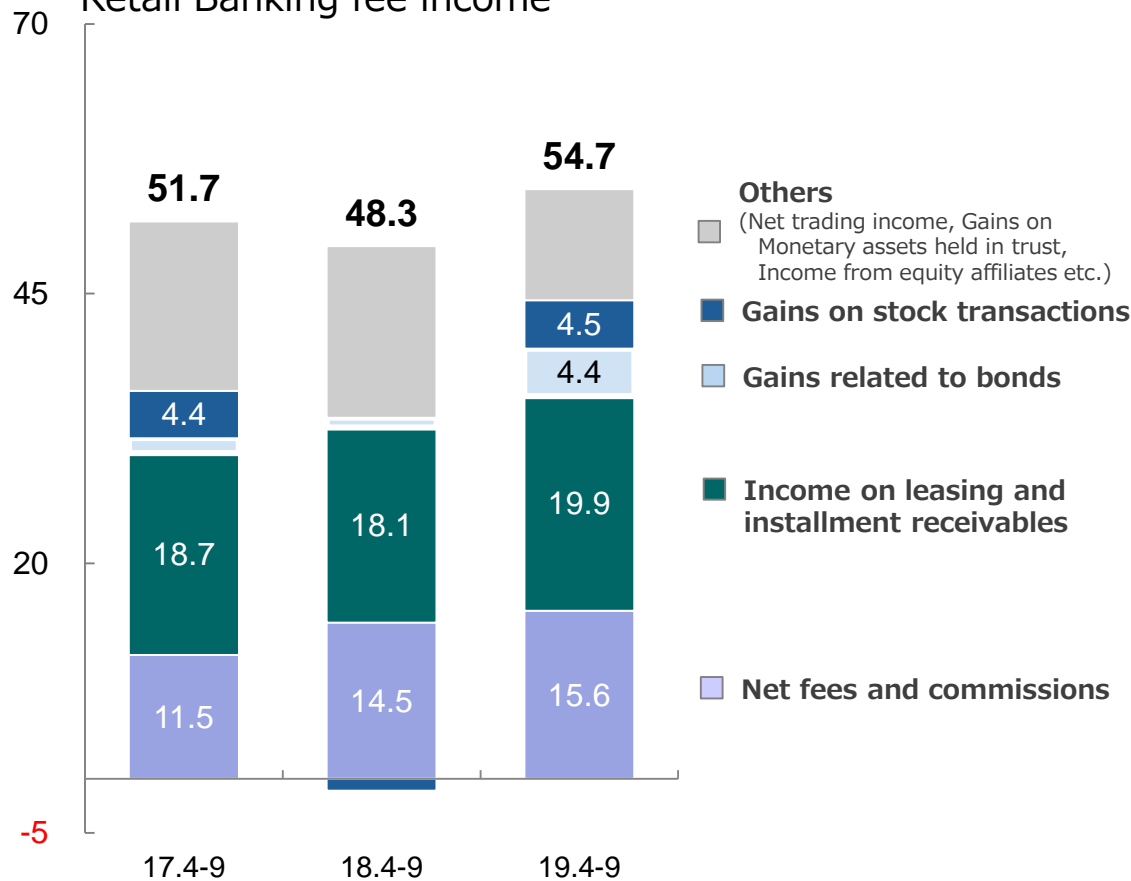
15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-9
(Annualized)

¹ Includes income on leased assets and installment receivables

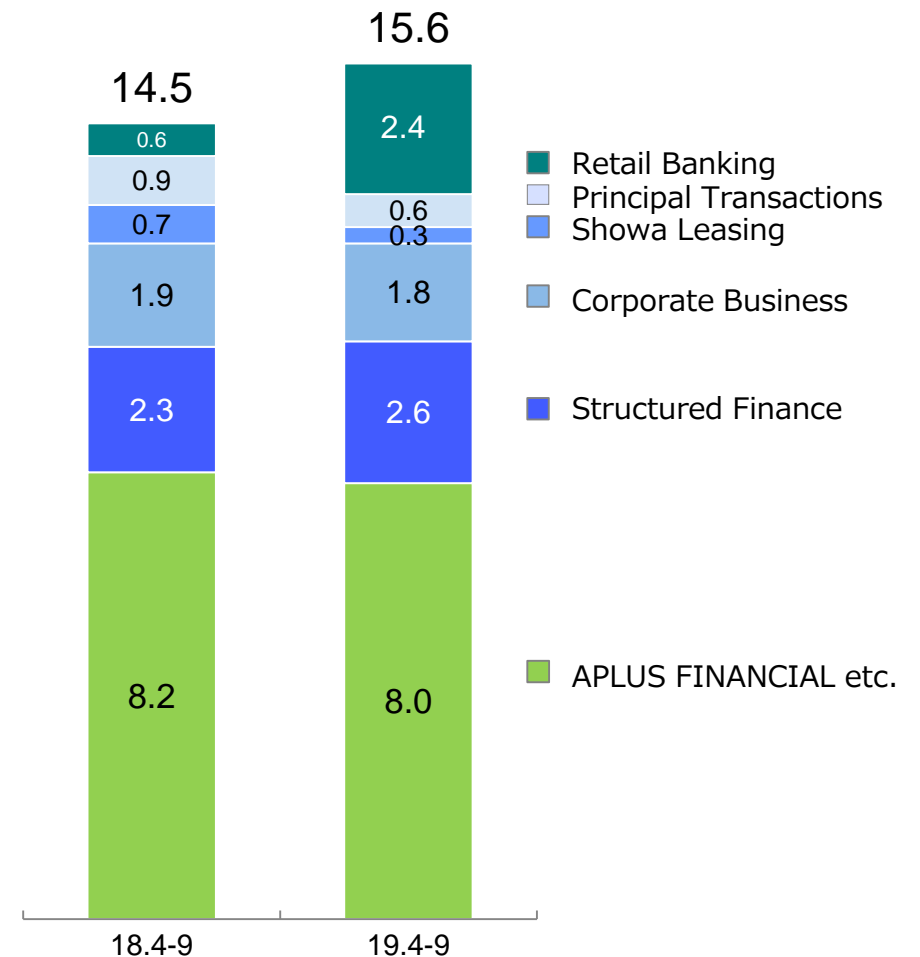
Financial Update: Noninterest Income

(Unit: JPY billion)

- **Gains on stock transactions:** Increase reflects gains on sales of equities in Corporate Business
- **Gains related to bonds:** Increase reflects gains on sales of bonds from Treasury's ALM activities
- **Income on leasing and installment receivables:** Growing contribution from APLUS and Showa Leasing
- **Net fees and commissions:** Significant increase in Retail Banking fee income



Net Fees and Commissions: Major Segments

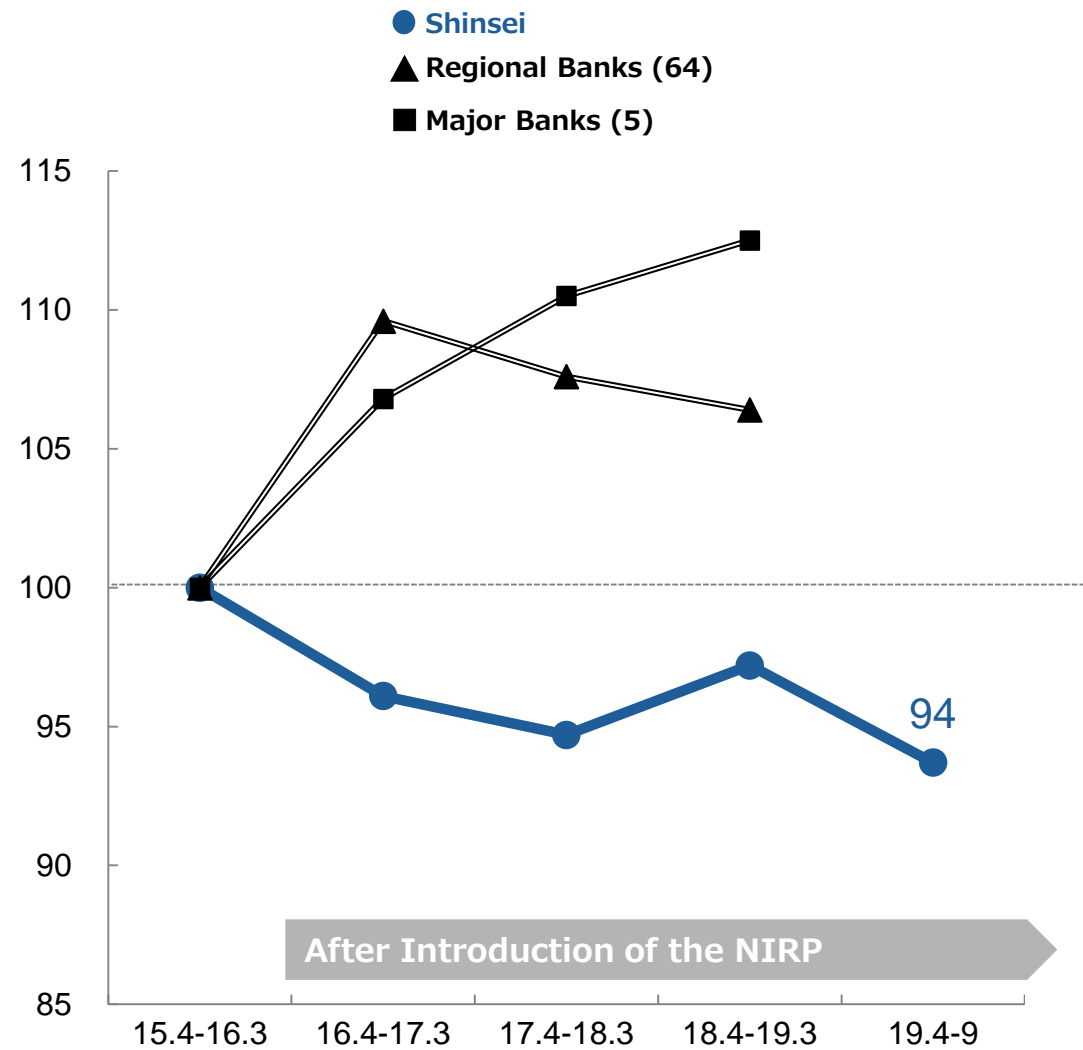


Financial Update: Expenses, Expenses-to-Revenue Ratio

(Unit: JPY billion)

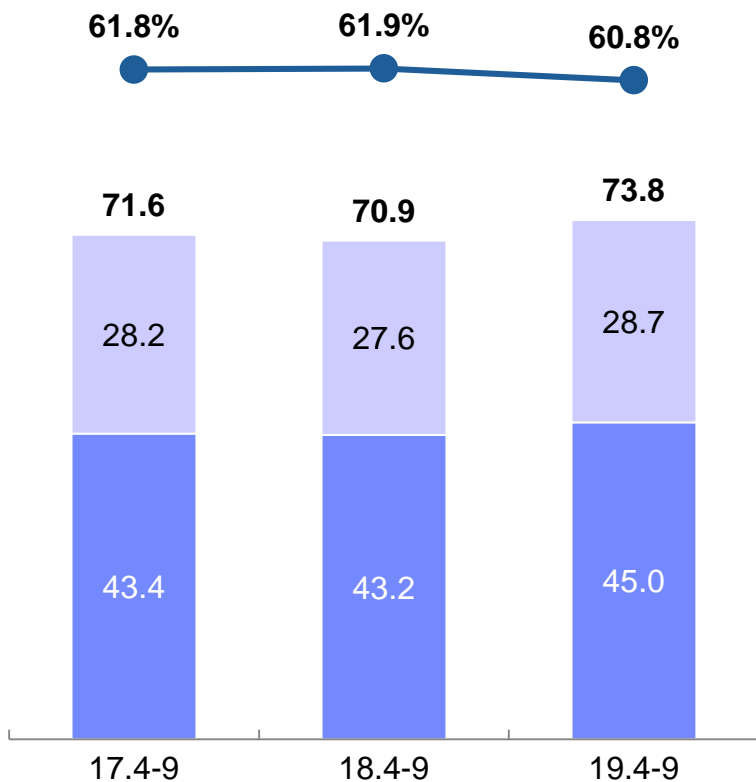
- Expenses-to-revenue ratio reflects timing difference due to certain projects and IT expenses shifting to 2H
- Increase in personnel expenses reflects acquisitions of SHINKO LEASE and Financial Japan
- Increase in nonpersonnel expenses mainly reflects IT related expenses (JPY 1.7 billion of depreciation expenses on new IT systems was recorded in this 1H)

Expenses-to-Revenue Ratio Trend (FY2015=100)



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

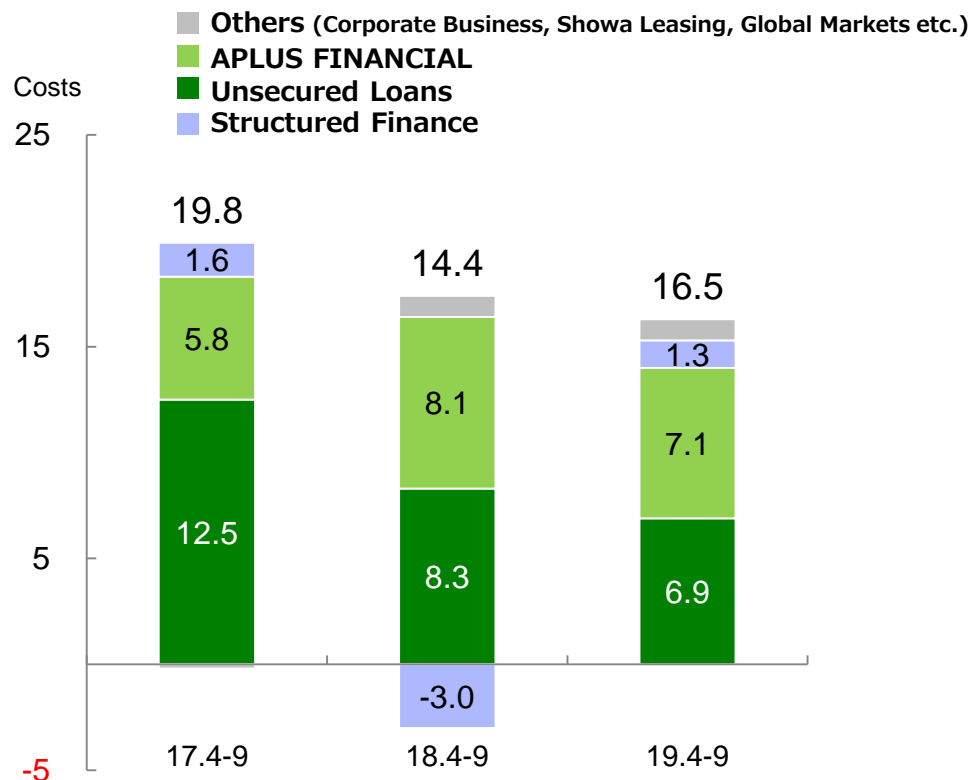
■ Personnel Expenses ● Expenses-to-Revenue Ratio
 ■ Nonpersonnel Expenses



Financial Update: Net Credit Costs

(Unit: JPY billion; %)

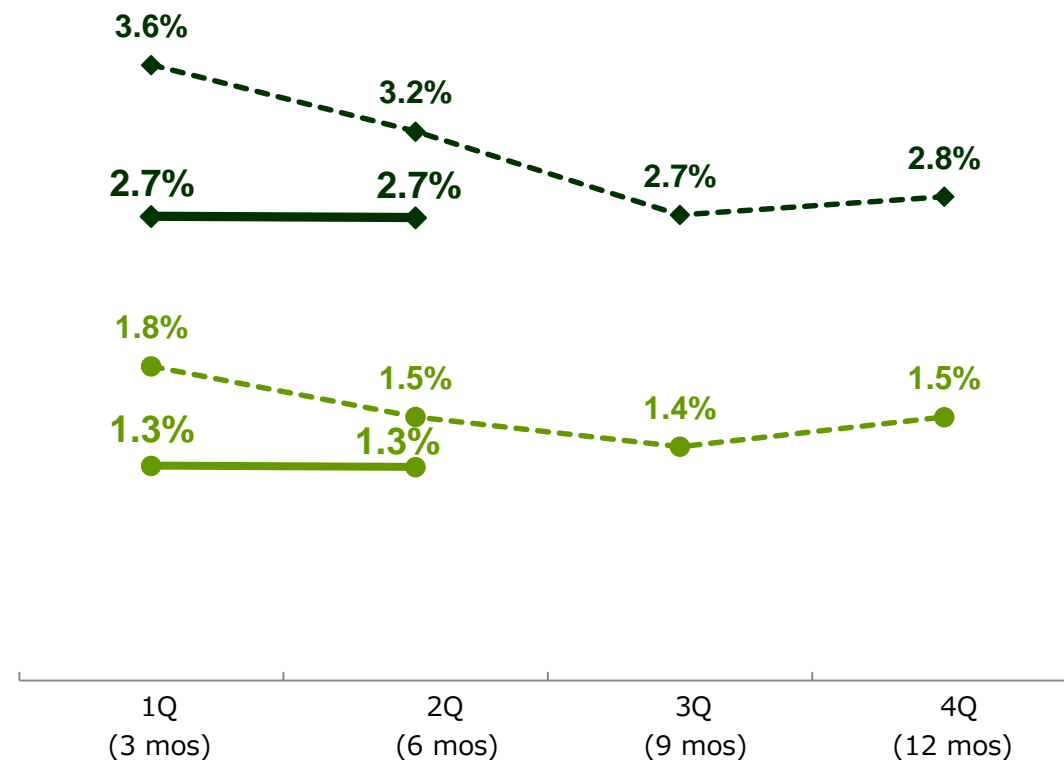
- In unsecured loans, decrease in net credit costs reflects improved credit quality due to enhanced collection in Lake business as well as decrease in credit guarantees to regional banks. Net credit cost ratio is at 2.7%
- In APLUS FINANCIAL, decrease in net credit costs reflects an absence of provisioning related to delinquent loans in the previous year. Net credit cost ratio is at 1.3%



Recoveries

Net Credit Costs Ratio: Consumer Finance

- ◆ FY2018 Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- ◆ FY2019 Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- FY2018 APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)
- FY2019 APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)

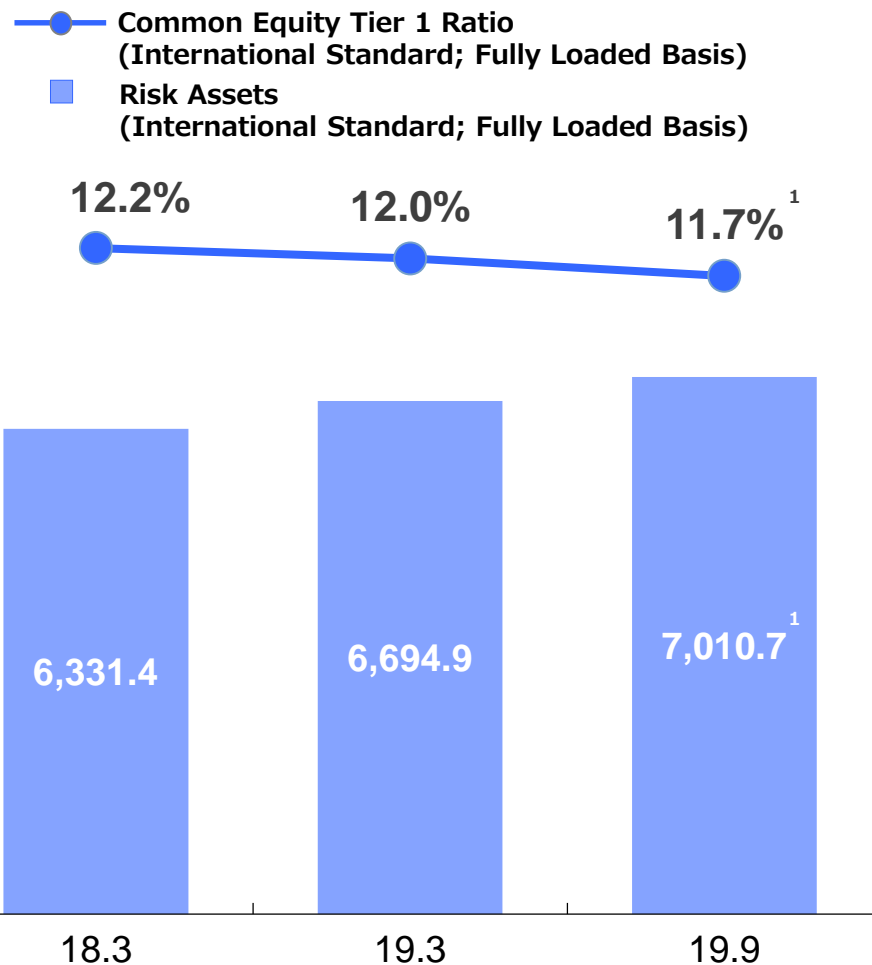


¹ Net Credit Costs Ratio = Calculated by annualizing the following formula :
(Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances)

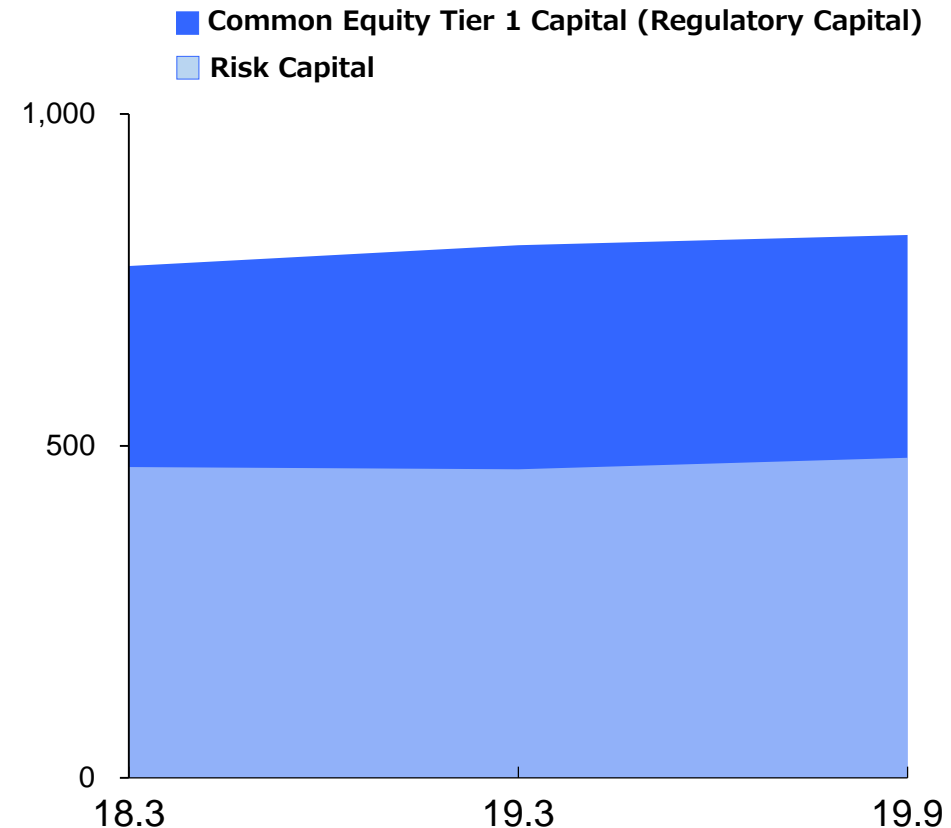
Financial Update: Capital

(Unit: JPY billion; %)

- Common Equity Tier 1 ratio at 11.7% reflects an increase in risk assets due mainly to an increase in balance of real estate finance and acquisition of SHINKO LEASE



	2018.3	2019.3	2019.9
Common Equity Tier 1 Capital (International Standard; Fully Loaded Basis)	771.0	802.3	817.8 ¹
Risk Capital	468.2	464.5	481.9



¹ In the calculation of the consolidated capital adequacy ratio as at September 30, 2019, parameter estimates applied to some exposures are adjusted for the fiscal year ending March 31, 2019

Financial Update: Excess Interest Repayment (Kabarai)

(Unit: JPY billion)

- Kabarai payments declined by approx. 20% compared with same period of last year
- Combined reserve coverage ratio based on the total actual payments in 19.7-9 is above 5 years

◆ Number of Disclosure Claims¹ (RHS)

■ Actual Repayments: Shinsei Personal Loan (LHS)

■ Actual Repayments: APLUS FINANCIAL (LHS)

■ Actual Repayments: Shinsei Financial (LHS)

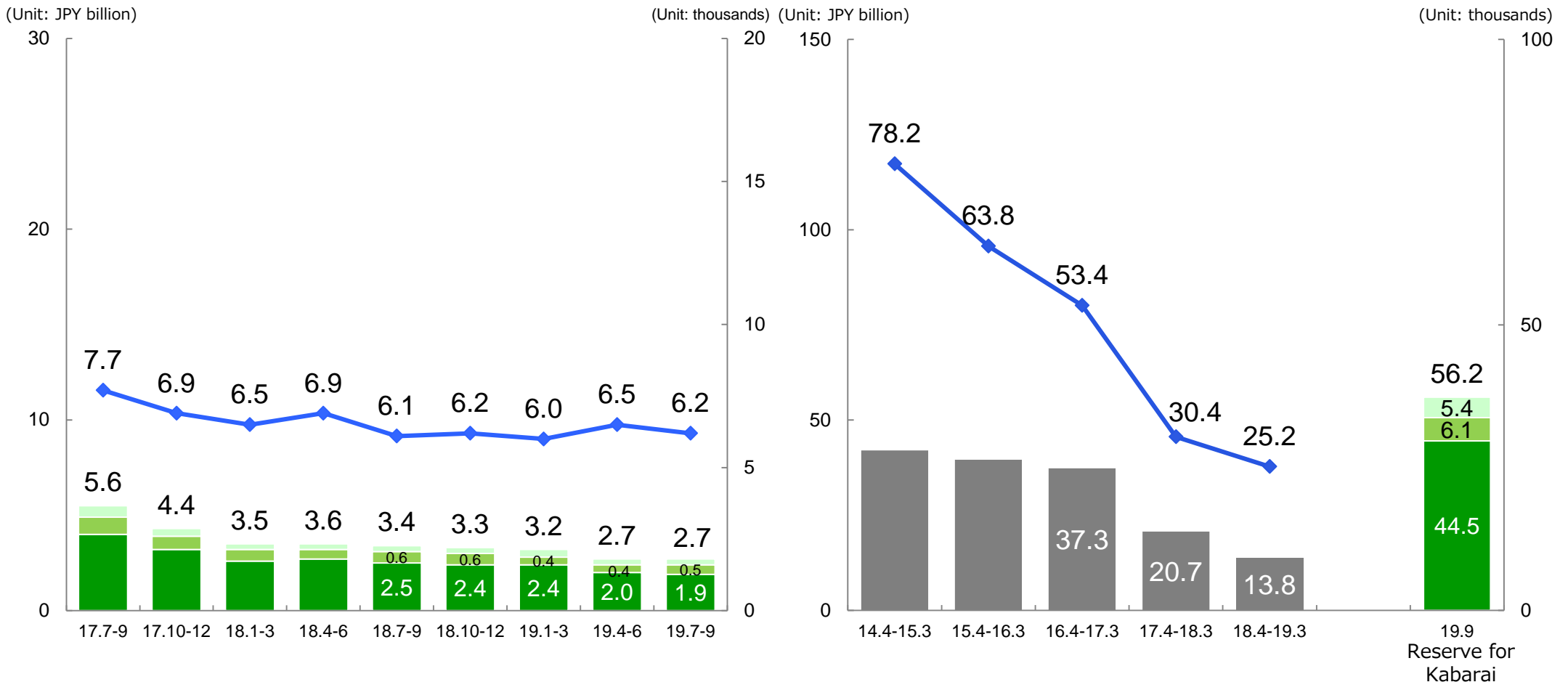
◆ Number of Disclosure Claims¹ (RHS)

■ Actual Repayments Amounts¹ (LHS)

■ Reserve for Kabarai : Shinsei Personal Loan (LHS)

■ Reserve for Kabarai : APLUS FINANCIAL (LHS)

■ Reserve for Kabarai : Shinsei Financial (LHS)



¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Strategic Businesses



Progress on Productivity Enhancement Initiatives

- We have started to plan initiatives and currently verifying their effects in order to generate profit contribution from next year and beyond

New Initiatives in Medium-Term Strategies

- **Branch and office optimization**
 - ✓ Efficiency of branch channels
 - ✓ Effective use of office space
- **Cost structure reforms**
 - ✓ Expense reassessment, expenditure control
 - ✓ Greater enforcement of procurement rules and transparency
- **Digital technology and workstyle reforms**
 - ✓ Implementation of AI, digital technology etc.
 - ✓ Review on business process and operations
 - ✓ More flexible hours and workplace



Progress



Integration of offices such as Group's IT sections
Optimization of the number of Lake Automatic Contract Machines (ACM) in alignment with Lake's digital strategy



Review of IT related expenses; Considering to consolidate Group's data centers and to use cloud computing system
Undertake Group's supplier management and consider to bring in electronic contract system



Introduce digital tools such as RPA, OCR, AI translation etc.
Install mobile based working environment by ICT tools

Full year benefits of previous productivity enhancement projects have been realized

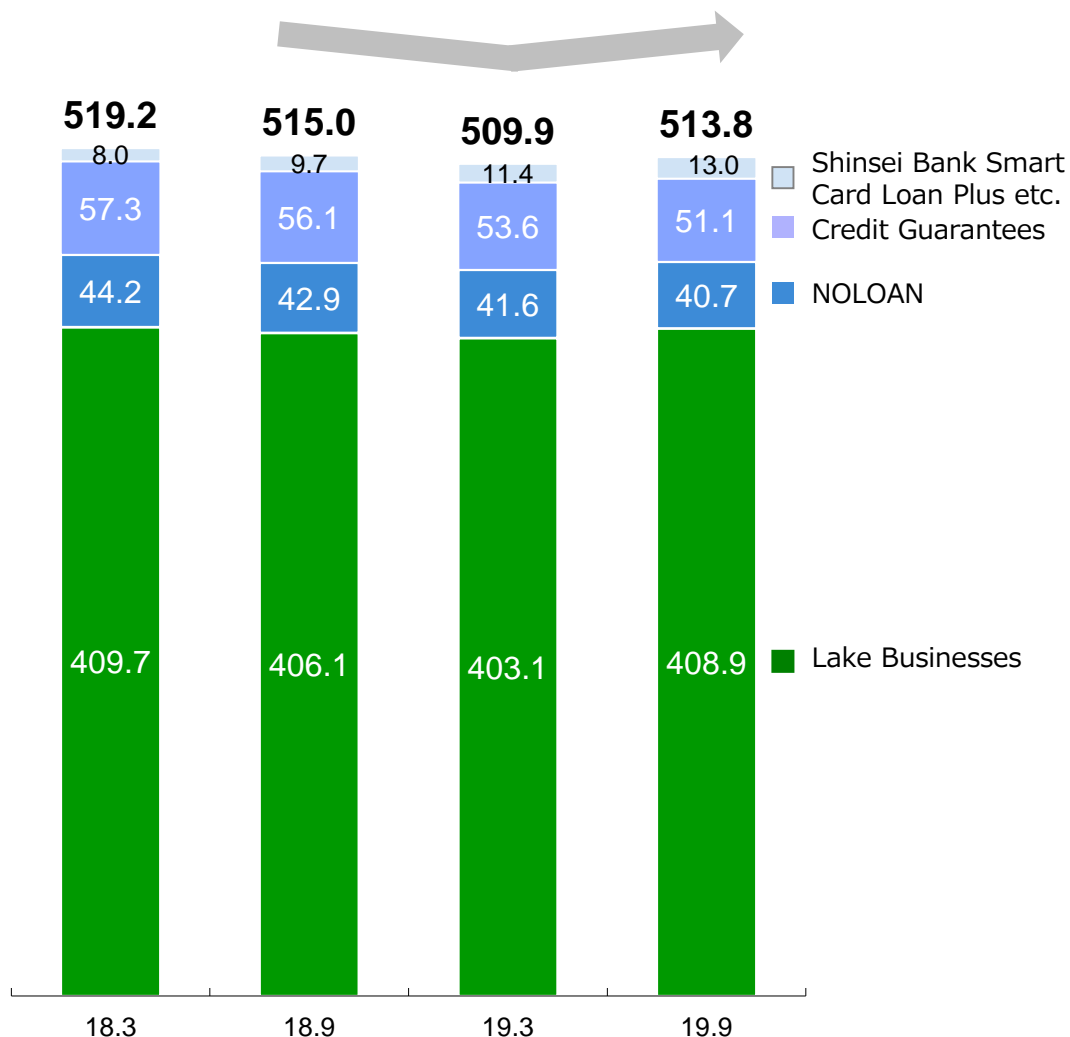
- Consolidation of group corporate functions (Group's head office)
- Call centers and business centers optimization
- Restructuring initiatives in APLUS
- Performance improvement in delinquent loan's collection

- RPA: Robotic Process Automation
- OCR: Optical Character Recognition
- ICT: Information Communication Technology

Small Scale Finance: Unsecured Loans (1)

(Unit: JPY billion)

【Loan Balance】



■ Performance Results:

- ✓ Balances of Lake and overall unsecured loans have started to grow from 1H of this fiscal year
- ✓ Decrease in net credit costs reflects improvement of credit quality in connection with improved collection and decrease in credit guarantees balance

Shinsei Financial ¹	18.4-9	19.4-9
Net Interest Income	34.9	34.6
of which, Lake Businesses	32.0	31.7
Noninterest Income	0.0	-0.5
Total Revenue	35.0	34.0
Expenses	-16.4	-16.8
Ordinary Business Profit (OBP)	18.5	17.2
Net Credit Costs	-8.3	-6.9
OBP after Net Credit Costs	10.2	10.3

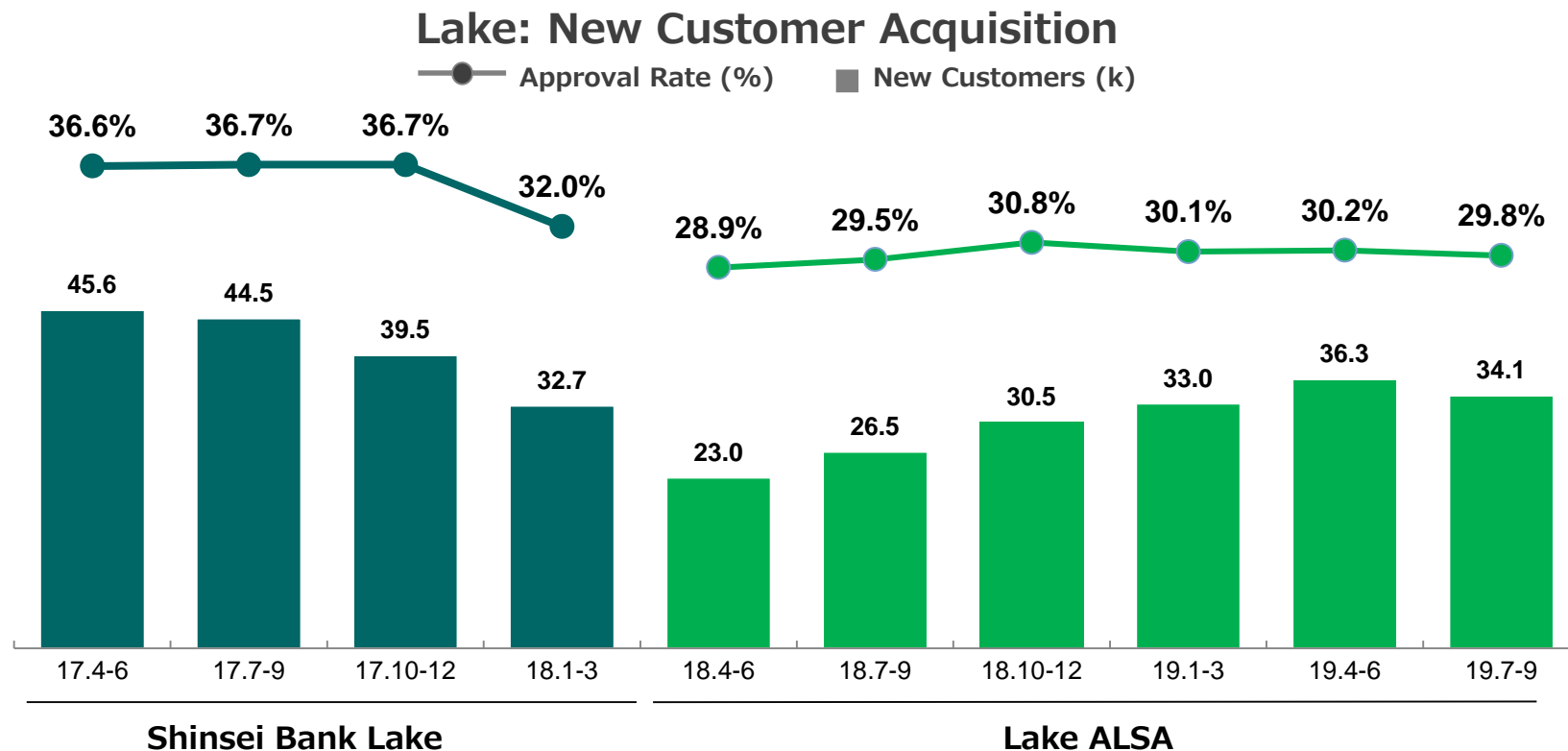
¹ Includes profits and losses of Shinsei Financial, Shinsei Bank Lake, and Shinsei Bank Smart Card Loan Plus etc.

Small Scale Finance: Unsecured Loans (2)

(Unit: JPY billion)

■ Lake ALSA Unsecured Loans:

- ✓ From September 2019, “60-day interest-free loan” has been made a regular product feature for new customers who apply on the web and through smartphone
- ✓ Application channel has been shifting to web for customer convenience and operational efficiency
 - The number of unmanned branches is at 714 (vs. 725 as of March 31, 2019)
 - The number of applications increased 27% y-o-y; approval rate remains stable at ~30%
 - The number of new customer acquisition increased by 28% y-o-y



Small Scale Finance: Unsecured Loans (3)

■ Value co-creation in Shinsei Bank Smart Money Lending:

- ✓ Shinsei offers optimized financial services to the DOCOMO users through the Smart Money Lending products
- ✓ Shinsei co-works with DOCOMO for the DOCOMO Lending Platform by leveraging expertise of Lake brand
- ✓ Shinsei became first partner bank in the DOCOMO Lending Platform



For **Docomo** users
Shinsei Bank Smart Money Lending



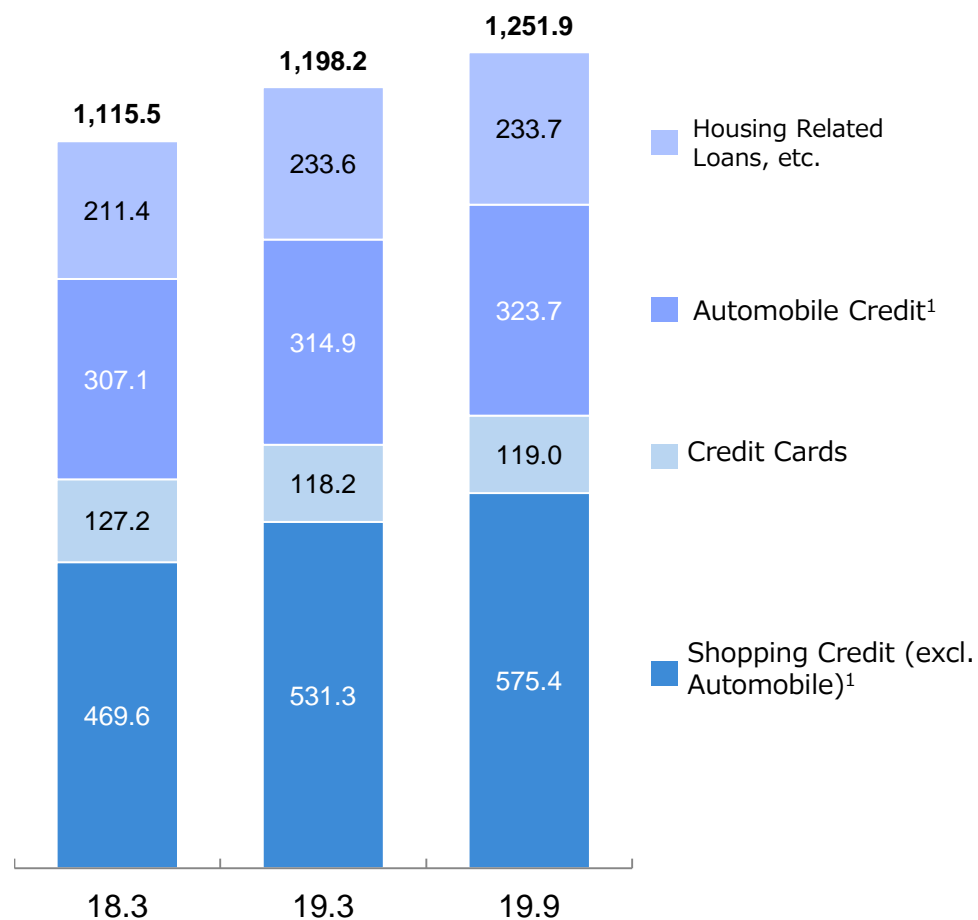
“Shinsei Bank Smart Money Lending” for DOCOMO users

- ✓ Launched on August 29, 2019
- ✓ Aim to expand name recognition by marketing initiatives such as distribution of email magazine to DOCOMO users and campaign related to d-point program

Small Scale Finance: APLUS FINANCIAL (1)

(Unit: JPY billion)

【Operating Assets Balance】



¹ Includes credit guarantees business

■ Performance Results :

- ✓ Increase in noninterest income reflects an increase in balance of shopping credit
- ✓ Decrease in net credit costs reflects an absence of provisions for a bulk sale of delinquent loans in the previous year

APLUS FINANCIAL	18.4-9	19.4-9
Net Interest Income	5.5	4.9
Noninterest Income	22.9	23.9
Total Revenue	28.5	28.8
Expenses	-18.7	-19.1
Ordinary Business Profit (OBP)	9.7	9.6
Net Credit Costs	-8.1	-7.1
OBP after Net Credit Costs	1.6	2.5

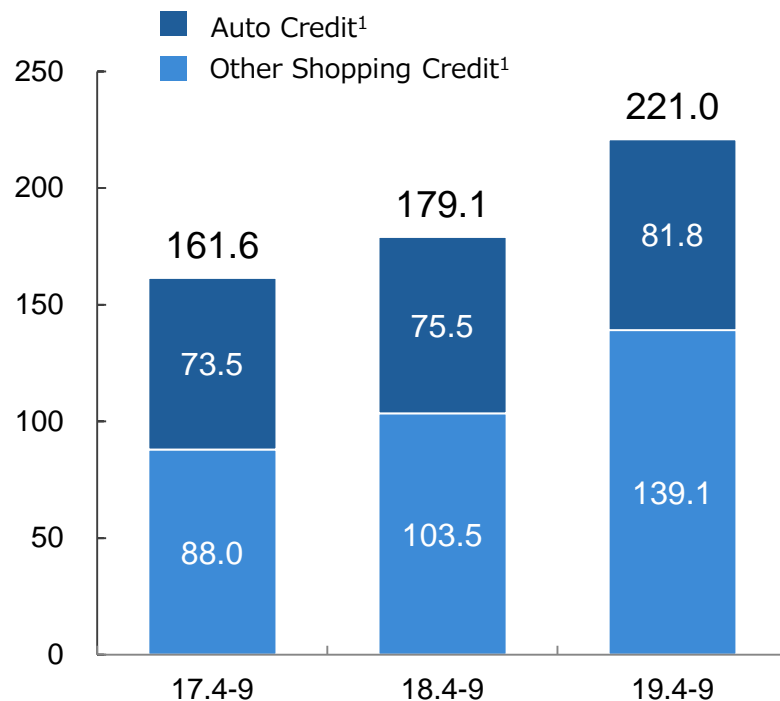
Small Scale Finance: APLUS FINANCIAL (2)

(Unit: JPY billion)

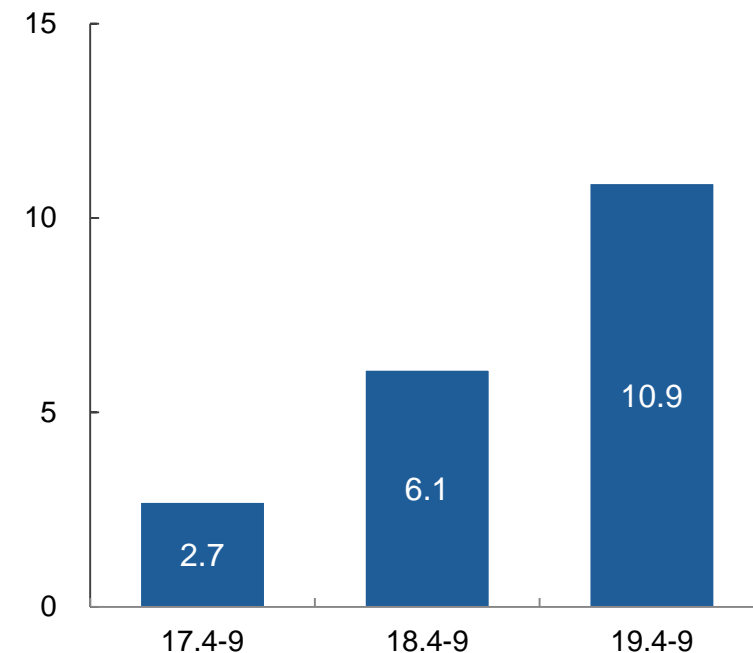
■ Shopping Credit in APLUS FINANCIAL:

- ✓ Transaction volume of “other shopping credit” has been growing
- ✓ Of which, vendor leasing and auto leasing areas with Showa Leasing where we particularly focus on individual customers grew steadily

Transaction Volume: Auto Credit, Other Shopping Credit



Transaction Volume: Vendor Leasing, Auto Leasing with Showa Leasing



¹ Includes credit guarantees and leasing businesses

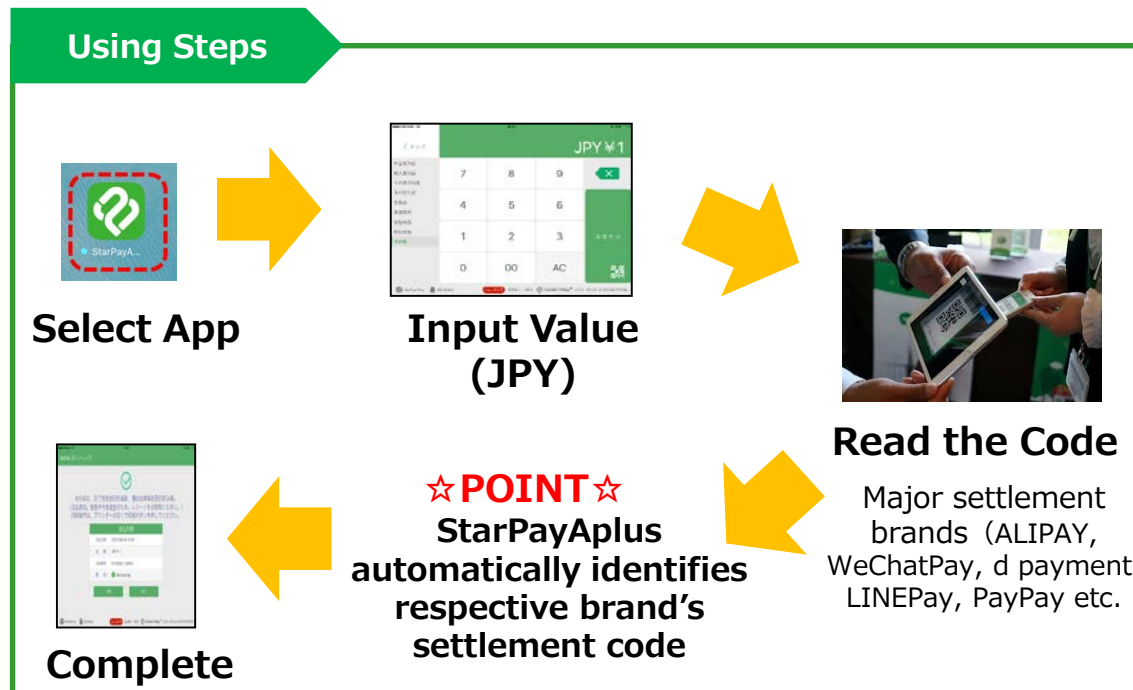
Small Scale Finance: APLUS FINANCIAL (3)

(Unit: JPY billion)

■ Payment Business in APLUS FINANCIAL :

- ✓ Offering “StarPayAplus” app to our merchants. The app on the smartphones and tablets of the merchants is capable to complete the settlement by identifying each of Japanese and overseas brand codes. Harmonizing merchants’ customers needs who want to diversify settlement methods and improve convenience
- ✓ Transaction volume of settlement via bank accounts and rent guarantees has been stable

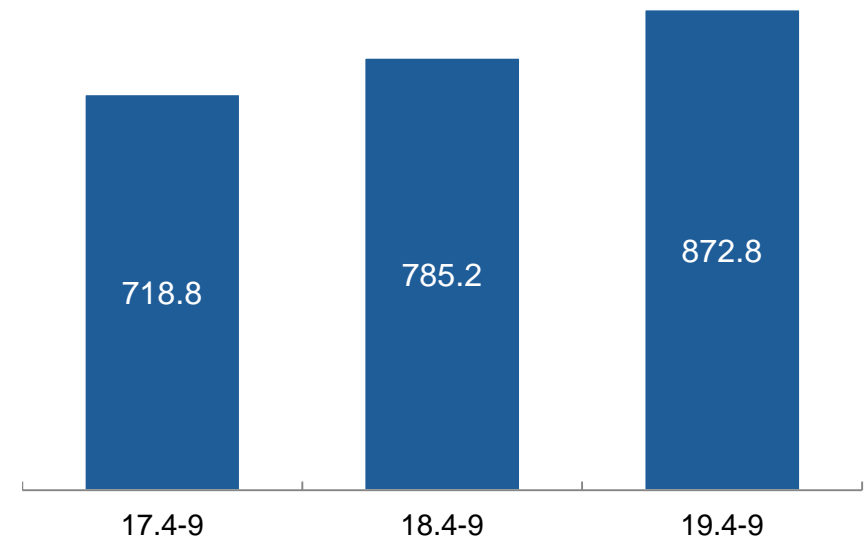
APLUS “StarPayAplus” App



※The number of the brands will gradually expand

Payments Transaction Volume

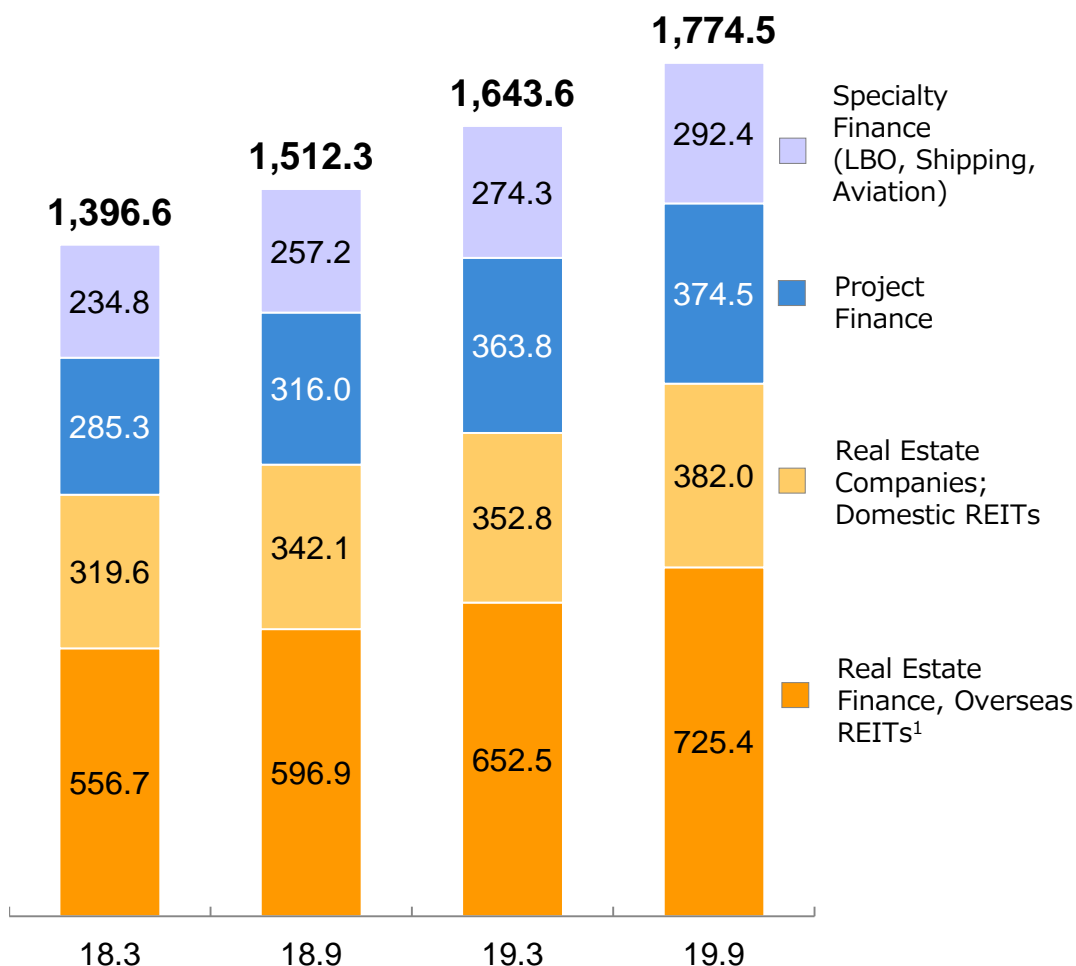
Settlement via bank accounts, rent guarantees, prepaid cards, code settlement services



Business with Institutional Investors: Structured Finance (1)

(Unit: JPY billion)

【Operating Assets Balance】



■ Performance Results:

- ✓ Increase in net interest income reflects regular accumulation of operating assets
- ✓ Increase in net credit costs relates to absence of net credit recoveries as recorded in the previous year

Structured Finance	18.4-9	19.4-9
Net Interest Income	4.9	5.7
Noninterest Income	3.4	3.1
Total Revenue	8.3	8.8
Expenses	-3.9	-4.1
Ordinary Business Profit (OBP)	4.4	4.6
Net Credit Costs	3.0	-1.3
OBP after Net Credit Costs	7.5	3.2

¹ Category of overseas REITs has been change for current and previous periods

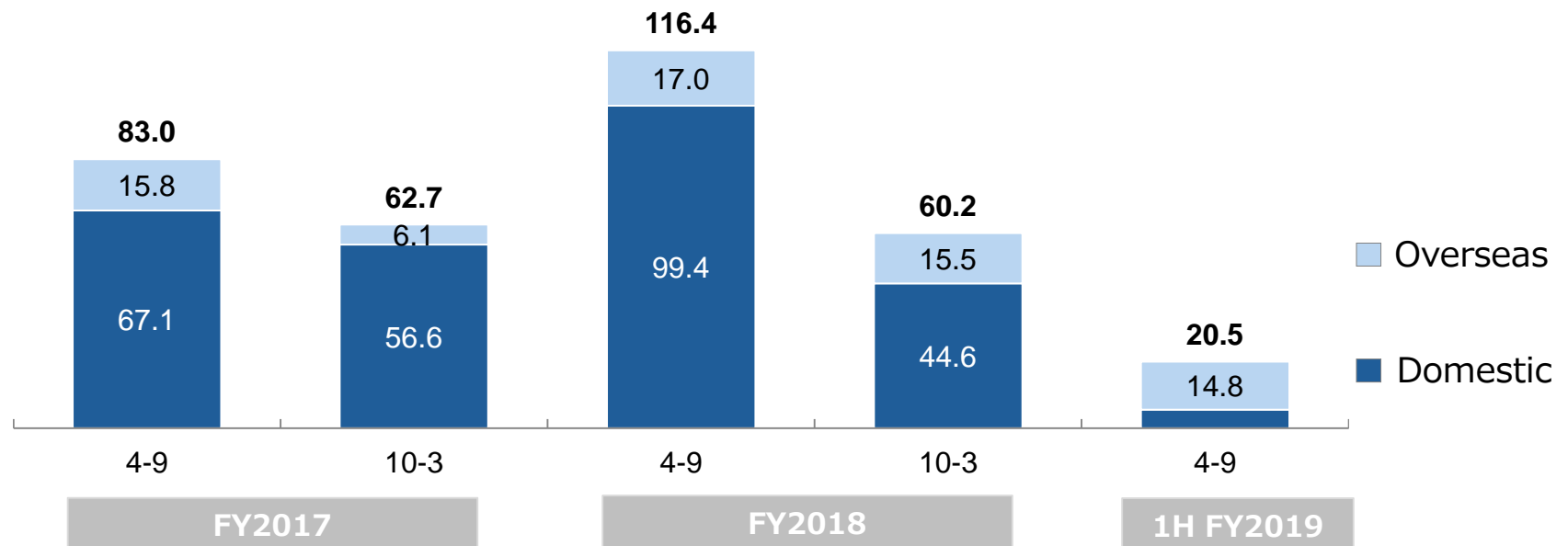
Business with Institutional Investors: Structured Finance (2)

(Unit: JPY billion)

■ Project Finance:

- ✓ Domestic project financing slowed in 1H; multiple transactions in pipelines, though requiring longer to conclude in light of the revision of the feed-in-tariff (FIT) in 2018
- ✓ Overseas project financing opportunities, such as large offshore wind projects in Europe are expanding
- ✓ There are several highly promising deals in pipeline which expect to close in 2H

Project Finance New Commitments



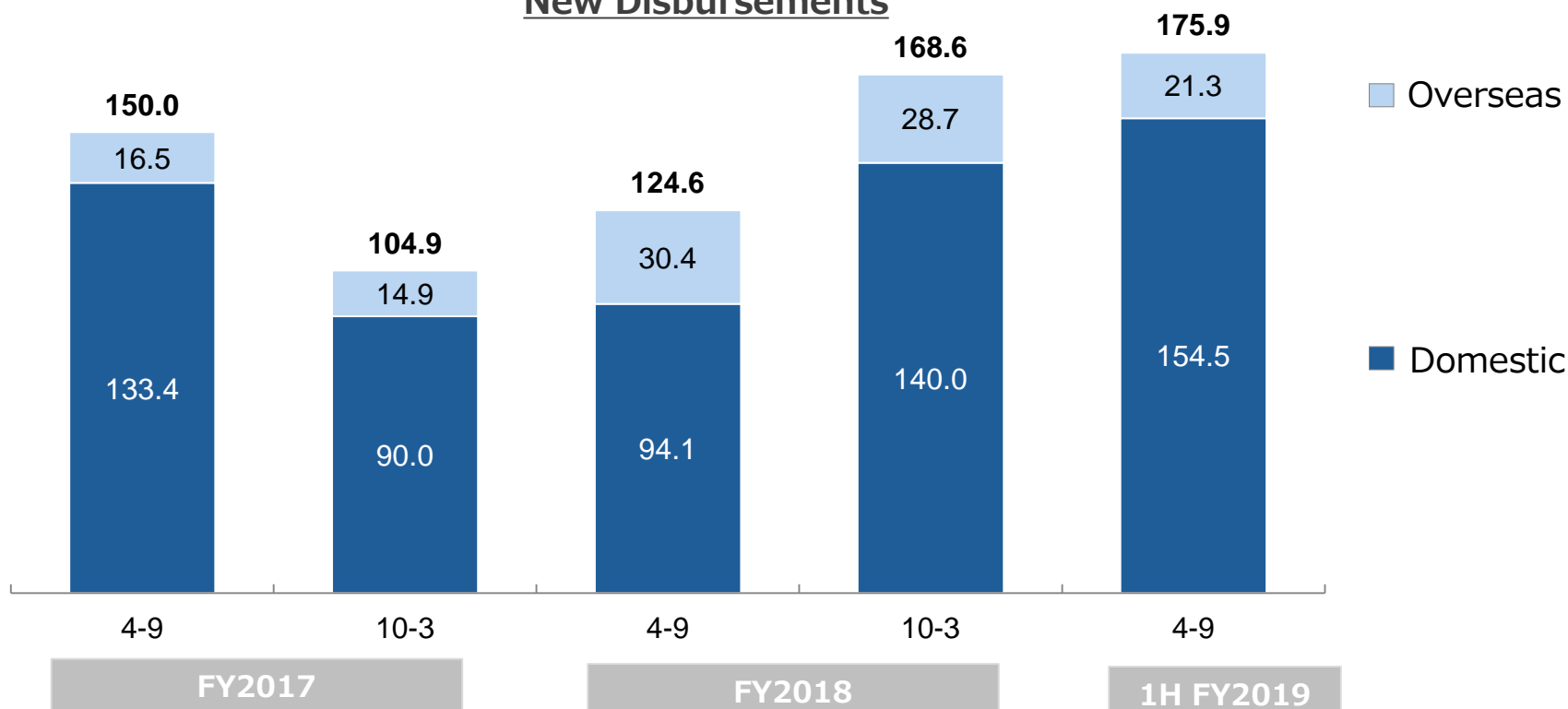
Business with Institutional Investors: Structured Finance (3)

(Unit: JPY billion)

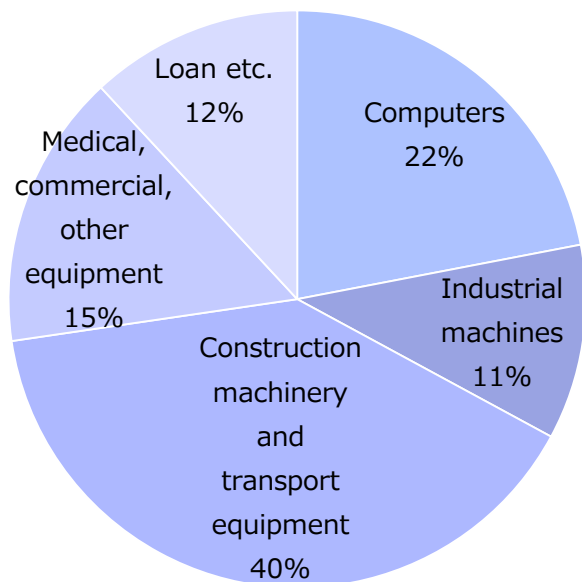
■ Real Estate Finance:

- ✓ The market has remained robust with prices holding at high level with ample deals flow
- ✓ Progressing initiatives such as sizable logistics facilities incorporating sell down structure and new asset types including warehouses
- ✓ Continue to select projects focusing on good properties and good sponsors in 2H, based on the accumulated pipeline thus far

Real Estate Nonrecourse Finance New Disbursements



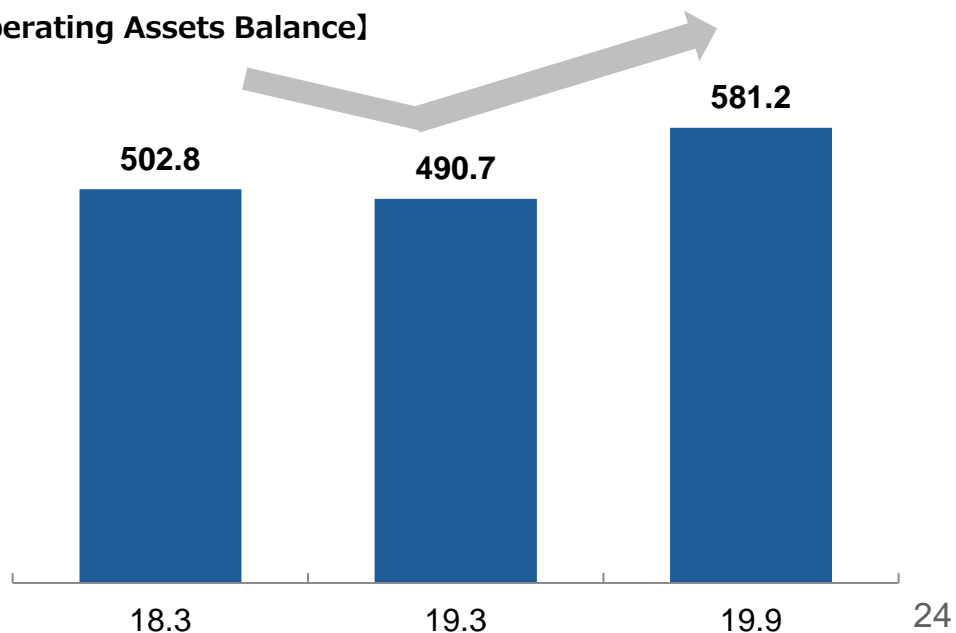
Portfolio by Product (as of September 30, 2019)



■ Performance Results:

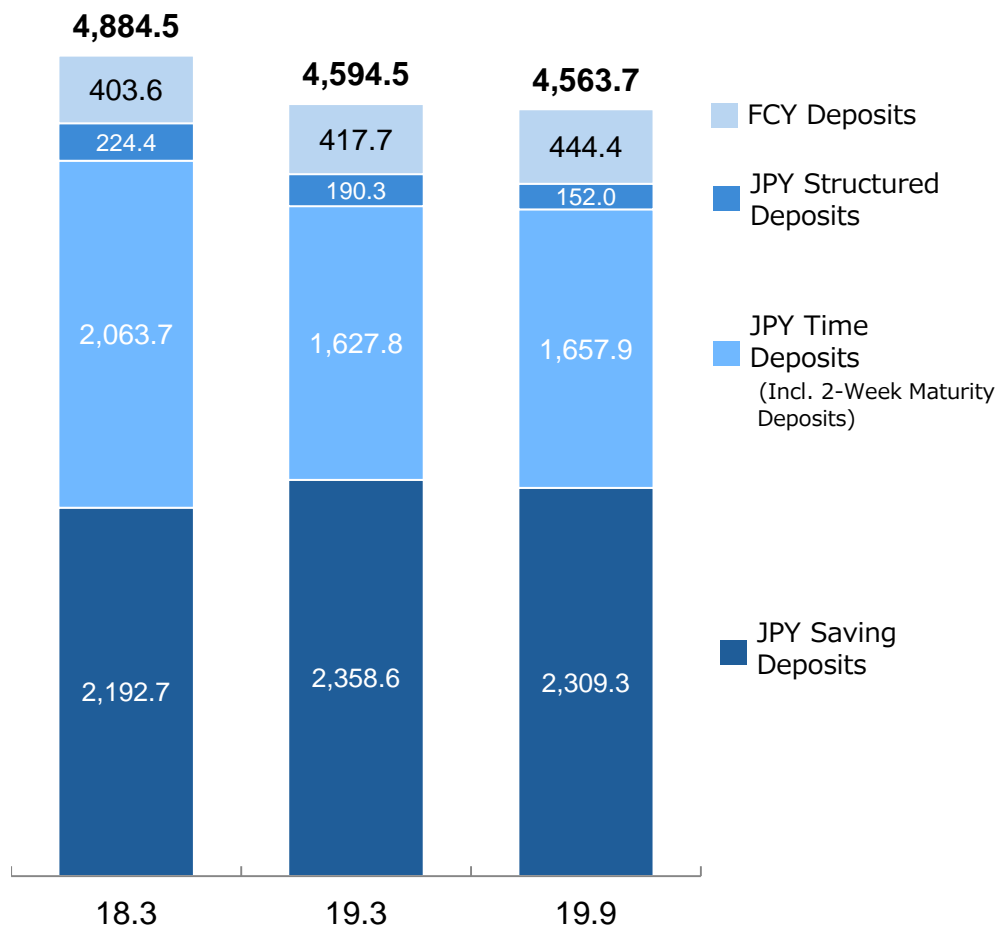
- ✓ Acquisition of SHINKO LEASE (July 2019) contributed to income as well as an increase in expenses
- ✓ Overall operating assets balance increased with “construction machinery and transport equipment” which is one of the strengths in Showa Leasing now constituting 40% in product portfolio (vs. 31%; March 31, 2019)

[Operating Assets Balance]



Showa Leasing	18.4-9	19.4-9
Net Interest Income	-0.1	-0.1
Noninterest Income	7.1	7.0
Total Revenue	7.0	6.9
Expenses	-4.7	-5.1
Ordinary Business Profit (OBP)	2.2	1.8
Net Credit Costs	0.7	0.0
OBP after Net Credit Costs	3.0	1.8

【Deposits Balance】



■ Performance Results:

- ✓ Acquisition of Financial Japan (May 2019) improved noninterest income and increased expenses
- ✓ Segment returned to profitability in the 1H

Retail Banking	18.4-9	19.4-9
Net Interest Income	11.8	12.0
of which, from Loans	5.0	4.7
of which, from Deposits, etc.	6.8	7.3
Noninterest Income	1.0	2.2
of which, from Asset Management Products	3.5	4.1
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-2.4	-1.8
Total Revenue	12.9	14.2
Expenses	-13.9	-13.7
Ordinary Business Profit (OBP)	-1.0	0.5
Net Credit Costs	-0.0	-0.0
OBP after Net Credit Costs	-1.0	0.5

■ Performance Results:

- ✓ Sales gain from equities contributed to a significant increase in noninterest income

Corporate Business	18.4-9	19.4-9
Net Interest Income	5.0	5.0
Noninterest Income	2.6	5.7
Total Revenue	7.6	10.8
Expenses	-5.9	-6.3
Ordinary Business Profit (OBP)	1.6	4.4
Net Credit Costs	-1.6	-1.1
OBP after Net Credit Costs	0.0	3.3

■ Performance Results:

- ✓ Increase in total revenue reflects income related to structured deposits to institutional customers under the lower interest rate in market

Markets	18.4-9	19.4-9
Net Interest Income	0.7	1.5
Noninterest Income	2.3	2.5
Total Revenue	3.0	4.0
Expenses	-1.9	-1.6
Ordinary Business Profit (OBP)	1.1	2.3
Net Credit Costs	-0.0	0.0
OBP after Net Credit Costs	1.1	2.3

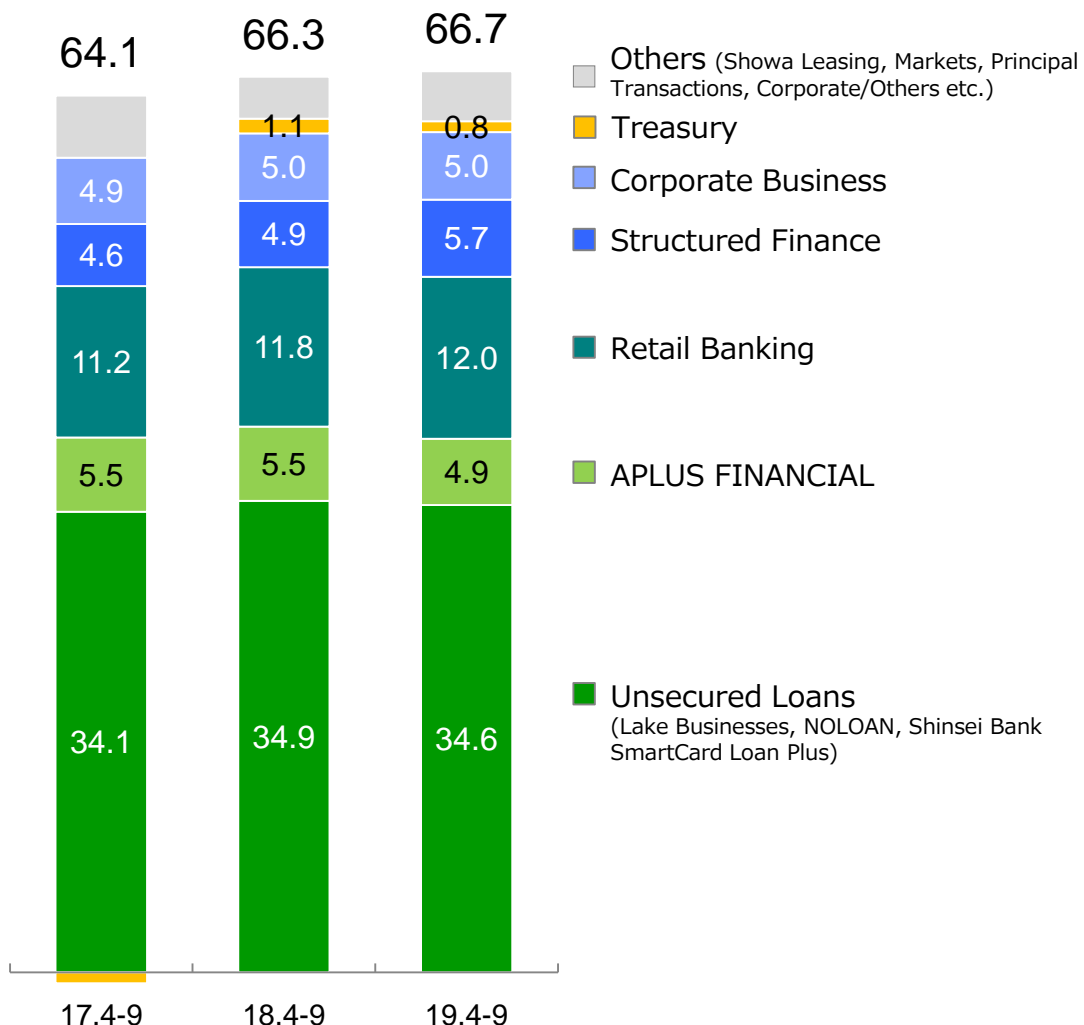
Segment Information



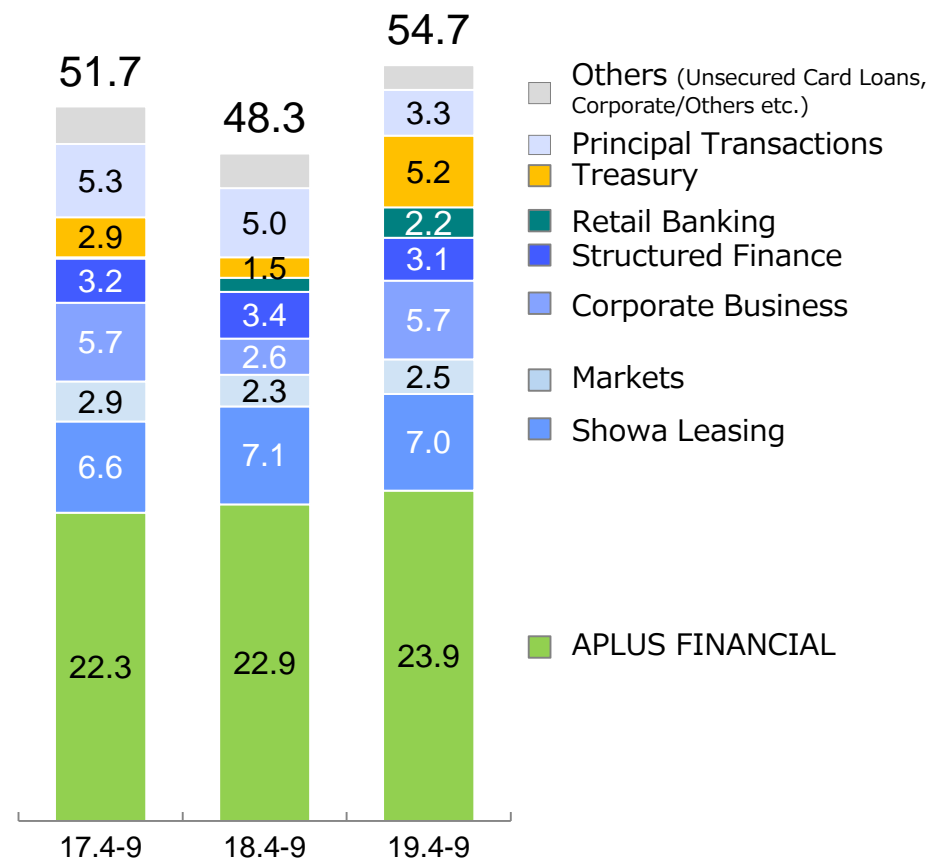
Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income: Segment y-o-y



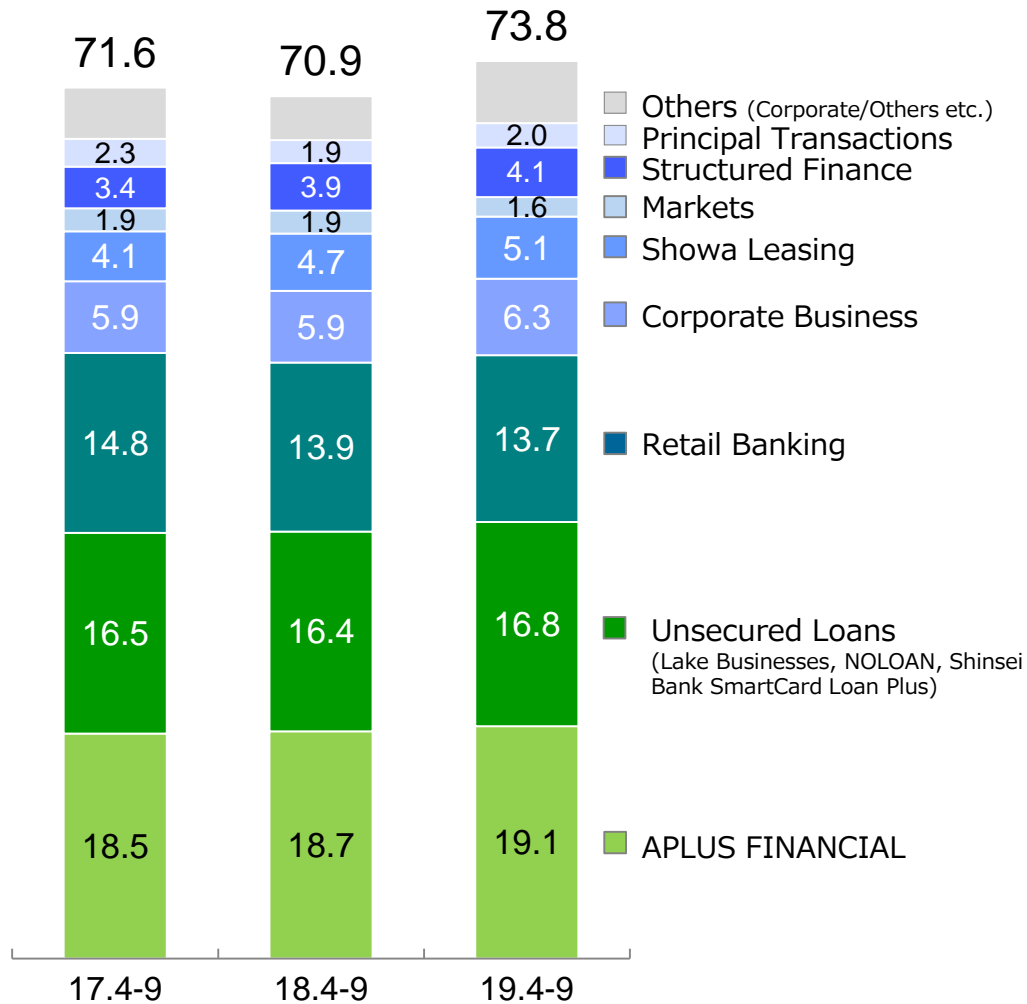
Noninterest Income: Segment y-o-y



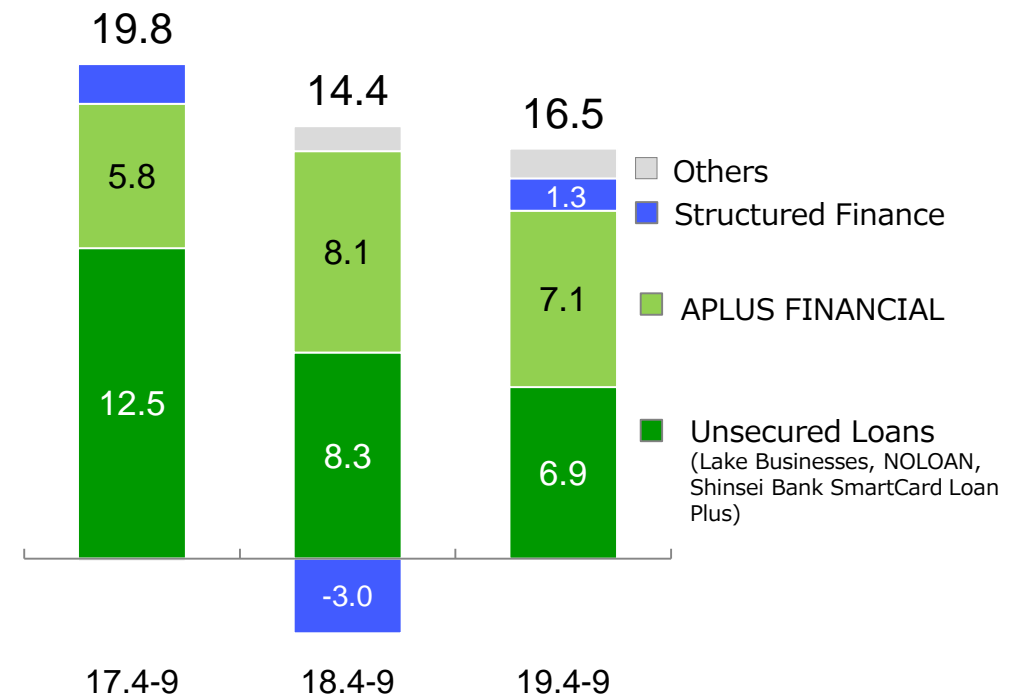
Segment: Expenses, Credit Costs

(Unit: JPY billion)

Expenses: Segment y-o-y



Net Credit Costs: Segment y-o-y

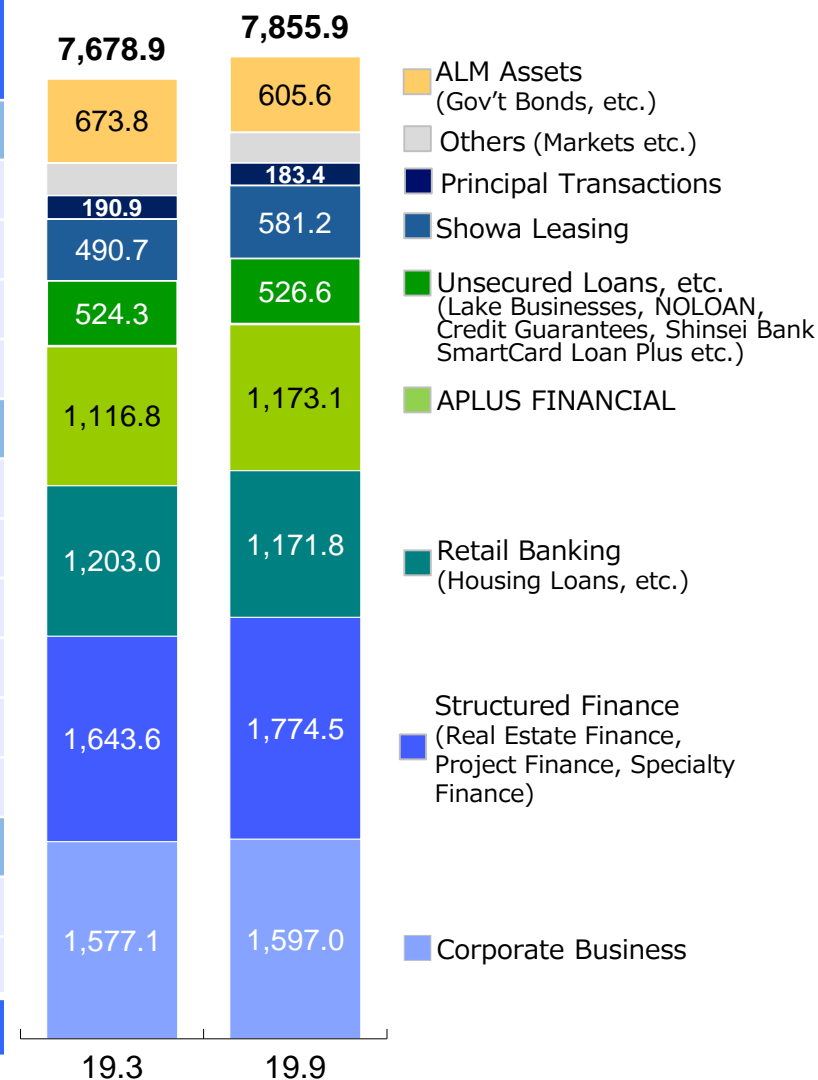


Segment: P&L and Operating Assets Balance (1H FY19)

(Unit: JPY billion; %)

Segment	19.4-9 (1H FY19)		
	Amounts (OBP after net credit costs)	Weight	ROA ³ (Reference)
Individual Business	13.0	42%	-
Retail Banking	0.5	2%	0.1%
Shinsei Financial ¹	10.3	33%	3.9%
APLUS FINANCIAL	2.5	8%	0.4%
Others Individuals	-0.2	-1%	-1.1%
Institutional Business	13.7	44%	-
Corporate Business	3.3	11%	0.4%
Structured Finance	3.2	10%	0.4%
Principal Transactions	2.6	8%	2.8%
Showa Leasing	1.8	6%	0.7%
Markets	2.3	7%	n.m.
Other Global Markets	0.2	1%	n.m.
Corporate/Other	4.2	14%	-
Treasury	5.3	17%	1.7%
Corporate/Other (excluding Treasury)	-1.1	-4%	n.m.
Total (OBP after net credit costs)	31.1	100%	0.8%

Operating Assets² + ALM Assets



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

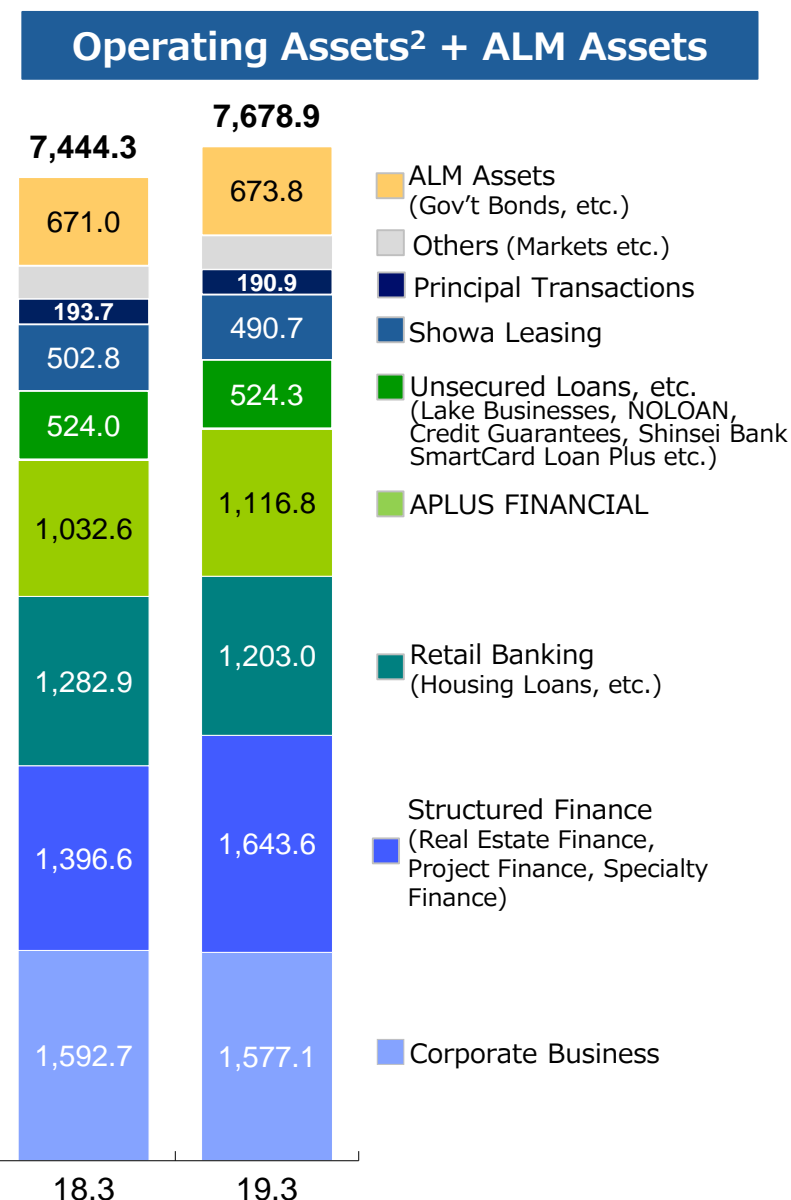
² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

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

Segment: P&L and Operating Assets Balance (FY18)

(Unit: JPY billion; %)

Segment	18.4-19.3 (FY18)		
	Amounts (OBP after net credit costs)	Weight	ROA ³ (Reference)
Individual Business	23.3	42%	-
Retail Banking	-0.6	-1%	-0.0%
Shinsei Financial ¹	21.2	38%	4.0%
APLUS FINANCIAL	3.1	6%	0.3%
Other Individuals	-0.2	0%	-0.4%
Institutional Business	28.7	52%	-
Corporate Business	4.0	7%	0.3%
Structured Finance	12.0	22%	0.8%
Principal Transactions	5.3	10%	2.8%
Showa Leasing	4.9	9%	1.0%
Markets	3.3	6%	n.m.
Other Global Markets	-1.0	-2%	n.m.
Corporate/Other	3.4	6%	-
Treasury	4.3	8%	0.6%
Corporate/Other (excluding Treasury)	-0.8	-1%	n.m.
Total (OBP after net credit costs)	55.6	100%	0.7%



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

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

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

Segment: Quarterly P&L

(Unit: JPY billion)

Segment P&L (OBP after Net Credit Costs)	FY2017				FY2018				FY2019	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9
Individual Business	2.1	3.0	6.5	7.1	4.5	6.5	9.3	2.9	6.4	6.6
Retail Banking	-1.7	-1.7	-1.3	-1.0	-0.5	-0.4	0.2	0.0	0.3	0.1
Shinsei Financial ¹	1.7	3.0	4.8	4.1	4.6	5.6	6.6	4.2	5.0	5.2
APLUS FINANCIAL	1.9	1.5	2.7	2.9	0.4	1.1	2.2	-0.7	1.1	1.3
Other Individuals	0.3	0.2	0.3	1.1	0.0	0.1	0.1	-0.6	-0.1	-0.1
Institutional Business	10.0	8.1	6.5	8.2	5.2	10.6	5.1	7.7	7.1	6.6
Corporate Business	1.4	4.0	0.3	0.7	0.6	-0.6	0.0	3.9	0.3	2.9
Structured Finance	1.9	0.7	2.5	3.1	-0.2	7.8	2.6	1.8	4.1	-0.8
Principal Transactions	4.3	1.8	2.9	0.1	2.4	2.1	1.5	-0.8	-0.0	2.6
Showa Leasing	0.9	0.8	-0.1	2.4	2.2	0.8	0.2	1.6	1.2	0.6
Markets	1.3	0.6	0.9	1.8	0.3	0.7	0.8	1.3	1.2	1.1
Other Global Markets	-0.0	-0.1	-0.1	-0.1	-0.1	-0.3	-0.3	-0.2	0.0	0.1
Corporate/Other	0.5	0.4	0.3	-1.1	1.4	0.8	1.3	-0.0	2.7	1.4
Treasury	0.7	0.4	0.5	-0.6	1.0	0.7	0.9	1.6	3.2	2.0
Corporate/Other (excluding Treasury)	-0.1	-0.0	-0.1	-0.4	0.4	0.0	0.3	-1.7	-0.5	-0.5
Total (OBP after Net Credit Costs)	12.7	11.6	13.4	14.3	11.3	17.9	15.8	10.5	16.3	14.8

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

Key Data

Balance Sheet

(Unit: JPY billion)	16.3	17.3	18.3	19.3	19.9
Loans and bills discounted	4,562.9	4,833.4	4,895.9	4,986.8	5,002.6
Securities	1,227.8	1,014.6	1,123.5	1,130.2	1,053.0
Lease receivables/ leased investment assets	211.4	191.4	171.4	176.5	197.7
Installment receivables	516.3	541.4	558.8	562.2	626.6
Reserve for credit losses	-91.7	-100.1	-100.8	-98.0	-98.5
Deferred Tax Assets	14.0	15.5	14.7	15.0	12.6
Total assets	8,928.7	9,258.3	9,456.6	9,571.1	9,840.7
Deposits including negotiable certificates of deposits	5,800.9	5,862.9	6,067.0	5,922.1	5,926.3
Borrowed money	801.7	789.6	739.5	684.0	679.5
Corporate bonds	95.1	112.6	85.0	92.3	72.2
Grey zone reserves	133.6	101.8	74.6	63.0	56.2
Total liabilities	8,135.6	8,437.5	8,600.6	8,674.5	8,929.5
Shareholders' equity	786.8	823.7	862.5	899.5	916.0
Total net assets	793.1	820.7	856.0	896.6	911.2

Financial Ratios

(Unit: %)	15.4-16.3	16.4-17.3	17.4-18.3	18.4-19.3	19.4-9
Expenses-to-revenue ratio	64.9	62.3	61.5	63.0	60.8
Loan-to-deposit ratio	78.7	82.4	80.7	84.2	84.4
ROA	0.7	0.6	0.5	0.5	0.6 ²
ROE	8.1	6.3	6.1	6.0	6.3 ²
NPL Ratio ¹	0.79	0.22	0.17	0.20	0.37

Per Share Data

(Unit: JPY)	15.4-16.3	16.4-17.3	17.4-18.3	18.4-19.3	19.4-9
BPS ³	294.41	3,163.89	3,376.39	3,636.92	3,774.10
EPS ³	22.96	194.65	199.01	211.24	115.80

Credit Ratings

	16.3	17.3	18.3	19.3	19.9
R&I	BBB+	BBB+	A-	A-	A-
JCR	BBB+	BBB+	BBB+	A-	A-
S&P	BBB+	BBB+	BBB+	BBB+	BBB+
Moody's	Baa3	Baa2	Baa2	Baa2	Baa1

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

² Annualized

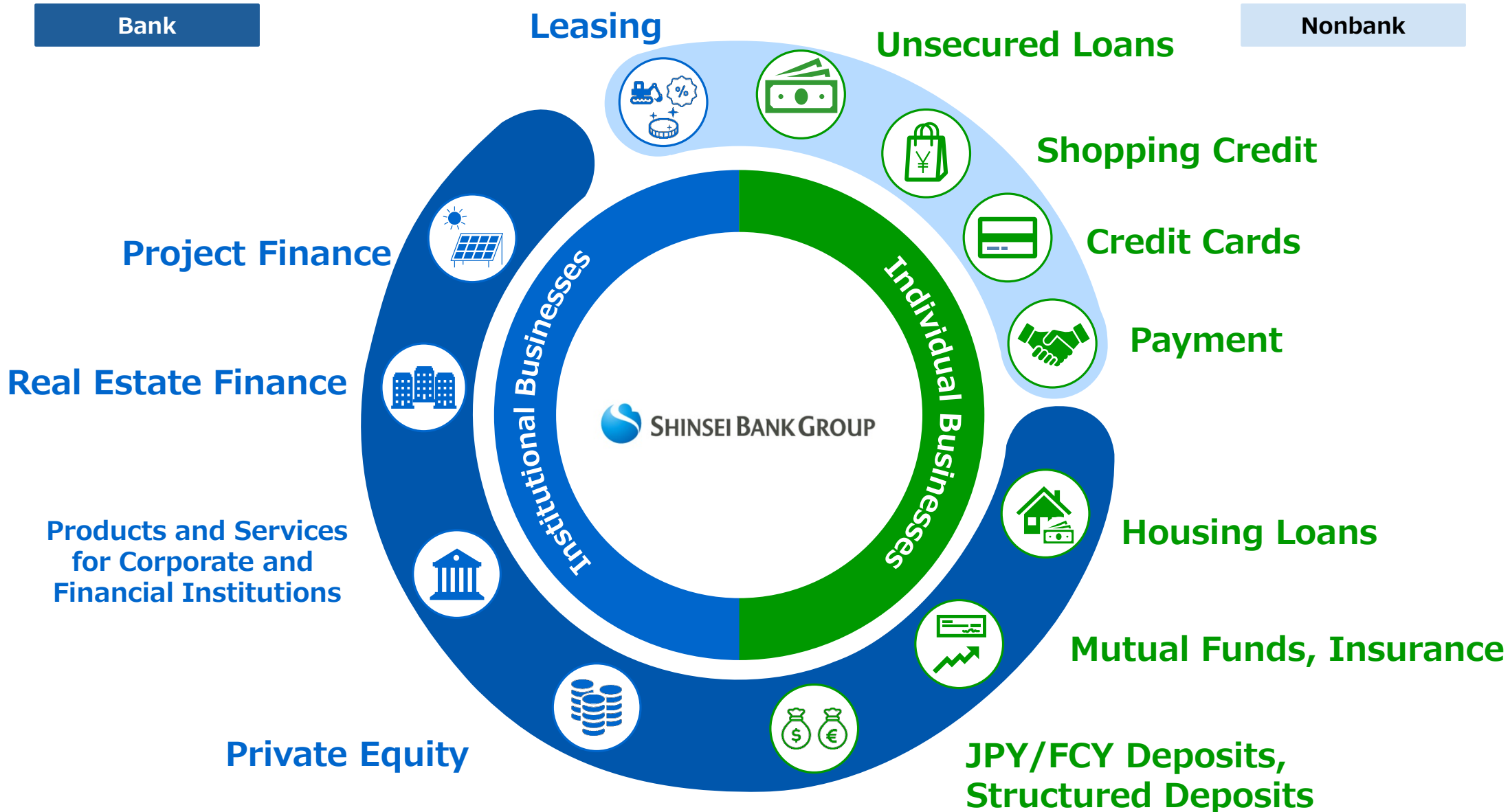
³ Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017.

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

Appendix

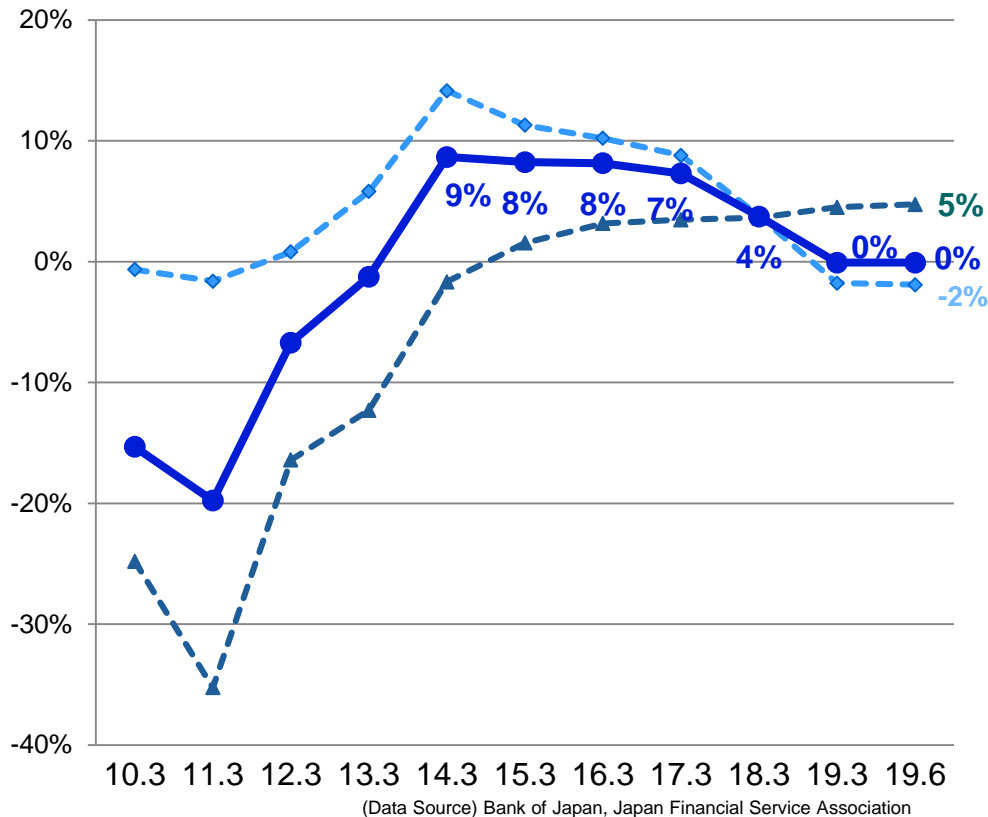


Hybrid and Seamless Products and Services Portfolio



Unsecured Loan Market

Unsecured Loan Market: Growth Rate (YoY)



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

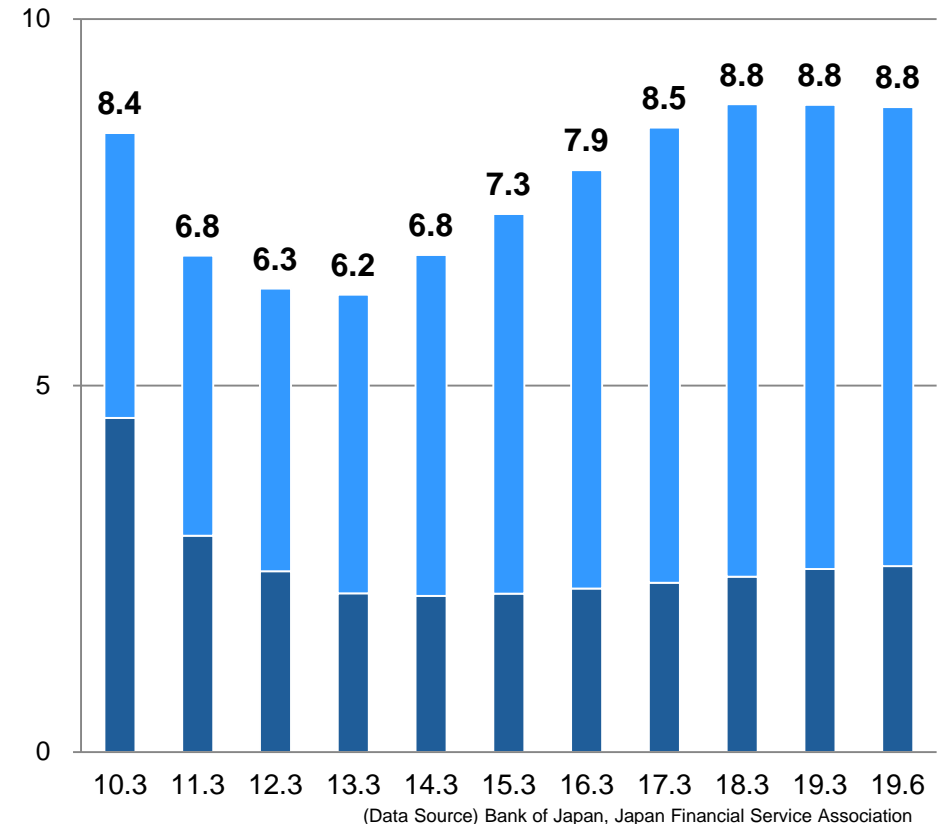
“Unsecured loan market”= “Bank card loan balance” + “Nonbank unsecured loan balance”

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

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

Unsecured Loan Market: Size

(Unit: JPY trillion)

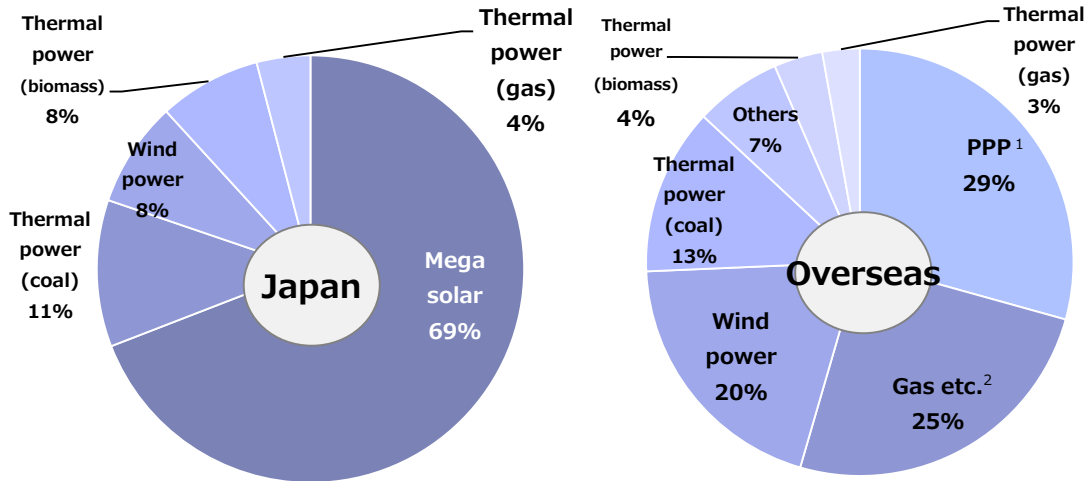


- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

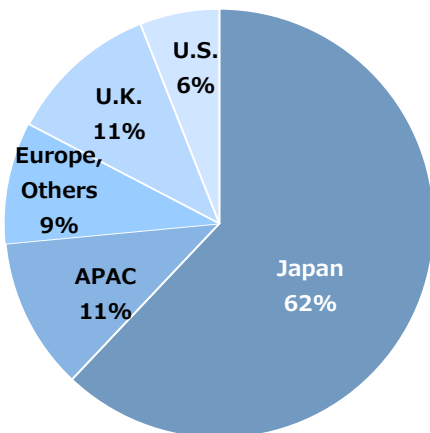
Structured Finance: Portfolio (as of September 30, 2019)

Project Finance

[Balance: project type, includes commitment basis]

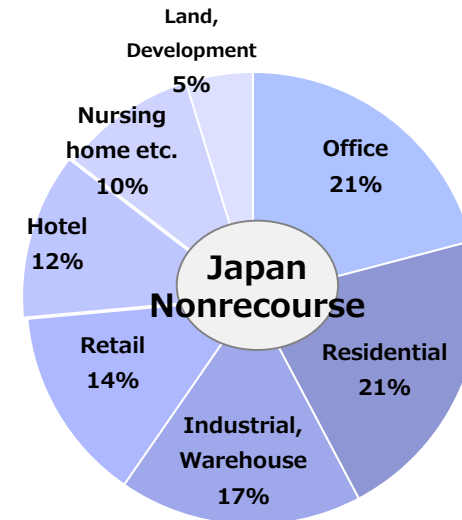


[Balance: regions, includes commitment basis]

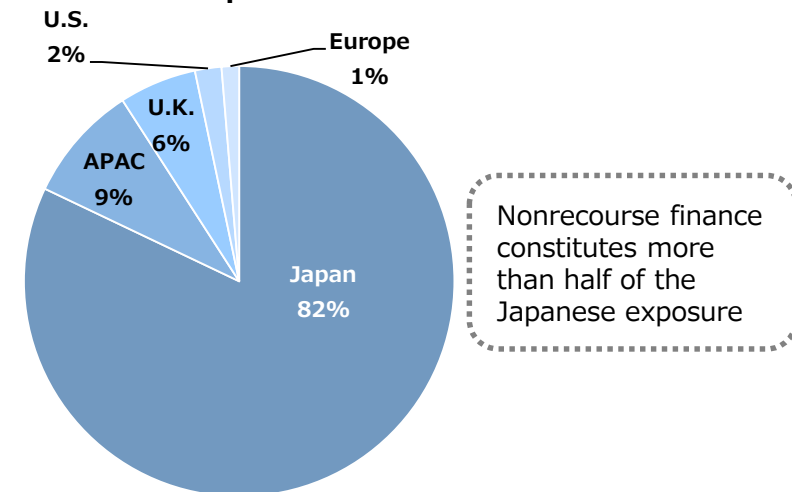


Real Estate Finance

[Balance: asset type]



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



Nonrecourse finance constitutes more than half of the Japanese exposure

¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

Medium Term Strategies: Materiality

Address social and environmental issues



Support these SDGs:



- Access to finance
 - Provide services for customer needs which are not satisfied by traditional financial services
 - Provide payment methods with emerging technology
- Fund flows that fit society's needs
 - Provide solutions for supporting sustainable social capital
- Solutions through integration with external services
 - Build / participate in ecosystems, use digital technology

Fulfill our social responsibilities



Support these SDGs:



- Social infrastructure services
 - Firmly provide fundamental financial functions (deposit, loan, payment etc.) as social infrastructure
 - Maintain cyber security
 - Prevent money laundering
- Customer-oriented services
 - Place customer benefit first
 - Give information that is accurate and easy to digest

Foundation for meeting our goals / responsibilities



- Expertise, execution
- Governance
- Organization

- People
- Operations

Support these SDGs:



- Capital

Medium Term Strategies: Business Model

Source of our Strengths



Self-Contained Model

B to B to C
/ **B to C**

Value creation from internal resources

Quick, flexible business deployment

Flexible response to customer needs

Internalized products / services



Deploy
product / service know-how



Enhance
product / service know-how

Opportunities for Growth



Value Co-Creation Model

B X B to C

Generation of synergies by integrating data, know-how with external services

Greater value for our customers

Deeper understanding of our customers

Finance as a Service

Examples: Ecosystems for foreigners and freelancers

Medium Term Strategies: Financial Targets

EPS Growth Rate

Growth

Annual average
2% or more
 excluding the effect of
 purchasing treasury shares

Profit Share of Focus Areas

Growth

(Share of operating business profit after net credit costs, excluding one-time factors)

Small-scale finance

FY2018

45%



FY2021

50%

Institutional investors

FY2018

10%



FY2021

15%

ROE

Profitability

FY2018

6.0%



In the
medium term

8.0%

OHR

Efficiency

FY2018

63.0%



FY2021

less than 60%

CET 1 Ratio

Soundness

FY2018

12.0%



In the
medium term

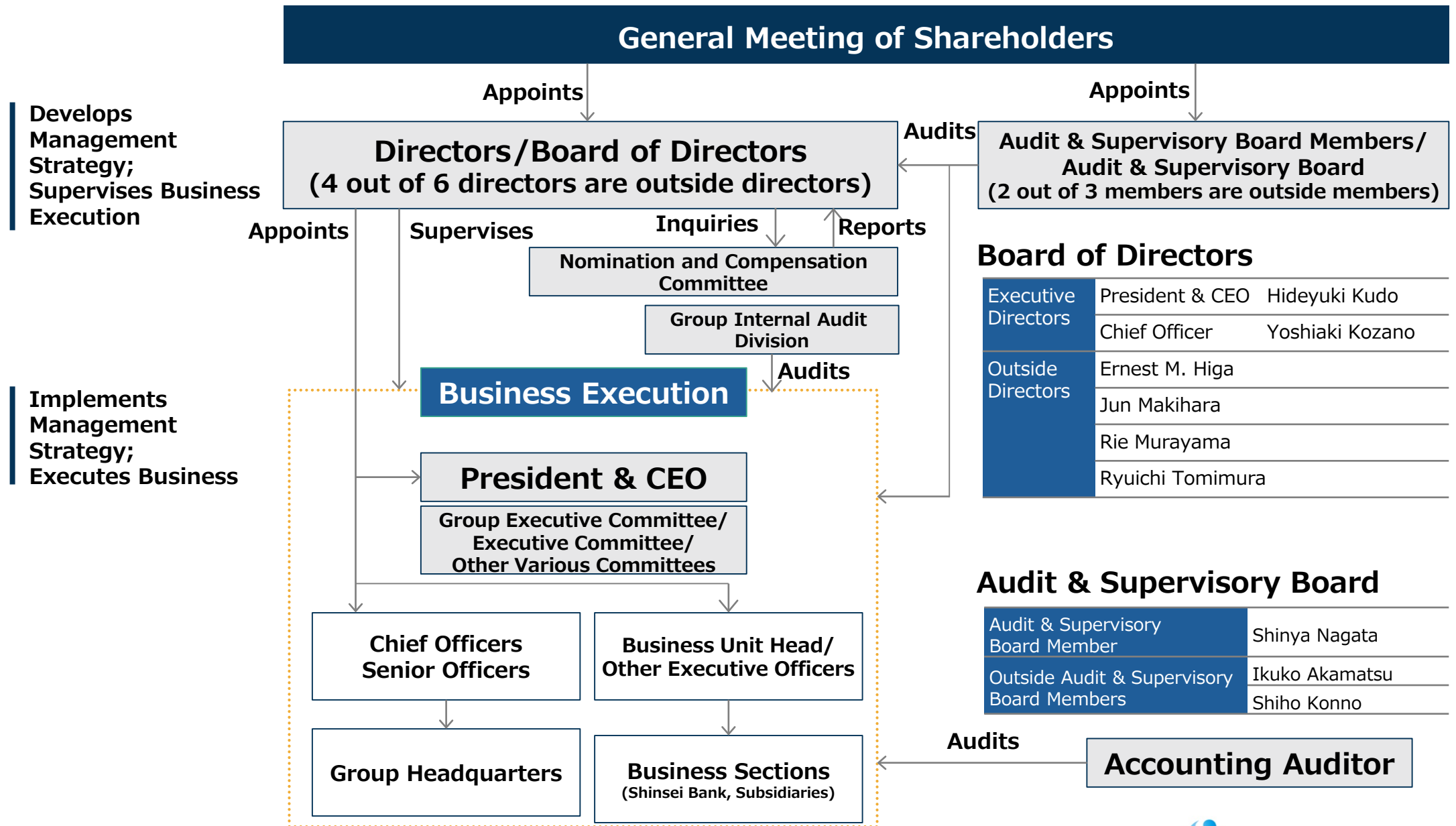
minimum 10%

Shareholder Returns

Shinsei Bank aims to maintain or improve the total payout ratio, depending on financial conditions and market environment, within the range of total payout ratio as set in the Revitalization plan. (*)

* As mentioned in the Revitalization plan submitted to the Financial Services Agency on March 22, 2018, the range should be in principal within the range of the general total payout ratio of the domestic banks.

Corporate Governance: Structure



Develops Management Strategy; Supervises Business Execution

Implements Management Strategy; Executes Business

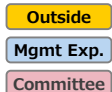
Corporate Governance: Diversified Talent Pool

Board of Directors ¹



Jun Makihara

Director



Age : 61

Major Experience

- Director, Philip Morris International Inc. (Current)
- Director, Monex Group, Inc. (Current)
- Partner, Goldman Sachs Japan Co., Ltd.



Ernest M. Higa

Director



Age : 66

Major Experience

- Chairman, President & Chief Executive Officer, Higa Industries Co., Ltd. (Current)
- Chairman & Representative Director, Wendy's Japan K.K. (Current)



Ryuichi Tomimura

Director



Age : 60

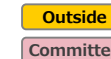
Major Experience

- President, Representative Director, SIGMAXYZ Inc. (Current)
- Representative Director, Senior Executive Vice President, Softbank Corp.
- Managing Director, IBM Business Consulting Service KK
- General Manager, Network Integration Division, Recruit Holdings Co. Ltd.



Rie Murayama

Director



Age : 59

Major Experience

- Trustee, National Center for Global Health and Medicine (Current)
- Chairman & Representative Director, ComTech, Ltd.
- Managing Director, Goldman Sachs Japan Co., Ltd.

Board of Directors ¹



Hideyuki Kudo

Representative Director, President and Chief Executive Officer



Age : 56

Major Experience

- Managing Executive Officer, Chief Risk Officer
- Managing Executive Officer, Head of Structured Finance Sub-Group
- Managing Executive Officer, Deputy Head of Institutional Group



Yoshiaki Kozano

Director



Age : 56

Major Experience

- Director, Chief Officer, Group Business Strategy, Shinsei Bank, Limited
- Director, APLUS FINANCIAL Co., Ltd. (Current)
- Managing Executive Officer, Head of Principal Transactions Sub-Group, Shinsei Bank, Limited
- Managing Executive Officer, Deputy Head of Institutional Group



Shinya Nagata

Audit & Supervisory Board Member

Age : 61

Major Experience

- Audit & Supervisory Board Member, Shinsei Bank, Limited (Current)
- Executive Officer, General Manager, Financial and Regulatory Accounting Division
- Executive Officer, General Manager, Group Regulatory Accounting and Tax Division, General Manager, Group Financial Accounting Division



Ikuko Akamatsu

Outside Audit & Supervisory Board Member

Age : 51

Major Experience

- Audit & Supervisory Board Member, Shinsei Bank, Limited (Current)
- Member, Committee on Promotion of Active Participation for Women Accountants, The Japanese Institute of Certified Public Accountants (Current)
- Joined Showa Ota & Co. (Predecessor of Ernst & Young ShinNihon LLC)



Shiho Konno

Outside Audit & Supervisory Board Member

Age : 56

Major Experience

- Director, Monex Group Inc. (Current)
- Audit & Supervisory Board Member, Shinsei Bank, Limited (Current)
- Director, Alfresa Holdings Corporation (Current)
- Director, Kakaku.com, Inc.
- Director, Watami Co., Ltd.
- Established Shiho Konno Habataki Law Office (Current)
- Registered in Daiichi Tokyo Bar Association

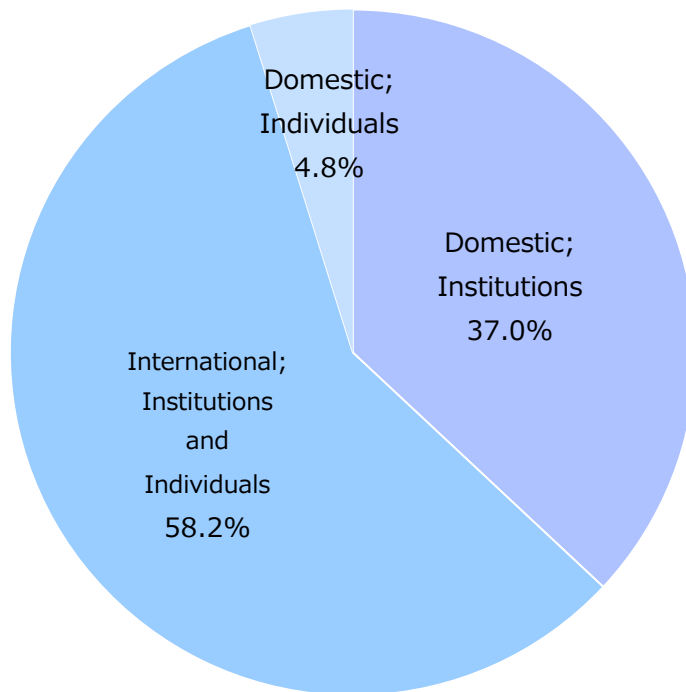
 : Executive Officer
 : Outside Directors
 : Management Experience Outside of Shinsei Bank Group
 : Nomination and Compensation Committee

¹ As of September 30, 2019

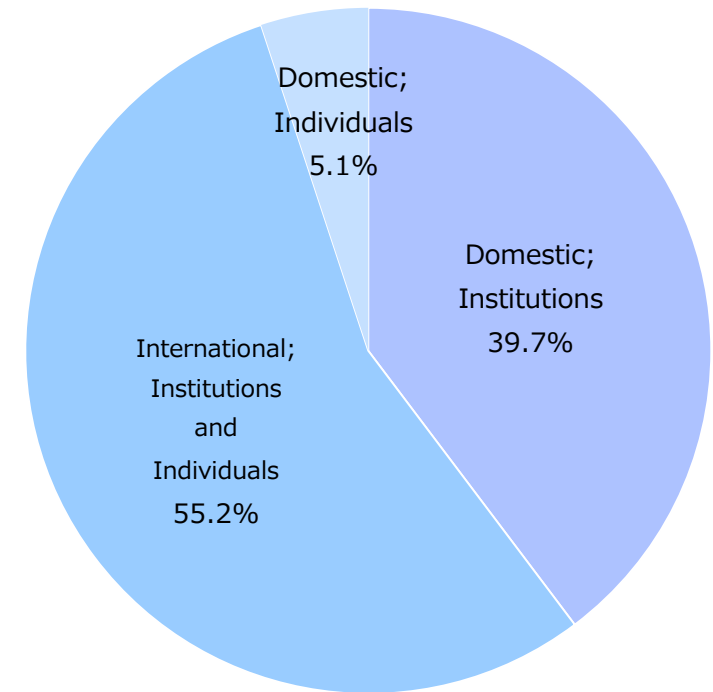
Shareholders Composition:

- Secondary offering by a group of large shareholders (including affiliates of J.C. Flowers & Co. LLC, or JCF funds) was executed in August 2019
- This offering resulted in an increase in domestic individual shareholders and overseas institutional shareholders

March 31, 2019 ¹



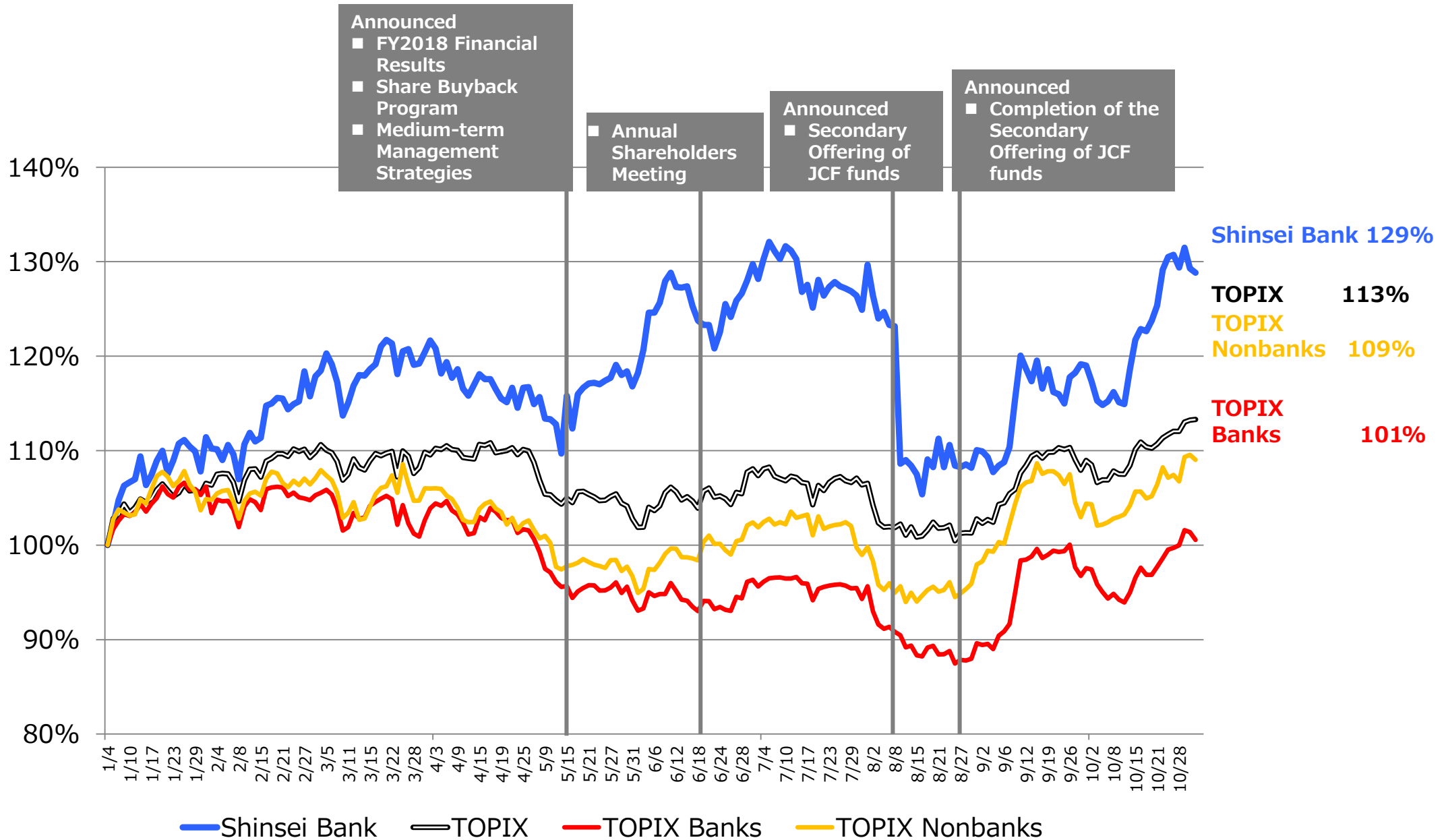
September 30, 2019 ¹



¹ Excluding treasury shares

Share Price Performance:

(as of October 31, 2019 vs. January 4, 2019)



- **The preceding description of Shinsei Bank Group’s Medium-Term Strategies contains forward-looking statements regarding the intent, belief and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.**
- **Unless otherwise noted, the financial data contained in these materials are presented under Japanese GAAP. Shinsei Bank Group disclaims any obligation to update or to announce any revision to forward-looking statements to reflect future events or developments. Unless otherwise specified, all the financials are shown on a consolidated basis.**
- **Information concerning financial institutions and their subsidiaries other than Shinsei Bank Group are based on publicly available information.**
- **These materials do not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever.**