



Business and Financial Highlights

First Quarter Ended June 30, 2019

Shinsei Bank, Limited
July 2019



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Key Points

1 Solid start toward the achievement of FY2019 full year net income forecast

- Net income: JPY 12.1 billion (increase 34% Y-o-Y; 23% progression toward the full year plan)
 - Total revenue : JPY 57.5 billion (increase 1% Y-o-Y; 24% progression)
 - Expenses : JPY 36.2 billion (increase 4% Y-o-Y; 24% progression)
 - Net credit costs : JPY 4.9 billion (decrease 54% Y-o-Y; 14% progression)

2 Per share value increased

- Executed JPY 3.3 billion or 14% of share buyback during the quarter
Total share buyback target of JPY 23.5 billion with total payout ratio at 50% (approved on May 15, 2019)
- Both EPS and BPS improved
 - EPS : JPY 49.65 (increase 38% Y-o-Y)
 - BPS : JPY 3,691.53 (increase 8% Y-o-Y)

3 Regained momentum of unsecured loan growth

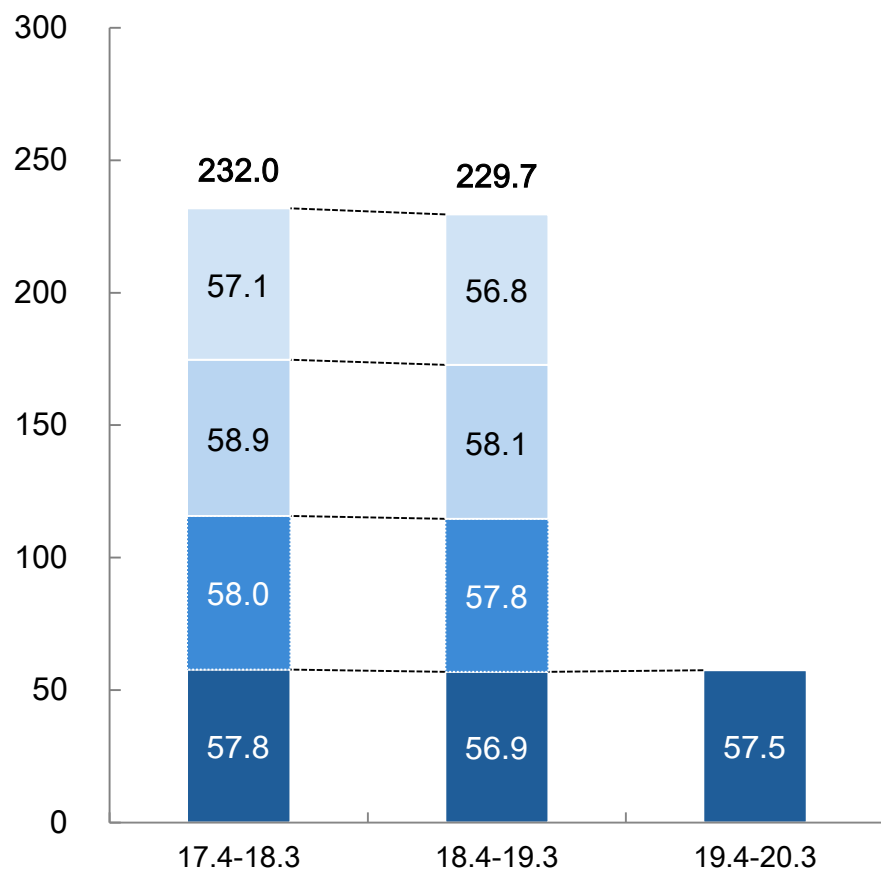
- Unsecured loan balance stood at JPY 511.9 billion; increased JPY 2.0 billion from March 2019
- New customer acquisition of Lake ALSA in 1QFY2019 : 36.3K (increase 58% Y-o-Y)
- Approval rate of Lake ALSA in 1QFY2019 : 30.2% (improve 1.3% points Y-o-Y)

Progress toward Full Year Plan

(Unit: JPY billion)

Total Revenue

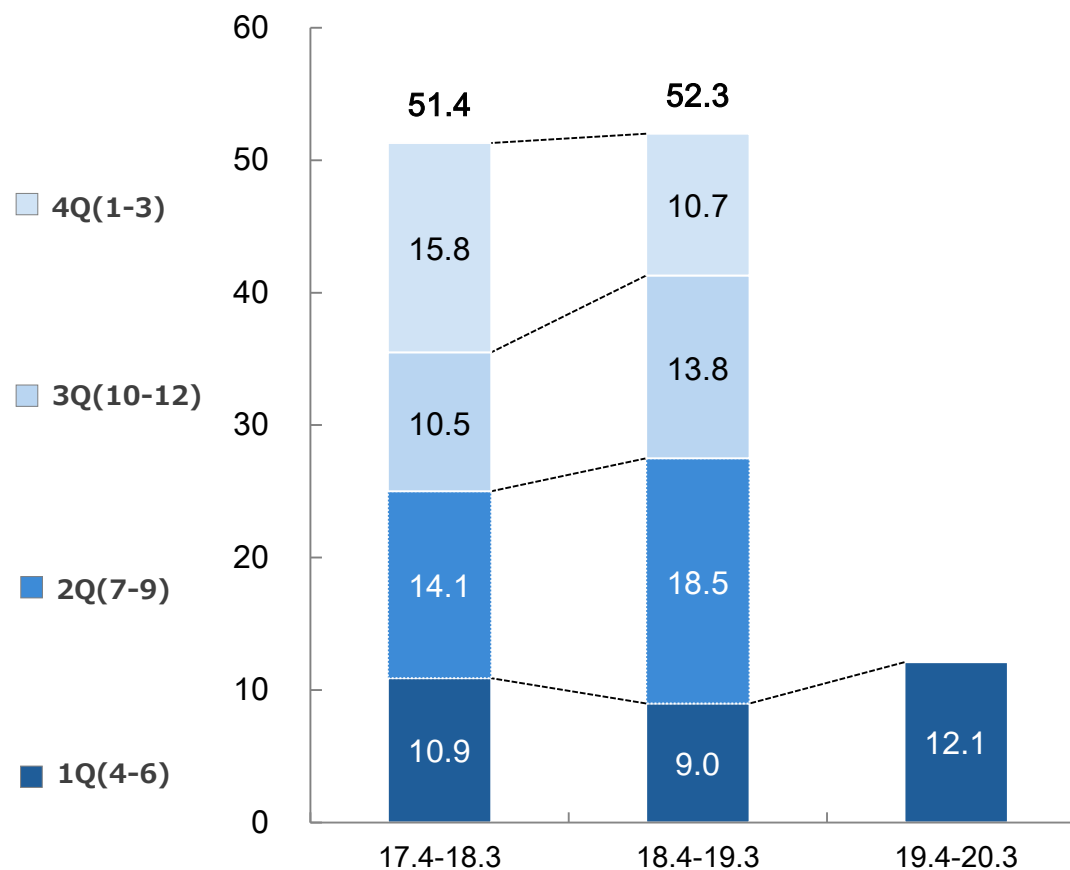
- Total revenue increased 1%, progressing at a pace that exceeded previous year
- 24% progression toward full year plan is on track



Initial Full Year Plan	230.0	236.5	243.0
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Net Income

- Net income increased 34% Y-o-Y
- 23% progression toward full year plan is satisfactory as it is in line with our expectation



Initial Full Year Plan	51.0	52.0	53.0
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1QFY2019 Financial Results Summary

(Unit: JPY billion; %)

Points

Consolidated	18.4-6 (Actual)	19.4-6 (Actual)		19.4-20.3 (Plan)	
		YoY % B(+)/W(-)	Progress %		
Total Revenue	56.9	57.5	+1	24	243.0
Net Interest Income	33.4	33.3	-0		
Noninterest Income	23.4	24.1	+3		
Expenses	-34.8	-36.2	-4	24	-152.0
Ordinary Business Profit (OBP)	22.0	21.3	-3	23	91.0
Net Credit Costs	-10.7	-4.9	+54	14	-35.0
OBP after Net Credit Costs	11.3	16.3	+44	29	56.0
Others	-2.2	-4.1	-86	137	-3.0
Income Tax, etc.	-1.5	-3.2	-113		
Net Income	9.0	12.1	+34	23	53.0

Total revenue: JPY 57.5 billion

- Net interest margin (NIM) improved to 2.47%
 - ◆ Yields on interest-earning remained flat while overall funding rate decreased
- Noninterest income increased, reflecting improved fee income in Structured Finance and Retail Banking as well as gain on sales of bonds in Treasury's ALM activities

Expenses: JPY 36.2 billion

- ◆ Expenses-to-Revenue Ratio: 63.0%
- Increase in expenses mainly reflects depreciation on new IT systems (increased JPY 0.7 billion Y-o-Y)
- 24% progression toward the full year plan is within our initial plan

Net Credit Costs: JPY 4.9 billion

- ◆ Structured Finance : JPY 1.8 billion (reversal)
- ◆ Unsecured Loans : JPY 3.4 billion (provision)
- ◆ APLUS FINANCIAL : JPY 3.5 billion (provision)

Others: JPY -4.1 billion

- ◆ Income Tax, etc.: JPY -3.2 billion
- Increase in tax expenses partly reflects increase in pretax profits
- No provision or reversal of Kabarai reserve was recorded during the quarter; Kabarai reserve coverage ratio at over 5 years based on this quarter's actual payments

Financial Update

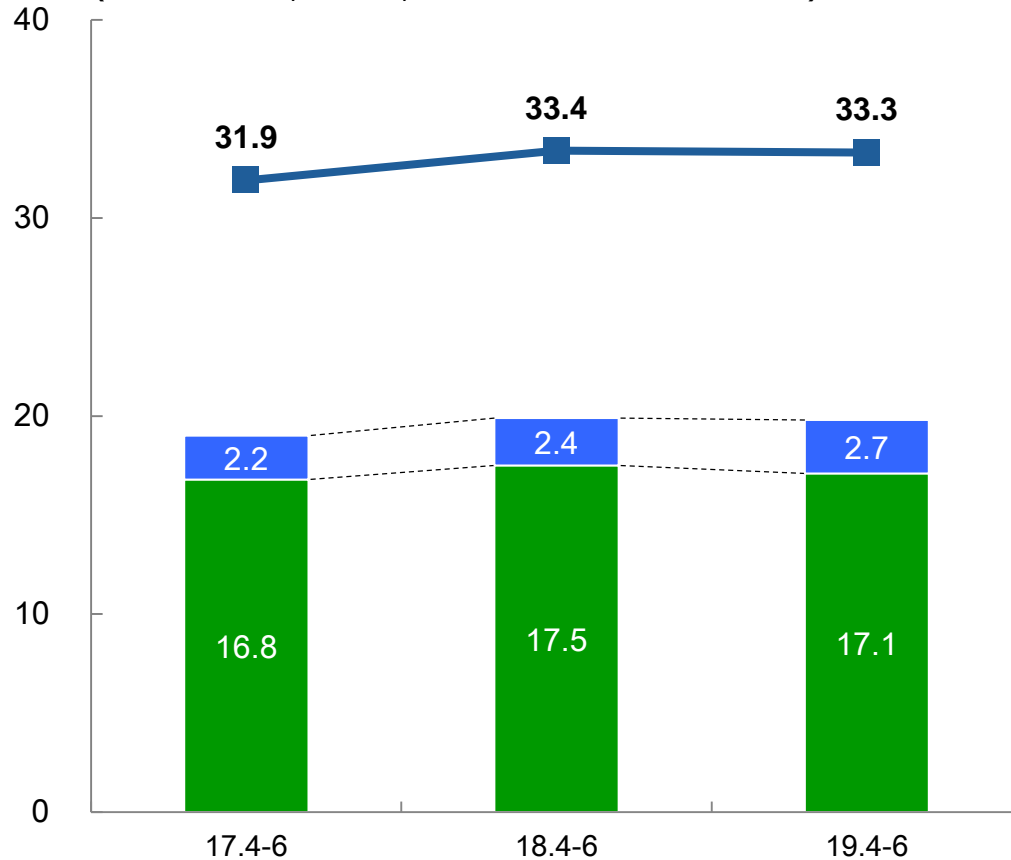


Financial Update: Net Interest Income

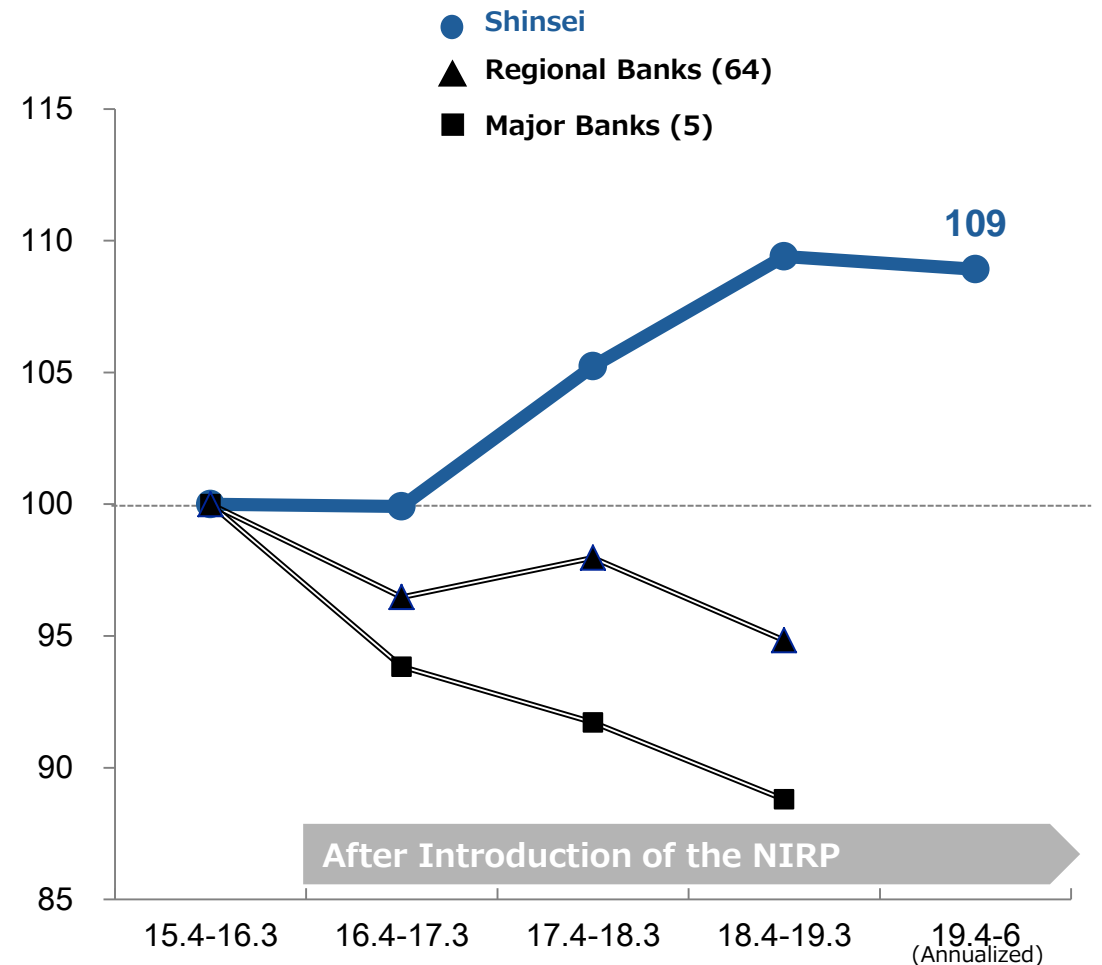
(Unit: JPY billion; %)

- Net interest income was largely flat
- Unsecured loans comprise 51% of net interest income

■ Net Interest Income
 ■ Of which, Structured Finance
 ■ Of which, Unsecured Loans
 (Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus)



Net Interest Income YoY Comparison



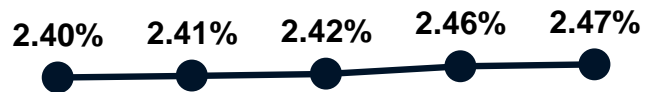
(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis):
 Compiled based on disclosures of Japanese Bankers Association
 Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Interest Margin(NIM), Yields

(Unit: %)

- NIM has continuously improved to 2.47% despite the NIRP environment
- Lower rate on interest bearing liabilities reflected decrease in deposit funding costs due to redemption of the previous campaign products such as structured deposits and time deposits

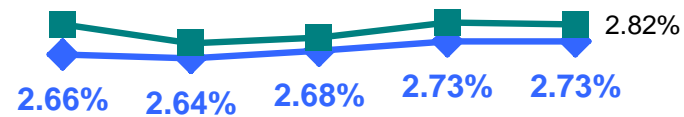
Net Interest Margin¹



15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-6
(Annualized)

Yield on Interest Earning Assets

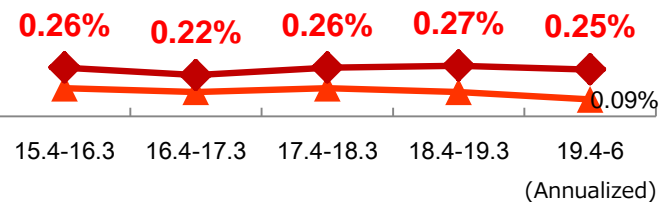
- Yield on Loans and Bills Discounted
- ◆ Yield on Interest Earning Assets¹
- ▲ Yield on Securities



15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-6
(Annualized)

Funding Costs

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



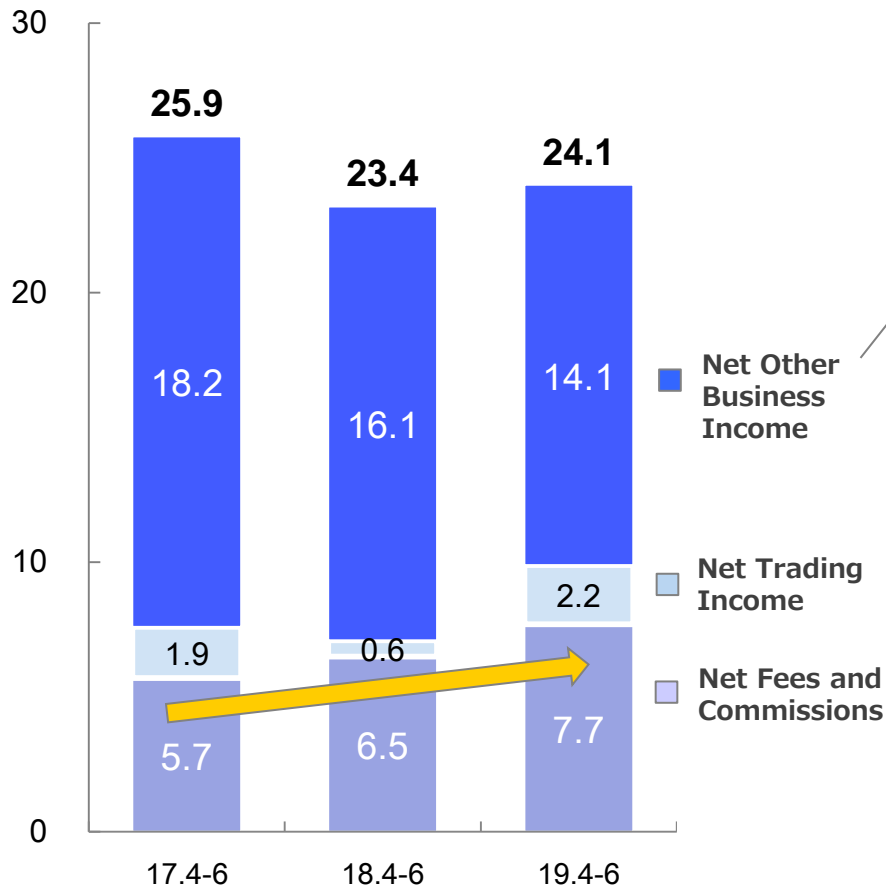
15.4-16.3 16.4-17.3 17.4-18.3 18.4-19.3 19.4-6
(Annualized)

¹ Includes income on leased assets and installment receivables

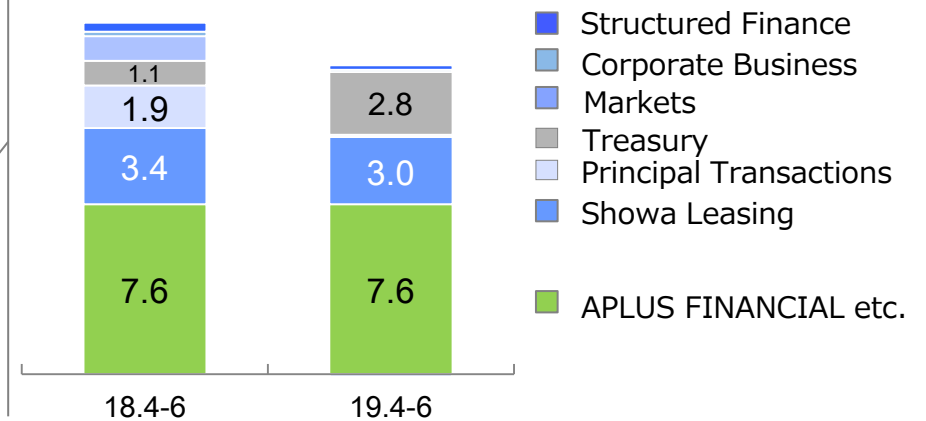
Financial Update: Noninterest Income

(Unit: JPY billion)

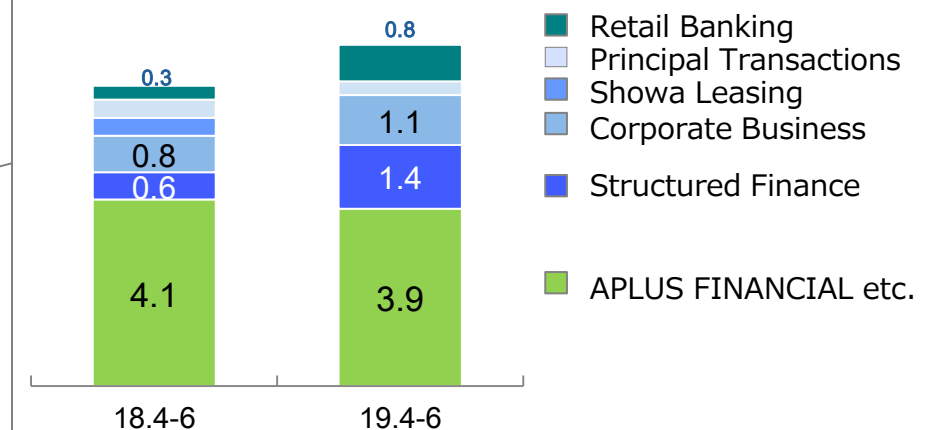
- **Net other business income:** decrease in Principal Transactions and Showa Leasing, partly offset by gain on sales of bonds from Treasury's ALM activities
- **Net trading income:** increase in Markets Business
- **Net fees and commissions:** increase in fee income in Structured Finance and Retail Banking



Net Other Business Income: Major Segments



Net Fees and Commissions: Major Segments

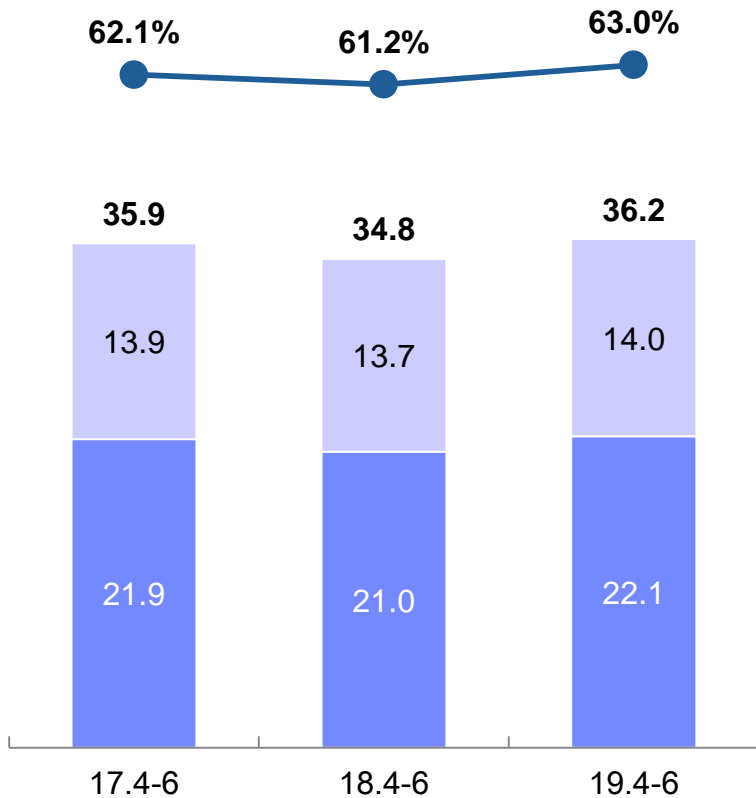


Financial Update: Expenses, Expenses-to-Revenue Ratio

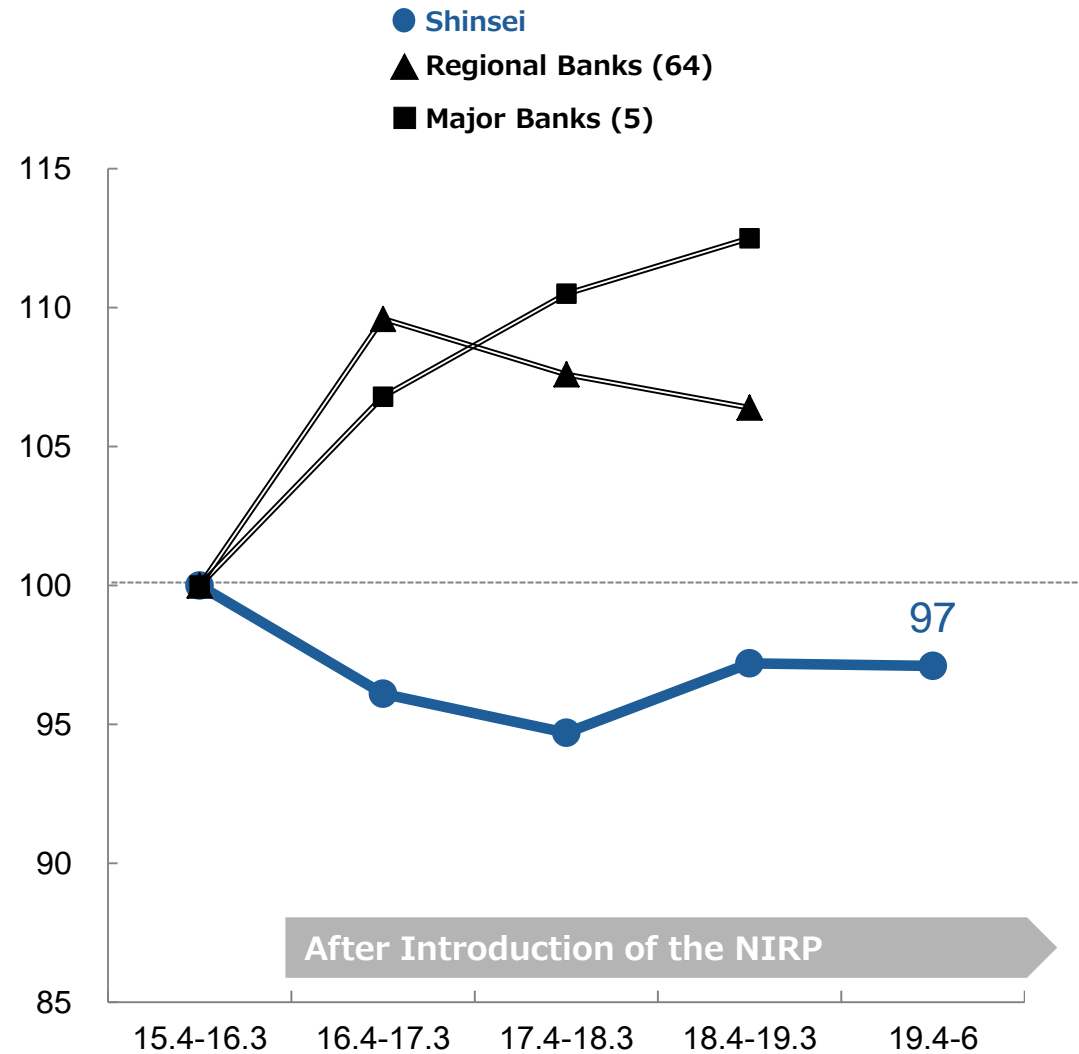
(Unit: JPY billion)

- Expenses-to-revenue ratio is at 63.0%
- Increase in nonpersonnel expenses mainly reflects depreciation on new IT systems (increased JPY 0.7 billion Y-o-Y)

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



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

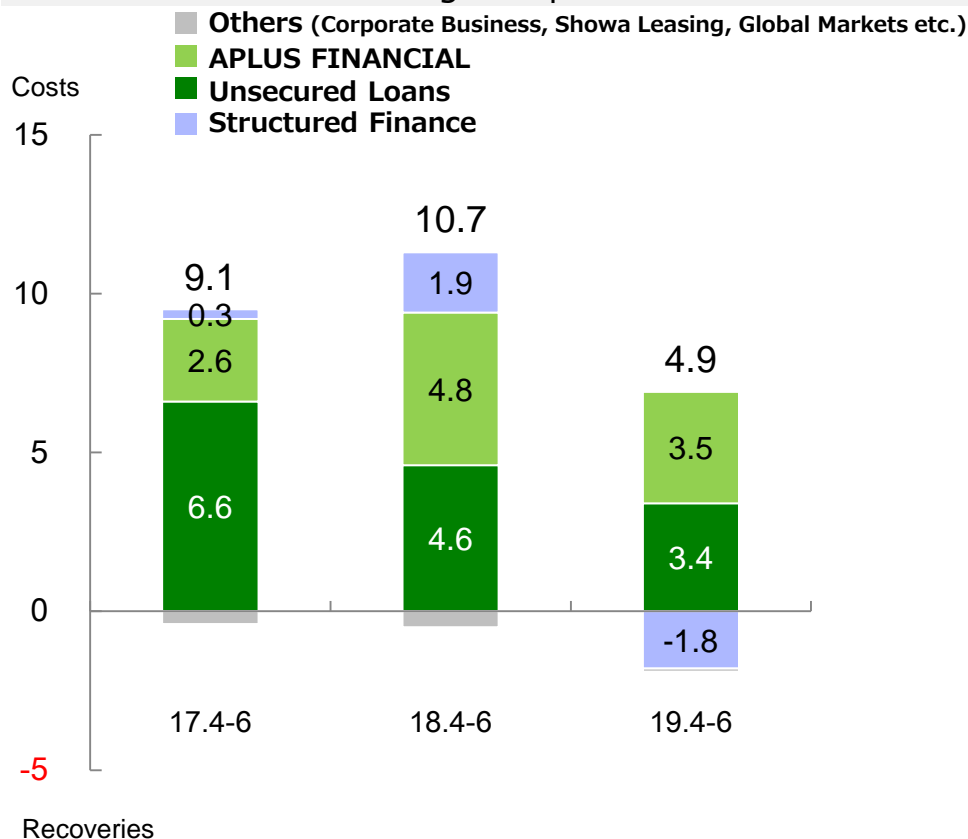


(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis):
 Compiled based on disclosures of Japanese Bankers Association
 Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Credit Costs

(Unit: JPY billion; %)

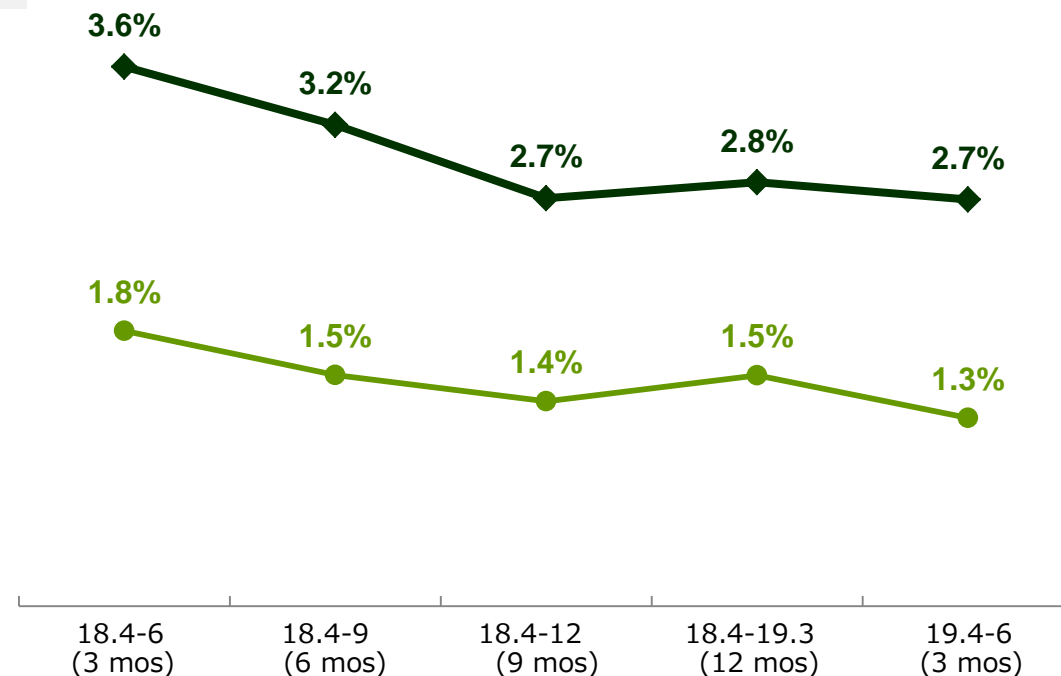
- In unsecured loans, decrease in net credit costs reflects improved credit quality by enhanced collection in Lake business as well as decrease in credit guarantees to regional banks. Net credit cost ratio is at 2.7%
- In APLUS FINANCIAL, decrease in net credit costs reflects an absence of provisioning related to delinquent loans in the previous year. Net credit cost ratio is at 1.3%
- In Structured Finance, improved asset valuation for certain real estate finance transactions resulted in net credit recoveries during the quarter



Net Credit Costs Ratio: Consumer Finance

◆ Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)

● APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)

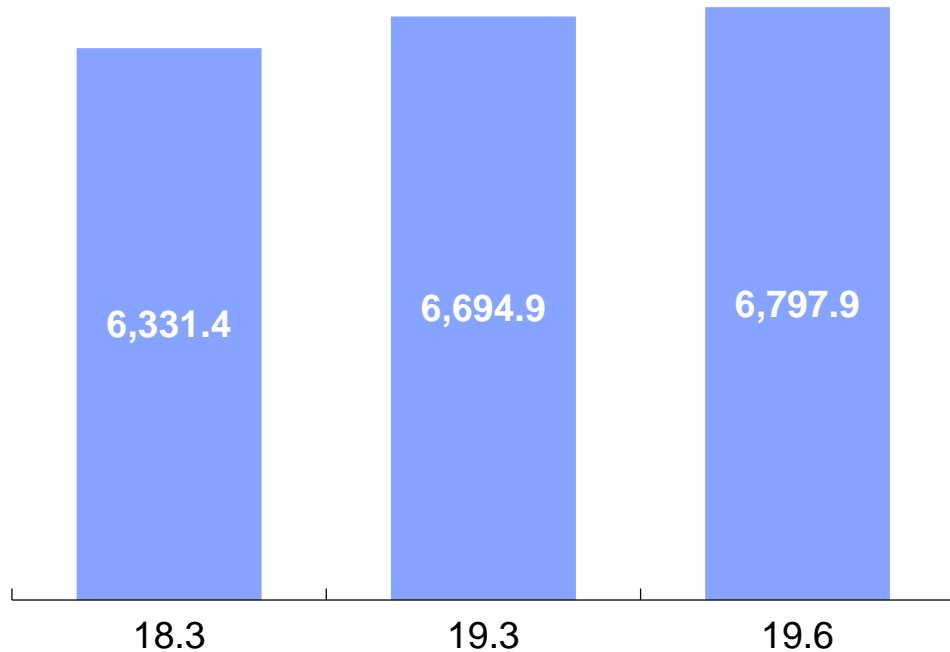
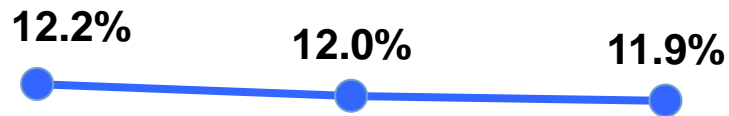


¹ Net Credit Costs Ratio = Calculated by annualizing the following formula :
(Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances)

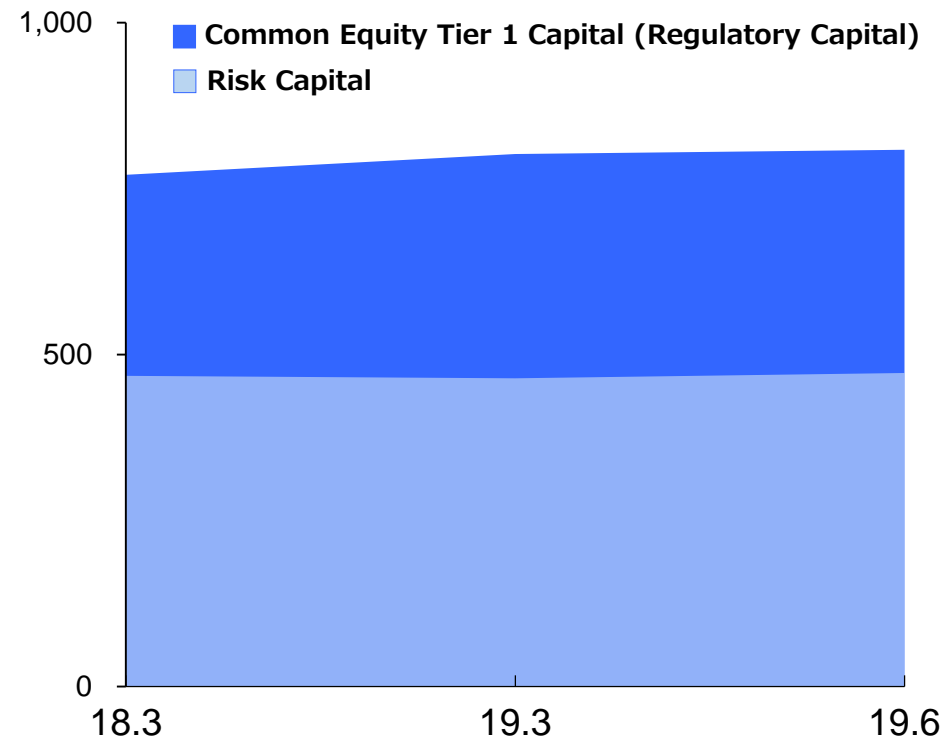
Financial Update: Capital

(Unit: JPY billion; %)

- Common Equity Tier 1 Ratio
(International Standard; Fully Loaded Basis)
- Risk Assets
(International Standard; Fully Loaded Basis)



Amounts of Capital			
International Standard; Fully Loaded Basis	2018.3	2019.3	2019.6
Common Equity Tier 1 Capital	771.0	802.3	808.7
Risk Capital	468.2	464.5	472.5



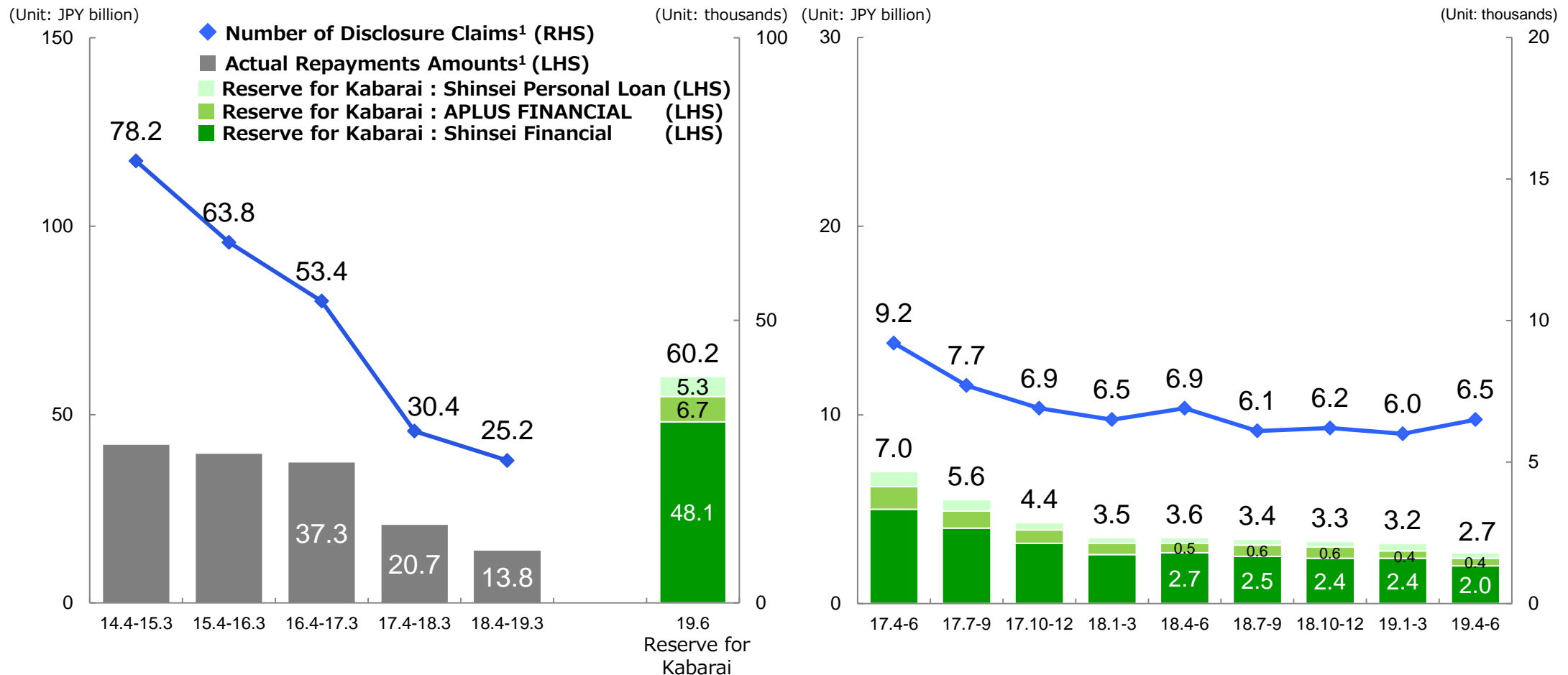
Financial Update: Excess Interest Repayment (Kabarai)

(Unit: JPY billion)

- The overall number of disclosure claims declined Y-o-Y; though the number in APLUS increased compared to the previous quarter
- Kabarai payments continue to decline vs. same period of last year as well as previous quarter
- Combined reserve coverage ratio based on the total actual payments in 19.4-6 is above 5 years

Recent Quarterly Trend of Kabarai

- ◆ Number of Disclosure Claims¹ (RHS)
- Actual Repayments: Shinsei Personal Loan (LHS)
- Actual Repayments: APLUS FINANCIAL (LHS)
- Actual Repayments: Shinsei Financial (LHS)



¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Business Update



Individual Business: Unsecured Loans

(Unit: JPY billion; %)

■ Business:

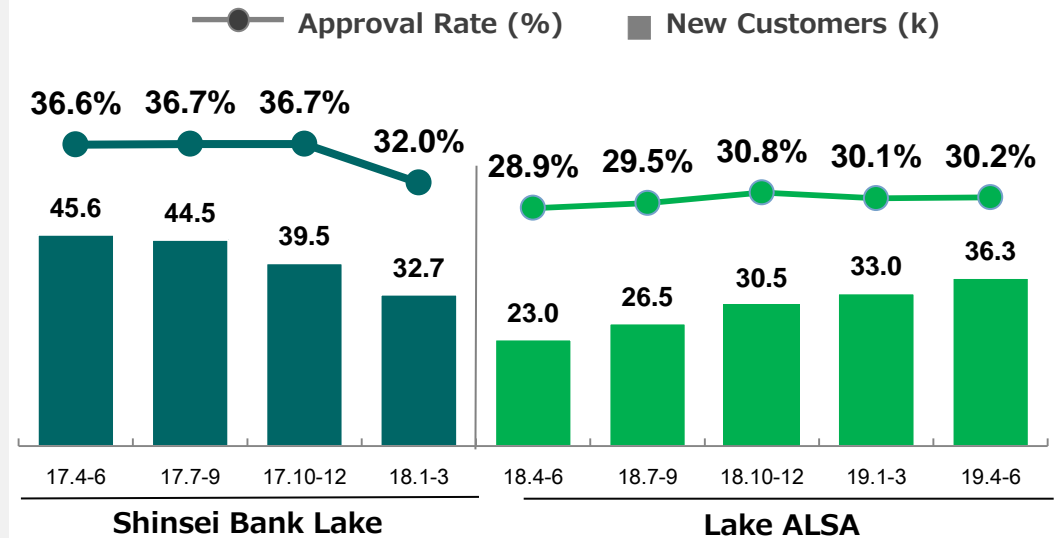
Regained business momentum reflects:

- ✓ Higher new customer acquisition through web-based advertisement including SNS and 60 days no interest campaign (February to May 2019)
- ✓ Approval rate improvement by 1.3% point Y-o-Y. Numerous initiatives are underway to further improve the approval rate
- ✓ Card-less app and enhancement of ability to wire transfer online facilitating digitalization of channels in application and contract
 - Approx. 80% of total applications are made online
 - Approx. 60% of the online applications leads to online contracts

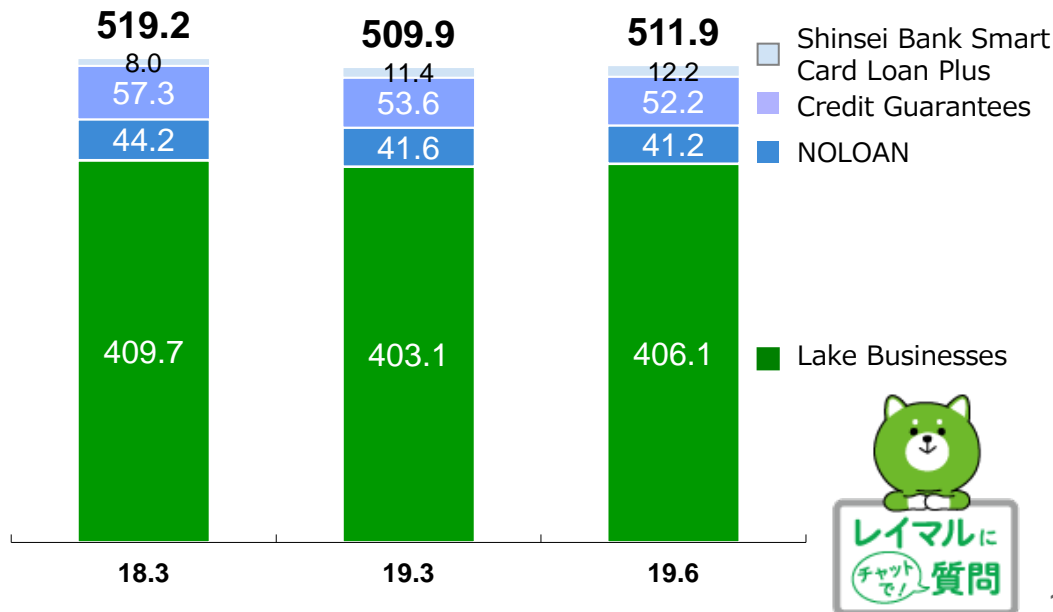
■ Performance Results:

- ✓ The number of new customers increased 58% Y-o-Y
- ✓ Loan balance of Lake and overall unsecured loans balance regained momentum
- ✓ Decrease in net credit costs due to improved credit quality by enhanced collection in Lake and decrease in credit guarantees to regional banks resulted in increase in OBP after net credit costs

Lake: New Customer Acquisition



【Loan Balance】



Shinsei Financial ¹	18.4-6	19.4-6
Net Interest Income	17.5	17.1
of which, Lake Businesses	16.0	15.7
Noninterest Income	0.0	-0.2
Expenses	-8.2	-8.3
Ordinary Business Profit (OBP)	9.2	8.5
Net Credit Costs	-4.6	-3.4
OBP after Net Credit Costs	4.6	5.0

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



Individual Business: APLUS FINANCIAL

(Unit: JPY billion; %)

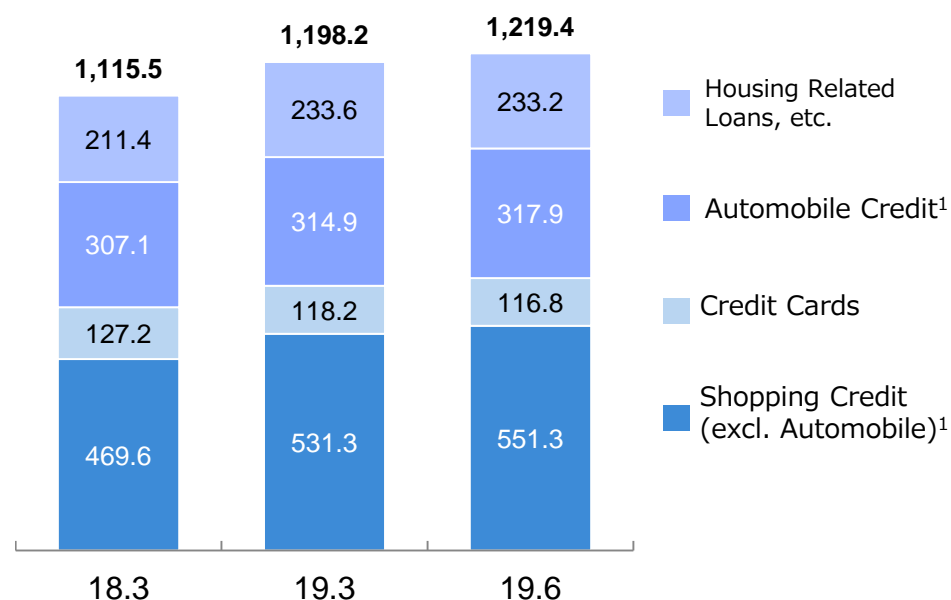
Business:

- ✓ Transaction volume and revenue in payment business increased, reflecting settlement via convenience stores and various mobile settlement services
- ✓ “Neobank Platform” will offer cafeteria-style financial services such as settlement, fund transfer and credit functions to nonfinancial B-to-C companies which consider to enter into the financial and settlement businesses (the Platform is planned to launch by the end of FY2019)

Performance Results:

- ✓ Despite increase in expenses related to IT depreciation, net credit costs decreased reflecting an absence of provisioning related to a bulk sale of delinquent loans in the previous year. OBP after net credit costs increased as a result

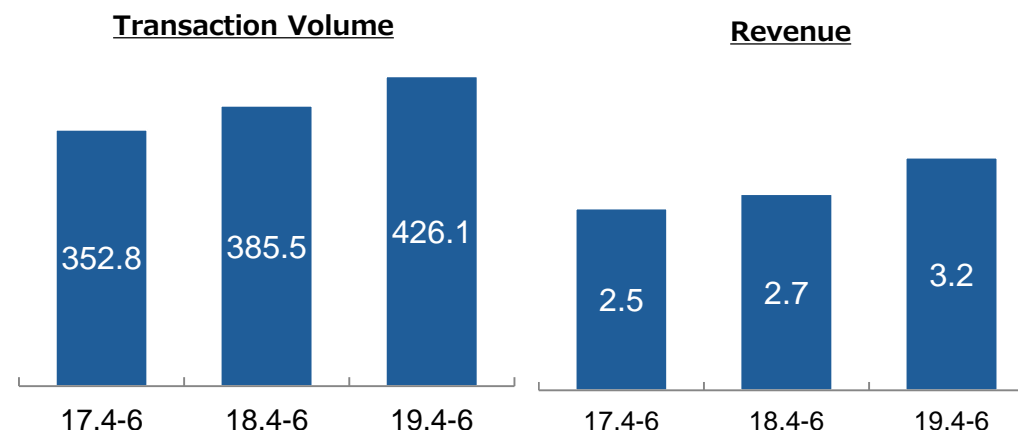
[Operating Assets Balance]



¹ Includes credit guarantees business

Payment Business

Settlement via convenience stores and bank accounts, rent guarantees, prepaid cards, mobile settlement services



APLUS FINANCIAL	18.4-6	19.4-6
Net Interest Income	2.8	2.4
Noninterest Income	11.4	11.7
Expenses	-8.9	-9.4
Ordinary Business Profit (OBP)	5.2	4.7
Net Credit Costs	-4.8	-3.5
OBP after Net Credit Costs	0.4	1.1

Individual Business: Retail Banking

(Unit: JPY billion; %)

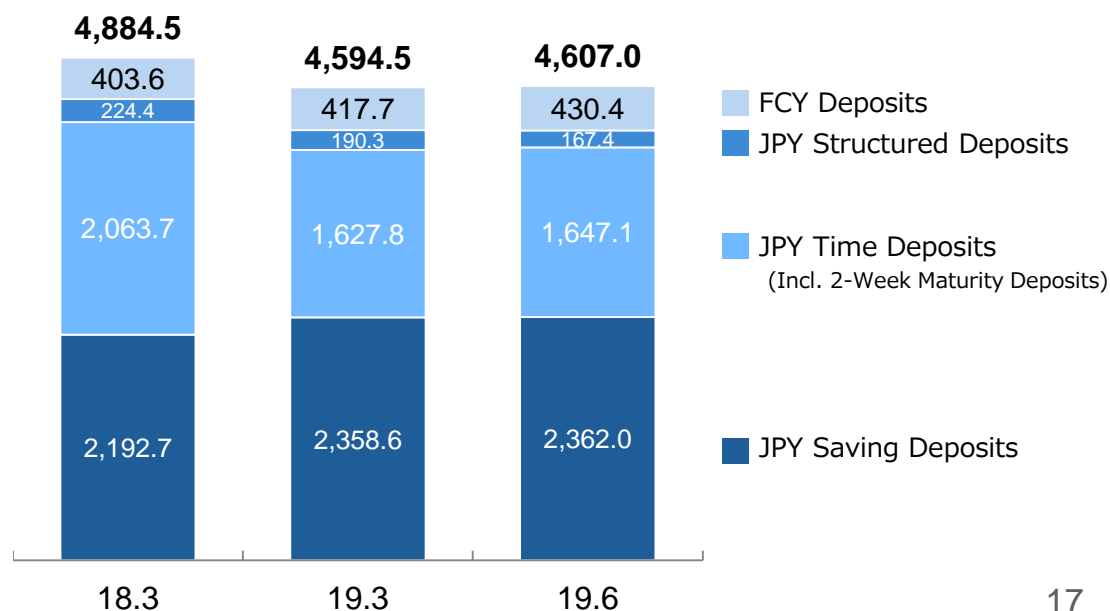
■ Business:

- ✓ Expanding sales channels of insurance products: the Bank acquired Financial Japan, a home-visit shared insurance agency, to strengthen sales channels and consulting functions (became a wholly-owned subsidiary on May 8, 2019)
- ✓ The number of customers and balance have steadily increased

■ Performance Results:

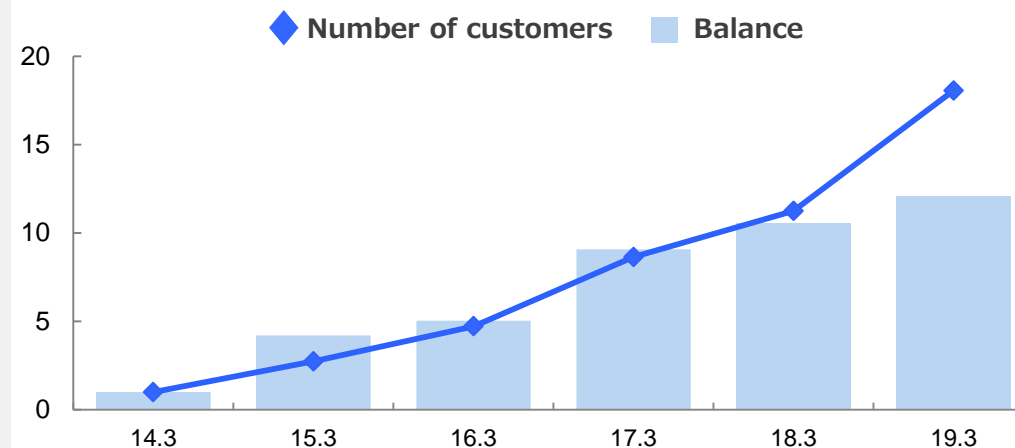
- ✓ Improvement in revenue coupled with lower expenses resulted in JPY 0.3 billion (profit) in OBP after net credit costs
- ✓ Increase in noninterest income, reflecting the reduction of ATM transaction fees under the revised Step Up Program, is in line with expectation (JPY 1.5 to 2 billion per annum)
- ✓ FCY deposits continue to increase due to time deposits in addition to favorable market conditions

【Deposits Balance】



Saving-type Investment Trusts

(March 2014 = 1)



Retail Banking	18.4-6	19.4-6
Net Interest Income	5.8	6.0
of which, from Loans	2.5	2.3
of which, from Deposits, etc.	3.3	3.6
Noninterest Income	0.4	1.0
of which, from Asset Management Products	1.7	1.6
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-1.2	-0.5
Expenses	-6.9	-6.5
Ordinary Business Profit (OBP)	-0.5	0.4
Net Credit Costs	0.0	-0.1
OBP after Net Credit Costs	-0.5	0.3

Institutional Business: Structured Finance

(Unit: JPY billion; %)

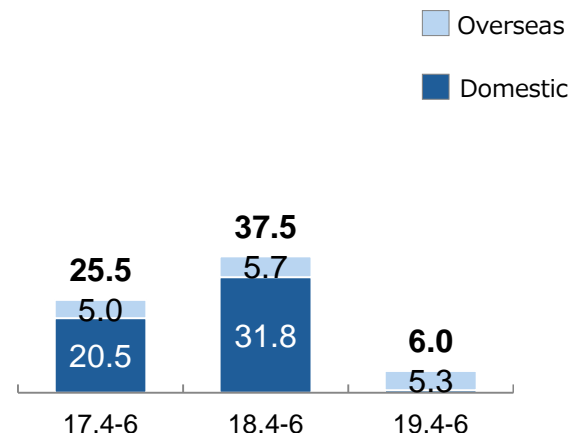
■ Business:

- ✓ In project finance, several transactions including mega solar projects are expected to conclude in 2Q onward
- ✓ In real estate finance, acquisition of new transactions was in line with the plan, and continue to explore transactions targeting new asset types and new sponsors
- ✓ In aviation finance, Shinsei Bank and Showa Leasing cooperatively provided senior debt finance and equity finance as alternative investments for real assets

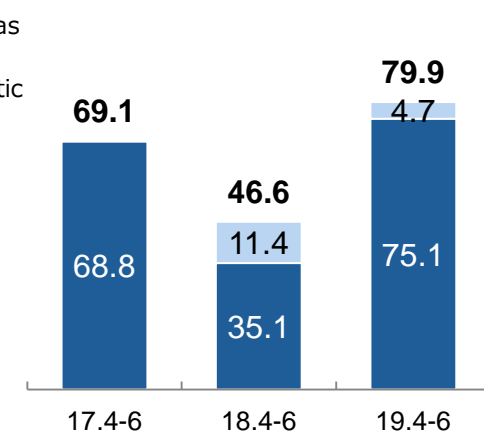
■ Performance Results:

- ✓ Increase in noninterest income from new disbursements of real estate finance and net credit recoveries associated with improved asset valuation for certain real estate finance transactions reflect an increase in OBP after net credit costs

Project Finance New Commitments



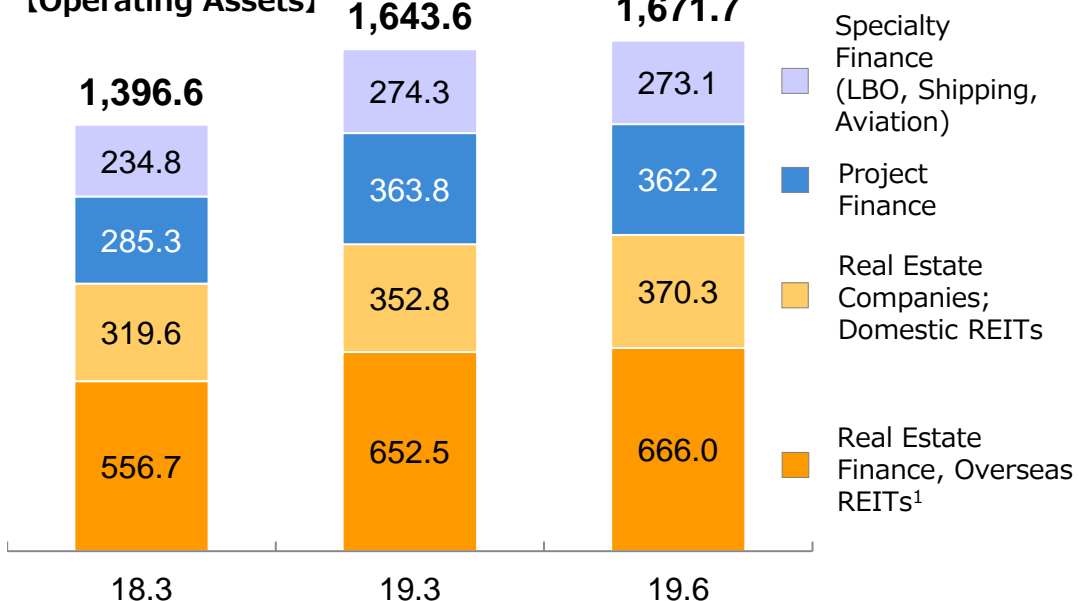
Real Estate Nonrecourse Finance New Disbursements



【Operating Assets】

1,643.6

1,671.7



Structured Finance	18.4-6	19.4-6
Net Interest Income	2.4	2.7
Noninterest Income	1.0	1.6
Expenses	-1.9	-2.0
Ordinary Business Profit (OBP)	1.6	2.3
Net Credit Costs	-1.9	1.8
OBP after Net Credit Costs	-0.2	4.1

¹ Category of overseas REITs have been changed current and previous years

Institutional Business: Showa Leasing

(Unit: JPY billion; %)

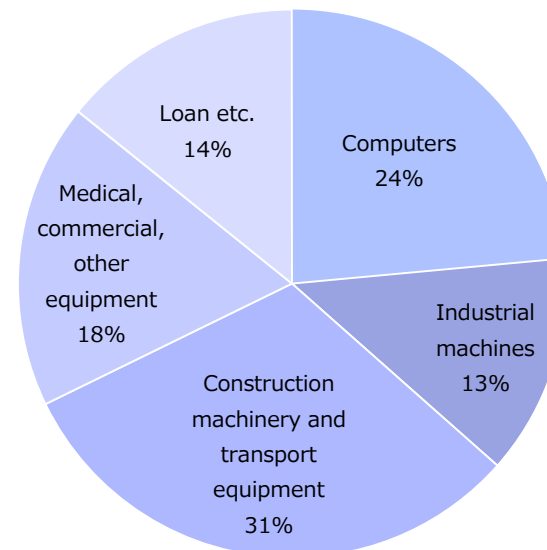
■ Business:

- ✓ Strengthening construction machinery business:
 1. Acquired SHINKO LEASE on July 1, 2019 which has expertise in finance businesses related to construction machines
 2. Agreed to establish a JV for crane rental business in the Philippines to meet strong demand for infrastructure development

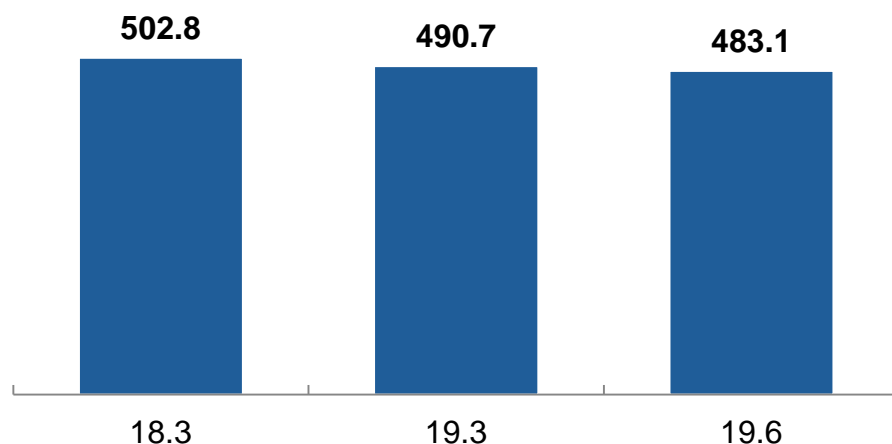
■ Performance Results:

- ✓ OBP after net credit costs decreased in this quarter as a result of an absence of large gain on sales of assets and lower net credit recoveries compared to previous year

Portfolio by Product (as of March 2019)



[Operating Assets Balance]



Showa Leasing	18.4-6	19.4-6
Net Interest Income	-0.0	-0.0
Noninterest Income	3.8	3.1
Expenses	-2.3	-2.3
Ordinary Business Profit (OBP)	1.4	0.8
Net Credit Costs	0.7	0.4
OBP after Net Credit Costs	2.2	1.2

Institutional Business: Corporate Business, Markets

(Unit: JPY billion; %)

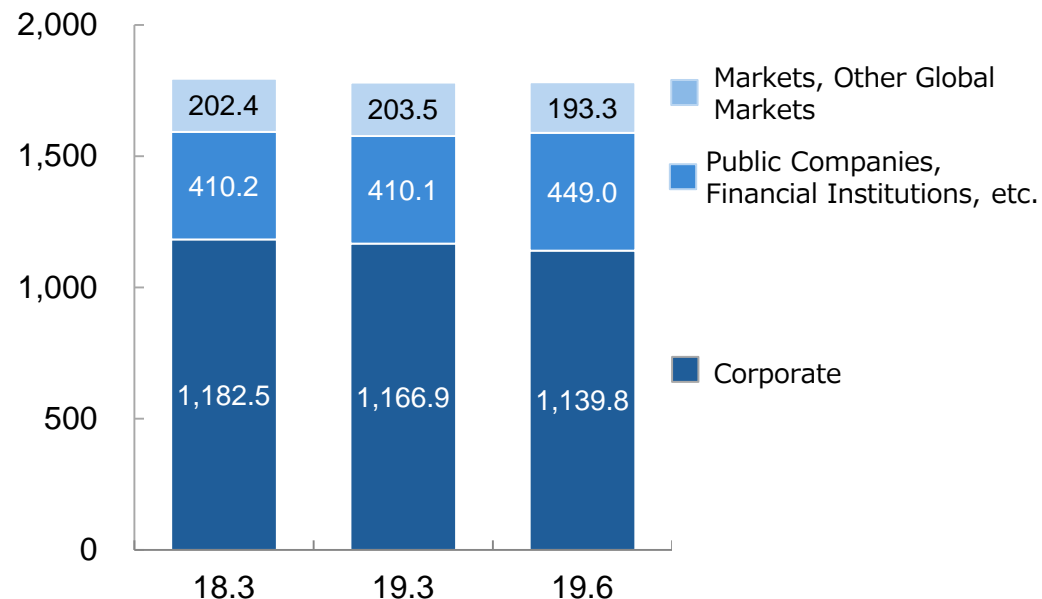
■ Business:

- ✓ Development of partnership-style business:
By partnership with corporate customers, provision of financial services to individuals and SMEs who are clients of our corporate customers

■ Performance Results:

- ✓ While Corporate Business generated stable revenue during the quarter, Markets Business saw improved revenues from its trading and structured finance activities

Operating Assets Balance



Corporate Business	18.4-6	19.4-6
Net Interest Income	2.5	2.5
Noninterest Income	1.0	1.2
Expenses	-3.0	-3.1
Ordinary Business Profit (OBP)	0.6	0.6
Net Credit Costs	0.0	-0.2
OBP after Net Credit Costs	0.6	0.3

Markets	18.4-6	19.4-6
Net Interest Income	0.3	0.7
Noninterest Income	0.9	1.3
Expenses	-0.9	-0.8
Ordinary Business Profit (OBP)	0.3	1.2
Net Credit Costs	0.0	0.0
OBP after Net Credit Costs	0.3	1.2

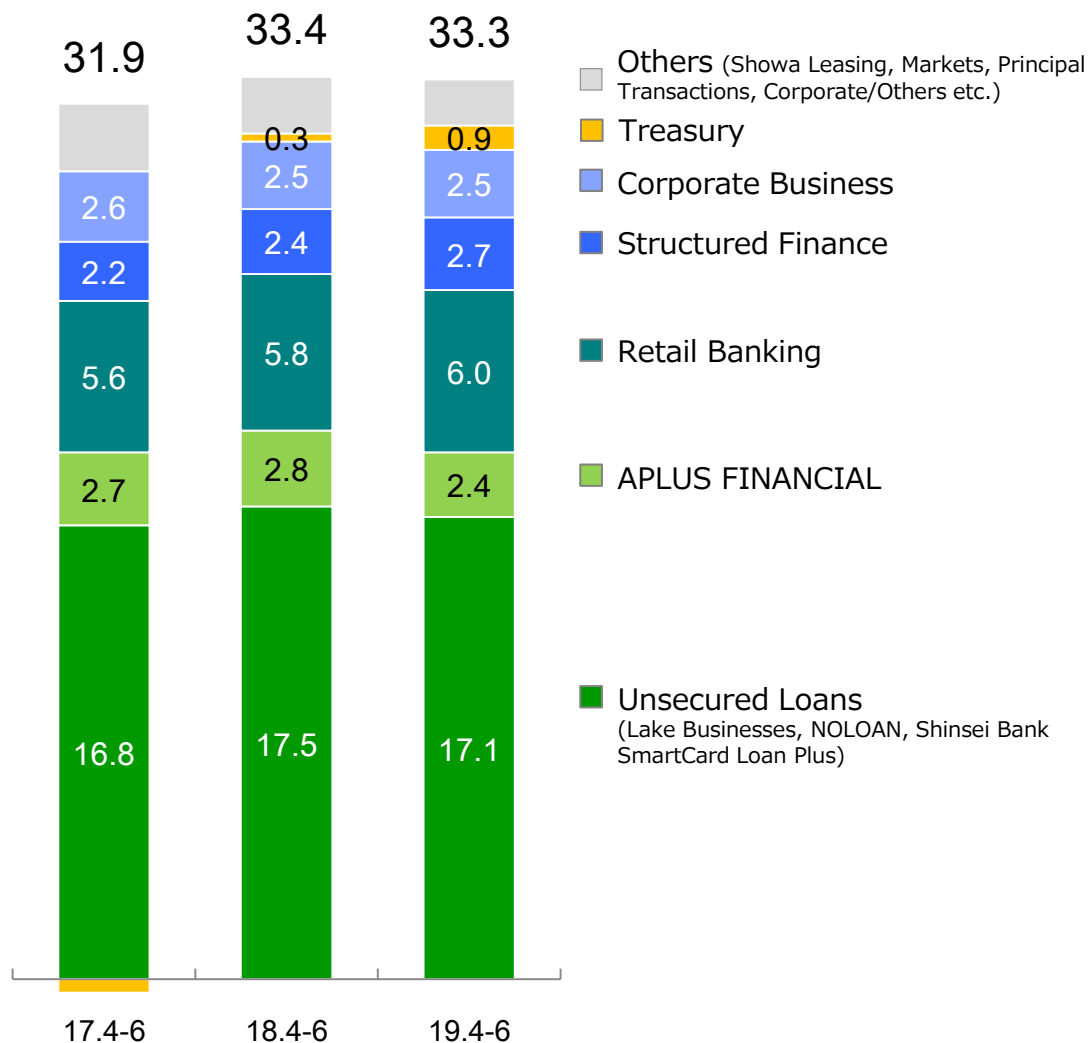
Segment Information



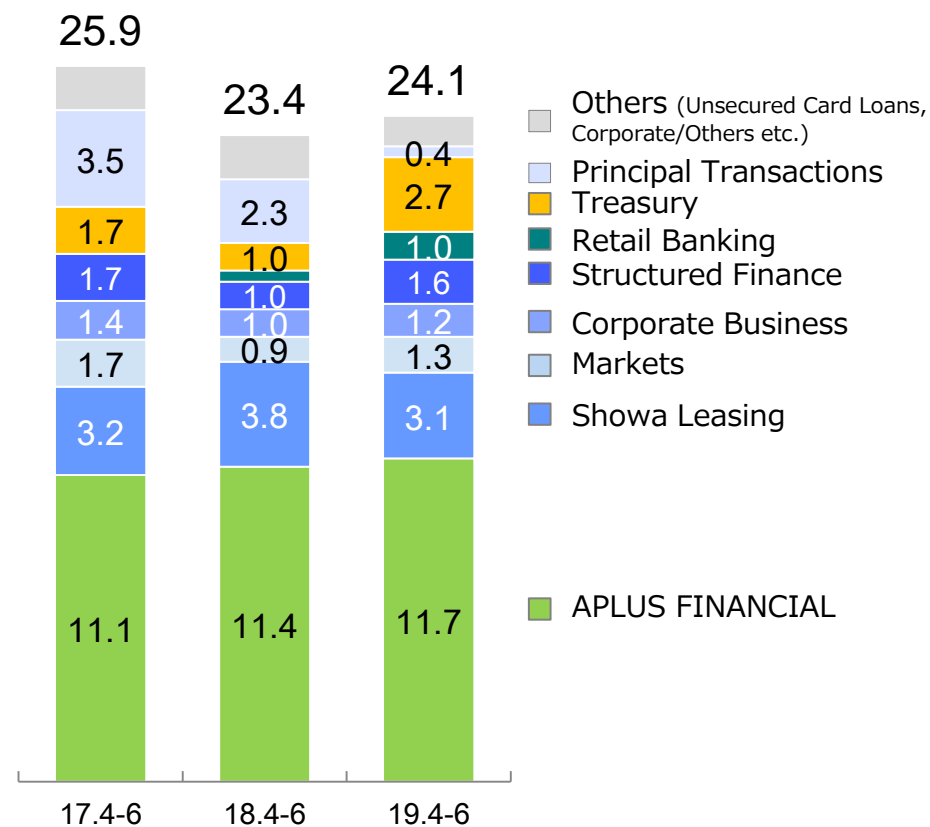
Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income: Segment YoY



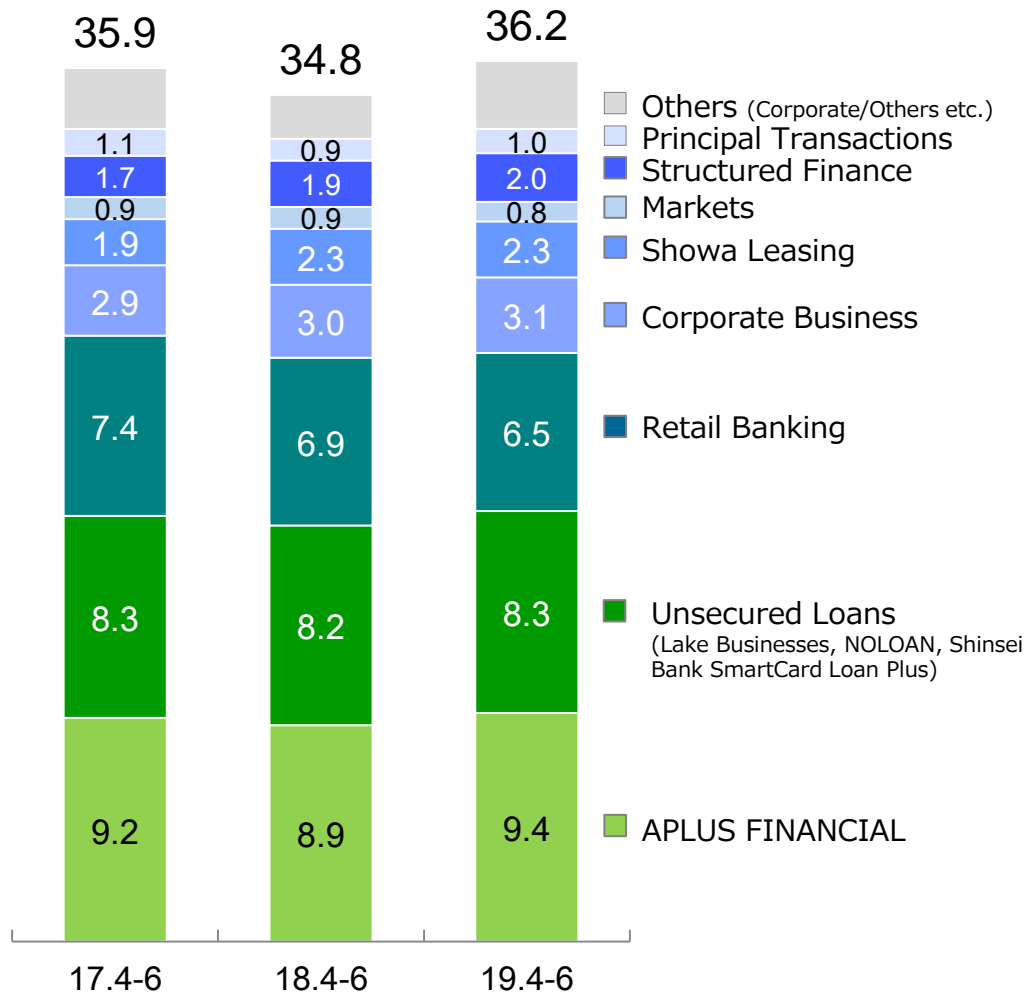
Noninterest Income: Segment YoY



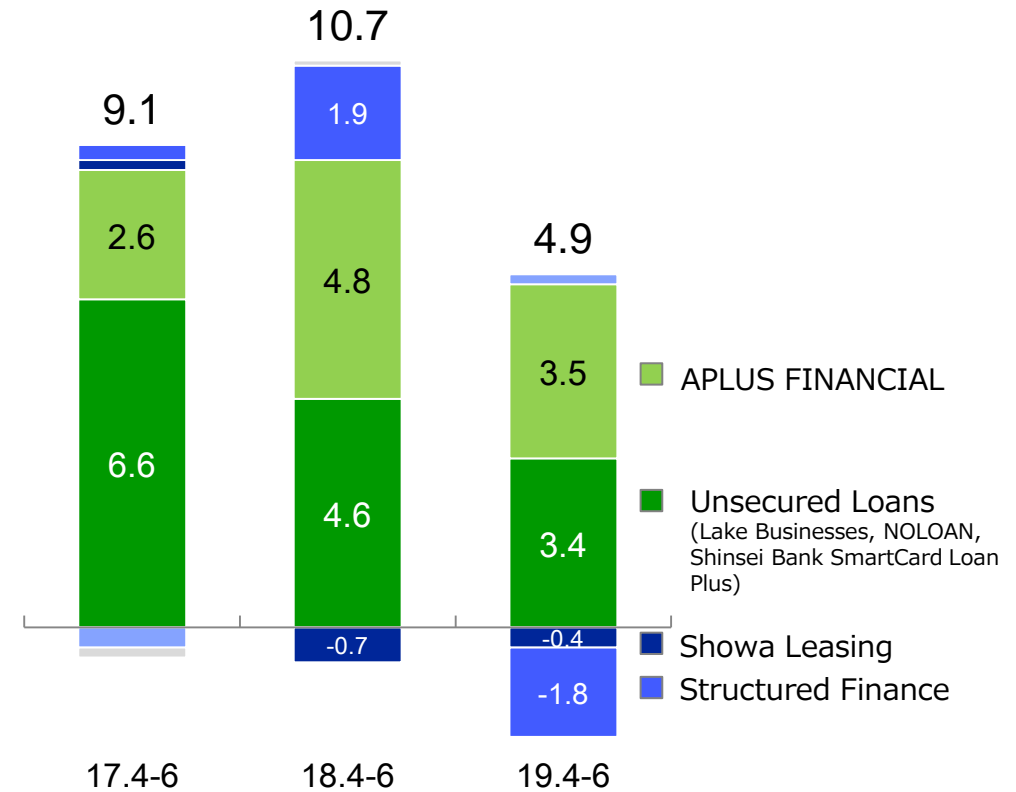
Segment: Expenses, Credit Costs

(Unit: JPY billion)

Expenses: Segment YoY



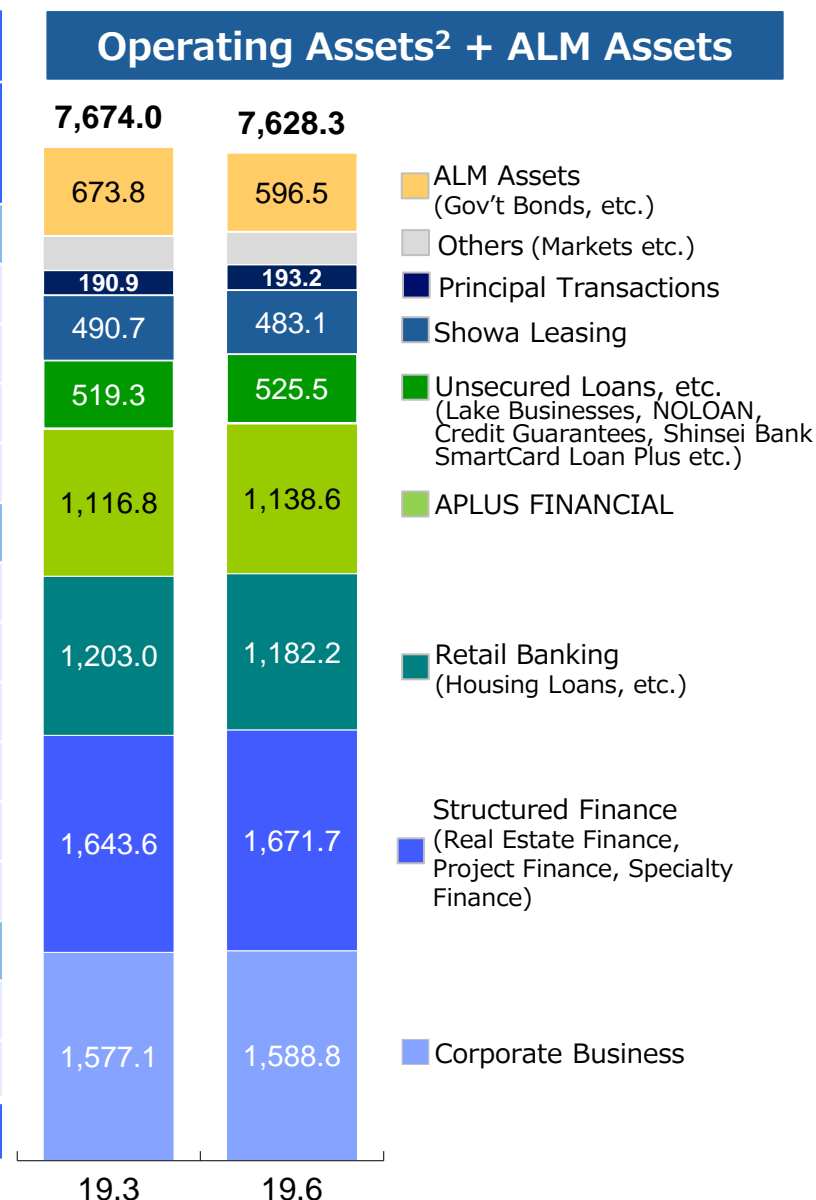
Net Credit Costs: Segment YoY



Segment: P&L and Operating Assets Balance (1QFY2019)

(Unit: JPY billion; %)

Segment	19.4-6 (1Q FY2019)		
	Amounts (OBP after net credit costs)	Weight %	ROA ³ % (Reference)
Individual Business	6.4	39	-
Retail Banking	0.3	2	0.1
Shinsei Financial ¹	5.0	31	3.8
APLUS FINANCIAL	1.1	7	0.4
Others	-0.1	-1	-0.7
Institutional Business	7.1	44	-
Corporate Business	0.3	2	0.1
Structured Finance	4.1	25	1.0
Principal Transactions	-0.0	0	0.0
Showa Leasing	1.2	7	1.0
Markets	1.2	7	n.m.
Others	0.0	0	n.m.
Corporate/Other	2.7	17	-
Treasury	3.2	20	2.0
Corporate/Other (excluding Treasury)	-0.5	-3	n.m.
Total (OBP after net credit costs)	16.3	100	0.9



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

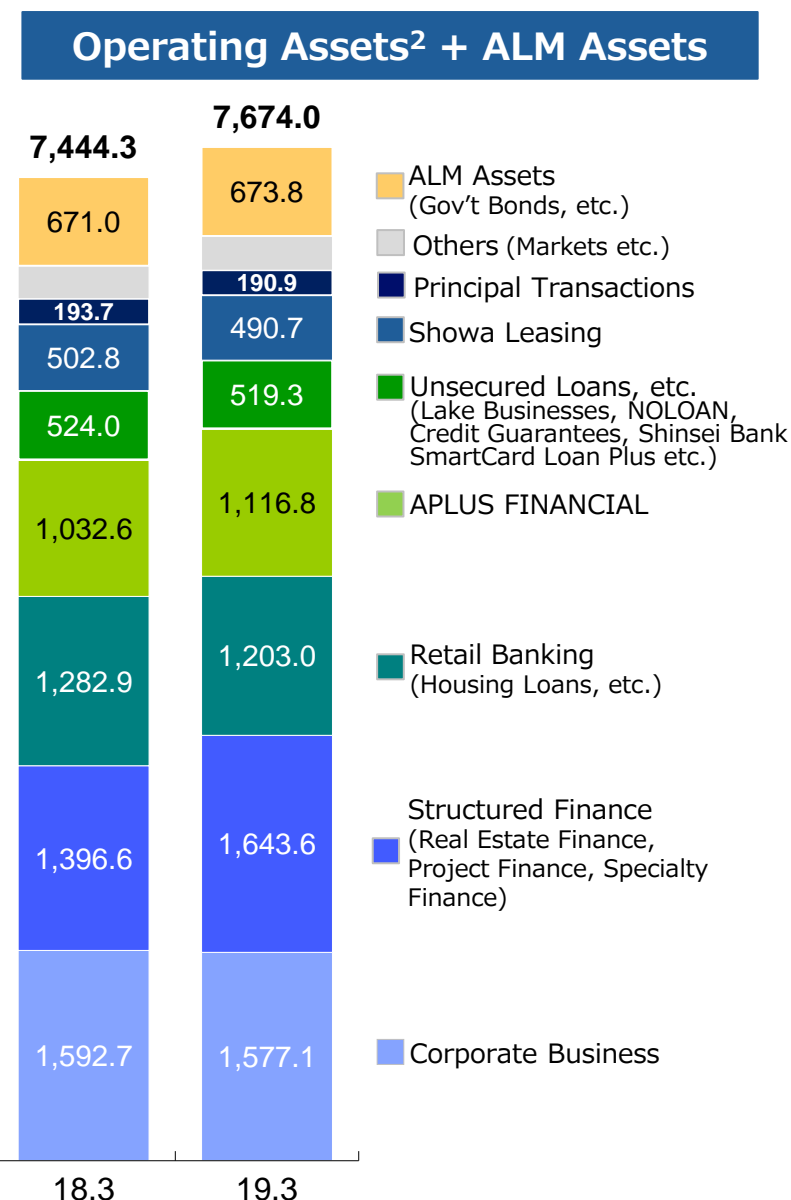
² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

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 (FY2018)

(Unit: JPY billion; %)

Segment	18.4-19.3 (FY2018)		
	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	4.1
APLUS FINANCIAL	3.1	6	0.3
Others	-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.
Others	-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

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
	17.4-6	17.7-9	17.10-12	18.1-3	18.4-6	18.7-9	18.10-12	19.1-3	19.4-6
Individual Business	2.1	3.0	6.5	7.1	4.5	6.5	9.3	2.9	6.4
Retail Banking	-1.7	-1.7	-1.3	-1.0	-0.5	-0.4	0.2	0.0	0.3
Shinsei Financial ¹	1.7	3.0	4.8	4.1	4.6	5.6	6.6	4.2	5.0
APLUS FINANCIAL	1.9	1.5	2.7	2.9	0.4	1.1	2.2	-0.7	1.1
Others	0.3	0.2	0.3	1.1	0.0	0.1	0.1	-0.6	-0.1
Institutional Business	10.0	8.1	6.5	8.2	5.2	10.6	5.1	7.7	7.1
Corporate Business	1.4	4.0	0.3	0.7	0.6	-0.6	0.0	3.9	0.3
Structured Finance	1.9	0.7	2.5	3.1	-0.2	7.8	2.6	1.8	4.1
Principal Transactions	4.3	1.8	2.9	0.1	2.4	2.1	1.5	-0.8	-0.0
Showa Leasing	0.9	0.8	-0.1	2.4	2.2	0.8	0.2	1.6	1.2
Markets	1.3	0.6	0.9	1.8	0.3	0.7	0.8	1.3	1.2
Others	-0.0	-0.1	-0.1	-0.1	-0.1	-0.3	-0.3	-0.2	0.0
Corporate/Other	0.5	0.4	0.3	-1.1	1.4	0.8	1.3	-0.0	2.7
Treasury	0.7	0.4	0.5	-0.6	1.0	0.7	0.9	1.6	3.2
Corporate/Other (excluding Treasury)	-0.1	-0.0	-0.1	-0.4	0.4	0.0	0.3	-1.7	-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

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

Key Data

Balance Sheet

(Unit: JPY billion)	16.3	17.3	18.3	19.3	19.6
Loans and bills discounted	4,562.9	4,833.4	4,895.9	4,986.8	4,921.1
Securities	1,227.8	1,014.6	1,123.5	1,130.2	1,065.7
Lease receivables/ leased investment assets	211.4	191.4	171.4	176.5	175.2
Installment receivables	516.3	541.4	558.8	562.2	566.9
Reserve for credit losses	-91.7	-100.1	-100.8	-98.0	-95.2
Deferred Tax Assets	14.0	15.5	14.7	15.0	13.7
Total assets	8,928.7	9,258.3	9,456.6	9,571.1	9,654.0
Deposits including negotiable certificates of deposits	5,800.9	5,862.9	6,067.0	5,922.1	5,899.6
Borrowed money	801.7	789.6	739.5	684.0	644.9
Corporate bonds	95.1	112.6	85.0	92.3	82.3
Grey zone reserves	133.6	101.8	74.6	63.0	60.2
Total liabilities	8,135.6	8,437.5	8,600.6	8,674.5	8,751.0
Shareholders' equity	786.8	823.7	862.5	899.5	905.9
Total net assets	793.1	820.7	856.0	896.6	903.0

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

² Domestic Standard; Grandfathered Basis

Financial Ratios

(Unit: %)	15.4-16.3	16.4-17.3	17.4-18.3	18.4-19.3	19.4-6
Expenses-to-revenue ratio	64.9	62.3	61.5	63.0	63.0
Loan-to-deposit ratio	78.7	82.4	80.7	84.2	83.4
ROA	0.7	0.6	0.5	0.5	0.5
ROE	8.1	6.3	6.1	6.0	5.5
NPL Ratio ¹	0.79	0.22	0.17	0.20	0.20
Core Capital Ratio ²	14.20	13.06	12.83	11.85	11.74

Per Share Data

(Unit: JPY)	15.4-16.3	16.4-17.3 ³	17.4-18.3 ³	18.4-19.3	19.4-6
BPS ³	294.41	3,163.89	3,376.39	3,636.92	3,691.53
EPS ³	22.96	194.65	199.01	211.24	49.65

Credit Ratings

	16.3	17.3	18.3	19.3	19.6
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	Baa2

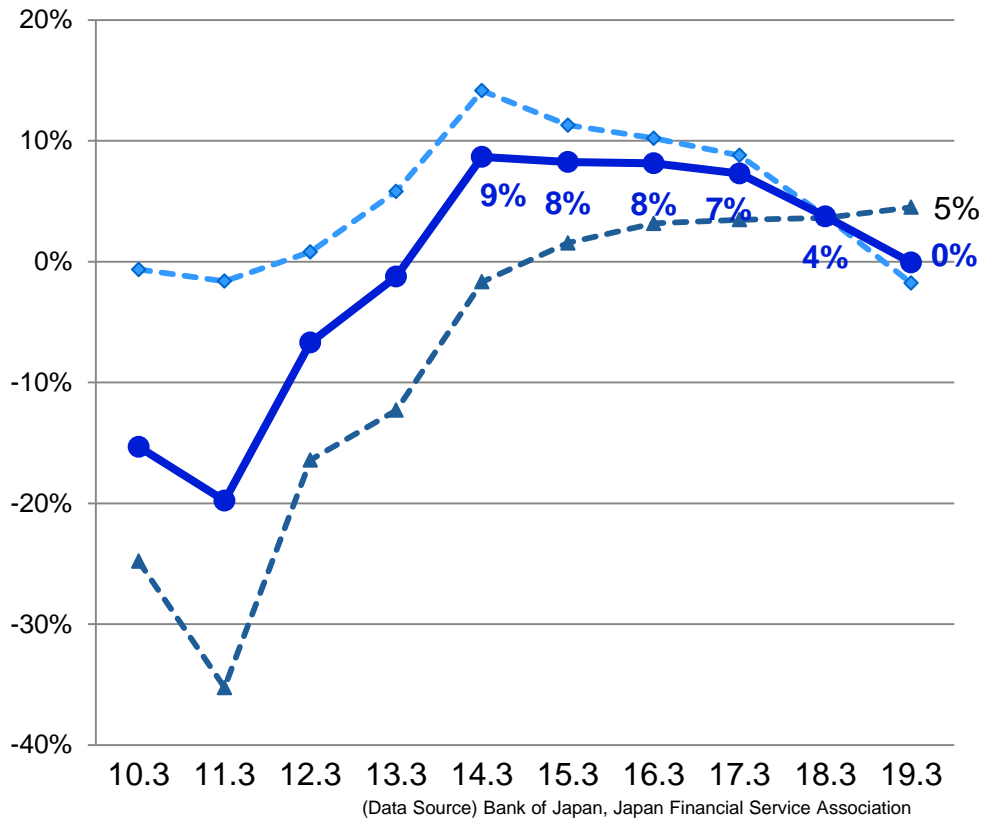
³ Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017
Per share data for FY16 has been adjusted to conform to current period presentation

Appendix



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

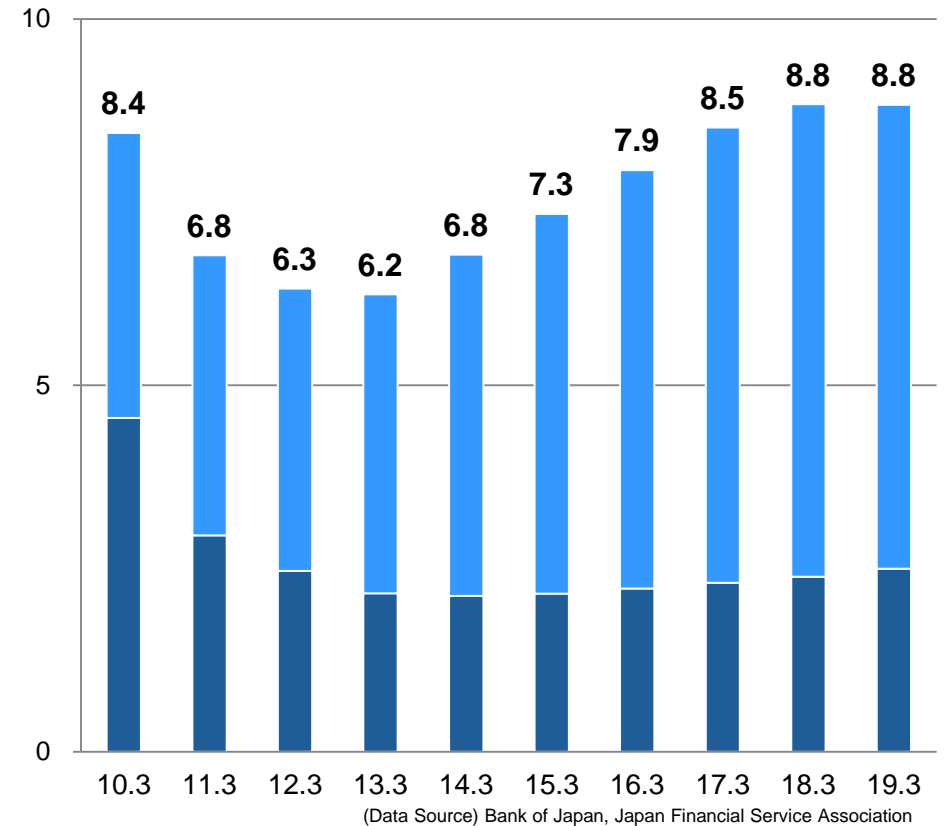
“Unsecured loan market”= “Bank card loan balance” + “Nonbank unsecured loan balance”

“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)

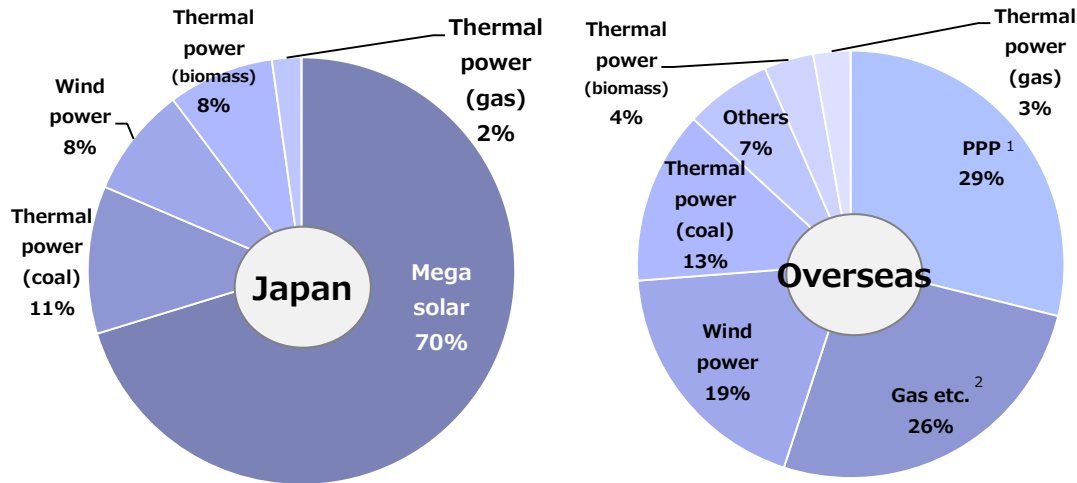


- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

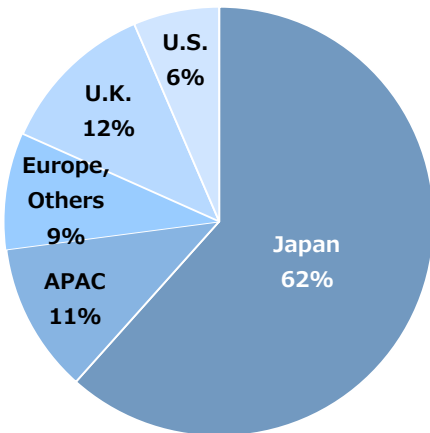
Structured Finance: Portfolio (as of June 2019)

Project Finance

[Balance: project type, includes commitment basis]

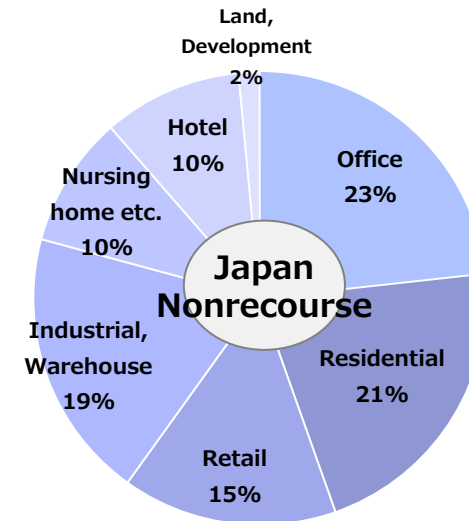


[Balance: regions, includes commitment basis]

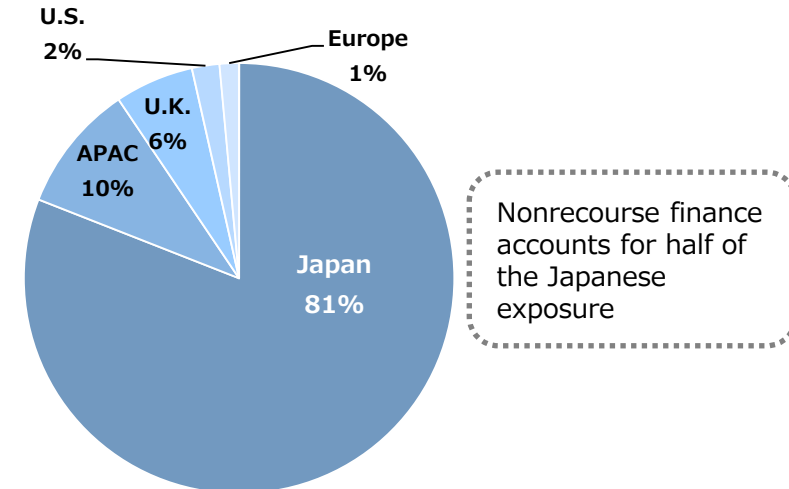


Real Estate Finance

[Balance: asset type]



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



Nonrecourse finance accounts for half of the Japanese exposure

¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

- **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.**
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