

For Immediate Release

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 President and CEO  
 (Code: 8303, TSE First Section)

## Shinsei Bank Reports Financial Results for the First Quarter Ended June 30, 2017

Tokyo (Wednesday, August 2, 2017) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”), a leading diversified financial institution serving both institutional and individual customers, today announced a consolidated reported basis net income of 10.9 billion yen in the first quarter ended June 30, 2017, increased by 2.7 billion yen compared to the same period of fiscal year 2016. Additionally, Shinsei Bank announced a nonconsolidated net income of 10.6 billion yen in the first quarter ended June 30, 2017, increased by 3.1 billion yen compared to the same period of fiscal year 2016.

### Highlights of Consolidated Financial Results

	17.4-17.6	16.4-16.6	(JPY Billion) Change
Total Revenue	57.8	55.6	2.2
General and Administrative Expenses	-35.9	-35.4	-0.5
Ordinary Business Profit	21.9	20.1	1.7
Net Credit Costs (Recoveries)	-9.1	-8.0	-1.0
Net Income	10.9	8.1	2.7

- **Total revenue** increased 2.2 billion yen from the first quarter of fiscal year 2016 to 57.8 billion yen for the first quarter of fiscal year 2017. Of this amount, net interest income increased 1.5 billion yen from 30.3 billion yen recorded in the first quarter of fiscal year 2016 to 31.9 billion yen. This increase in net interest income was due primarily to the growth of the asset balance of the Consumer Finance Business. Noninterest income increased 0.7 billion yen from 25.2 billion yen recorded in the first quarter of fiscal year 2016 to 25.9 billion yen in the first quarter of fiscal year 2017. The increase in noninterest income reflected factors such as gains on sales of equities in the Principal Transactions Business as well as the increase in fee income from the Corporate and Structured Finance Businesses despite a reduction in gains on sales of bonds in ALM operations and revenues associated with the sale of asset management products in the Retail Banking Business.
- **General and administrative expenses** increased 0.5 billion yen to 35.9 billion yen compared to the first quarter of fiscal year 2016. This was due to the expense increases for bolstering the business franchise including premises related expenses as well as IT systems while the Bank continues to promote operational efficiency. The Bank’s expense-to-revenue ratio was 62.1%.
- **Net credit costs** of 9.1 billion yen were recorded in the first quarter of fiscal year 2017, increased 1.0 billion yen from net credit costs of 8.0 billion yen recorded in the first quarter of fiscal year 2016, due primarily to the revision of reserve ratio for loan losses of unsecured loan as well as the provisioning of general reserves for loan losses as a result of the steady growth of the loan balance of the Consumer Finance Business in the first quarter of fiscal year 2017.
- **Consolidated net income** increased 2.7 billion yen from 8.1 billion yen recorded in the first quarter fiscal year 2016 to 10.9 billion yen.
- **Nonconsolidated net income** increased 3.1 billion yen from 7.5 billion yen recorded in the first quarter of fiscal year 2016 to 10.6 billion yen.
- **Total assets** increased 120.3 billion yen from 9,258.3 billion yen at March 31, 2017, to 9,378.6 billion yen at June 30, 2017.

### Capital and Asset Quality

- **Capital ratios** continue to be maintained at ample levels. The Basel III domestic standard (grandfathering basis) **consolidated core capital adequacy ratio** decreased from 13.06% as of March 31, 2017, to

12.98% as of June 30, 2017. The Basel III international standard (fully loaded basis) **common equity Tier 1 capital ratio** decreased from 12.3% as of March 31, 2017, to 12.2% as of June 30, 2017.

- **Nonperforming loan ratio** was 0.20% as of June 30, 2017, decreased from 0.22% as of March 31, 2017, maintaining at a low level.

For further details on the first quarter financial results, please visit our website through the link below:  
[http://www.shinseibank.com/corporate/en/ir/quarterly\\_results/](http://www.shinseibank.com/corporate/en/ir/quarterly_results/)

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Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at  
<http://www.shinseibank.com/corporate/en/index.html>