

**[TRANSLATION]**

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# **19<sup>th</sup> Annual General Meeting of Shareholders**

**Shinsei Bank, Limited  
June 19, 2019**

# Voting Rights

# Total Number of Shareholders with Voting Rights

26,890

# Total Number of Voting Rights

2,452,497

**The number of shareholders including those who have exercised their voting rights via voting instruction cards, and via electromagnetic methods and who have submitted a power of attorney to exercise them by 5PM on June 18, 2018 is as follows:**

**Shareholders with Voting Rights:**

**7,057**

**Voting Rights:**

**2,115,051**

# The Rules of Procedure

# Audit Report

# **Fiscal Year 2018 Financial Results**

# Financial Results Overview

(Unit: JPY billion)

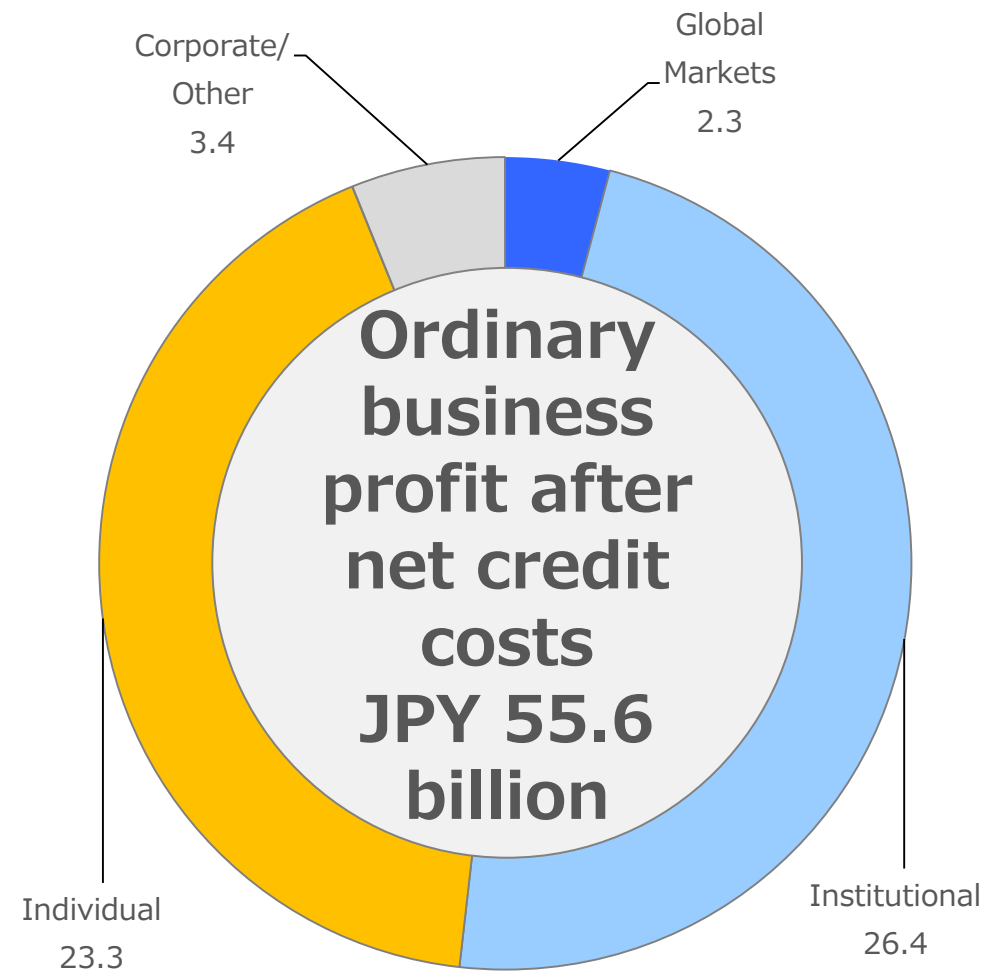
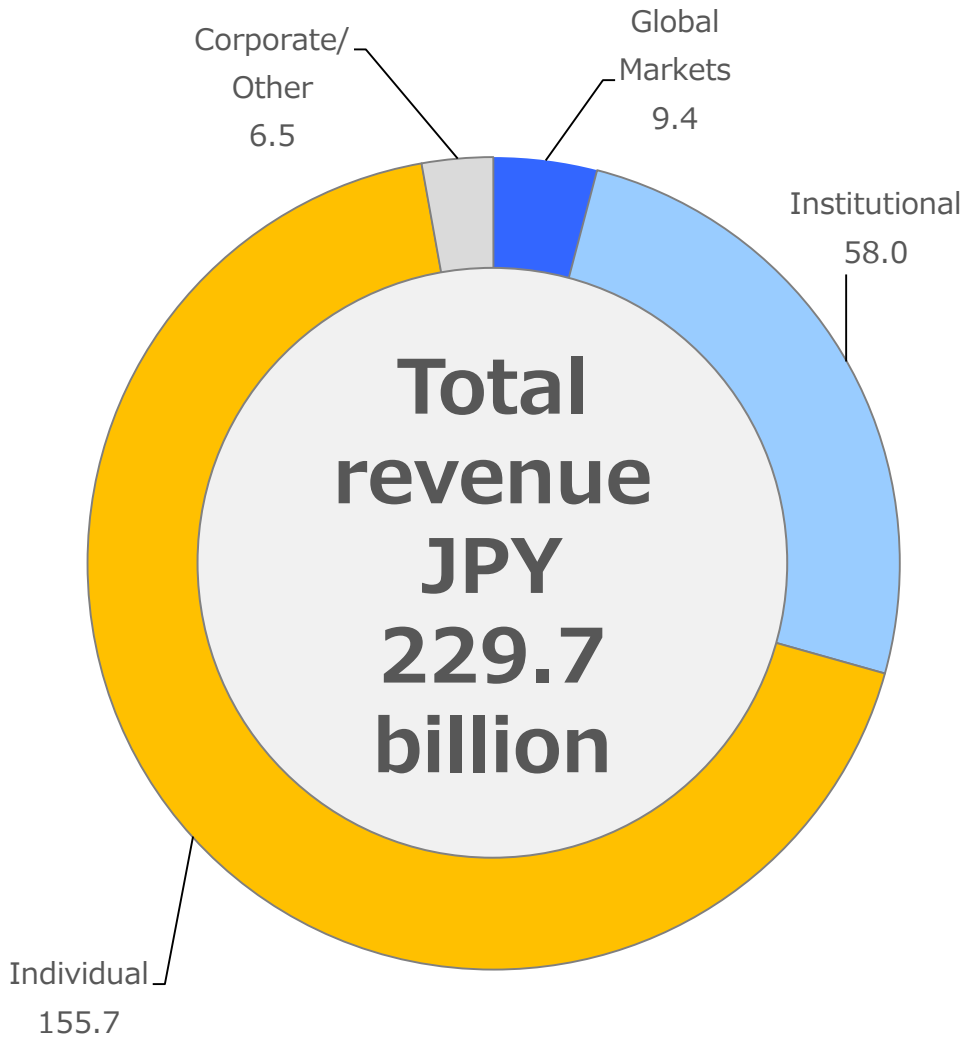
<b>【Consolidated】</b>	<b>FY2018</b>	FY2017
Total revenue	<b>229.7</b>	232.0
Expenses	<b>-144.7</b>	-142.5
Net credit costs	<b>-29.3</b>	-37.2
Ordinary business profit after net credit costs	<b>55.6</b>	52.1
Profit attributable to owners of the parent	<b>52.3</b>	51.4

<b>【Nonconsolidated】</b>	<b>FY2018</b>	FY2017
Net income	<b>35.4</b>	40.5
Year-end dividend (per share in yen)	<b>10</b>	10



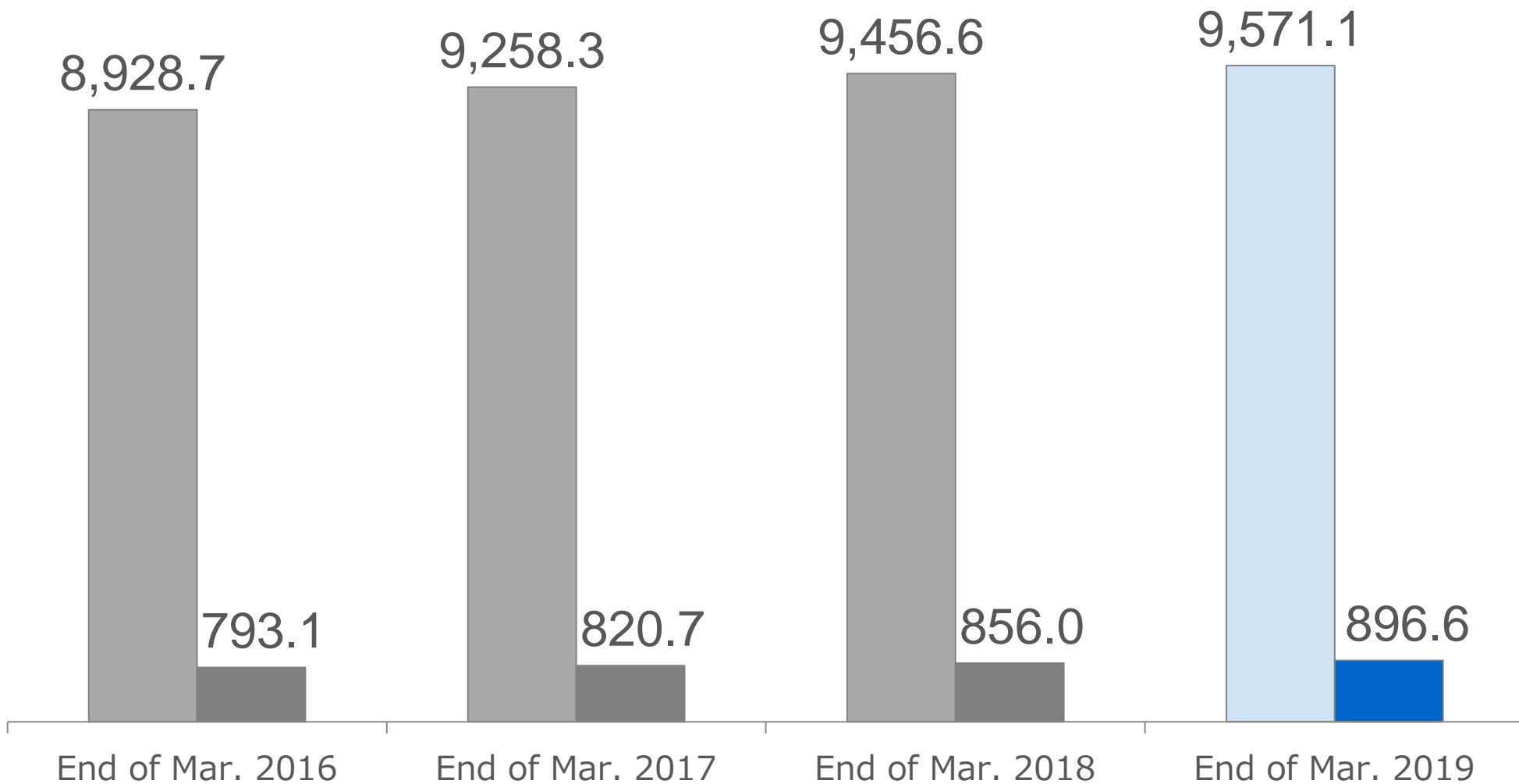
# Profit by Business Segment

(Unit: JPY billion)



# Total Assets, Total Equity

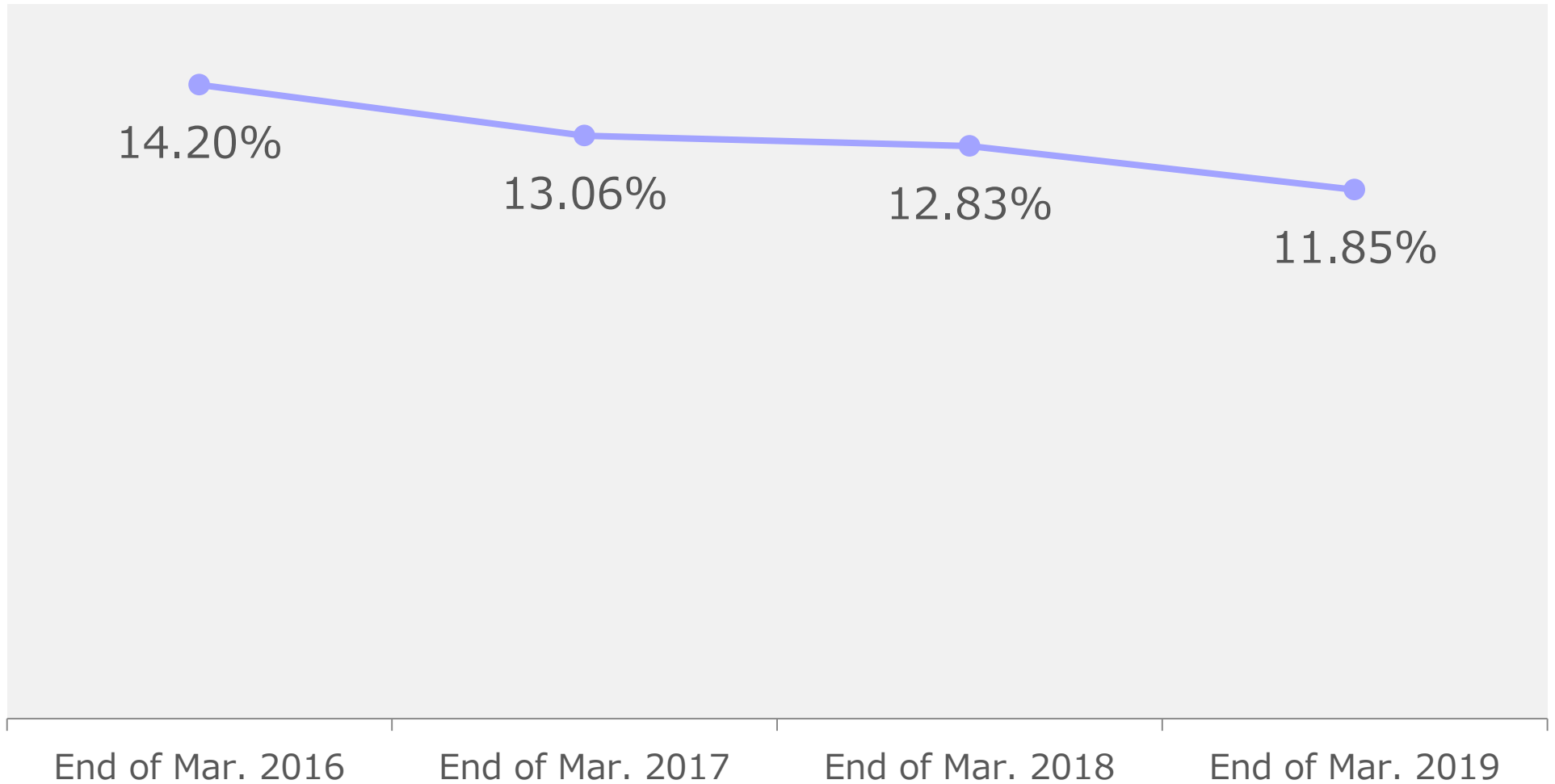
(Unit: JPY billion)





# Capital Adequacy Ratio

Consolidated core capital adequacy ratio (Basel 3, domestic standard)





# Redesigning Finance

## Our Innovation Stories



## Medium-Term Strategies

May 2019

# Positioning of Medium-Term Strategies

Our growth stories fulfilling our Medium-to-Long-Term Vision in the changing world

Towards 2030



## Medium-to-Long-Term Vision

- Financial innovator
- Outstanding productivity and efficiency
- Rewarding stakeholders

## The world around us is changing

- Digitalization
- Aging society
- Diversification of lifestyles
- Globalization
- Expansion of investment opportunities
- Growing inequality

## Medium-Term Strategies

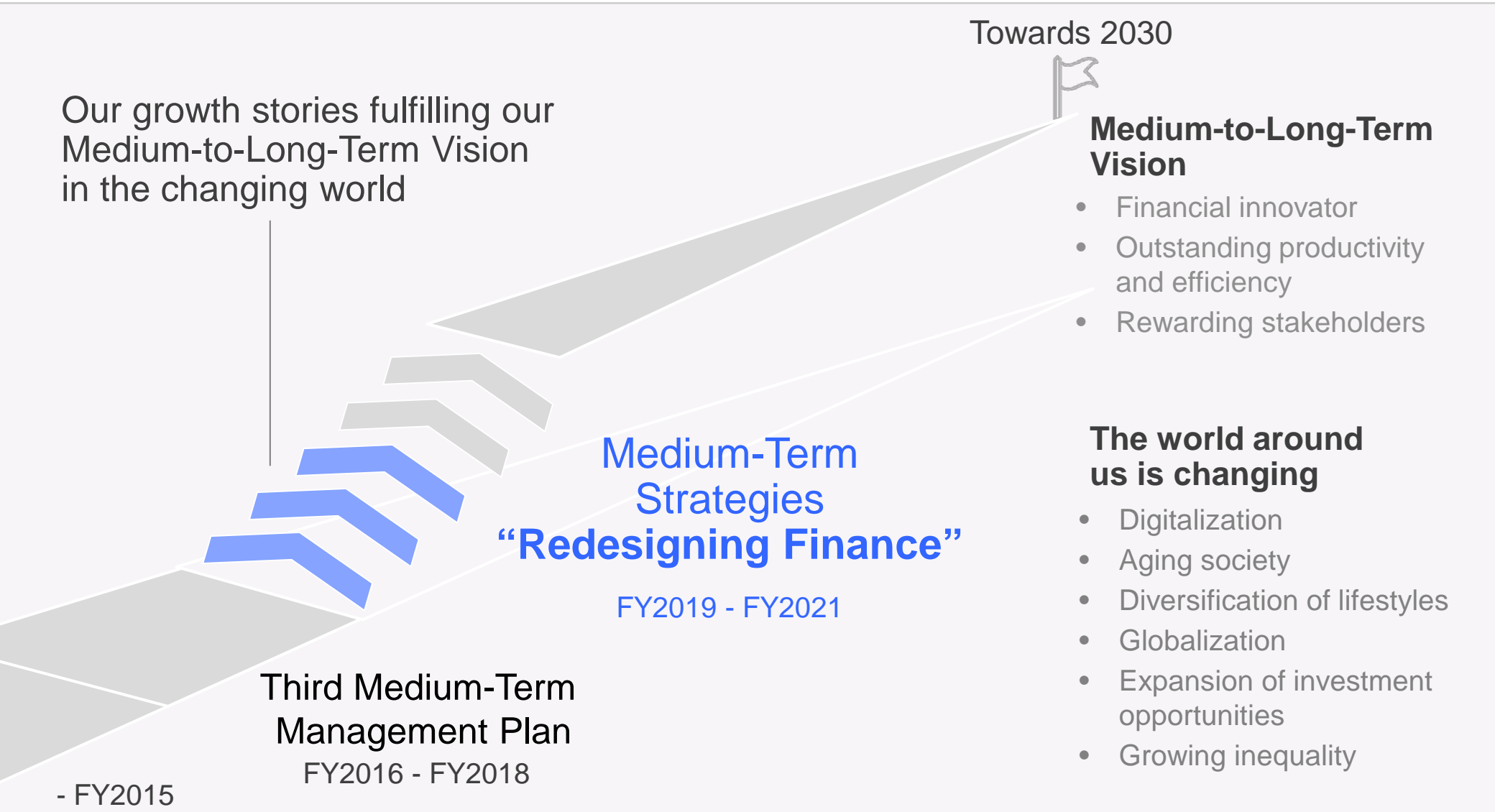
### “Redesigning Finance”

FY2019 - FY2021

## Third Medium-Term Management Plan

FY2016 - FY2018

- FY2015



# Background of Medium-Term Strategies



## Third Medium-Term Management Plan (FY2016 - FY2018)

### Selection and Concentration of Businesses

- Allocated resources to growth areas
- Achieved stable growth and strong revenue streams in growth areas

### Value Creation through Group Integration

- Established our virtual Group HQ
- Built governance structure to reflect group-wide management

### Achieve Flexible Business Management and Lean Operations

- Improved productivity on a group-wide basis by enhancing efficiencies

Our Strengths

- Expertise and Execution
- Governance

Our environment is changing

Customers are becoming more sophisticated

Digitalization has accelerated collaboration between service providers

External Environment

“Redesigning Finance”



## Medium-Term Strategies (FY2019 - FY2021)

### Core Strategies

Grow through Value Co-Creation

Enhance / Leverage our Capabilities

### Focus Areas

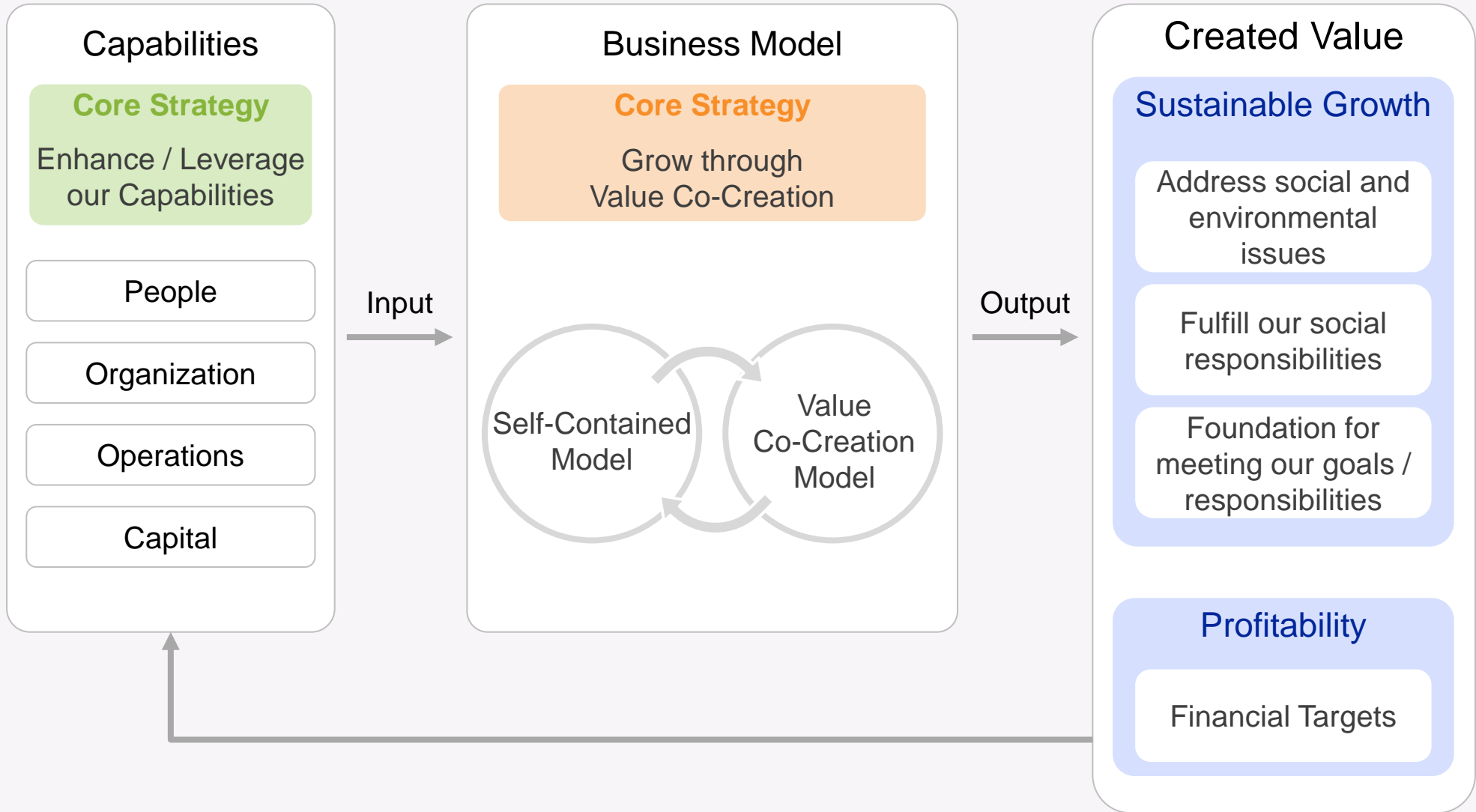
Small-Scale Finance

Institutional Investors

Group Organization

Productivity Reforms

# Overview of Medium-Term Strategies

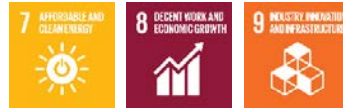


# Initiatives for Sustainable Growth (Materiality)

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



# 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.

# Business Strategy

## Medium-Term Strategies

### Core Strategies

 Grow through Value Co-Creation

 Enhance / Leverage our Capabilities

### Business Strategies & Focus Areas

Business Strategy

#### Individual Business

Focus Area **Small-Scale Finance**

Enhance service offerings through building / participating in ecosystems, using digital technology and data analysis

Business Strategy

#### Institutional Business

Focus Area **Institutional Investors**

Provide one-stop services for alternative investments

#### Organization Infrastructure

Focus Area **Group Organization**

Integrate business functions across the Group

Focus Area **Productivity Reforms**

Cost structure reform including usage of digital technology and channel optimization