

For Immediate Release

Company Name: Shinsei Bank, Limited
 Name of Representative: Shigeki Toma
 President and CEO
 (Code: 8303, TSE First Section)

Shinsei Bank Reports Financial Results for the Fiscal Year Ended March 31, 2015

-Achieved full-year forecast, increased 26.4 billion yen compared to the previous fiscal year -

Tokyo (Tuesday, May 12, 2015) --- Shinsei Bank, Limited ("Shinsei Bank," "the Bank"), a leading diversified financial institution serving both institutional and individual customers in Japan, today announced a consolidated reported basis net income of 67.8 billion yen for the fiscal year ended March 31, 2015 (12 months), the second year of its Second Medium-Term Management Plan (FY2013-FY2015), an increase of 26.4 billion yen compared to the previous year. Nonconsolidated net income was 45.7 billion yen, an increase of 9.2 billion yen compared to the previous year. A dividend of 1 yen per common share will be paid out as forecasted.

Summary of Financial Results (Consolidated)

(JPY Billion)

	FY2014 (12 Months)	FY2013 (12 Months)	Increase/ Decrease
Total Revenue	235.3	203.0	+32.3
General and Administrative Expenses	-141.6	-132.8	-8.8
Ordinary Business Profit	93.6	70.1	+23.4
Net Credit Costs	-11.8	-0.2	-11.5
Other Profit (Losses)	-0.5	-14.2	+13.6
Provision of Reserve for Losses on Interest Repayment	-4.0	-15.6	+11.5
Reported Basis Net Income	67.8	41.3	+26.4
Cash Basis ¹ Net Income	75.4	49.8	+25.5

¹ Cash basis figures are calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit

Financial Results

- **Total Revenue** was 235.3 billion yen in fiscal year 2014, increased 32.3 billion yen compared to fiscal year 2013. Of this amount, net interest income was 126.4 billion, increased by 15.9 billion compared to fiscal year 2013, due to an improvement in net interest margin resulting from a reduction in funding costs as well as significant dividend income from securities investments in the Institutional Group. Noninterest income was 108.8 billion in fiscal year 2014, increased 16.3 billion compared to fiscal year 2013, as a result of improvements in trading revenues, including ALM operations, as well as an increase in installment sales income in the consumer finance business.
- **Expenses** have risen 8.8 billion yen from 132.8 billion yen recorded in fiscal year 2013 to 141.6 billion yen in fiscal year 2014 due to the allocation of management resources in strategic areas in order to grow our business base.
- **Net Credit Costs** totaled 11.8 billion yen in fiscal year 2014, increased 11.5 billion yen from 0.2 billion yen recorded in fiscal year 2013. This was the result of factors such as a steady increase in the loan balance of the Bank's consumer finance business and lower credit reversals of reserve for loan losses in the institutional business.
- **Other Losses** of 0.5 billion yen were recorded in fiscal year 2014, a significant improvement compared to a loss of 14.2 billion yen recorded in fiscal year 2013. This was due largely to the amount of additional reserves for losses on interest repayment provisioned for consumer finance subsidiaries in fiscal year 2014 being 4.0 billion yen, compared to 15.6 billion yen in fiscal year 2013.
- **Consolidated Net Income** of 67.8 billion yen was recorded in fiscal year 2014, increased 26.4 billion yen compared to 41.3 billion yen recorded in fiscal year 2013.
- **Nonconsolidated Net Income** increased by 9.2 billion yen from 36.4 billion yen recorded in fiscal year 2013 to 45.7 billion yen in fiscal year 2014.
- **Total Assets** decreased by 431.2 billion yen from 9,321.1 billion yen as of March 31, 2014 to 8,889.8 billion yen as of March 31, 2015.

Capital and Asset Quality

- **Total Consolidated Capital Adequacy Ratio** at 14.86%, an increase of 1.28 percentage points compared to 13.58% recorded as of March 31, 2014. This is the result of the steady accumulation of retained earnings and the disposal of nonperforming loans.
- **Nonperforming Loan Ratio** has declined 2.39 percentage points from 3.81% as of March 31, 2014 to 1.42% as of March 31, 2015, resulting from a further decline in nonperforming loans by 103.8 billion yen from 164.7 billion yen as of March 31, 2014 to 60.9 billion yen as of March 31, 2015.

FY2015 Forecast

- Full fiscal year consolidated reported basis net income² forecast at 70.0 billion yen, and consolidated cash basis¹ net income² forecast at 76.0 billion yen.
- Nonconsolidated net income² forecast at 42.0 billion yen.
- Fiscal year end common share dividend forecast at 1 yen per share, as outlined in our Revitalization Plan.

² In accordance with the revision of the Accounting Standard for Business Combination, as of fiscal year 2015 net income and cash basis net income will now be referred to as profit attributable to owners of parent and cash basis profit attributable to owners of parent.

Conference Call for Investors on Earnings for the Fiscal Year Ended March 31, 2015

A conference call will be held in Japanese/English, with consecutive interpretation, on Wednesday, May 13, 2015 at 9:00 PM (JST)/8:00 AM (EST)/1:00 PM (GMT)/2:00 PM (CET). The presentation to be used for the conference will be posted on Shinsei Bank's website on May 12. To download the "Fiscal Year 2014 Financial Results" please go to:

http://www.shinseibank.com/corporate/en/ir/quarterly_results/index.html

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 8.8 trillion yen on a consolidated basis (as of March 31, 2015) and a network of outlets throughout Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of 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>