

For Immediate Release

Shinsei Bank, Limited
SecondXight, Inc.

Full Implementation of Model Utilizing AI in Shinsei Bank's Retail Banking Business

*- Shinsei Bank to undertake marketing based on customer behavior and purchasing forecasts
using a model developed by SecondXight from February 2017 -*

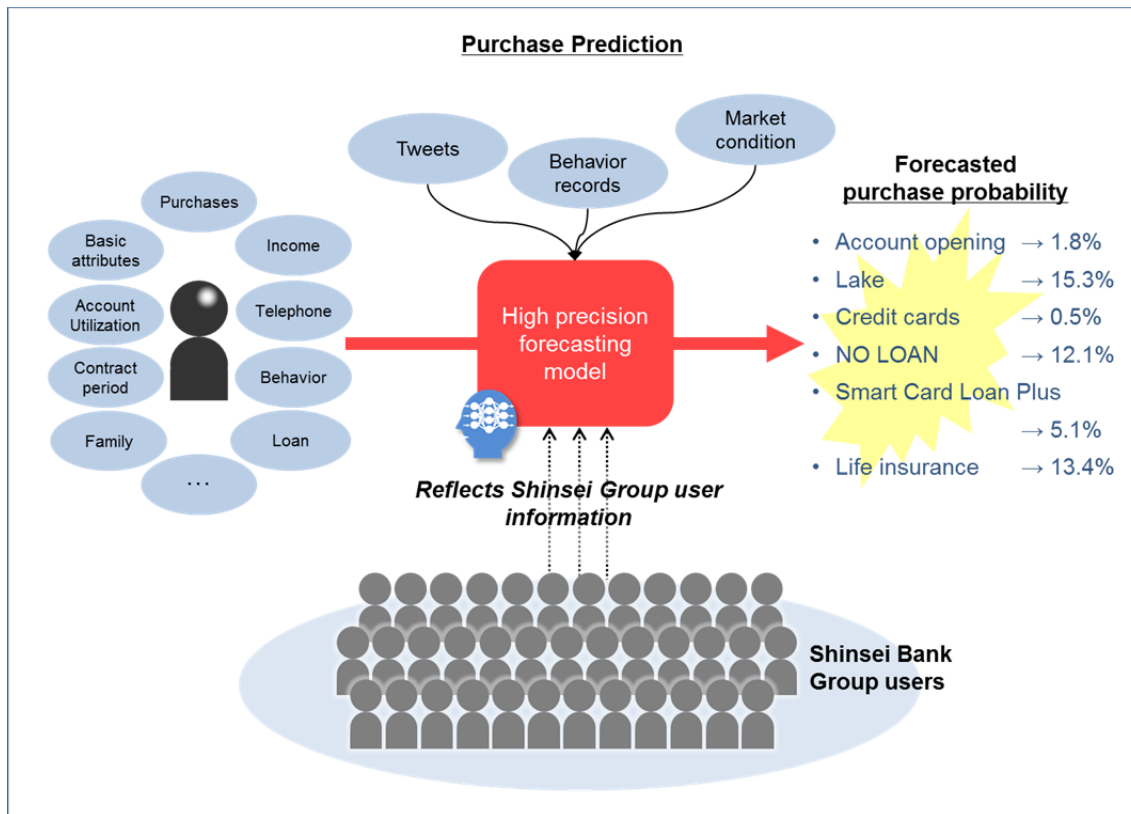
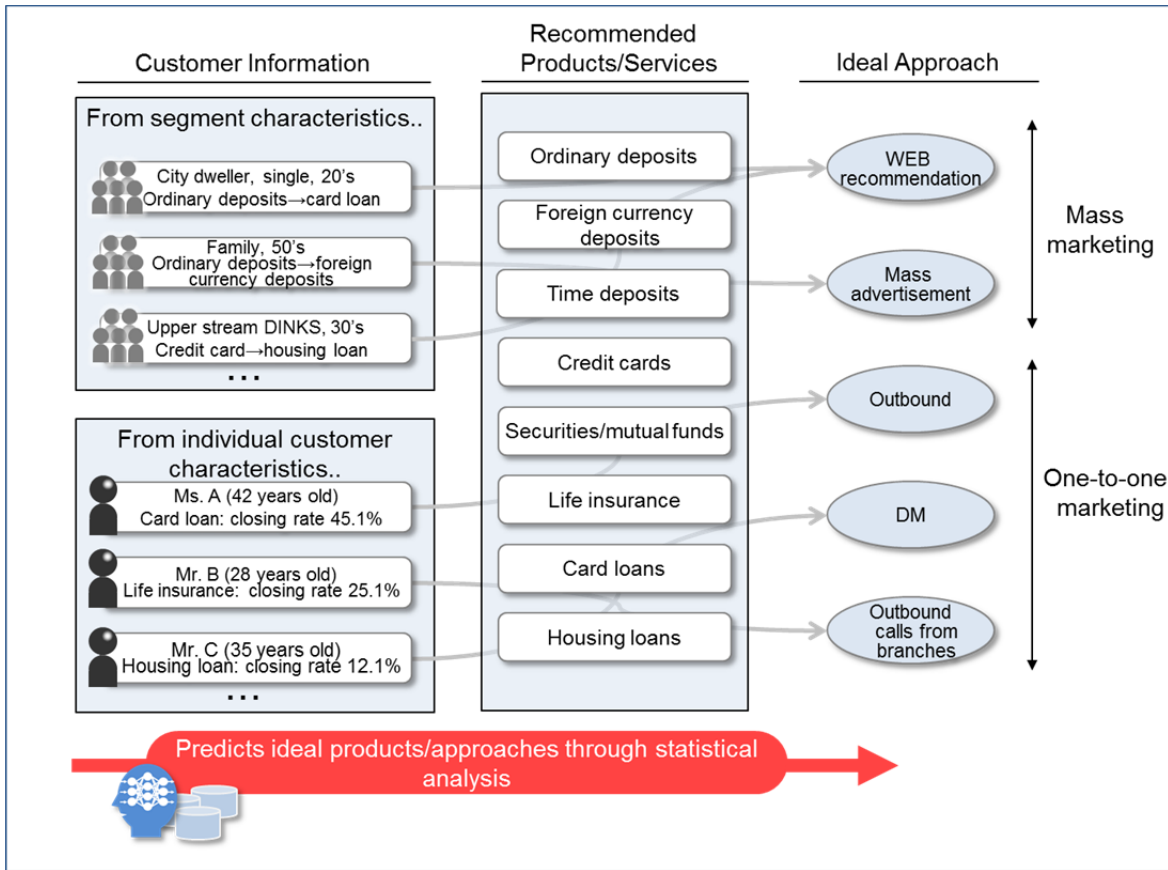
Tokyo (Monday, November 28, 2016) --- Shinsei Bank, Limited (Chuo-ku, Tokyo, President and CEO: Hideyuki Kudo; hereinafter, "Shinsei Bank"; "the Bank,") today announced that it will implement in its Retail Banking Business a full-scale model which predicts product-specific purchase rates based on customer attribute information and behavior records utilizing AI (Artificial Intelligence). With the implementation of the model scheduled for February 2017, the Bank will commence marketing activities based on customer behavior and purchase forecasts to Shinsei Comprehensive Account *PowerFlex* (hereinafter, "*PowerFlex*") customers, by using a model developed by SecondXight, Inc. (Chiyoda-ku, Tokyo, President and Representative Director Ryotaro Kato; hereinafter, "SecondXight"), which Shinsei Financial, Ltd. (hereinafter, "Shinsei Financial"), our consolidated subsidiary, established with the purpose of utilizing AI to gather and analyze Big Data in June 2016.

Shinsei Bank will outsource data analysis using the model to SecondXight. SecondXight will incorporate the information of Shinsei Bank Group customers in the model, in addition to the Bank customers' attribute information, *PowerFlex* account transaction information, and website access information including "Shinsei *PowerDirect*," the Bank's Internet banking service, to forecast customer behavior and their purchase of financial products and services.

Specifically, for asset management products such as mutual funds, insurance, and foreign currency products, the model calculates and forecasts ideal products, purchase probability, and the desired approach for each customer to propose ideal products and services that meet the preference or needs of customers at the Bank's branches or through its website. Further, for housing loans, the Bank will find potential customers and will make best approach and proposals for each customer. SecondXight has been building a personal loan pre-screening model that does not depend on credit bureau information since its commencement of business. Shinsei Bank will utilize this model to analyze customers of "Shinsei Card Loan Lake" and "Shinsei Bank Smart Card Loan Plus," the Bank's unsecured card loan services.

SecondXight is a joint venture established by Shinsei Financial and Griffin Strategic Partners Inc., a data analysis and management consulting company, and conducts research and development of cutting edge technologies such as AI to offer extensive solutions to various sectors including finance. Since information technology and scientific and statistic methods have a close affinity with the retail business, Shinsei Bank will utilize the information analysis technology and data analysis capability of SecondXight in order to grow the retail businesses serving the customers of the Shinsei Bank Group and to achieve further growth of the Bank.

[Purchase prediction using a model utilizing AI]



End