

For Immediate Release

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## Revisions to the Shinsei Step Up Program

Tokyo (Wednesday, May 2, 2018) --- Shinsei Bank, Limited (hereinafter “Shinsei Bank” or the “Bank”) announced today that it will revise the Shinsei Step Up Program which is applicable to Shinsei *PowerFlex* account holders (hereinafter, “*PowerFlex*”), the Bank’s comprehensive retail account, effective October 2018. The revision has the following three pillars; (1) charging fees on Shinsei Standard-stage (hereinafter, “Standard”) customers in the Shinsei Step Up Program making withdrawals at partner ATMs,<sup>1</sup> (2) including GAICA Flex prepaid card (hereinafter, “GAICA”) in the eligibility requirements for Shinsei Gold-stage (hereinafter, “Gold”), and (3) introducing the Shinsei Family Plan into Shinsei Platinum-stage (hereinafter, “Platinum”).

While the Bank will start charging fees on Standard-stage customers making withdrawals at partner ATMs, the Bank will provide further support to customers making cashless payments, by including GAICA into the eligibility requirements for the Gold-stage. Furthermore, introduction of the Family Plan into the Platinum-stage aims to improve the Bank’s profitability while ensuring the convenience of customers who use *PowerFlex* on a daily basis. Please see the Attachment for details.

### [Outline of Revisions to the Shinsei Step Up Program]

#### 1. Charging fees on Shinsei Standard-stage customers making withdrawals at ATMs

Shinsei Bank has provided customers of all stages, Platinum-, Gold-, and Standard-stages, with free of charge partner ATM withdrawal service. Effective Sunday, October 7, 2018, the Bank will revise the partner ATM withdrawal fees from free to 108 yen (including tax) for each withdrawal for the Standard-stage customers. No fees will be continuously charged on the Platinum- and Gold-stage customers making withdrawals at partner ATMs, and customers of all stages making deposits at ATMs.

#### 2. Including “Preloading cash onto GAICA Flex prepaid card” in the eligibility requirements for Shinsei Gold-stage

For the first time in Japan since June 2017, Shinsei Bank has been providing GAICA Flex, a prepaid card with a contactless IC settlement function at Visa member merchant stores, issued by its group company APLUS Co., Ltd. (Tokyo Office: Chiyoda-ku, Tokyo, Representative Director & President, Akira Watanabe; hereinafter, “APLUS”). Customers are able to use secure payments by holding up the card over a card reader at Visa merchants supporting Visa contactless settlement function in Japan as well as in foreign countries. Moreover, customers can use the card at Visa merchants which don’t support the contactless settlement function.

By including “preloading cash onto GAICA Flex” in the eligibility requirements for Gold-stage effective October 2018, *PowerFlex* customers will be able to use GAICA Flex more. The Bank will provide further details later, such as GAICA’s eligibility requirements for Gold-stage, on the Bank’s website. APLUS intends to support the customers’ needs for cashless settlement by offering the additional function of automatic cash preloading from *PowerFlex* to GAICA in May 2018.

#### 3. Introducing the Shinsei Family Plan into Shinsei Platinum-stage

Effective October 2018, Shinsei Bank will introduce the Shinsei Family Plan into Shinsei Platinum-stage. When a Platinum customer registers his/her family member’s account, no fees will be charged on a maximum of two family members making withdrawals at partner ATMs. Details including conditions and registration will be announced on the Bank’s website around June 2018.

<sup>1</sup> This revision of charging fees of 108 yen (including tax) flat for each withdrawal at domestic partner ATMs, effective Sunday, October 7, 2018, applies not only to the Standard-stage customers of Shinsei *PowerFlex* accounts, but also the holders of Shinsei Bank’s former comprehensive account, comprehensive debenture account, and debenture safekeeping account. The effective date of this revision is subject to change, in which case the Bank will provide prior notice on its website.

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*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 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>*

## Revisions to the Shinsei Step Up Program (Effective October 2018 (scheduled))

※Customers can confirm his/her stage by logging in through Shinsei PowerDirect (internet banking).

[After revision]

Subject customer	Example of eligibility requirements	Example of preferential service
Shinsei Platinum	<ul style="list-style-type: none"> <li>Average monthly balance of Bank-designated investment products such as foreign currency saving deposit of 3 million yen or more</li> <li>Average monthly balance of total assets of 20 million yen or more</li> <li>Outstanding <i>PowerSmart</i> housing loan, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Online fund transfers to other banks are free of charge 10 times a month.</li> <li>Preferential foreign exchange rates</li> <li><u>[Addition] Shinsei Family Plan (Preferential ATM fees for family members' accounts, etc.)</u></li> </ul>
Shinsei Gold	<ul style="list-style-type: none"> <li>Average monthly balance of designated investment products such as foreign currency saving deposit of 300,000 yen or more</li> <li>Average monthly balance in yen savings deposit, <i>PowerYokin</i>, and 2 weeks maturity deposit totals 1 million yen or more, etc</li> <li><u>[Addition] GAICA Flex prepaid card.</u></li> </ul>	<ul style="list-style-type: none"> <li>Online fund transfers to other banks are free of charge five times a month.</li> <li>Preferential foreign exchange rates</li> </ul>
Shinsei Standard <sup>※</sup>	-	-

Subject customer	Partner ATM fees	
Shinsei Platinum	Deposit	Free of charge, unlimited transactions
	Withdrawal	
Shinsei Gold	Deposit	Free of charge, unlimited transactions
	Withdrawal	
Shinsei Standard <sup>1</sup>	Deposit	Free of charge, unlimited transactions
	Withdrawal	108 yen(including tax) per transaction (regardless of time or ATM owner)

<sup>1</sup> Including former comprehensive accounts, comprehensive debenture accounts, and debenture safekeeping accounts.

[Before revision]

Subject customer	Example of eligibility requirements	Example of preferential service
Shinsei Platinum	<ul style="list-style-type: none"> <li>Average monthly balance of designated investment products such as foreign currency saving deposit of 3 million yen or more</li> <li>Average monthly balance of total assets of 20 million yen or more</li> <li>Outstanding <i>PowerSmart</i> housing loan, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Online fund transfers to other banks are free of charge 10 times a month.</li> <li>Preferential foreign exchange rates</li> </ul>
Shinsei Gold	<ul style="list-style-type: none"> <li>Average monthly balance of designated investment products such as foreign currency saving deposit of 300,000 yen or more</li> <li>Average monthly balance in yen savings deposit, <i>PowerYokin</i>, and 2 weeks maturity deposit totals 1 million yen or more, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Online fund transfers to other banks are free of charge five times a month.</li> <li>Preferential foreign exchange rates</li> </ul>
Shinsei Standard <sup>1</sup>	-	-

Subject customer	Domestic partner ATM fees	
Shinsei Platinum	Deposit	Free of charge, unlimited transactions
	Withdrawal	
Shinsei Gold	Deposit	Free of charge, unlimited transactions
	Withdrawal	
Shinsei Standard <sup>1</sup>	Deposit	Free of charge, unlimited transactions
	Withdrawal	

<sup>1</sup> Including comprehensive accounts, comprehensive debenture accounts, and debenture safekeeping accounts.

#### 【Regarding GAICA Prepaid Card】

• GAICA Prepaid Card (hereinafter the “Card”) is the services which APLUS Co., Ltd. (hereinafter “APLUS”) provides, and is not a product of Shinsei Bank (hereinafter the “Bank”)

• The Card is not a product provided for remittances carried out by banks, etc. including the Bank.

• The Card does not constitute the acceptance of deposits, savings, or installment savings.

(You can't load cash in any currency directly onto the Card, and you can only load your Card from the Bank account.)

• The Card is not subject to the payment of insurance prescribed in the Deposit Insurance Act or in the Agricultural and Fishery Cooperation Savings Insurance Act.

• A system of security deposits for providing the services with the Card (hereinafter “Security Deposits”) is established under the Payment Services Act in order to ensure the protection of the Members\*. \*The term “Member” shall refer to the person whom APLUS provides with the Card and authorizes to use the Card. APLUS makes a Security Deposit as follows for the issuance of the Card.

- Method of a statutory deposit: Money

- Official depository: the Osaka Legal Affairs Bureau

• The Members shall have the right to receive payments with regard to the amount of the remaining balance on the Card for the return of Security Deposit in the procedures related to the execution of the right under the Payment Service Act.

• The Bank shall receive applications only for the Card with Flex Function. The applications for the Card are accepted only through the online banking service of the Bank, Shinsei PowerDirect. Please note that applications for the Card on telephones or at branches will not be accepted.

The Bank does not assume any responsibility even if applications via Shinsei PowerDirect are not accepted due to problems in the computer systems, etc.

• After issuing the Card, all transactions effected through the use of the Card are handled only by APLUS, and the Bank shall not take any responsibility whatsoever.

Regarding transactions with the Card and the important information such as fee schedule of the Card, visit the APLUS website. For inquiries or questions, please contact APLUS.

#### 【Regarding foreign currency deposits】

• As the conversion rates of foreign currencies into yen (foreign exchange rates) fluctuate, foreign exchange deposits carry a risk of loss of yen denominated principal resulting from exchange rate fluctuations when converting foreign currencies back into yen.

• In the event of high market volatility, system malfunctions, etc., the foreign exchange rates applied by the Bank may differ significantly from prevailing market rates. Customers are urged to confirm the foreign exchange rates to be applied to any such transactions.

• Foreign exchange fees apply when depositing/withdrawing yen into/out of foreign currency accounts. Unconventional currency exchange fees may be applied in the event of drastic foreign exchange rate fluctuations or when major markets are closed. The maximum rates of such one-way exchange fees and round-turn exchange fees are 5.5 yen per unit and 11 yen per unit respectively. For a direct non-yen cross currency exchange, the foreign exchange fees will be 0.02 multiplied by one of the currencies.

• There is a risk of loss of yen denominated principal due to the application of foreign currency exchange fees and applied interest rates, even if foreign exchange rates do not fluctuate.

• Preferred rates of Shinsei Step Up program are applied to transactions changing yen to a foreign currency and vice versa. (n.b. Preferred rates are not applicable to transactions between non yen foreign currencies or when the outstanding foreign currencies balance is converted to yen as part of closing an account. Additionally, preferred rates are not applicable in exchanging currencies or paying interest in the PowerSupport Plus program, or purchasing foreign currencies through the PowerBuilder program.)

• Foreign currency deposits are not guaranteed by deposit insurance.

• In principle, foreign currency denominated time deposits may not be cancelled before maturity. However, in the event the Bank recognizes extraordinary circumstances and deems the cancellation of foreign currency denominated time deposits before maturity as unavoidable, only principal amounts will be refunded (interest thereon will not be honored).

• The Bank does not accept or offer cash transactions of foreign currencies at its branches.

• Fees will be charged for foreign currency remittances.

• Before investing in foreign currency deposits customers should carefully read the product description of foreign currency deposits (pre-contract document) that is available in the Bank branches and online so that they can fully understand characteristics of the foreign currency deposits. Customers bear full responsibility for their investment decisions, and are encouraged to only invest surplus funds.

#### 【Regarding investment trusts】

• Investment trusts are not bank deposits. Accordingly **neither its principal nor yield are guaranteed.**

• Investment trust are not covered by deposit insurance. Furthermore, investment trusts purchased at a bank are not covered by the Investor Protection Fund.

• Investment trusts predominantly invest in domestic/foreign securities whose prices and values may fluctuate due to changes of regional political and economic conditions of Japan and foreign countries as well as due to the major risks listed below. Therefore, unit price of domestic investment trusts (hereinafter “net asset value”) (net asset price of foreign investment trusts) is subject to change, and **principal**

amount may fall below the amount invested.

Major risks that investment trusts entail:

- Price fluctuation risk: Volatility in the net asset value of the investment trust itself due to price fluctuations of stocks and notes composing the investment trust assets.
- Foreign exchange rate fluctuation risk: Fluctuations in the currency market may have an impact on the net asset value. In the case of investment trusts denominated in foreign currencies, there is the risk of currency exchange rate fluctuations that may cause loss of principal when foreign currency is converted to yen.
- Issuer's (or guarantor's) credit risk: Changes in management and financial conditions of the issuer (or guarantor) of the securities composing the investment trust assets and changes of rating by rating agencies may have an impact on the net asset value.
- Past performance is not a guarantee or a reliable indicator of future results. • All profits and losses resulting from investments are for the account of the investor.
- **The following commissions and expenses** are borne either directly or indirectly by the customer purchasing an investment trust.
- Upon purchase: Application fee (**maximum 3.24%, tax included**, for amount agreed for domestic investment trusts or for amount applied for foreign investment trusts) will be charged.
- During the investment period: An investment trust fee, trailer fee (**maximum 3.0% per annum, tax included**, on total net assets value), and other fees and expenses arising during the investment trust period (Sales commission fees of securities held in the investment trust assets, audit expenses, performance bonuses, fees charged by invested funds, etc.) will be charged. As these fees are tied to the investment performance, the rates and maximum fees cannot be indicated in advance.
- Upon redemption: A fee based on the amount of trust asset holdings (**maximum 2.0% on net asset value or maximum 300 yen on 10,000 units**) and a redemption commission (**maximum of 5.0%** on initial subscription amount) will be charged. As these fees and commission depends on the investment trusts purchased, the amount invested, the investment performance, and the period for which the customer hold the investment trust product, the total amount of fees and commissions cannot be indicated in advance. Fees and commissions vary by product. Please confirm the exact amounts in the pre-contract documents (prospectus including supplementary documents).
- When converting currency between Japanese yen and foreign currencies to purchase or redeem investment trusts, the Bank-designated foreign exchange fees will be charged as well as aforementioned fees and expenses.
- When redeeming an investment trust, the receipt of the redemption payment may require a considerable amount of time because some investment trusts have a closed period or specify the day for redemption.
- When applying to purchase an investment trust, please read the latest pre-contract documents (prospectus including supplementary documents) carefully and confirm its details in advance in order to make your own decision on investment.
- The prospectus (including supplementary documents) is available at Shinsei Bank branches or via our online banking service, Shinsei PowerDirect. (Not available at some branches that do not handle investment trusts. We will also send them to you by mail on request. The prospectus (including supplementary documents) for investment trusts not available at Bank branches can be obtained via Shinsei PowerDirect.
- If prospectus is divided into two booklets, excerpt prospectus and detailed prospectus, detailed prospectus is provided upon request of customers. Please call our call center, Shinsei PowerCall.
- Application for and redemption of investment trusts are handled by Shinsei Bank, and initiation of transaction and management of investment trusts are conducted by an investment trust trustee (or asset management company). Trusted assets are managed by a trust bank. [As of April 20, 2018]