

SBI Shinsei Bank Group Risk Appetite Policy (Summary)

■ With the repayment of public funds in mind, we will strive to further improve asset and capital efficiency and maximize profits.

● We will strive to earn a steady profit toward repayment of public funds and receive confidence in the sustainability and growth of the SBI Shinsei Bank Group.

● In order to maintain a certain level of capital adequacy ratio, we will not rely solely on the expansion of operating assets, but will raise asset and capital efficiency more than ever before.

● In order to maximize profitability under capital constraints, we will enhance the risk-taking capacity of the Bank Group by improving asset-capital efficiency (i.e., the return on equity ratio) while maintaining and improving the quality of our portfolio.

■ Regarding the risk-taking capacity of the SBI Shinsei Bank Group, we will pay attention to the following two points.

● We will keep the credit concentration in mind and maintain the soundness of assets..
~In order to control fluctuations in profits due to bad debt losses, credit concentration (concentration of individual companies and industries) shall be carefully examined and monitored.

● We will maintain stable funding structure.
~In order to build a stable financing structure, we will implement measures to acquire sticky deposits.

(NOTE) Based on the basic policies shown in the table above, risk appetite and risk tolerance are set for each of the following four categories: capital adequacy, funding liquidity and financing, business, and operational risk.