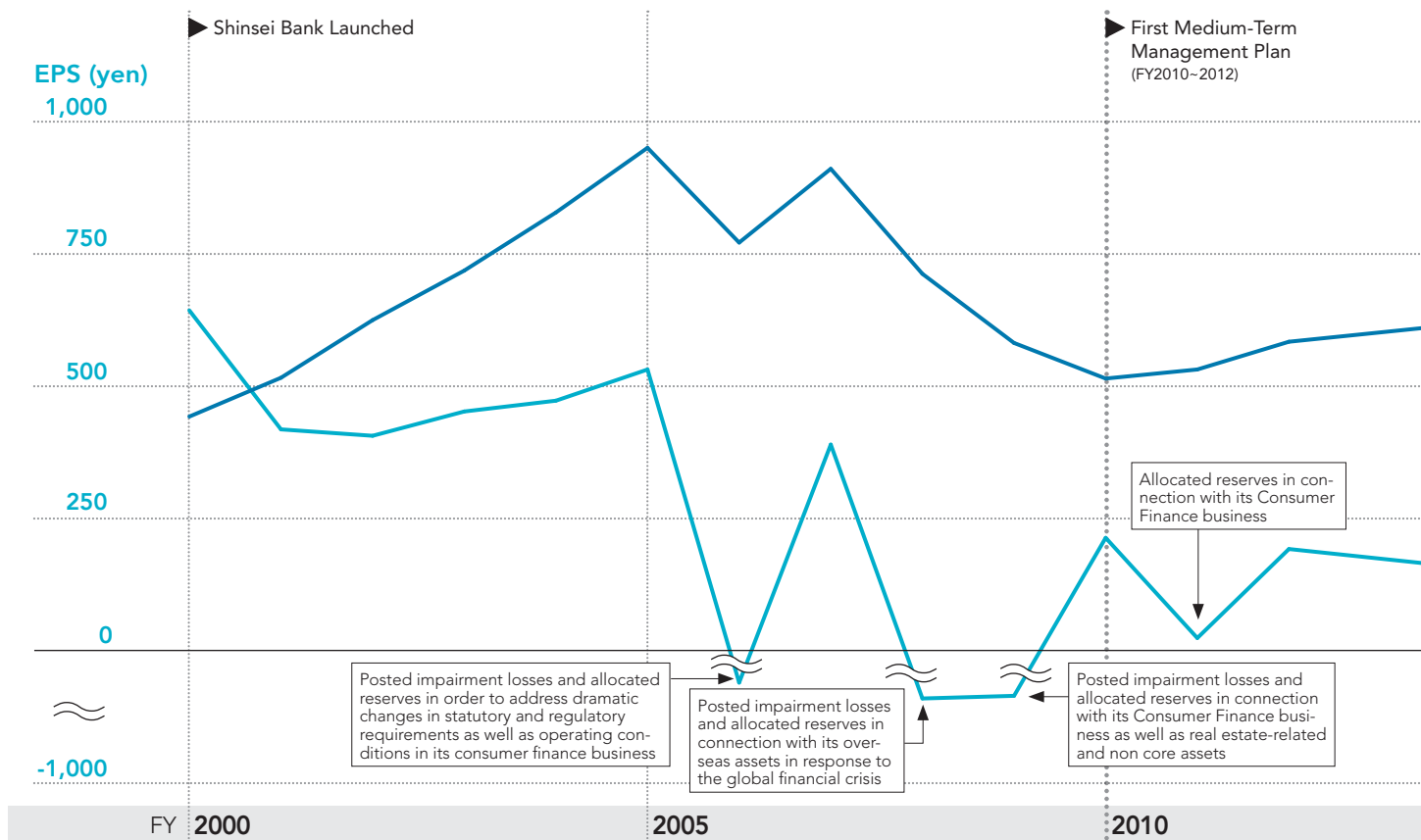


Evolution of the Shinsei Bank Group

Since its launch as the Shinsei Bank, Limited in 2000, the Group has continued to expand its customer base and stabilize income while acquiring new financial functions through acquisitions including APLUS FINANCIAL Co., Ltd., Showa Leasing Co., Ltd., and Shinsei Financial Co., Ltd.



The Shinsei Bank Group

1952

The Long-Term Credit Bank of Japan, Limited established

1998

Due to business failures, temporary nationalization and special public management began based on the Financial Revitalization Law

March 2000

The Long-Term Credit Bank of Japan, Limited was bought out by New LTCB Partners CV, a US private equity investment consortium comprised of Ripplewood Holdings and J.C. Flowers & Co. LLC

External Environment

2000

Shinsei Bank launched
Name changed from The Long-Term Credit Bank of Japan, Limited (LTCB), to Shinsei Bank, Limited

Collapse of the IT bubble economy

Preferred stock capital injection and a partial reduction of preferred stock capital without compensation

2001

Shinsei Securities Co., Ltd. commenced operations

2003

Shinsei Investment Management Co., Ltd. commenced operations

Reduction of capital through the merger of two shares of common stock into one share

2004

APLUS Co., Ltd. (now APLUS FINANCIAL Co., Ltd.) converted into a consolidated subsidiary

Listed the Bank's common stock on the First Section of the Tokyo Stock Exchange
Converted the Bank's long-term credit bank charter to an ordinary bank charter

Transition of Stock

2005

Launched 32 colors of new cash cards for retail Power-Flex account customers

Showa Leasing Co., Ltd. converted into a consolidated subsidiary

End of the government guarantee on full savings deposits

2006

Partial repayment of public funds

Cancellation of treasury shares

2007

SHINKI Co., Ltd. (now Shinsei Personal Loan Co., Ltd.) converted into a consolidated subsidiary

Conversion of preferred stock into common stock

2008

Bankruptcy of Lehman Brothers

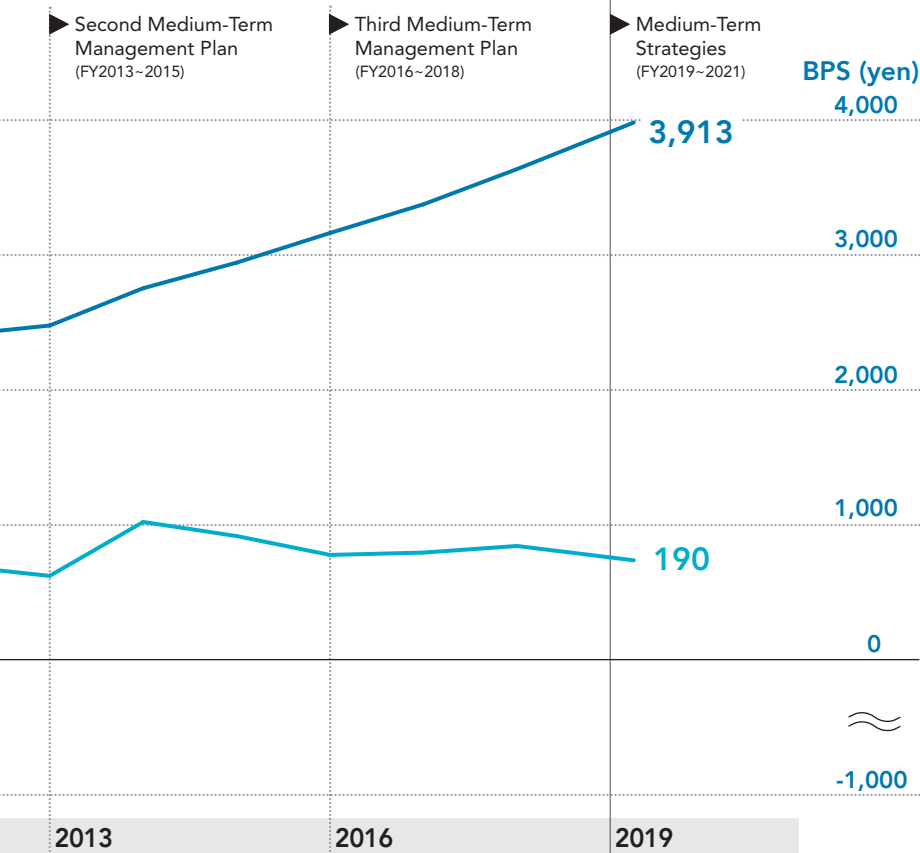
Issuance of new shares by third-party allotment

Conversion of preferred stock into common stock

GE Consumer Finance Co., Ltd. (now Shinsei Financial Co., Ltd.) converted into a consolidated subsidiary

2010

European debt crisis



Note: Shinsei Bank executed a 1-for-10 reverse stock split on October 1, 2017. Per share data is calculated on the assumption that the said reverse stock split was executed prior to fiscal 2017.

2011

- Issuance of new shares through international offering

2016

- Showa Leasing Co., Ltd. converted into a wholly-owned consolidated subsidiary
- Shinsei Financial Co., Ltd. entered the unsecured personal loan business in Vietnam
- Introduction of negative interest rate policy
- Acquisition of treasury shares

2017

- Established the "Shinsei Bank Group Headquarters"
- Acquisition of treasury shares
- Merger of 10 shares of common stock into one share

2018

- Shinsei Financial Co., Ltd. launched a new "Lake ALSA" brand, an unsecured loan product
- Determination of "Shinsei Bank Smart Money Lending" for Docomo users
- Alliance established with Global Trust Networks, Co. to establish fund to aid international students
- Acquisition and cancellation of treasury stock

2019

- Acquired all shares of Financial Japan Co., Ltd.
- Showa Leasing Co., Ltd. acquired the shares of SHINKO LEASE CO., LTD.
- Formulated "Redesigning Finance" Medium-Term Strategies (fiscal 2019 to 2021)
- Implemented a secondary offering of shares of common stock of the Bank
- Acquired treasury stock
- COVID-19 crisis

Fiscal 2019 Business Topics

2019

June

Institutional Business **ESG**

Established Japan Impact Investment II Limited Partnership as infrastructure for supporting and developing startups aiming to solve social challenges

August

Shinsei Bank Group

Major shareholder sold its shares

Individual Business

Commenced "Shinsei Bank Smart Money Lending" for Docomo users

December

Individual Business **Institutional Business**

Launched a joint finance business for USEN-NEXT GROUP customers by USEN-NEXT HOLDINGS and the Shinsei Bank Group

2020

January

Individual Business

Established Cred Finance Co., Ltd. to offer credit services to foreign residents in Japan with Seven Bank, Ltd.

Institutional Business **ESG**

Shinsei Corporate Investment Limited received the "Tokyo Financial Award 2019-ESG Investment Category"

Institutional Business **ESG**

Established a Sustainable Impact Development Division

February

Institutional Business **ESG**

Announced support for TCFD (Task Force on Climate-Related Financial Disclosures) recommendations

Institutional Business

Commenced cloud factoring service through "anew G.K.", which was established by OLTA and Shinsei Bank

March

Individual Business

Started providing partner companies with "BANKIT®", a Neobank Platform

April

Institutional Business **ESG**

Adopted Equator Principles

June

ESG

Introduced a restricted stock compensation plan for outside directors

Individual Business **Institutional Business**

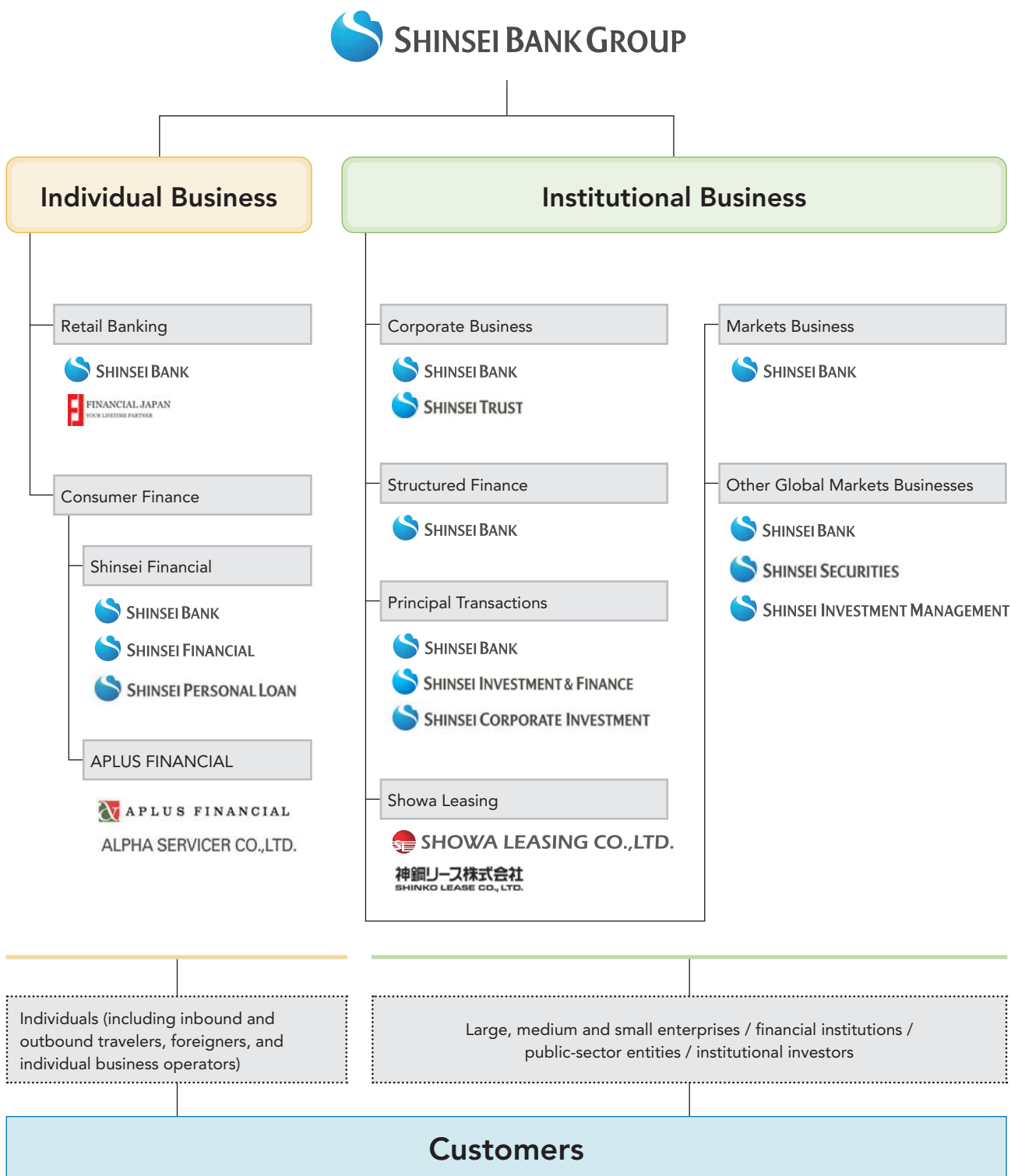
Concluded an agreement to acquire stocks of UDC Finance Limited to make it a wholly-owned subsidiary

Institutional Business

Participated to consider establishment of a joint venture company to promote regional revitalization

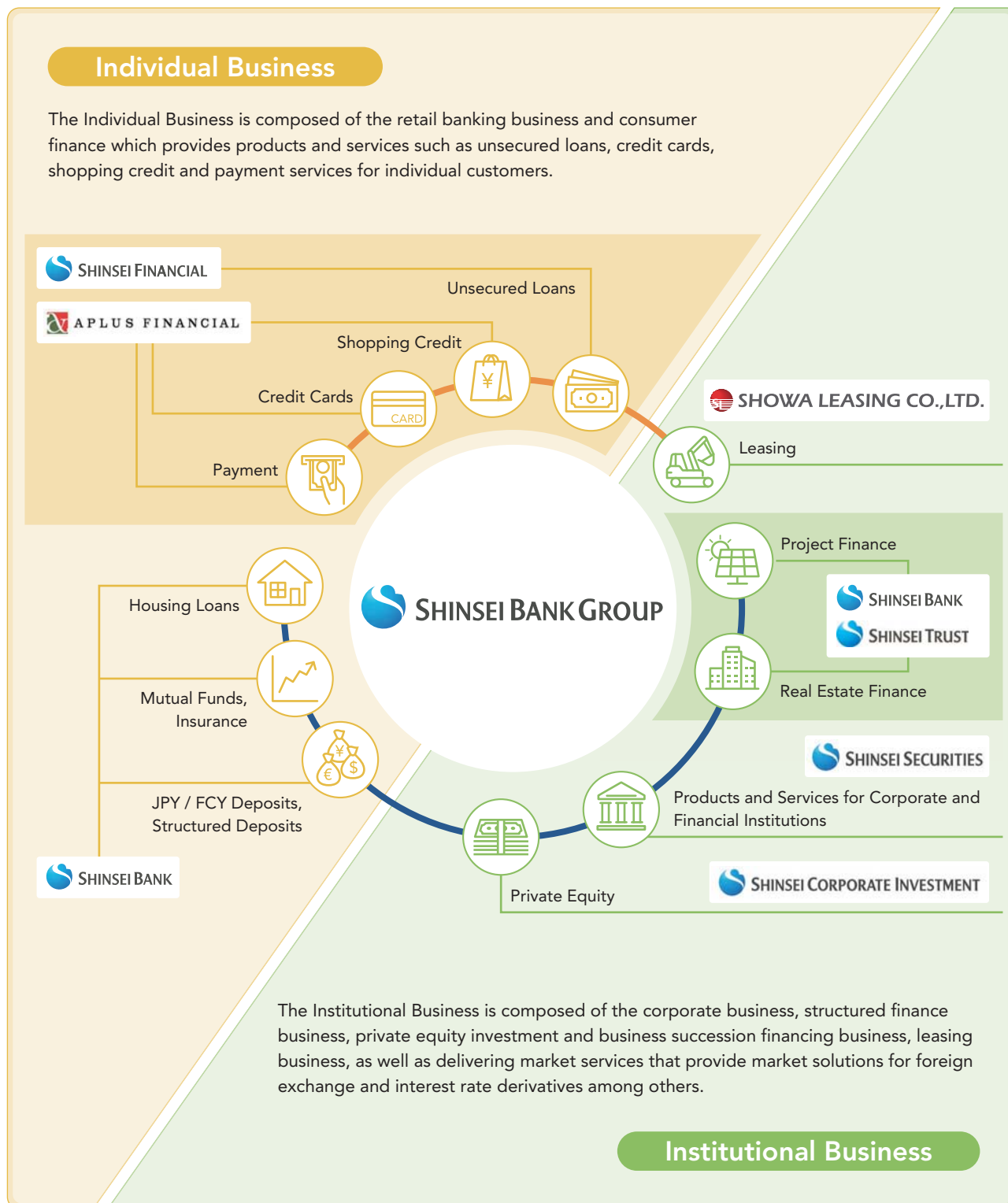
Group Business Profile

The Shinsei Bank Group continues to proactively identify underserved customer needs, which are not met by conventional financial products and services. At the same time, we provide solutions to these needs as a financial enterprise group. Targeting both individual and corporate customers, we harness the functions within the Group to deliver unique financial products and services.



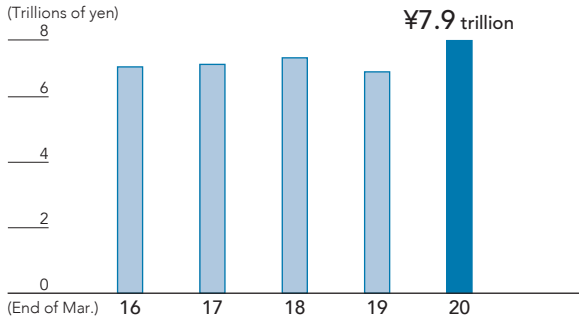
The Shinsei Bank Group's Products and Services

The Shinsei Bank Group leverages its strengths to provide unique, hybrid, and seamless products and services, while keeping the social megatrends.



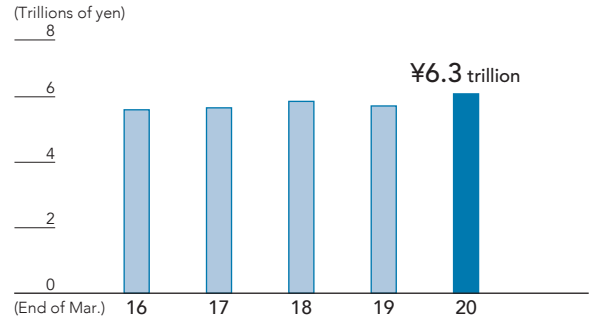
Financial Highlights

Operating Assets



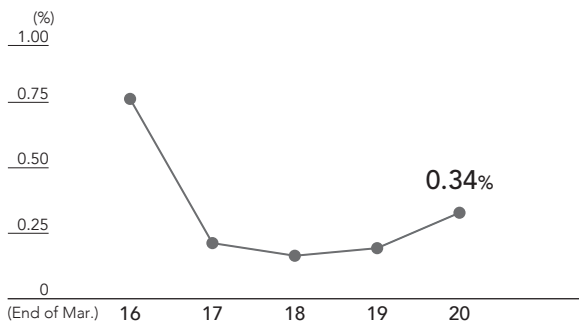
The balance of operating assets increased, mainly in the core business areas such as institutional investors business and small-scale finance.

Deposits



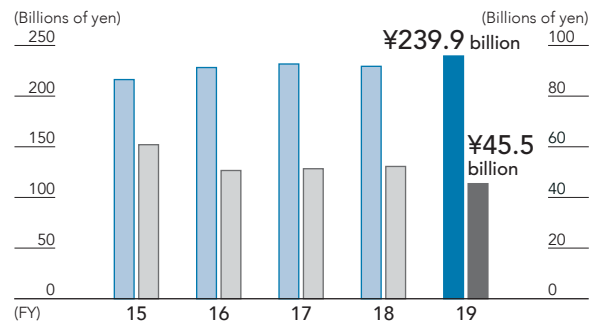
Stable deposits are mainly from individual customers, and the Bank maintains adequate deposit balances in both yen and foreign currencies.

Ratio of Nonperforming Claims Classified under the Financial Revitalization Law to Total Claims (Nonconsolidated)



Under the Financial Revitalization Law, the ratio of nonperforming loan (NPL), which indicates the quality of assets, remained at a low level.

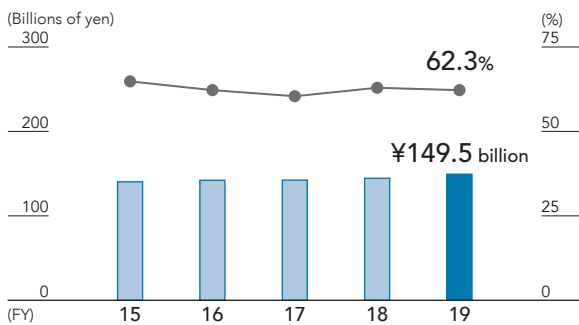
Total Revenue / Profit Attributable to Owners of the Parent



■ Total Revenue (Left)
■ Profit Attributable to Owners of the Parent (Right)

We are committed to increasing stable revenue based on actual customer demand and improving the quality of revenue under the continuous monetary easing by BOJ's negative interest rate policy and an uncertain economic environment.

Expenses / Expenses-to-Revenue Ratio (Management Accounting Basis)

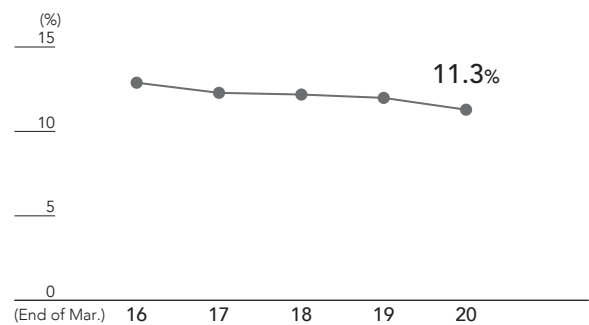


■ Expenses (Left) ● Expenses-to-Revenue Ratio (Right)

While system costs increased due to the new core banking system, the Shinsei Bank Group is working to reduce expenses-to-revenue ratio through the unified promotion of productivity reforms.

* Expenses and expenses-to-revenue ratio represented on an operating result basis.

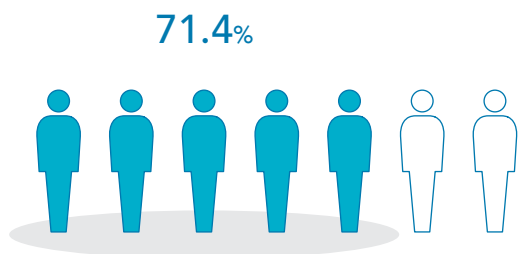
Common Equity Tier 1 Ratio (International Standard)



Despite an increase in risk assets due to an increase in the balance of operating assets in the focus areas, the capital ratio remains at a sufficient level due to the steady accumulation of profits.

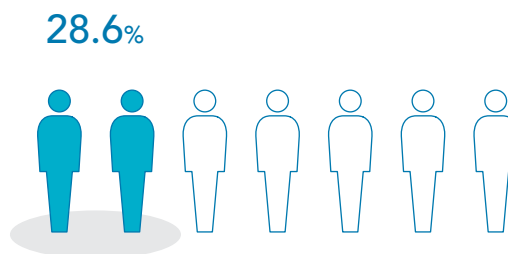
Nonfinancial Highlights

Ratio of Outside Directors on the Board of Directors



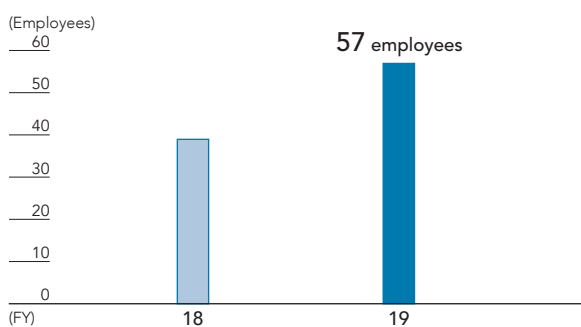
Outside directors with diverse skills and expertise comprise the majority of the directors. The Bank has maintained this structure since it commenced operations.

Ratio of Female Executives



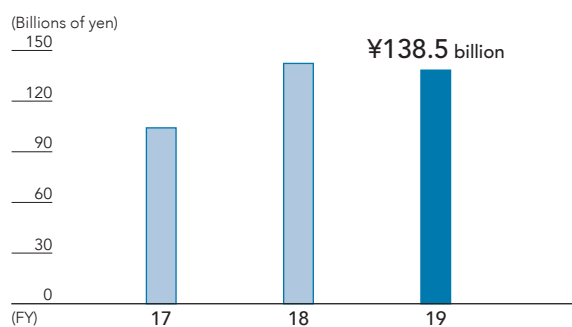
Two out of seven directors are female directors.

Number of Registered Side Work / Concurrent Work



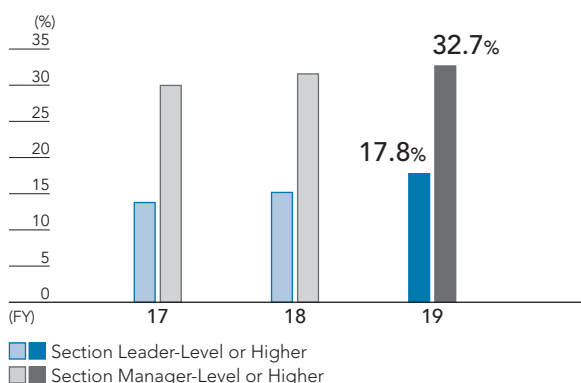
To enhance diverse career, we started allowing employees to concurrently engage in personal business (outsourcing, business start-up, company executive, etc.) or work concurrently for another company as the advanced system among the domestic financial institutions.

Arrangement of Renewable Energy Project Finance



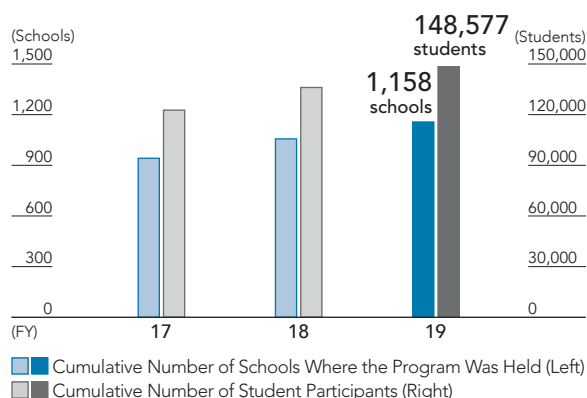
Since 2012, we have been expanding the base of domestic project finance investors and promoting syndication with regional financial institutions through project finance for renewable energy.

Ratio of Female Managers



Recognizing that promoting the active participation of women is one of the most important issues in promoting diversity, we are developing an environment and implementing initiatives such as increasing the number of flexible work styles and options for diverse careers so that women can continue to play an active role by leveraging the strengths and characteristics of each and every woman in every level and job category.

"MoneyConnection®" Financial Literacy Program

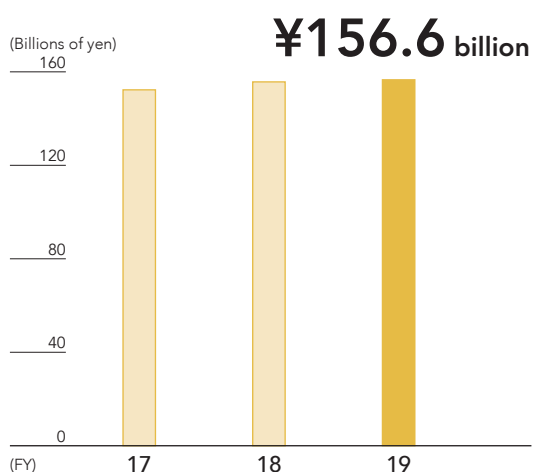
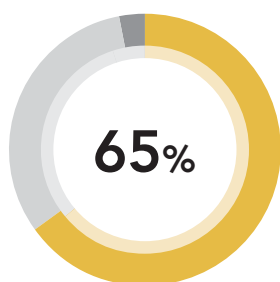


The Shinsei Bank Group considers the unemployment risk of younger people as a social issue to be solved. We actively work on promoting and expanding "MoneyConnection®," a financial literacy program mainly targeted at high school students, aiming to help them gain the accurate knowledge and the concept of money.

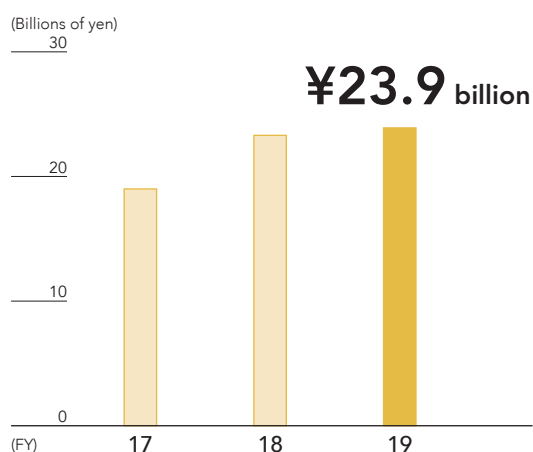
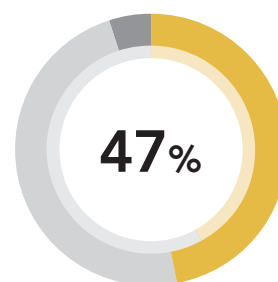
At a Glance

Individual Business

Total Revenue



Ordinary Business Profit after Net Credit Costs



Note: The percentage figures do not add up to 100% due to the contribution of Corporate / Other.

Major Businesses

- **Retail Banking** Yen / foreign currency deposits, structured deposits, investment trusts, securities brokerage services (through a partner institution), life and nonlife insurance (through partner institutions), housing loans, provision of financial transactions and services for individuals

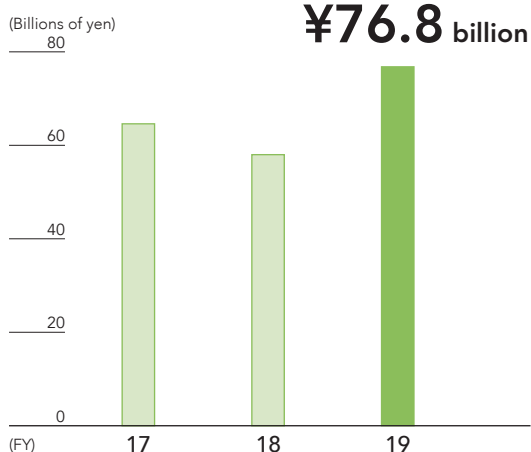
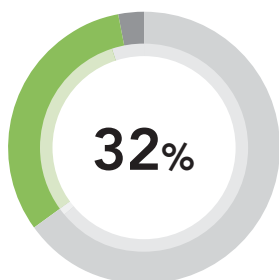
- **Shinsei Financial** Unsecured loans and credit guarantees (Shinsei Financial, Shinsei Bank Card Loan L (former Shinsei Bank Lake), NOLOAN, Lake ALSA)

- **APLUS FINANCIAL** Shopping credit, credit cards, loans and payment services

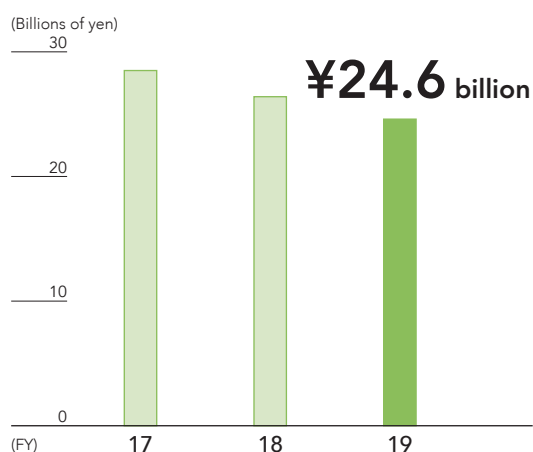
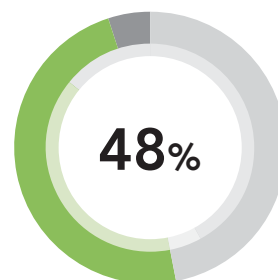
- **Other Individual Business** Other subsidiaries

Institutional Business

Total Revenue



Ordinary Business Profit after Net Credit Costs



Major Businesses

- **Corporate Business** Provision of financial products, services and advisory services for corporations, public-sector entities and financial institutions, healthcare finance business, trust banking business

- **Structured Finance** Real estate-related nonrecourse finance and corporate finance, project finance, specialty finance including M&A-related finance

- **Principal Transactions** Private equity, credit trading, business succession finance and asset-backed investment, etc.

- **Showa Leasing** Financial products and services focused around lease finance

- **Markets Business** Foreign exchange, derivatives, equity-related and other capital markets business

- **Other Global Markets Businesses** Securities business, asset management business, wealth management business