

# Business and Financial Highlights

Third Quarter Ended December 31, 2021

January 2022

# Agenda

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- **Financial Update** ----- P8
- **Business Update** ----- P17
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# Highlights



Financial Highlights:

EPS increased by **+52.3%** YoY

Net Income<sup>1</sup>

**37.4**bn

YoY **↑ +43.3%**

EPS

**176.85**yen

YoY **↑ +52.3%**

BPS

**4,516.64**yen

YoY **↑ +8.6%**

Progress Toward  
FY21 Forecast

**94 %**

Profit<sup>2</sup> Contribution  
from Nonbank  
Businesses

**75%**

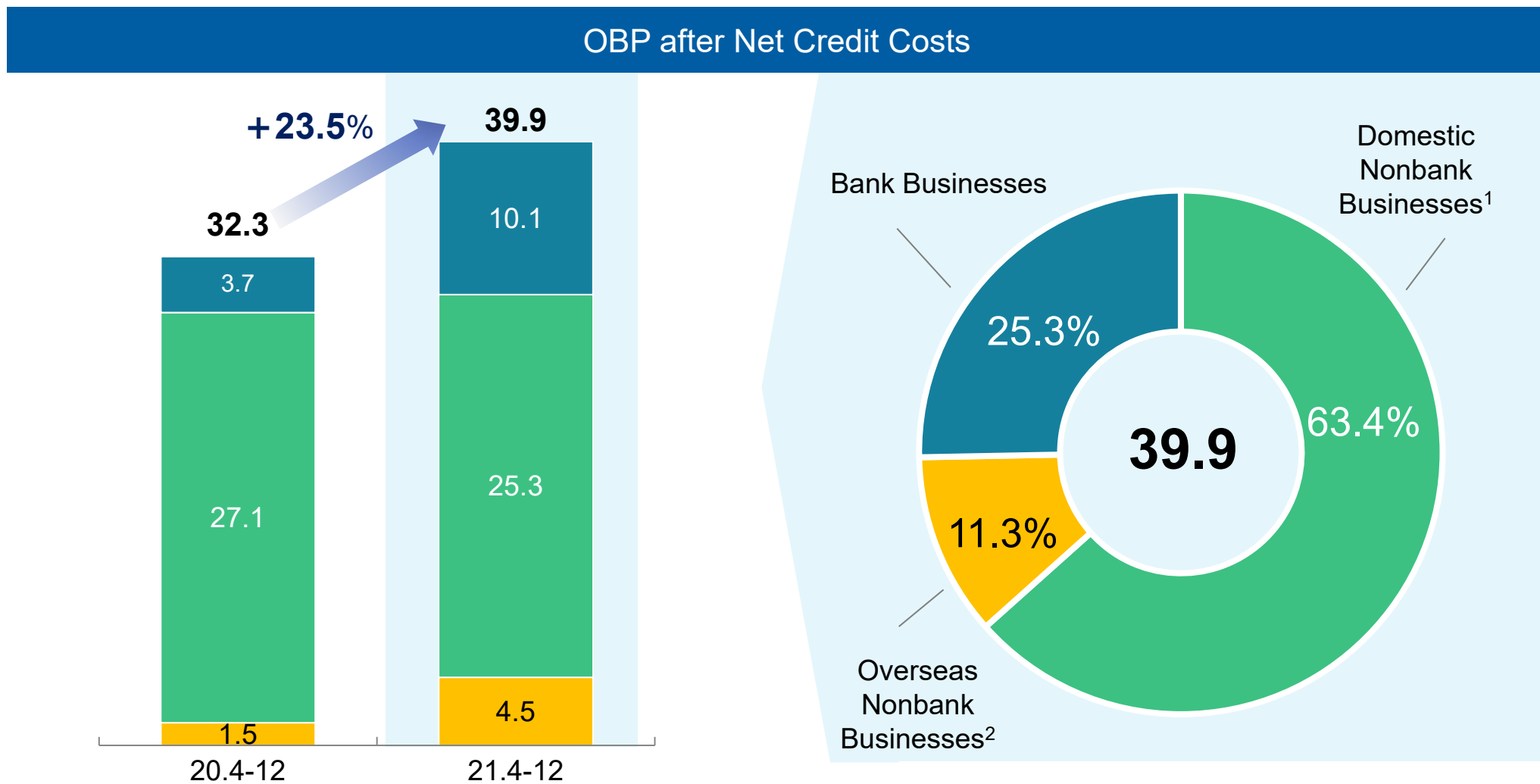
CET1 Ratio

**12.0%**

# Bank business sharply recovered from the impact by Covid-19 last year

(Unit : JPY billion)

- Bank business increased by JPY+6.4bn YoY
- Overseas nonbank businesses drove the increase in OBP after net credit costs



<sup>1</sup> Shinsei Financial, APLUS, Showa Leasing

<sup>2</sup> Profit contribution from UDC finance is accounted from 4QFY2020

## Total Payout Ratio:

# Resumed Acquisition of Treasury Shares

- Announced the resumption of acquisition of treasury shares on December 28, 2021
- Total payout ratio to stand at maximum 50% to FY2020 net income

### Total Payout Ratio

(Unit : JPY billion)

	50%      50%      50%		
	FY19 <sup>1</sup> (Actual)	FY20 <sup>1</sup> (Actual)	FY21 <sup>2</sup> (Plan)
Total Shareholder Return (A)	25.9	22.8	<b>22.6</b>
Net Income <sup>3</sup> (B)	52.3	45.5	<b>45.1</b>
Total Payout Ratio (A/B)	50%	50%	<b>50%</b>

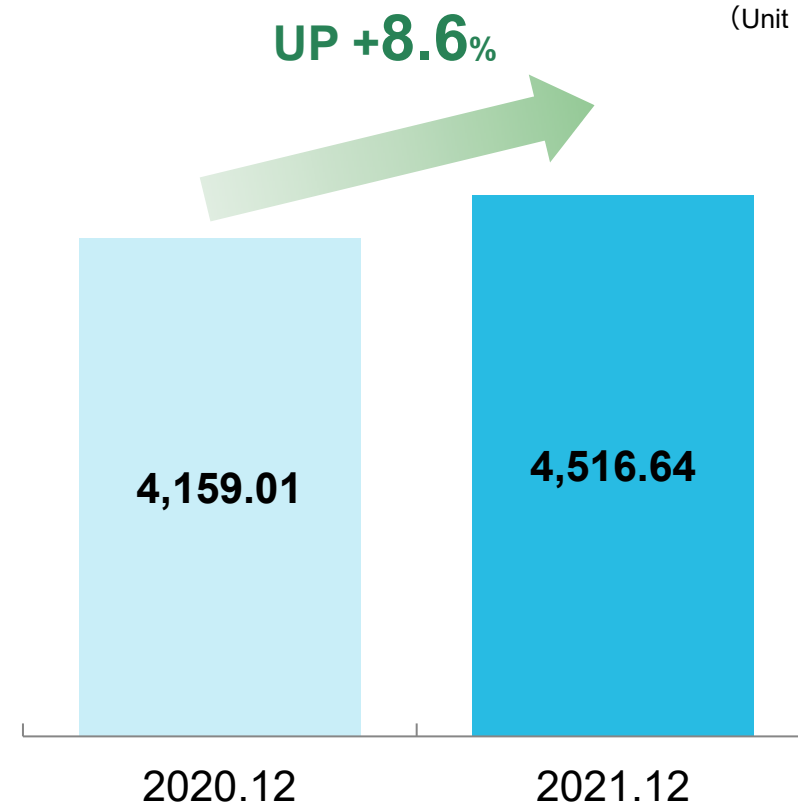
<sup>1</sup> Based on buyback executed and dividend payments

<sup>2</sup> Based on buyback planned and dividend payments

<sup>3</sup> Represents prior fiscal year's net income

### Book Value Per Share (BPS)

(Unit : JPY)



# Initiatives for Sustainability Management and DX

<p><b>E</b> (Environment)</p>	<p>2021.06.18: Arranged Project Finance transaction for a Single Flash-Steam Geothermal Power Plant</p> <p>2021.09.24: Green loan to large-scale commercial facility certified as the highest “S” rank in CASBEE®</p> <p>2021.12.01: Syndicated green loan jointly with 9 banks to multiple solar power plants</p> <p>2022.01.12: Green loan for the construction of an onshore wind power plant</p> <p>2022.01.17: Finance through sustainable repo transaction received “Sustainable Innovation Award”</p>
<p><b>S</b> (Society)</p>	<p>2021.04.30: Formulated “Action Plan Based on the Next-Generation Law”</p> <p>2021.06.08: Business partnership with Shoko Chukin Bank, providing sustainable medical/nursing care/welfare services to realize healthy long-life society</p> <p>2021.06.25: Providing housing loans to the same gender partners</p> <p>2021.07.16: Launch of FinTech driven new auto loan for foreigners who reside in Japan</p> <p>2021.10.01: Shinsei Bank Group advised World Kaihatsu Kogyo Co., Ltd. in transferring its shares to AKTIO Corporation</p>
<p><b>G</b> (Governance)</p>	<p>2021.04.01: Declaration of Cyber Security Management of the Shinsei Bank Group</p> <p>2021.04.20: Signatory to the Principles for Responsible Banking</p> <p>2021.07.01: Establishment of Responsible Investment and Lending Policy</p> <p>2021.11.01: Revision and Publication of Group Sustainability Management Policy and Group Human Rights Policy</p> <p>2021.11.29: Signing of the “Japan Impact-driven Financing Initiative”</p>
<p><b>DX</b> (Digital Transformation)</p>	<p>2021.08.10: Newly launched postpaid function for installment payment in BANKIT®</p> <p>2021.08.31: USEN-NEXT Financial begins to provide “USEN-NEXT Data Lending” to USEN-NEXT GROUP’s Customers</p> <p>2021.10.08: Launched retail media development support services in cooperation with Adlnte Co., Ltd.</p> <p>2021.12.10: Provision of MINI APP Functions in the Neobank Platform BANKIT®</p> <p>2021.12.13: Launch of Credit Guarantee Service to Famima Digital One Co., Ltd. as a part of its Loan Service, “FamiPay Loan”</p>

# Financial Update



# Full year net income forecast unchanged at JPY40 billion, progression of 94%

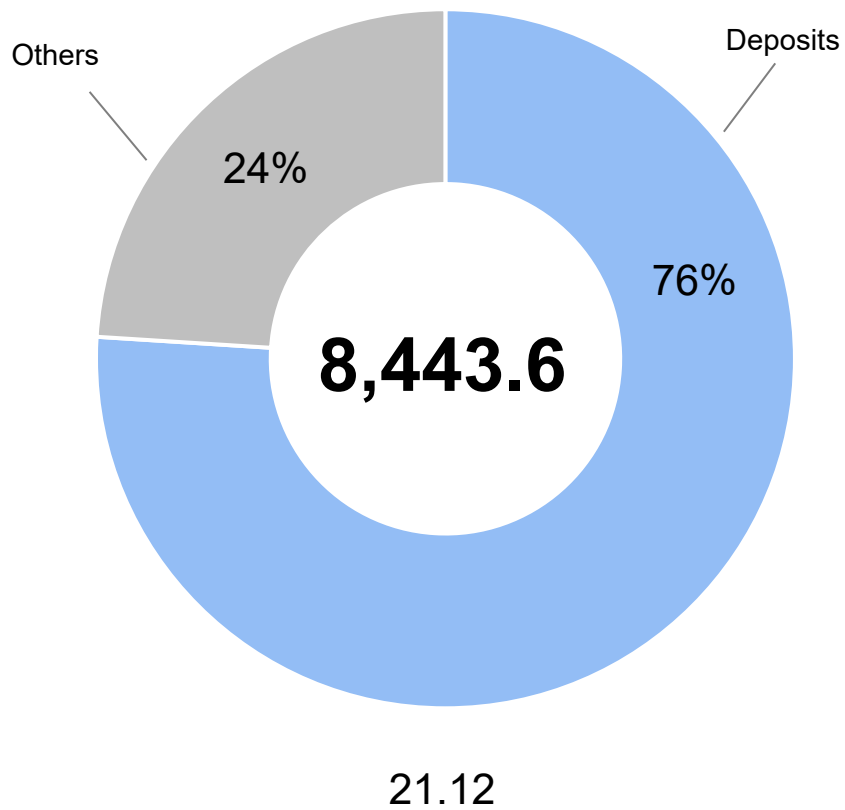
(Unit : JPY billion)

		20.4-12 (Actual)	21.4-12 (Actual)		FY2021 (Plan)	Summary	
【Consolidated】			YoY	Progress vs Plan			
<b>Total Revenue</b>		<b>162.1</b>	<b>169.2</b>	<b>+4.3%</b>	<b>69%</b>	<b>244.0</b>	
	Net Interest Income	91.6	93.5	+2.0%			NII from UDC Finance and dividend from Latitude offset the impact of loan balance decline in unsecured loan
	Noninterest Income	70.5	75.7	+7.4%			Absence of investment loss coupled with higher revenue in principal transactions
<b>Expenses</b>		<b>-109.8</b>	<b>-116.5</b>	<b>-6.1%</b>	<b>74%</b>	<b>-156.5</b>	Increase in expenses partly reflects consolidation of UDC Finance and resumed business activities
Ordinary Business Profit (OBP)		52.3	52.6	+0.6%	60%	87.5	
<b>Net Credit Costs</b>		<b>-19.9</b>	<b>-12.7</b>	<b>+36.2%</b>	<b>36%</b>	<b>-35.0</b>	Improved by credit recoveries in corporate and structured finance businesses
OBP after Net Credit Costs		32.3	39.9	+23.5%	76%	52.5	
Others		-6.2	-2.4	+61.3%	16%	-12.5	
	Income Taxes etc.,	-6.2	-2.0	+67.7%			Total full year tax projection at JPY7 billion. A simplified tax calculation method applied till Q3.
<b>Net Income</b>		<b>26.1</b>	<b>37.4</b>	<b>+43.3%</b>	<b>94%</b>	<b>40.0</b>	Full year forecast remains unchanged

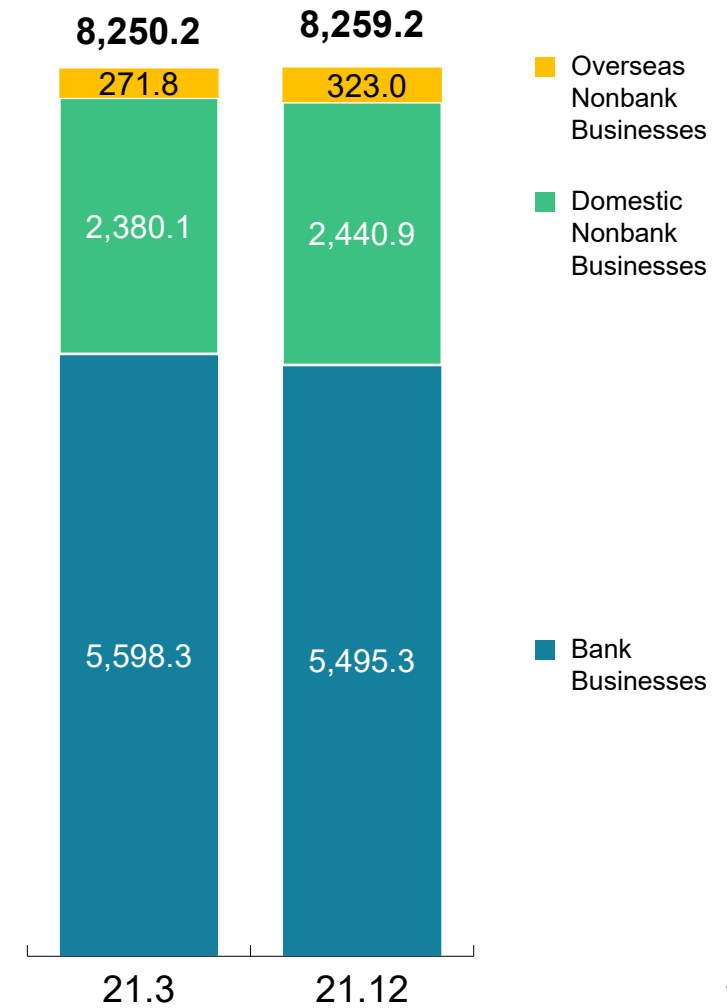
# Hybrid Business Model: Stable funding through bank deposits

(Unit : JPY billion)

## Funding Composition

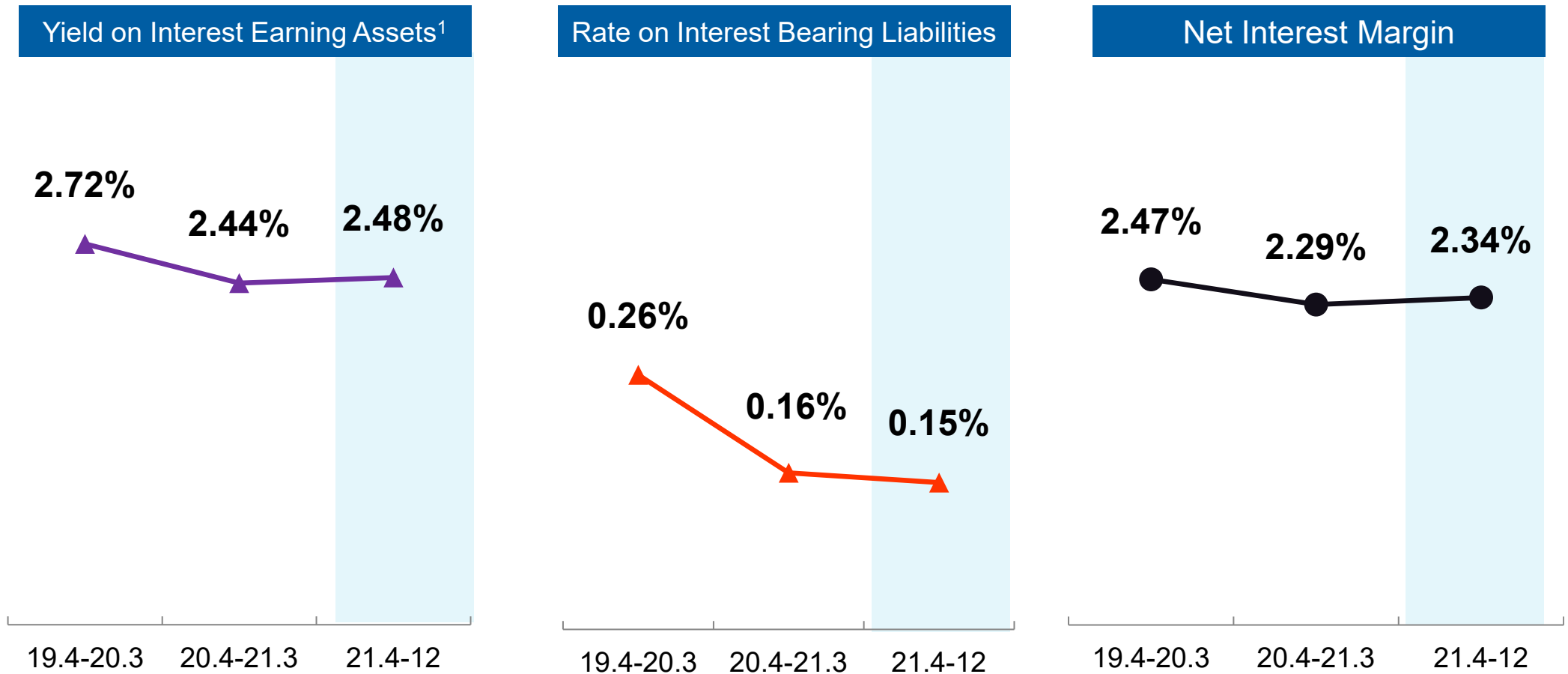


## Operating Assets



## Net Interest Margin:

**NIM improvement reflects higher income on securities portfolio and lower funding cost on deposits and borrowed money**

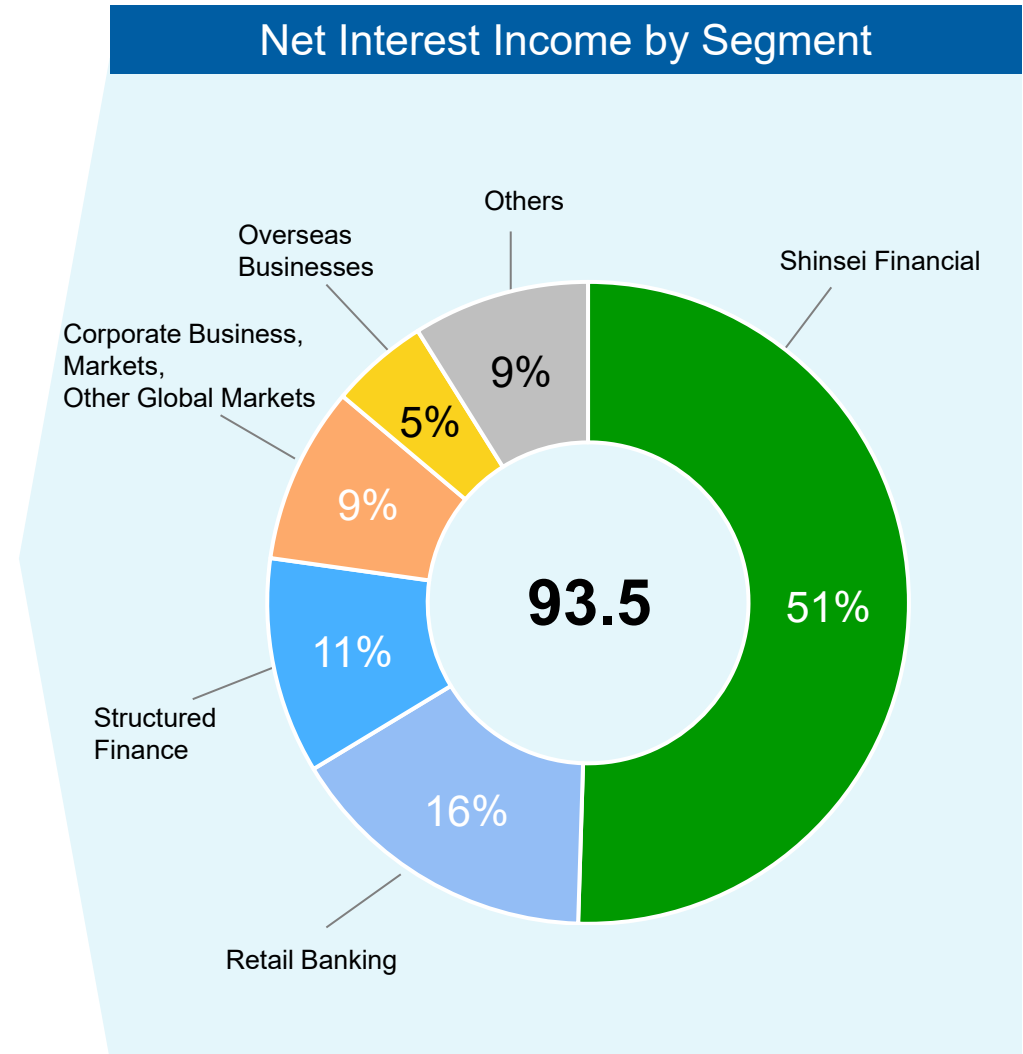
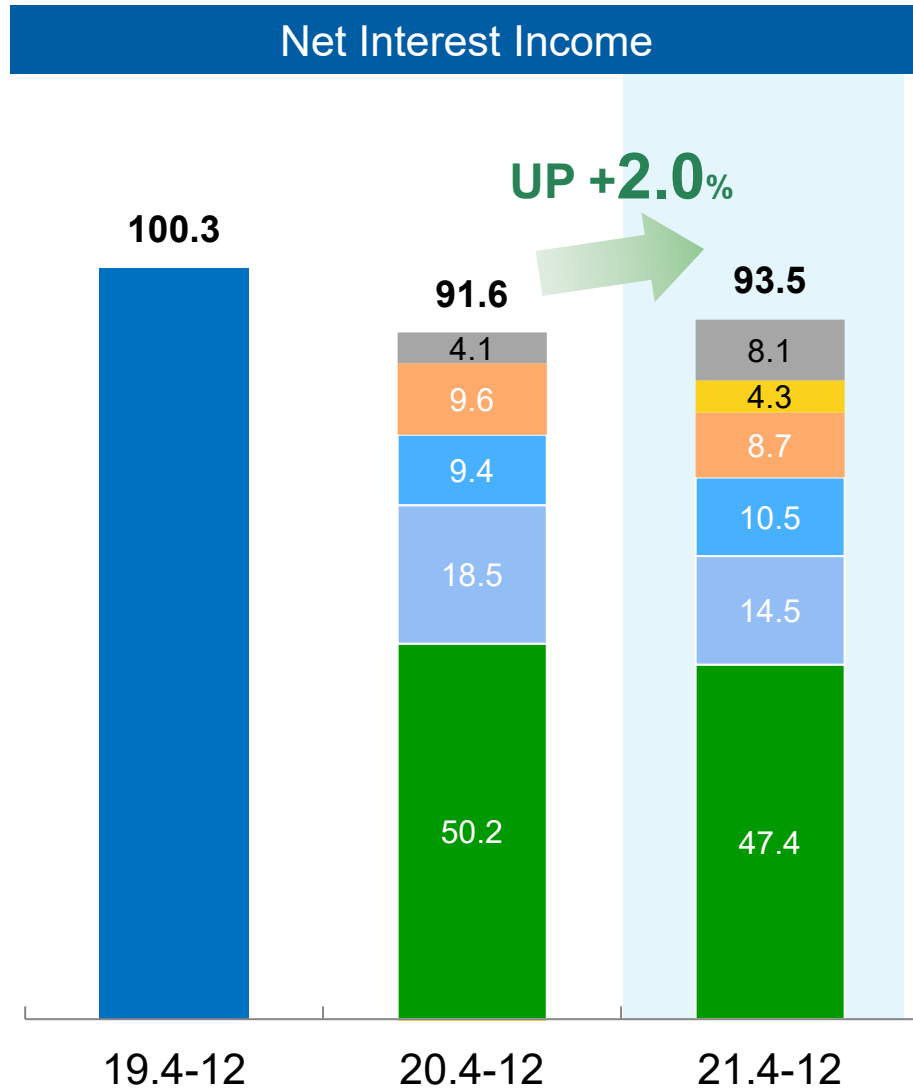


<sup>1</sup> Includes income on leased assets and installment receivables

Net Interest Income:

**Increased +2.0% YoY** as contribution from overseas businesses was partly offset by lower NII in unsecured loans

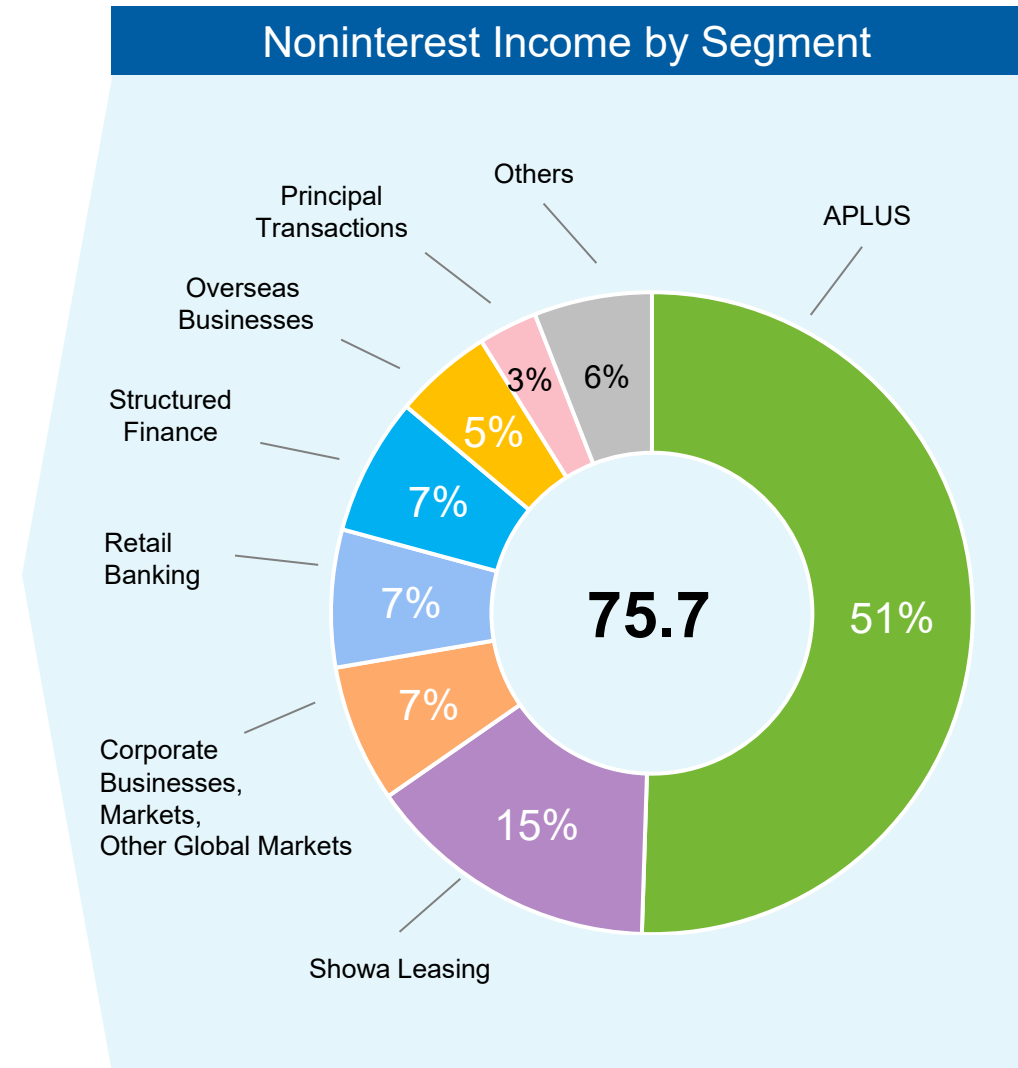
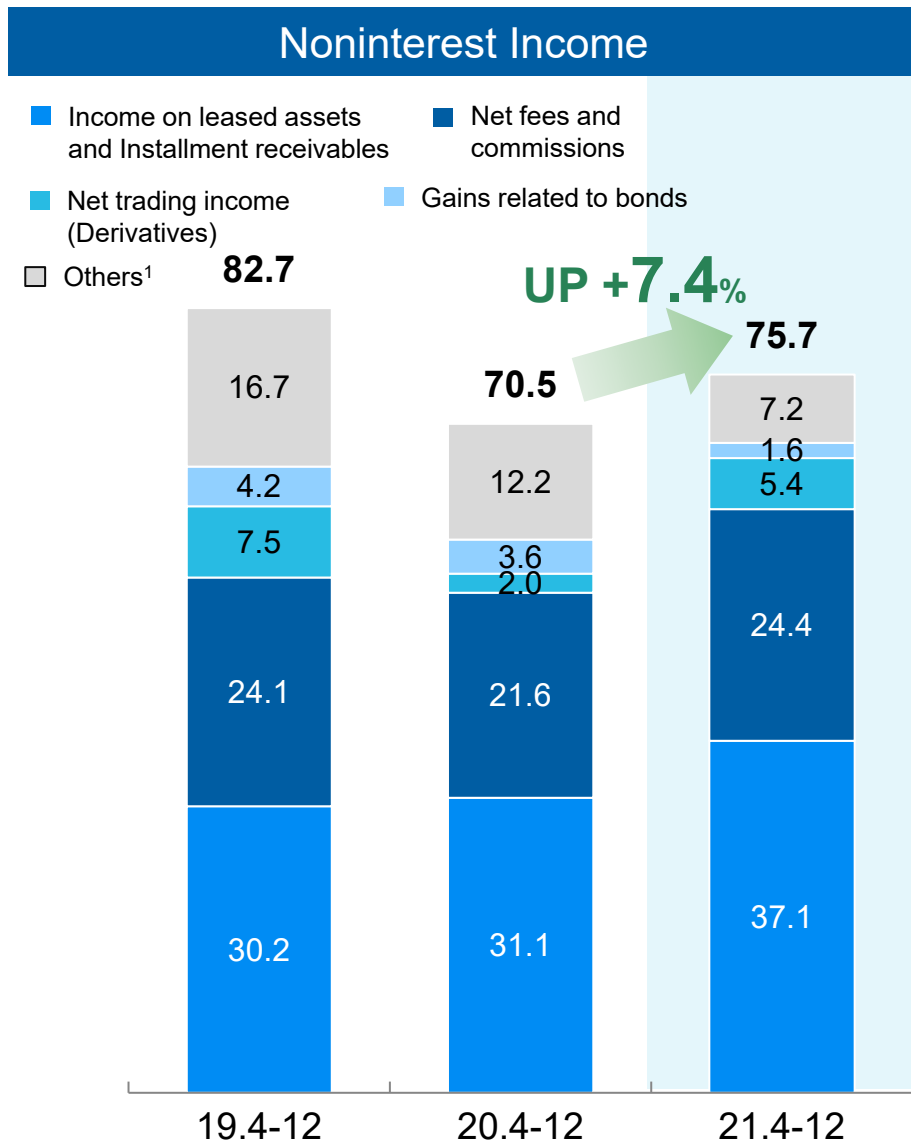
(Unit : JPY billion)



## Noninterest Income:

Increase **+7.4%** YoY reflects higher income related to leased assets and installment receivables as well as net fees and commissions

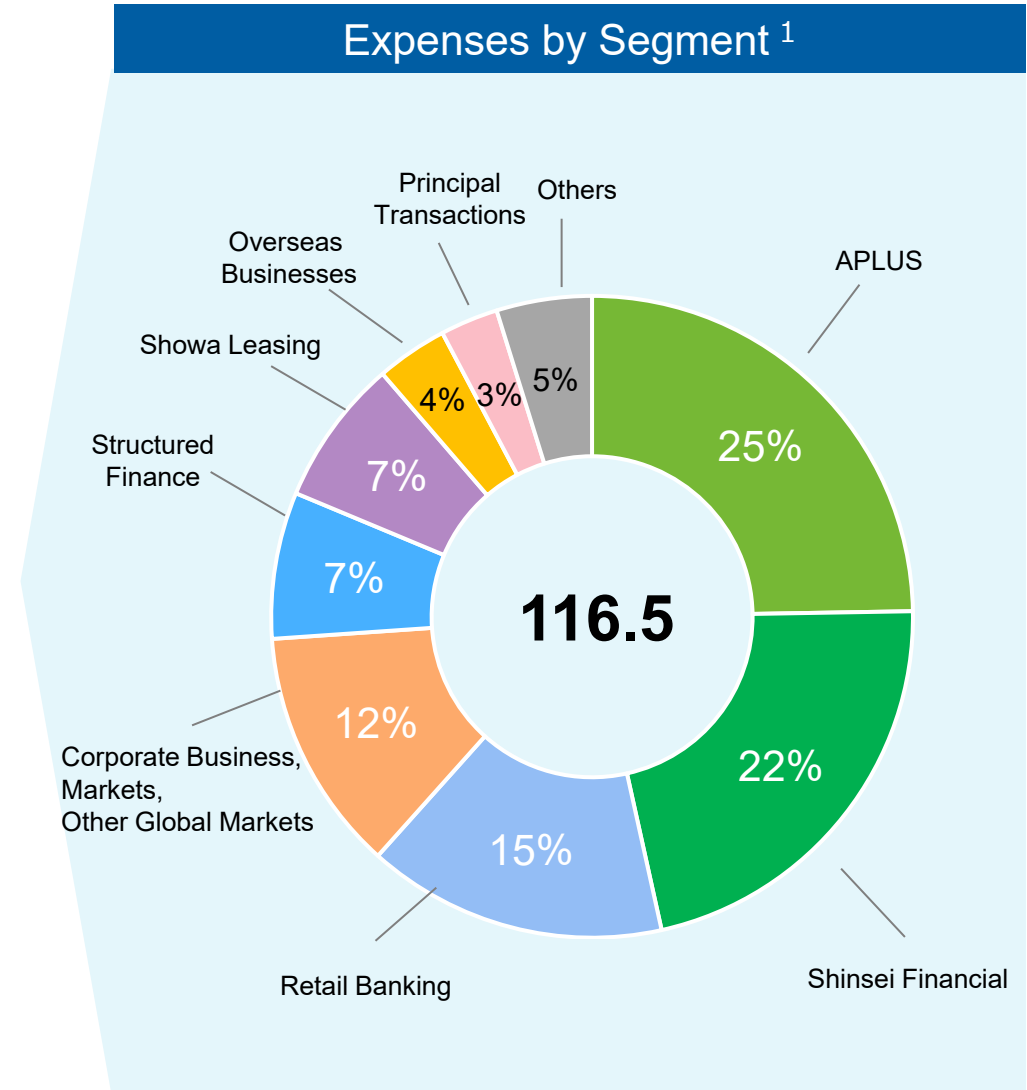
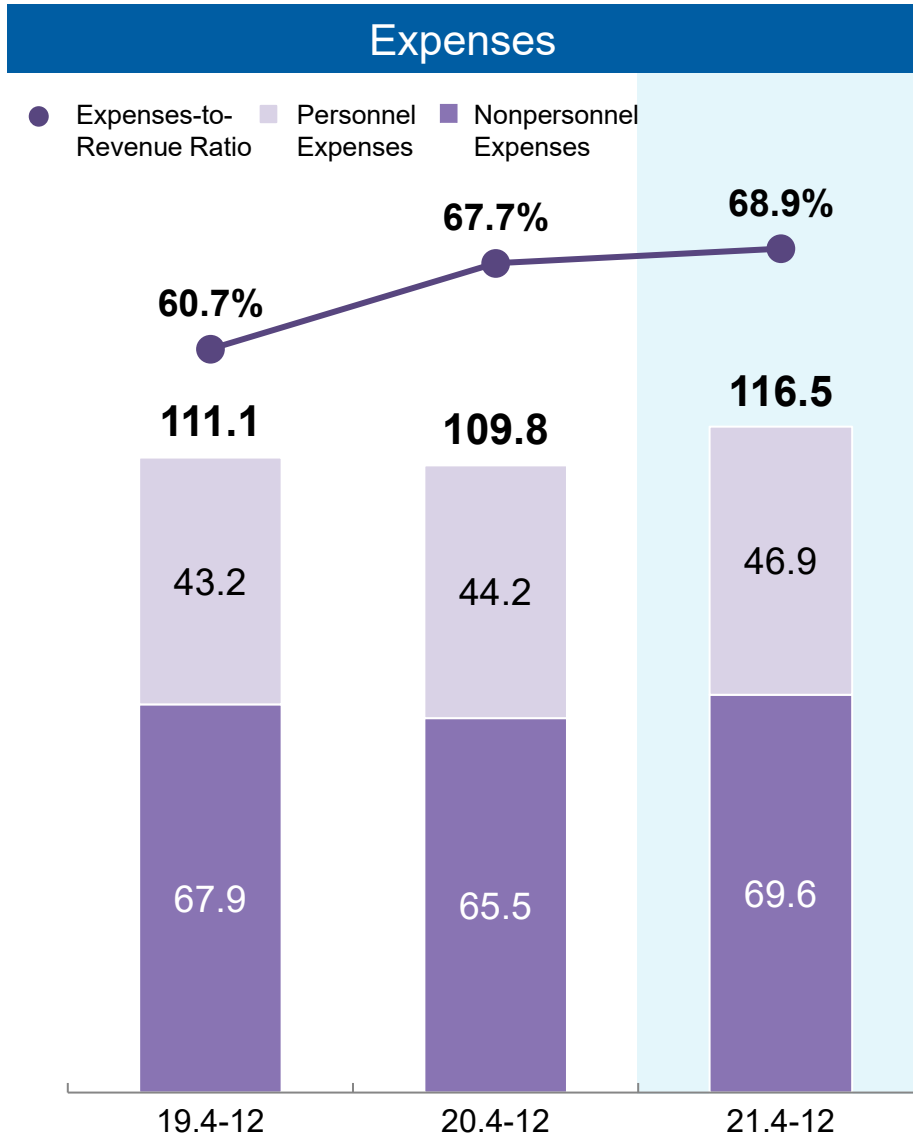
(Unit : JPY billion)



Expenses:

# Increase in expenses reflects consolidation of UDC Finance and resumed business activities

(Unit : JPY billion)



<sup>1</sup> Retail Banking fund raising related expense allocation methodology has been updated since 21.4-6 period. 20.4-21.3 periods have been adjusted to conform to current period.

## Net Credit Costs:

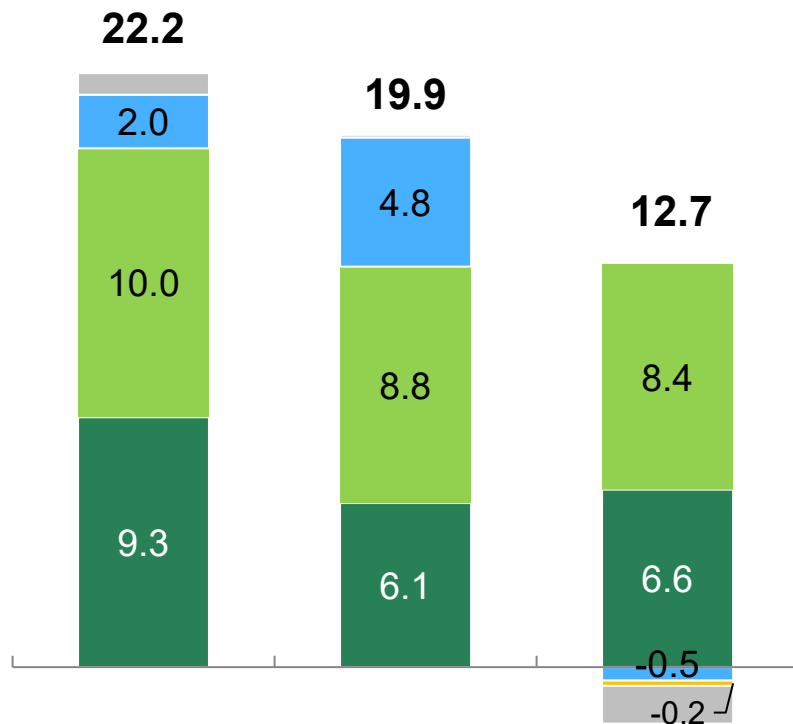
# Decrease of **JPY7.1 billion** mainly reflects net credit recoveries in Institutional Businesses

■ Net credit costs ratio for structured finance improved **JPY+5.3 billion** YoY

### Net Credit Costs

(Unit: JPY billion)

- Shinsei Financial (Unsecured Loans)
- APLUS
- Overseas Businesses
- Structured Finance
- Others (Corporate Business, Showa Leasing, Global Markets, Retail Banking etc.)



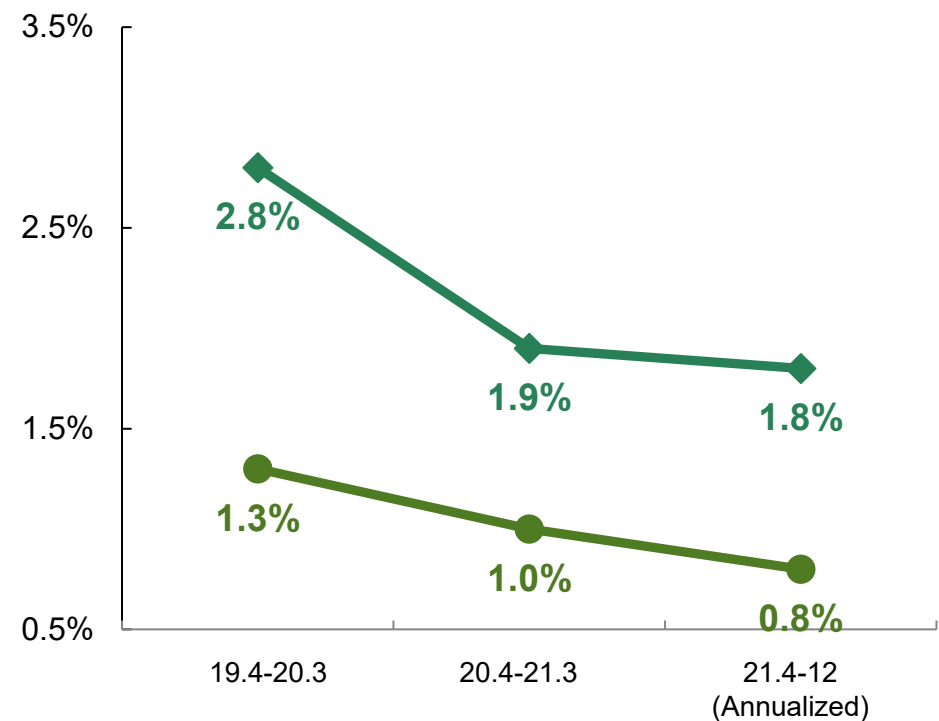
19.4-12

20.4-12

21.4-12

### Net Credit Costs Ratio<sup>1</sup>: Consumer Finance

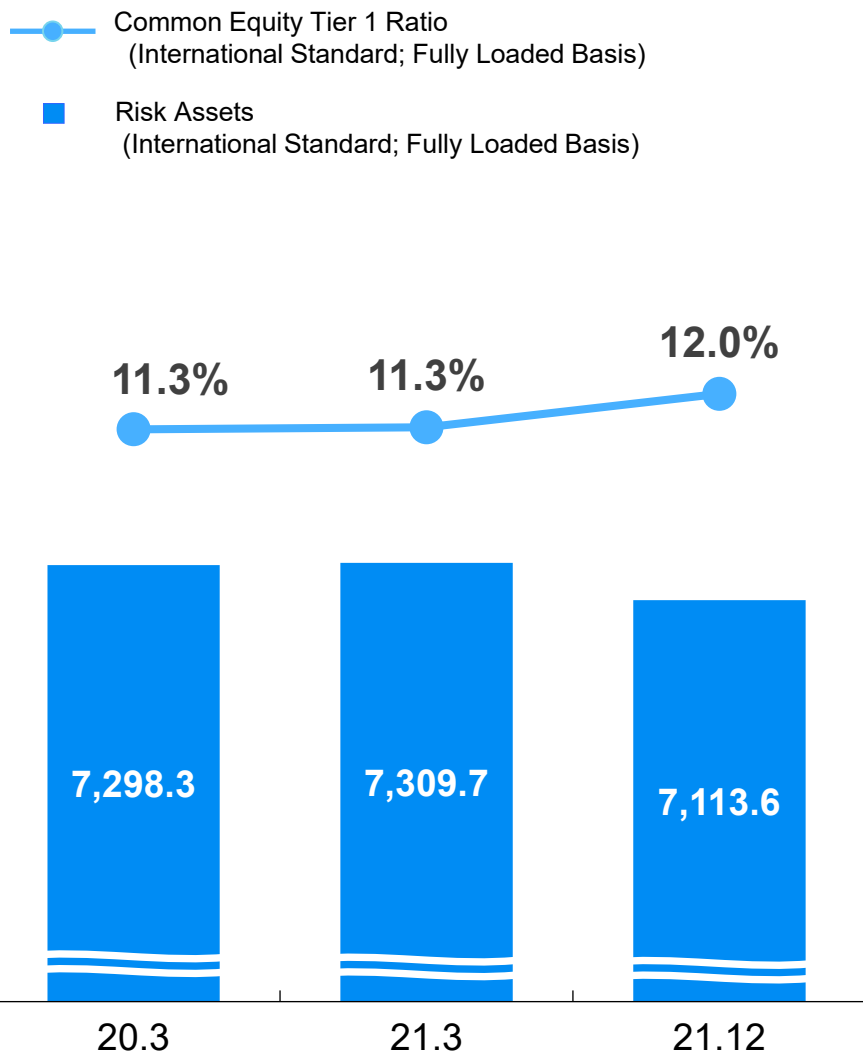
- ◆ Shinsei Financial (Unsecured Loans)
- APLUS



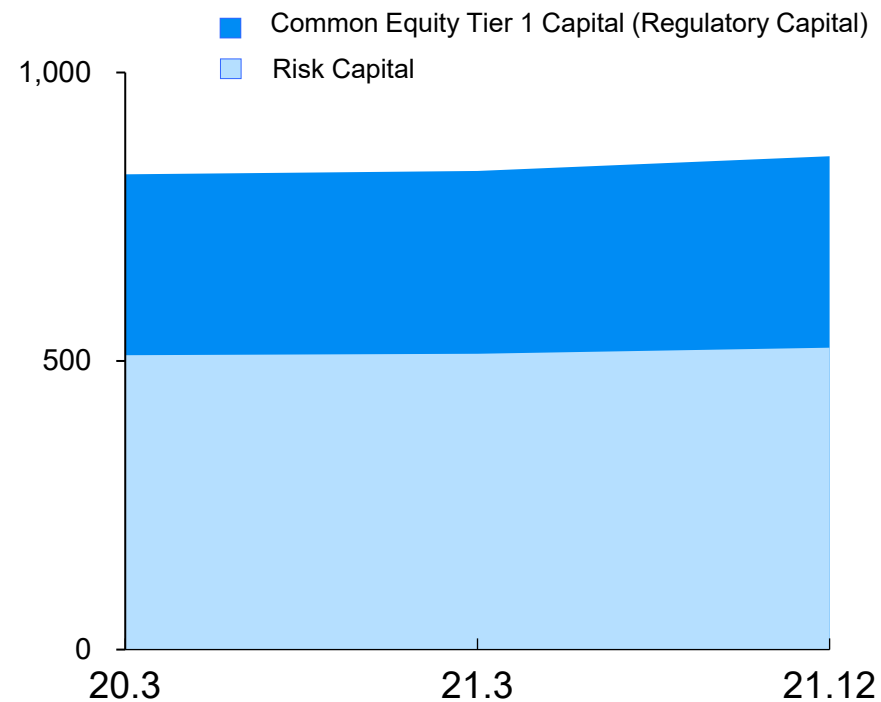
<sup>1</sup> Net Credit Costs Ratio = Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances

# Capital Adequacy: CET1 ratio steadily improving

(Unit: JPY billion)



	20.3	21.3	21.12
Common Equity Tier 1 Capital (International Standard; Fully Loaded Basis)	823.4	829.3	<b>855.0</b>
Risk Capital	510.2	512.7	<b>523.1</b>





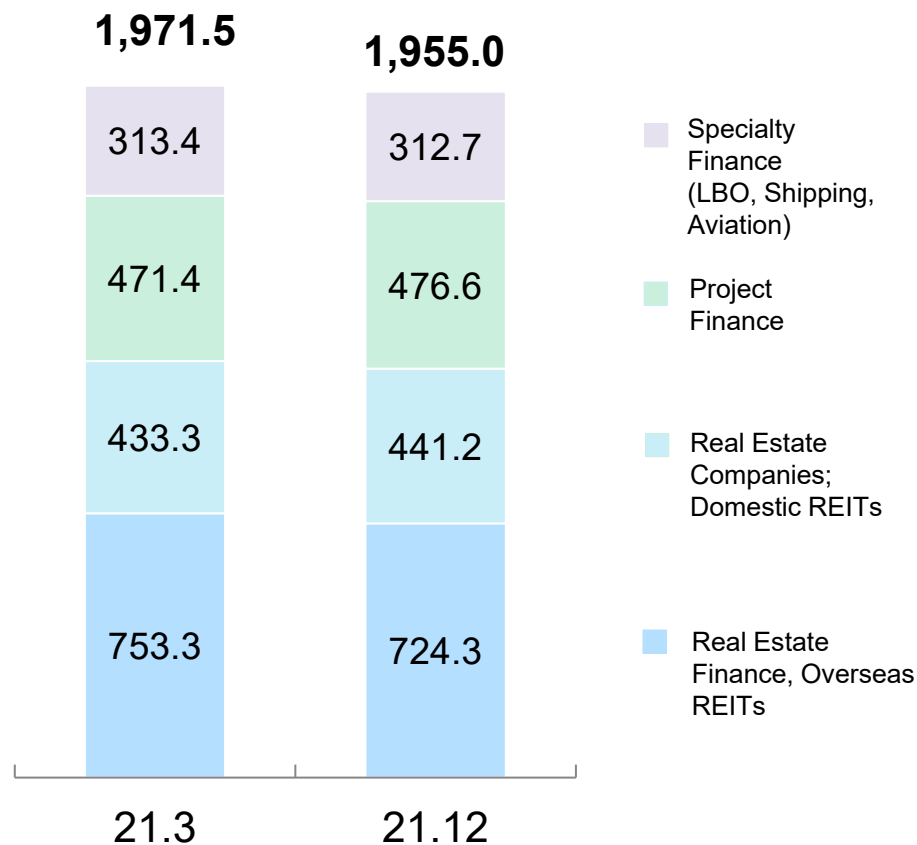
# Business Update

# OBP after net credit costs improved **+JPY5 billion** due to net credit recoveries

(Unit : JPY billion)

- Operating assets balance for aviation finance was JPY29.9 billion (December 31, 2021)

## Operating Asset Balance



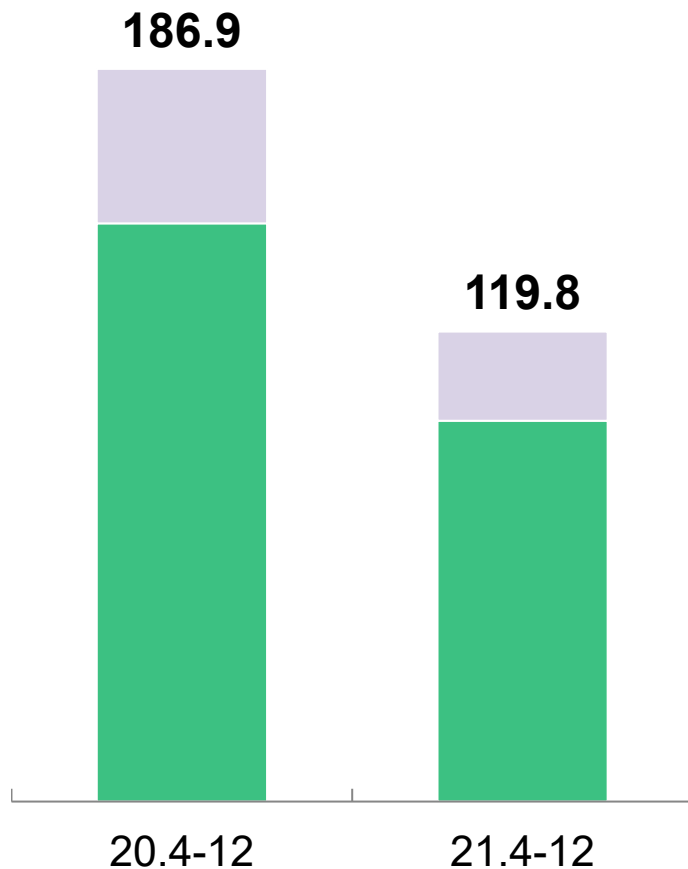
	20.4-12	21.4-12
Structured Finance	20.4-12	21.4-12
Net Interest Income	9.4	<b>10.5</b>
Noninterest Income	5.7	<b>5.1</b>
Total Revenue	15.1	<b>15.7</b>
Expenses	-7.8	<b>-8.6</b>
Ordinary Business Profit (OBP)	7.3	<b>7.0</b>
Net Credit Costs	-4.8	<b>0.5</b>
OBP after Net Credit Costs	2.4	<b>7.5</b>

# Expect to close multiple types of renewable energy projects in Q4

## Project Finance New Commitments

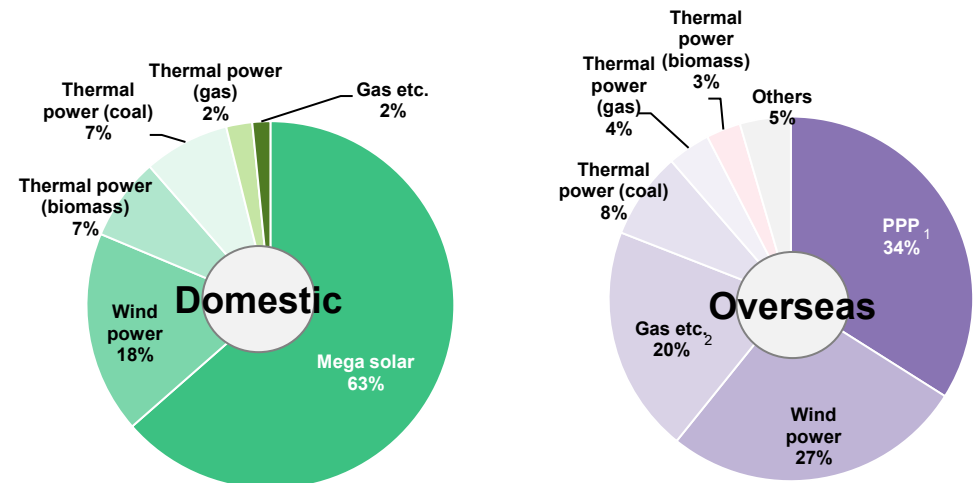
(Unit: JPY billion)

Overseas  
Domestic



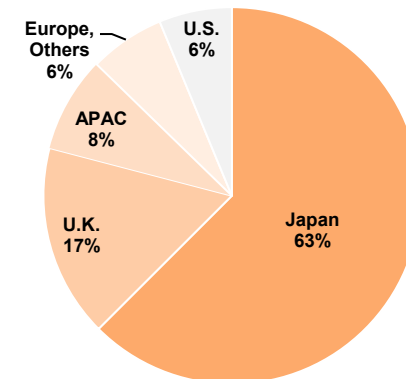
## Portfolio (as of December 31, 2021)

【Balance: project type, includes commitment basis】



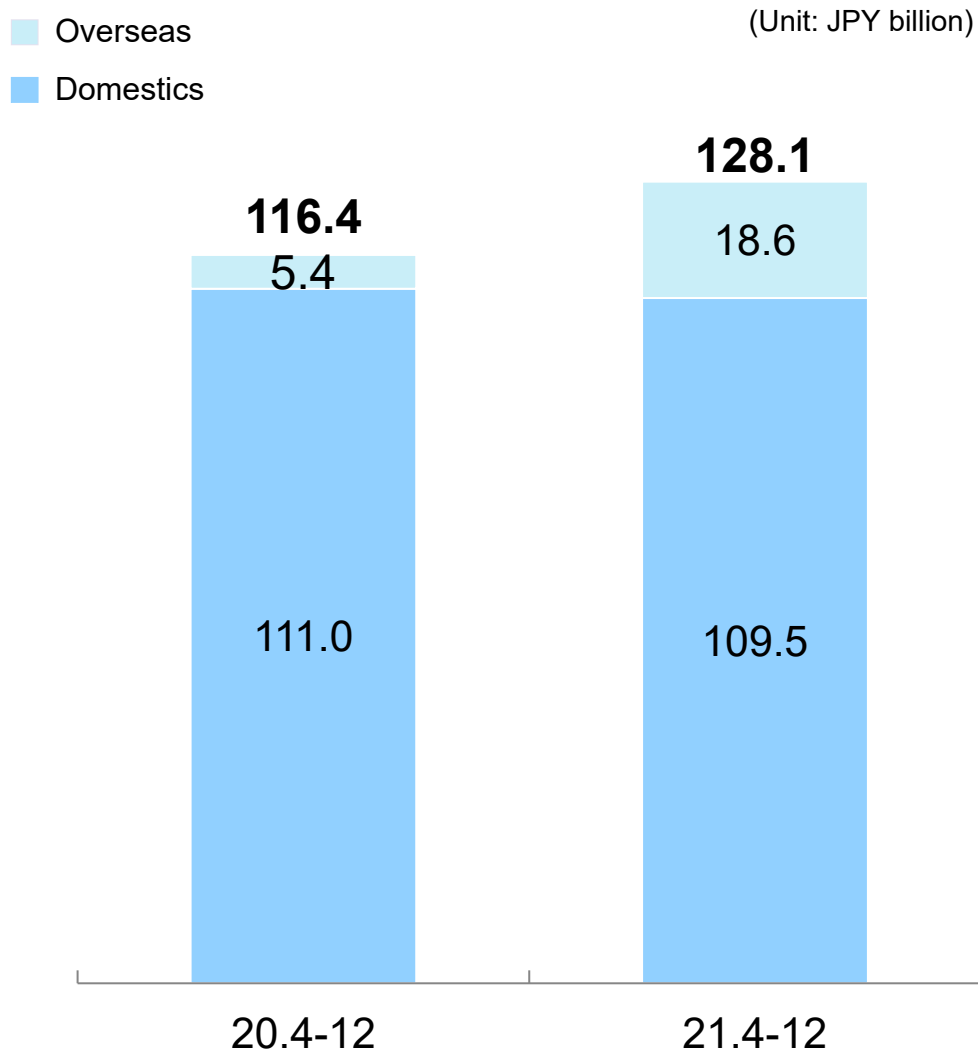
<sup>1</sup> Public Private Partnership  
<sup>2</sup> Finance to LNG related facilities and receiving terminal etc.

【Balance: regions, includes commitment basis】



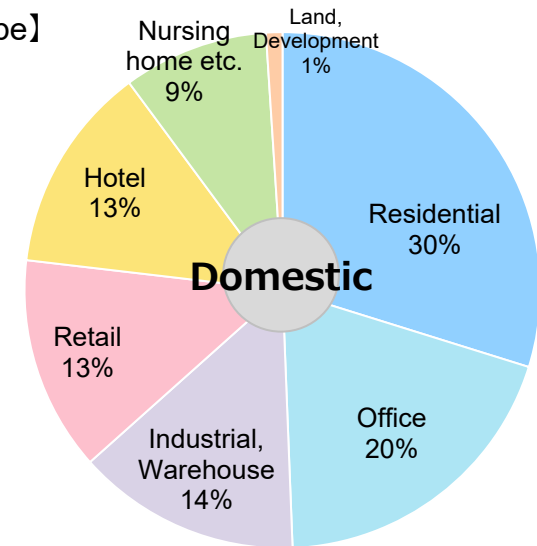
# New disbursement increased and business momentum remains stable

Real Estate Nonrecourse Finance New Disbursements

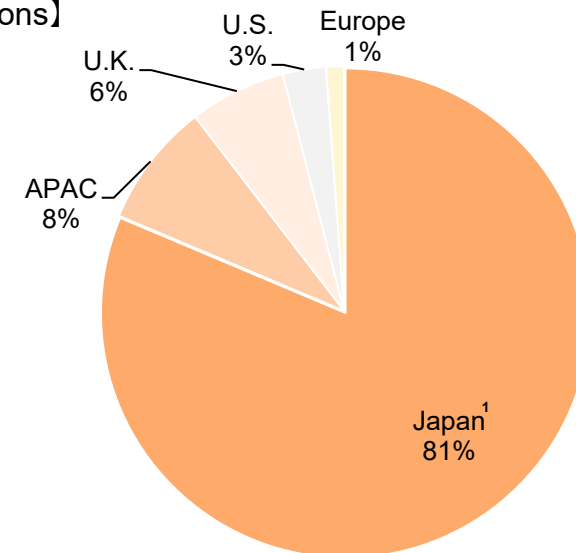


Portfolio (as of December 31, 2021)

【Balance: asset type】



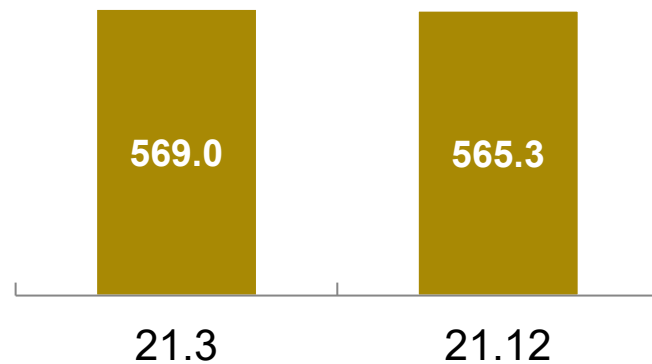
【Balance: regions】



# OBP after net credit costs increased **+JPY0.9 billion** due to improved noninterest income and lower net credit costs

(Unit : JPY billion)

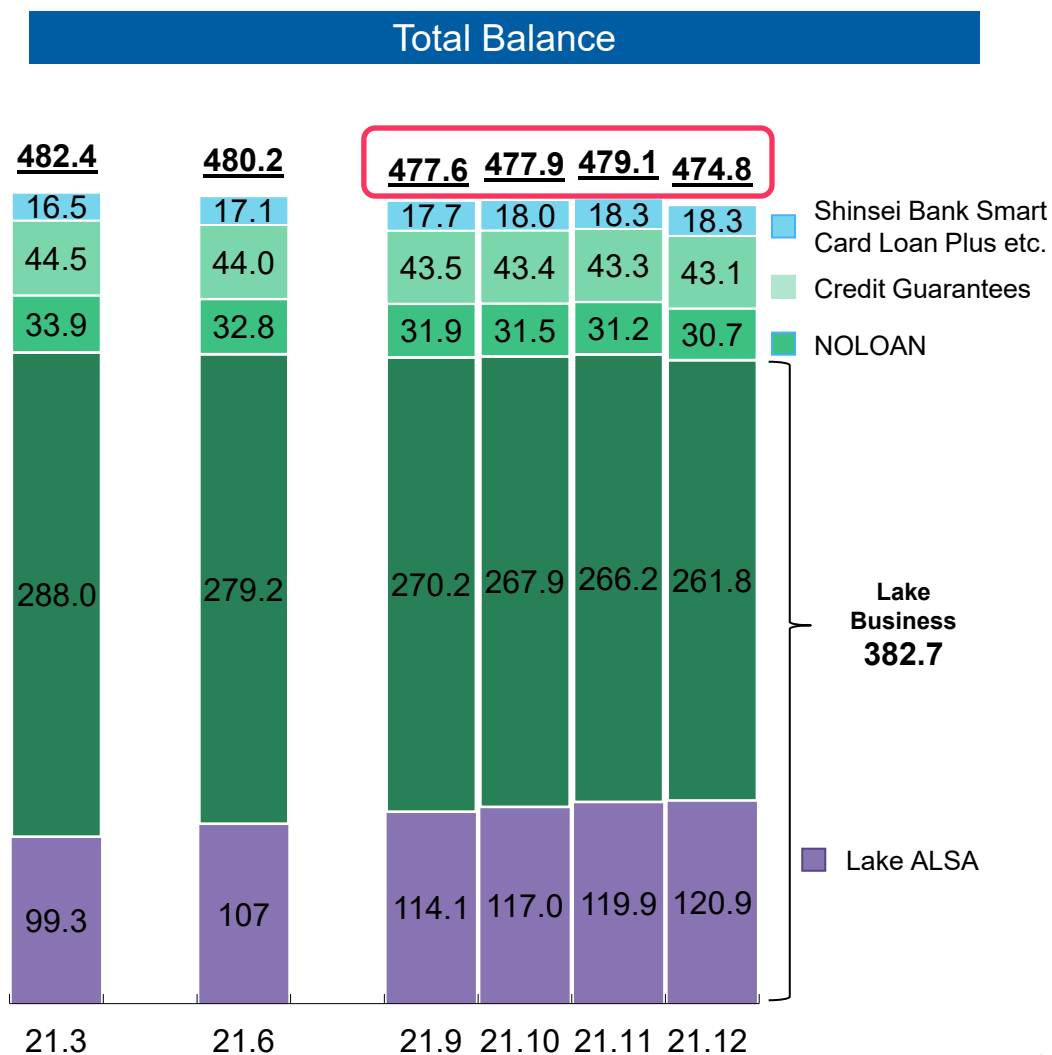
## Operating Assets Balance



Showa Leasing	20.4-12	<b>21.4-12</b>
Net Interest Income	0.0	<b>0.1</b>
Noninterest Income	10.6	<b>11.1</b>
Total Revenue	10.6	<b>11.3</b>
Expenses	-8.5	<b>-8.6</b>
Ordinary Business Profit (OBP)	2.0	<b>2.7</b>
Net Credit Costs	-0.1	<b>0.1</b>
OBP after Net Credit Costs	1.8	<b>2.8</b>

# While total balance declined in December due to seasonality, the sign of loan balance rebounding is becoming evident

(Unit : JPY billion)

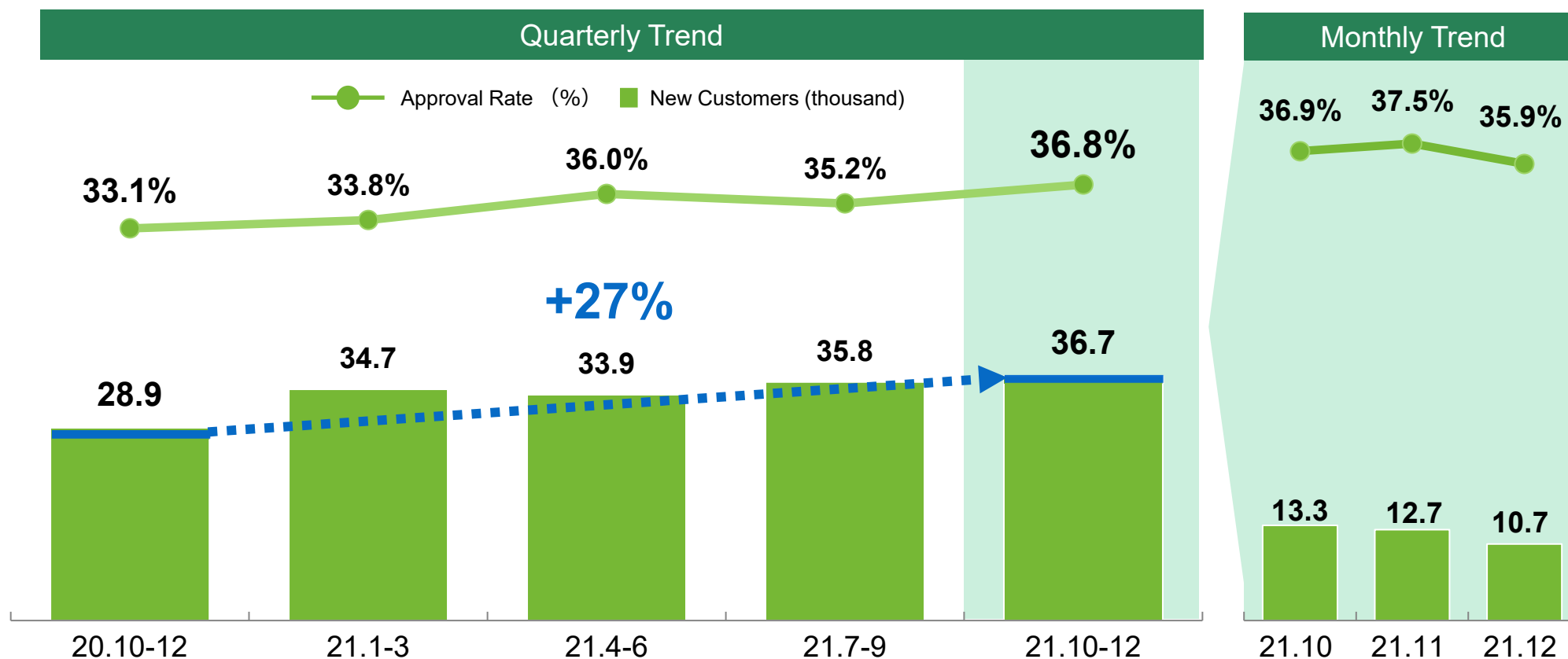


Shinsei Financial <sup>1</sup>	20.4-12	21.4-12
Net Interest Income	50.2	<b>47.4</b>
of which, Lake Businesses	46.3	<b>44.0</b>
Noninterest Income	0.0	<b>-0.1</b>
<b>Total Revenue</b>	<b>50.2</b>	<b>47.2</b>
Expenses	-25.1	<b>-25.4</b>
<b>Ordinary Business Profit (OBP)</b>	<b>25.1</b>	<b>21.8</b>
Net Credit Costs	-6.1	<b>-6.6</b>
<b>OBP after Net Credit Costs</b>	<b>18.9</b>	<b>15.1</b>

<sup>1</sup> Includes profits and losses of Shinsei Financial, Shinsei Bank Card Loan L, and Shinsei Bank Smart Card Loan Plus, Shinsei Bank Smart Money Lending, and Shinsei Bank Smart Card Loan Plus for Nissesn.

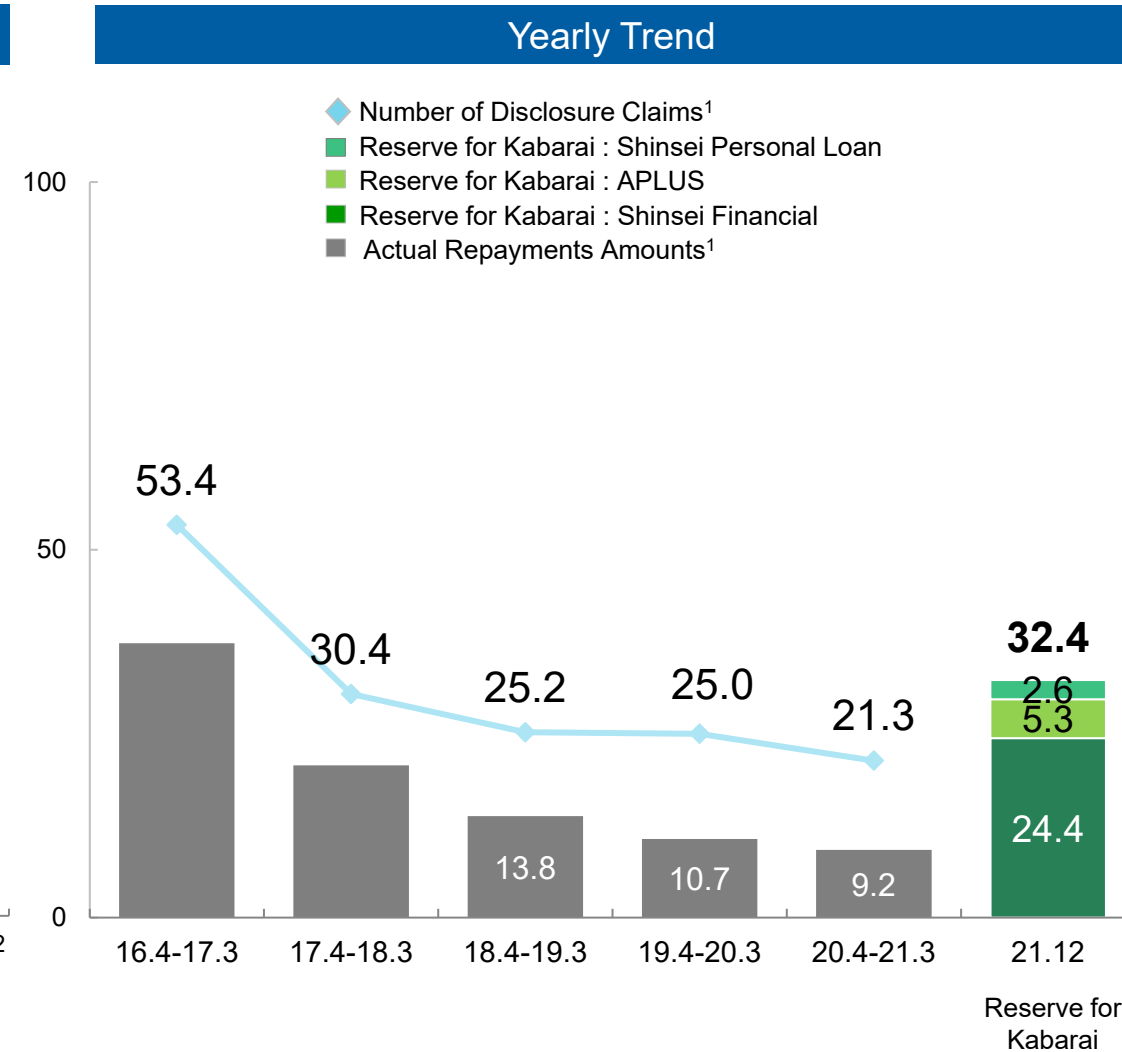
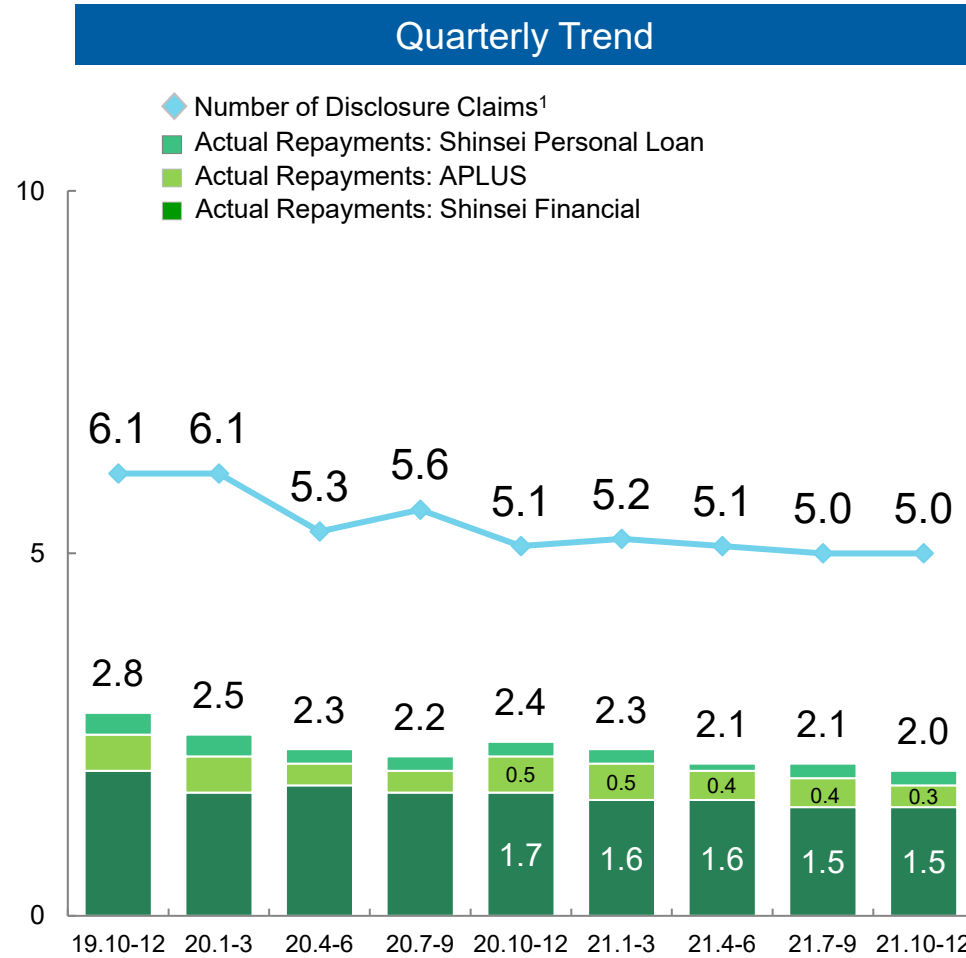
# Approval rate improved YoY +3.7% points (21.10-12)

- New customer acquisition in 3Q (21.10-12) increased +27% YoY
- ✓ Application: The application volume was 99 thousand in 3Q (21.10-12) , increased +14% YoY
- ✓ Approval rate: Approval rate in 3Q (21.10-12) improved to 36.8%



# Actual repayments and the number of disclosure claims continue to decline

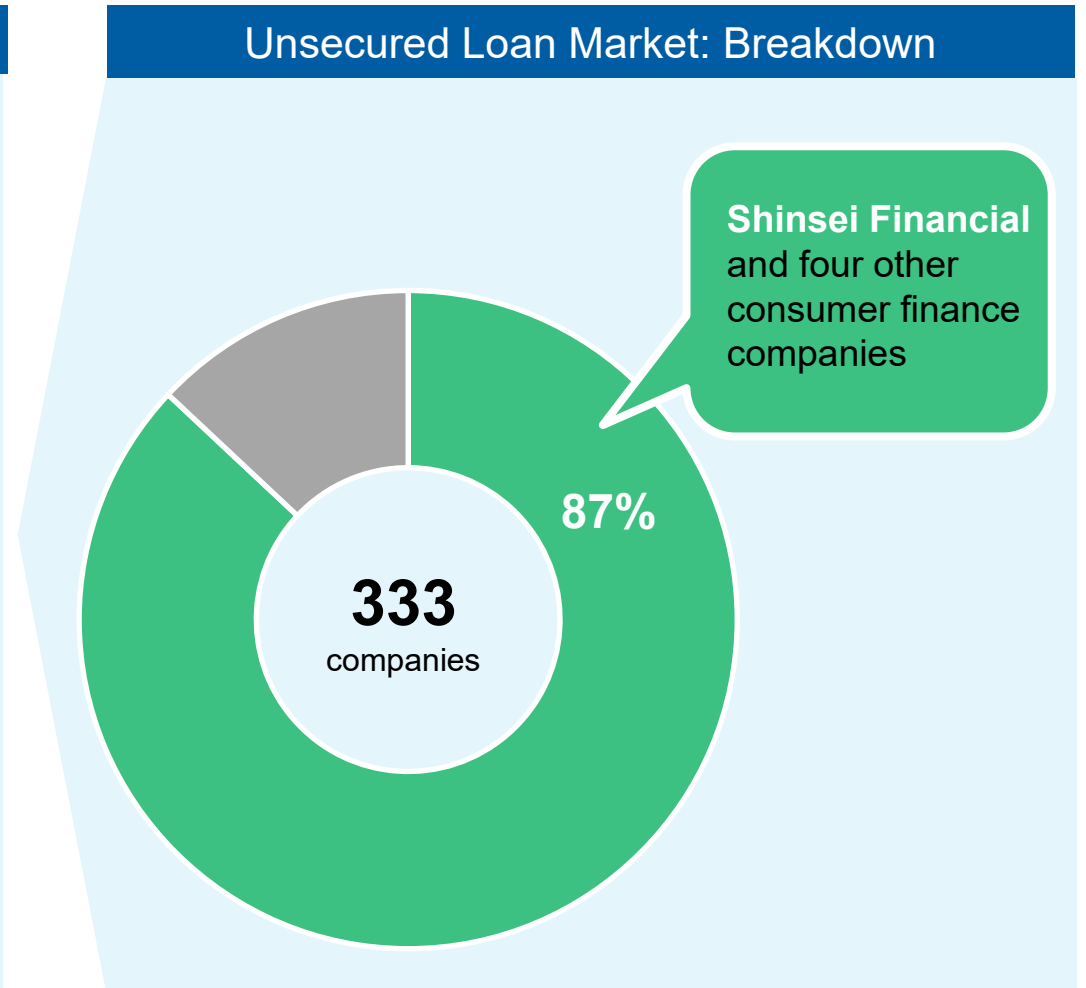
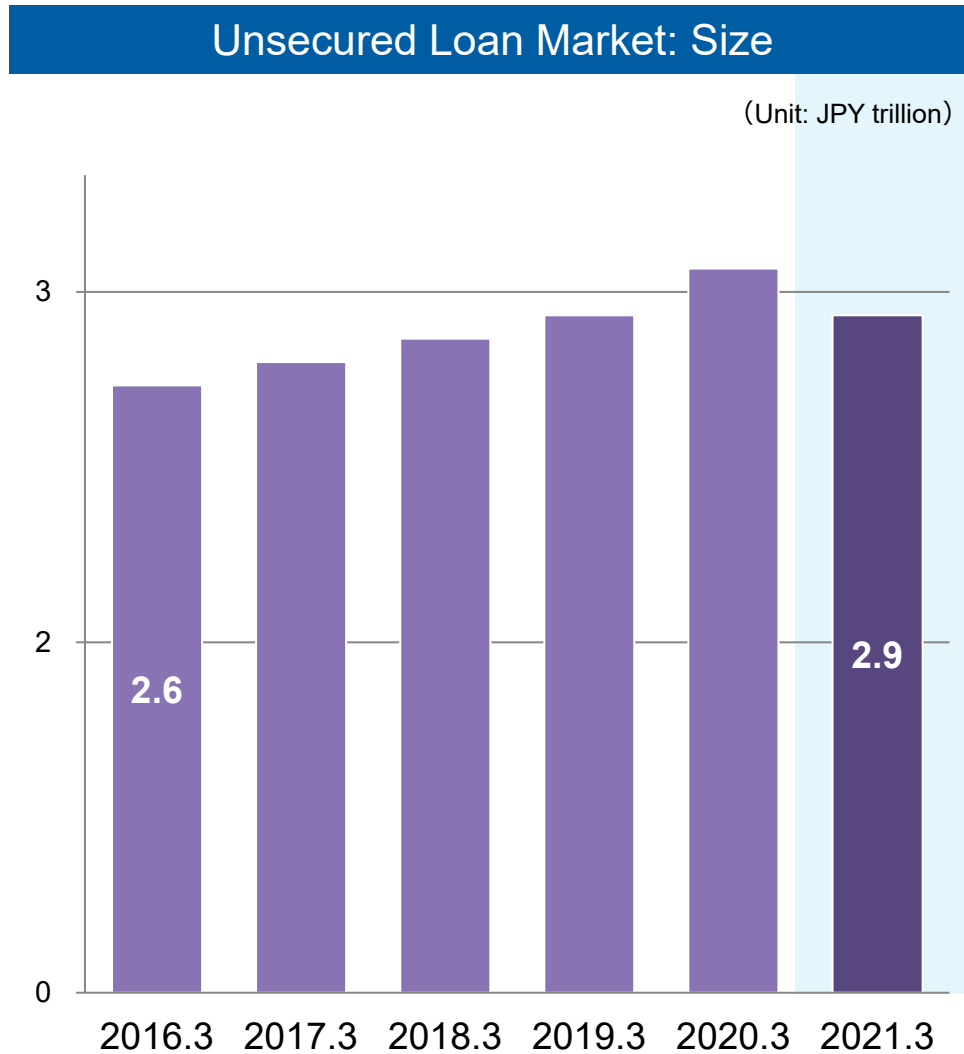
(Unit: JPY billion; thousands)



<sup>1</sup> Shinsei Financial, Shinsei Personal Loan and APLUS combined



# Unsecured loan market

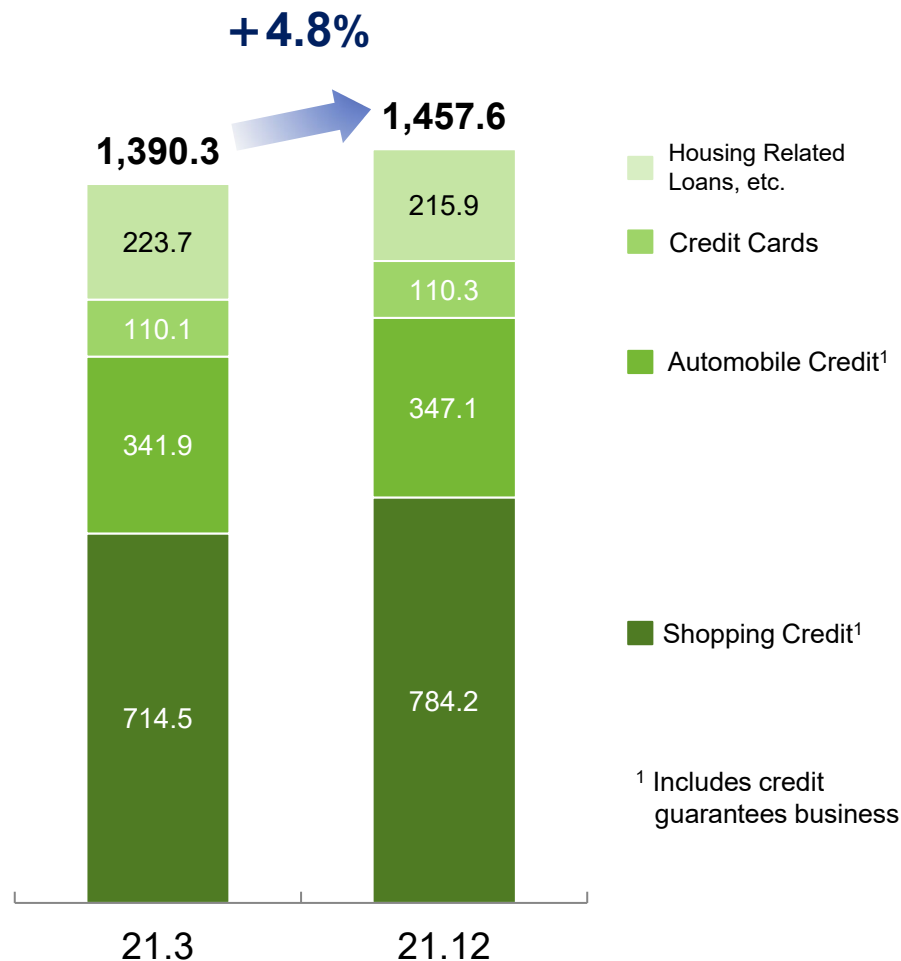


(Data Source) Japan Financial Services Agency

# Steady growth in shopping credit balance drove the increase in revenue and OBP after net credit costs

(Unit : JPY billion)

## Operating Assets Balance



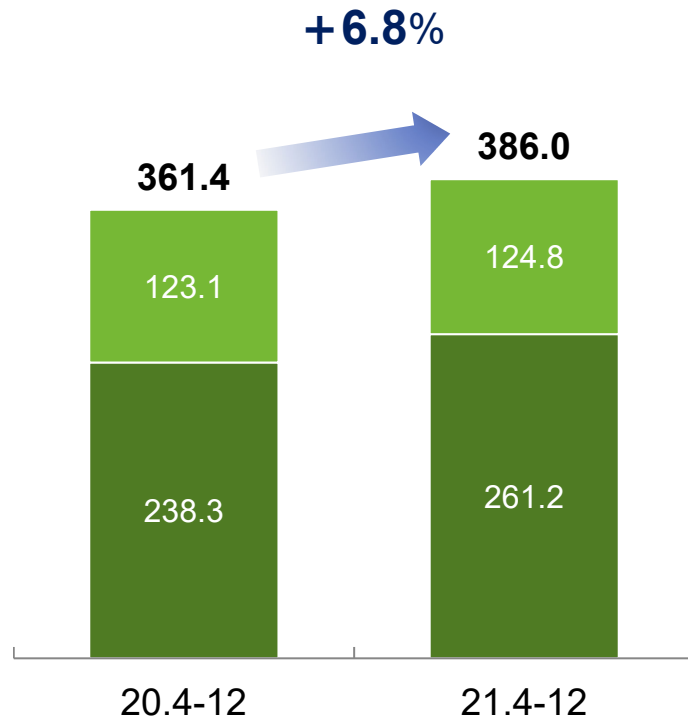
APLUS	20.4-12	21.4-12
Net Interest Income	6.5	5.9
Noninterest Income	37.4	38.6
<b>Total Revenue</b>	<b>43.9</b>	<b>44.6</b>
Expenses	-28.8	-28.8
<b>Ordinary Business Profit (OBP)</b>	<b>15.0</b>	<b>15.8</b>
Net Credit Costs	-8.8	-8.4
<b>OBP after Net Credit Costs</b>	<b>6.2</b>	<b>7.3</b>

# Transaction volume of shopping credit and payment business increased YoY

(Unit : JPY billion)

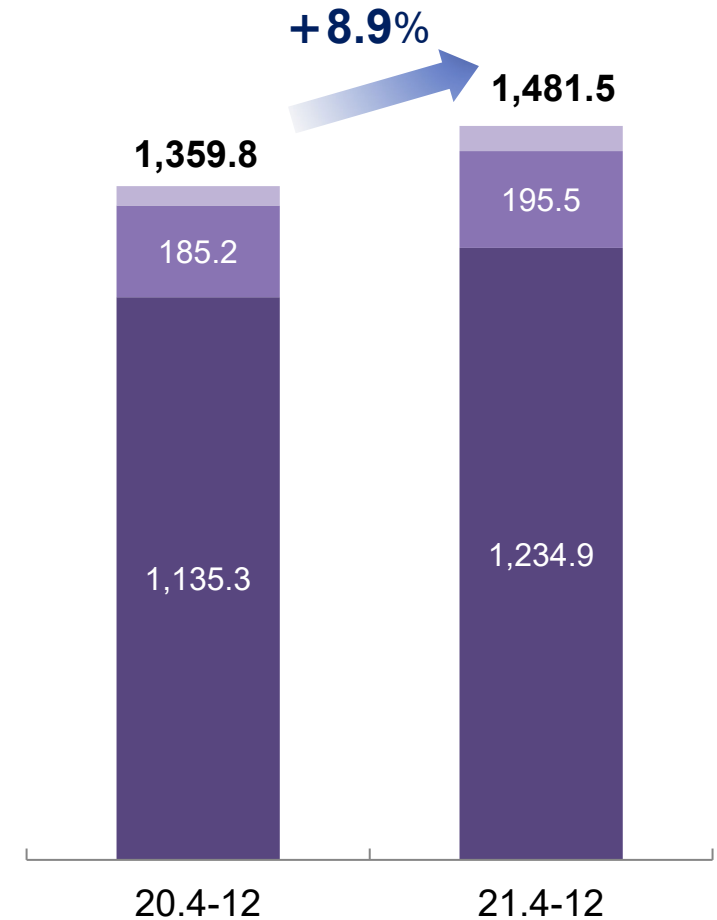
## Transaction Volume: Auto Credit, Other Shopping Credit

- Auto Credit<sup>1</sup>
- Other Shopping Credit<sup>1</sup>  
(Medical including dental treatment, solar power generation including storage battery for industrial and household usage, and vendor leasing etc.)



## Transaction Volume: Payment

- Code settlement services
- Rent guarantees
- Settlement via bank accounts etc.



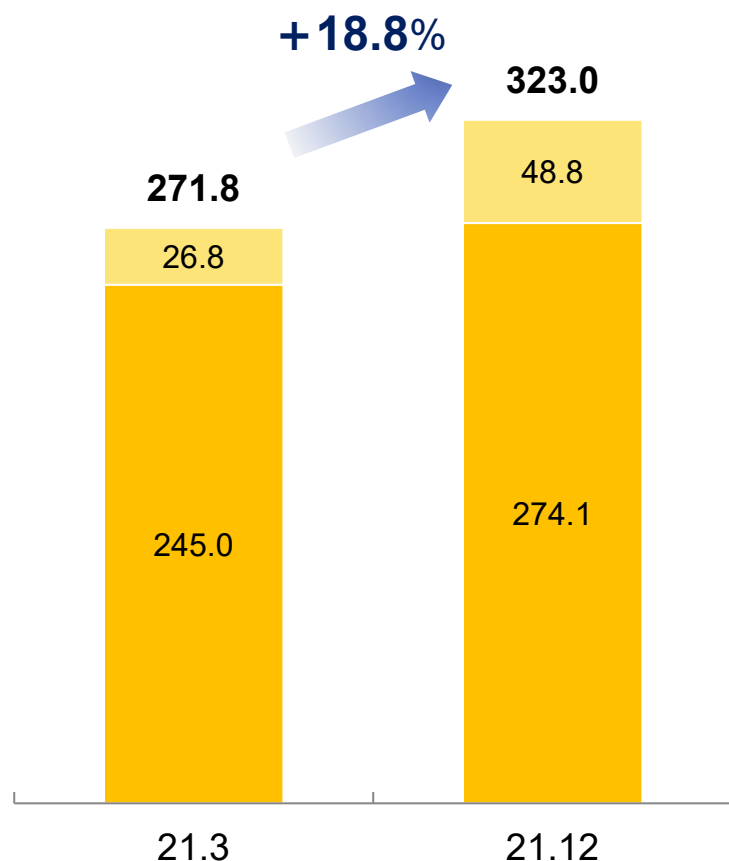
# UDC Finance business continues to grow

- OBP after net credit costs improved due to contribution from UDC Finance
- FX factor also contributed to an increase in operating assets

(Unit : JPY billion)

## Operating Assets

- UDC Finance
- Others



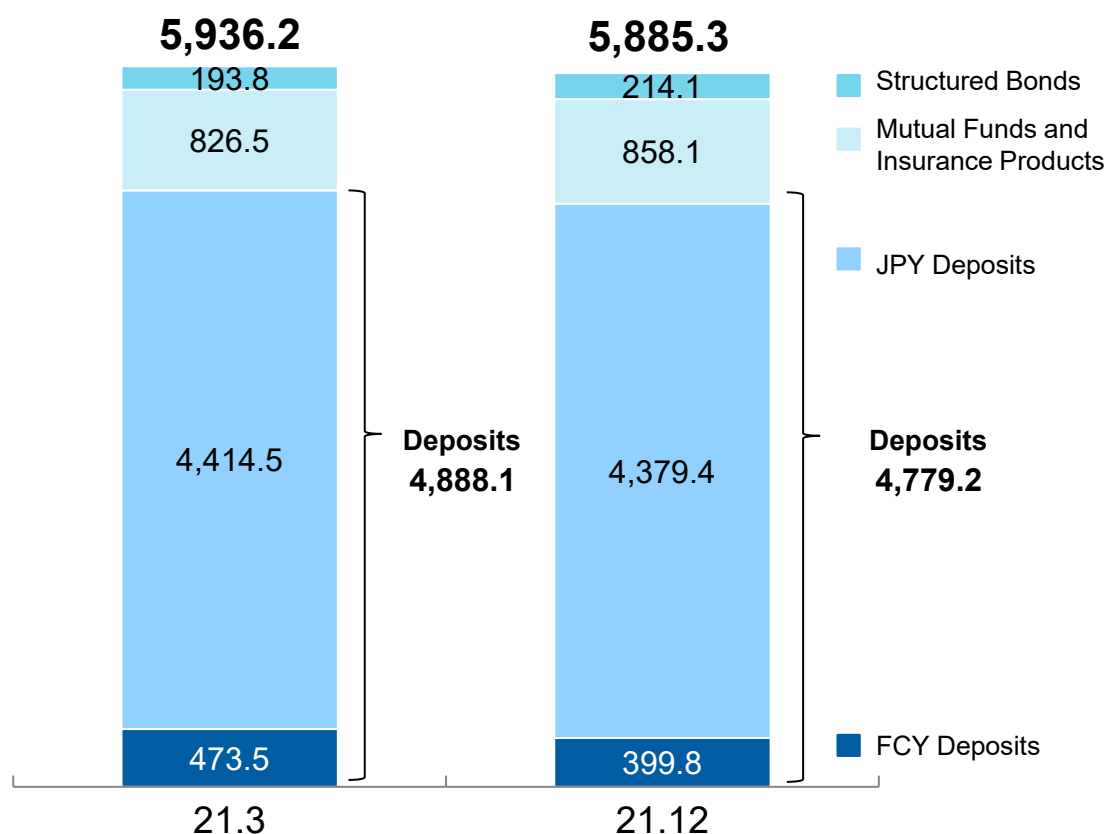
Overseas Businesses <sup>1</sup>	20.4-12		21.4-12	
		UDC Finance		UDC Finance
Net Interest Income	-0.2		4.3	2.9
Noninterest Income	3.0		4.1	4.7
Total Revenue	2.7		8.5	7.6
Expenses	-1.0		-4.2	-3.0
Ordinary Business Profit (OBP)	1.7		4.2	4.6
Net Credit Costs	-0.2		0.2	0.4
OBP after Net Credit Costs	1.5		4.5	5.0

<sup>1</sup> Profit and loss on UDC Finance is accounted from 4QFY2020

# Noninterest income from asset management products increased

(Unit : JPY billion)

## AUM Balance



Retail Banking	20.4-12	21.4-12
Net Interest Income	18.5	14.5
of which, from Loans	6.9	6.5
of which, from Deposits, etc.	11.5	7.9
Noninterest Income	2.2	5.0
of which, from Asset Management Products	4.5	7.0
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-2.3	-2.0
Total Revenue	20.7	19.5
Expenses	-18.1	-17.6
Ordinary Business Profit (OBP)	2.5	1.8
Net Credit Costs	-0.3	-0.0
OBP after Net Credit Costs	2.2	1.9

# Segment Information

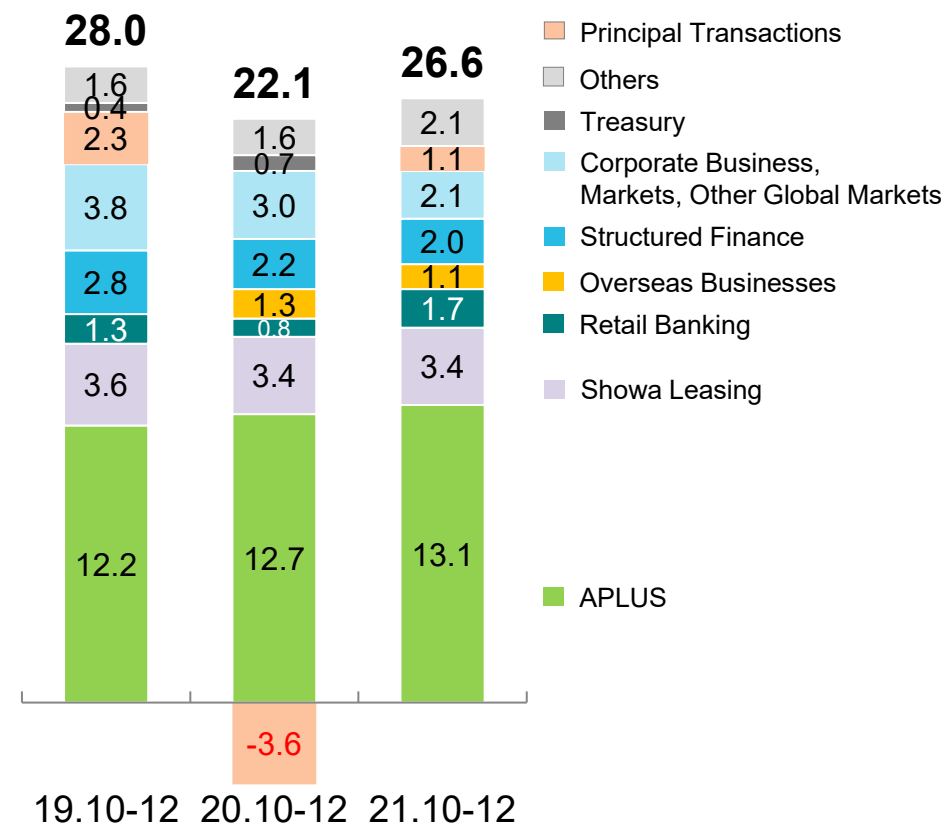
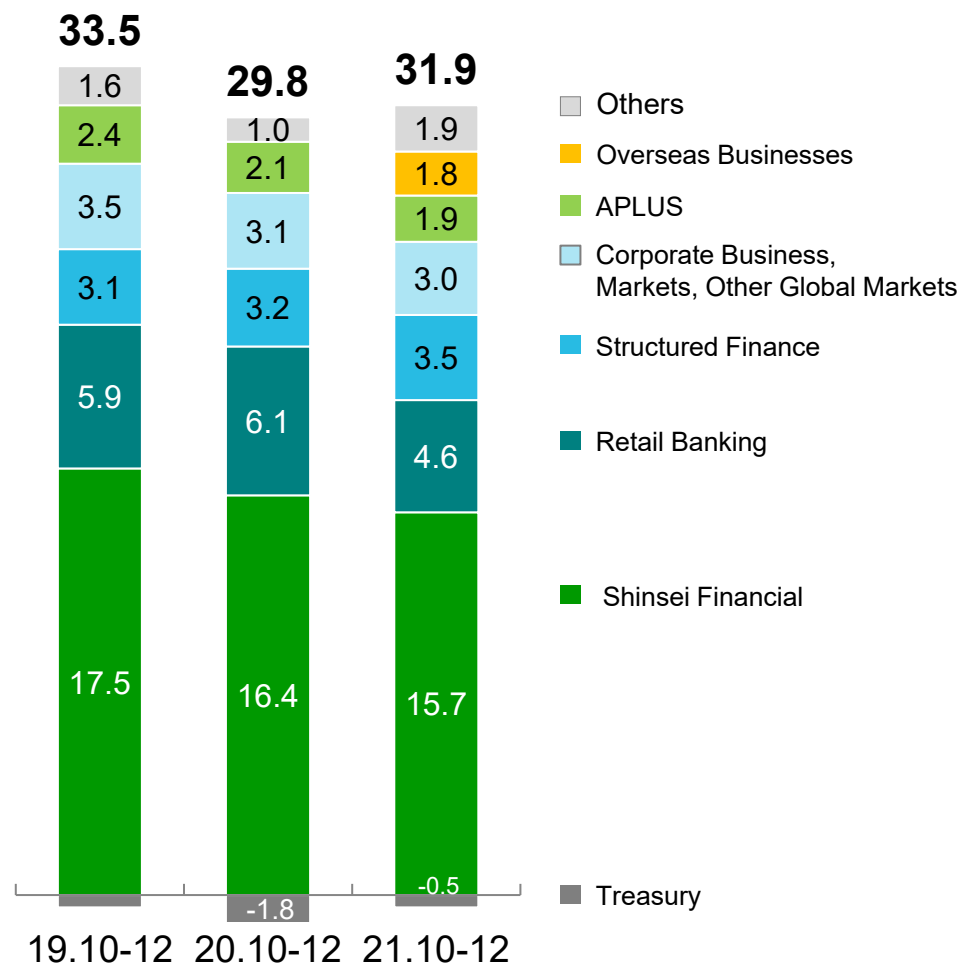
Segment:

# Net Interest Income, Noninterest Income

(Unit : JPY billion)

## Net Interest Income by Segment

## Noninterest Income by Segment

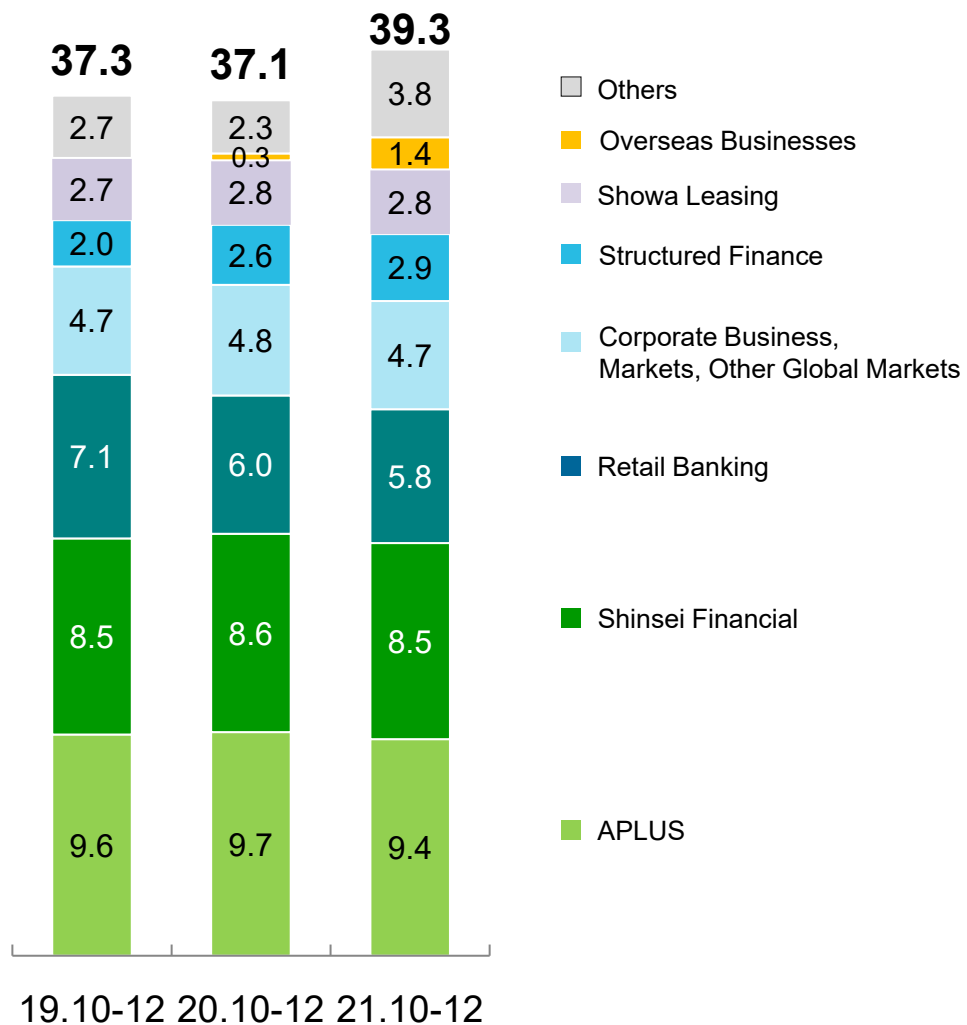


Segment:

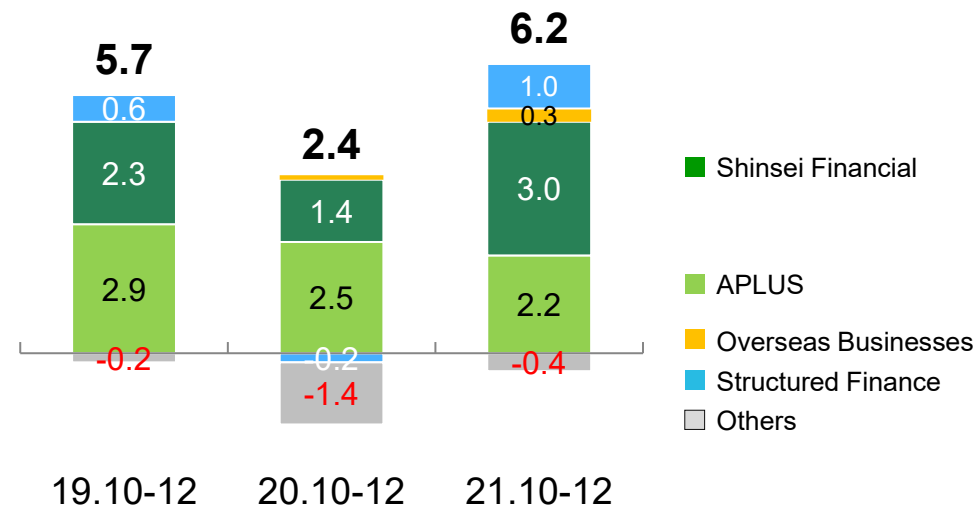
# Expenses, Net Credit Costs

(Unit : JPY billion)

Expenses by Segment



Net Credit Costs by Segment





## Segment:

# P&L and Operating Assets Balance

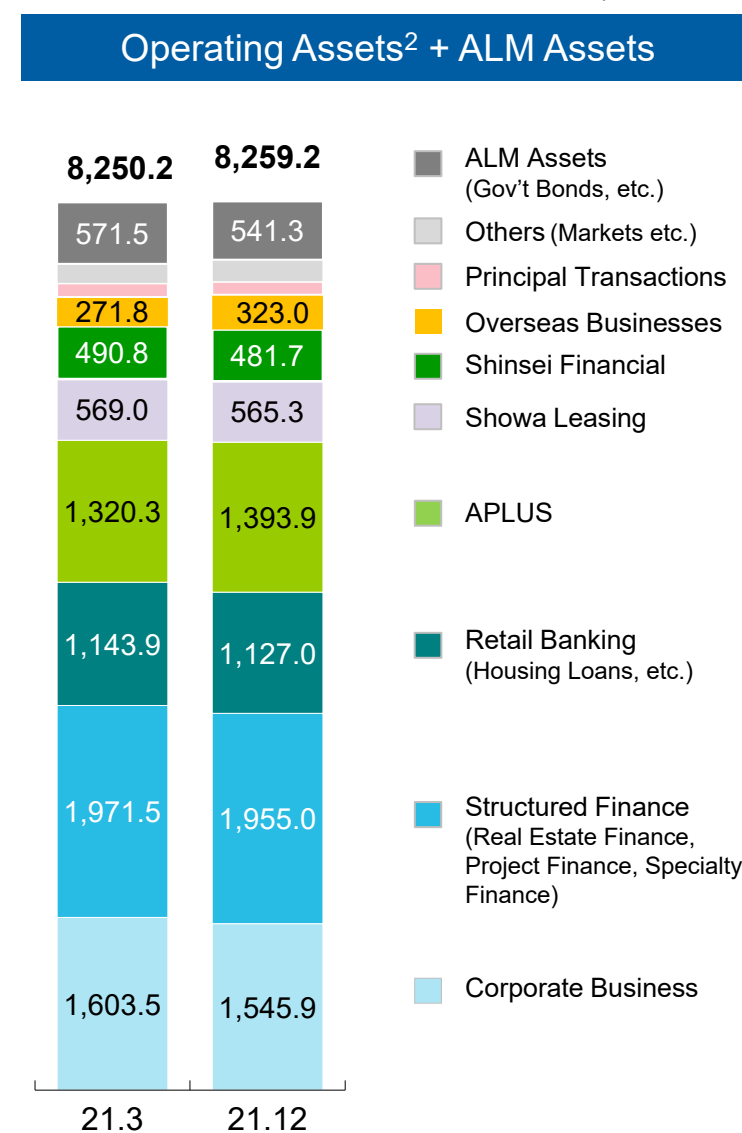
(Unit: JPY billion)

Segment	21.4-12		
	Amounts (OBP after net credit costs)	Weight	ROA <sup>3</sup> (Reference)
<b>Individual Business</b>	<b>26.6</b>	<b>67%</b>	<b>-</b>
Retail Banking	1.9	5%	0.2%
Shinsei Financial <sup>1</sup>	15.1	38%	4.1%
APLUS	7.3	18%	0.7%
Other Individuals	2.2	6%	9.7%
<b>Institutional Business</b>	<b>13.1</b>	<b>33%</b>	<b>-</b>
Corporate Business	1.1	3%	0.1%
Structured Finance	7.5	19%	0.5%
Principal Transactions	1.8	5%	1.9%
Showa Leasing	2.8	7%	0.7%
Markets	-0.0	-0%	n.m.
Other Global Markets	-0.1	-0%	n.m.
<b>Corporate/Other</b>	<b>0.0</b>	<b>0%</b>	<b>-</b>
Overseas Business	4.5	11%	2.0%
Treasury	-1.5	-4%	n.m.
Corporate/Other (excluding Treasury)	-2.9	-7%	n.m.
<b>Total (OBP after net credit costs)</b>	<b>39.9</b>	<b>100%</b>	<b>0.6%</b>

<sup>1</sup> Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus, etc.

<sup>2</sup> Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

<sup>3</sup> Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term



Segment:

# Quarterly P&L

(Unit : JPY billion)

Segment P&L (OBP after Net Credit Costs)	FY2019				FY2020				FY2021		
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
<b>Individual Business</b>	<b>6.4</b>	<b>6.6</b>	<b>8.5</b>	<b>2.2</b>	<b>8.2</b>	<b>9.8</b>	<b>10.0</b>	<b>4.6</b>	<b>8.2</b>	<b>8.3</b>	<b>10.1</b>
Retail Banking	0.3	0.1	0.1	-0.3	0.3	0.9	0.9	1.3	0.5	0.7	0.6
Shinsei Financial <sup>1</sup>	5.0	5.2	6.3	2.8	6.0	6.6	6.3	2.7	6.0	4.9	4.1
APLUS	1.1	1.3	2.1	-0.4	1.6	1.9	2.6	0.7	1.5	2.4	3.3
Other Individuals	-0.1	-0.1	-0.1	0.2	0.1	0.3	0.2	-0.2	0.0	0.1	2.0
<b>Institutional Business</b>	<b>7.1</b>	<b>6.6</b>	<b>10.8</b>	<b>0.0</b>	<b>-2.5</b>	<b>2.9</b>	<b>2.3</b>	<b>7.2</b>	<b>4.9</b>	<b>3.7</b>	<b>4.5</b>
Corporate Business	0.3	2.9	1.3	-0.6	-0.2	0.1	1.6	1.5	-0.0	0.7	0.4
Structured Finance	4.1	-0.8	3.2	-1.5	-1.2	0.6	3.0	0.5	2.6	3.1	1.7
Principal Transactions	-0.0	2.6	2.8	0.3	-0.8	0.7	-3.8	2.9	0.6	-0.2	1.5
Showa Leasing	1.2	0.6	0.8	0.0	0.3	0.9	0.6	0.9	0.8	1.1	0.8
Markets	1.2	1.1	2.2	1.6	-0.2	0.8	0.8	1.1	0.8	-1.0	0.1
Other Global Markets	0.0	0.1	0.4	0.2	-0.2	-0.2	-0.0	0.1	-0.0	-0.0	-0.1
<b>Corporate/Other</b>	<b>2.7</b>	<b>1.4</b>	<b>-0.8</b>	<b>-0.7</b>	<b>2.0</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-0.4</b>	<b>1.6</b>	<b>0.0</b>	<b>-1.6</b>
Overseas Businesses	/	/	/	/	0.4	0.5	0.5	2.0	1.8	1.5	1.1
Treasury	3.2	2.0	-0.5	-0.4	1.5	-1.2	-1.4	-2.6	-0.2	-0.3	-0.8
Corporate/Other (excluding Treasury)	-0.5	-0.5	-0.3	-0.2	0.0	0.2	0.7	0.1	0.0	-1.1	-1.9
<b>Total</b>	<b>16.3</b>	<b>14.8</b>	<b>18.5</b>	<b>1.5</b>	<b>7.8</b>	<b>12.2</b>	<b>12.3</b>	<b>11.4</b>	<b>14.8</b>	<b>12.0</b>	<b>13.0</b>

# Key Data

## Balance Sheet

(Unit: JPY billion)	18.3	19.3	20.3	21.3	21.12
Loans and bills discounted	4,895.9	4,986.8	5,110.4	5,233.6	5,211.8
Securities	1,123.5	1,130.2	957.0	929.7	909.8
Lease receivables/ leased investment assets	171.4	176.5	193.4	192.1	188.0
Installment receivables	558.8	562.2	670.7	839.5	918.9
Reserve for credit losses	-100.8	-98.0	-107.9	-112.8	-105.8
Deferred Tax Assets	14.7	15.0	16.9	9.9	10.4
<b>Total assets</b>	<b>9,456.6</b>	<b>9,571.1</b>	<b>10,226.5</b>	<b>10,740.1</b>	<b>10,556.2</b>
Deposits including negotiable certificates of deposits	6,067.0	5,922.1	6,305.1	6,571.3	6,400.1
Borrowed money	739.5	684.0	881.9	1,026.6	975.8
Corporate bonds	85.0	92.3	166.5	367.5	366.1
Grey zone reserves	74.6	63.0	49.3	39.0	32.4
<b>Total liabilities</b>	<b>8,600.6</b>	<b>8,674.5</b>	<b>9,316.0</b>	<b>9,809.4</b>	<b>9,610.1</b>
Shareholders' equity	862.5	899.5	919.2	935.3	960.4
<b>Total net assets</b>	<b>856.0</b>	<b>896.6</b>	<b>910.4</b>	<b>930.7</b>	<b>946.0</b>

## Financial Ratios

(Unit: %)	FY17	FY18	FY19	FY20	21.4-12
Expenses-to-revenue ratio	61.5	63.0	62.3	67.4	68.9
Loan-to-deposit ratio	80.7	84.2	81.1	79.6	81.4
ROA	0.5	0.5	0.5	0.4	0.5
ROE	6.1	6.0	5.1	4.9	5.3
NPL Ratio <sup>1</sup>	0.17	0.20	0.34	0.64	0.45

## Per Share Data

(Unit: JPY)	FY17	FY18	FY19	FY20	21.4-12
BPS	3,376.39	3,636.92	3,913.40	4,283.92	4,516.64
EPS	199.01	211.24	190.59	202.16	176.85

## Credit Ratings

	18.3	19.3	20.3	21.3	21.12
R&I	A-	A-	A-	A-	A-
JCR	BBB+	A-	A-	A-	A-
S&P	BBB+	BBB+	BBB+	BBB	BBB
Moody's	Baa2	Baa2	Baa1	Baa1	Baa1

<sup>1</sup> NPL ratio based on Financial Revitalization Law (Nonconsolidated)

# Appendix

# E (Environment)

E  
(Environment)

- 2021.06.18: Arranged Project Finance transaction for a Single Flash-Steam Geothermal Power Plant
- 2021.09.24: Green loan to large-scale commercial facility certified as the highest “S” rank in CASBEE®
- 2021.12.01: Syndicated green loan jointly with 9 banks to multiple solar power plants
- 2022.01.12: Green loan for the construction of an onshore wind power plant
- 2022.01.17: Finance through sustainable repo transaction received “Sustainable Innovation Award”

## Arranged Project Finance transaction for a Single Flash-Steam Geothermal Power Plant

Geothermal energy is regarded as an environmentally-friendly energy resource with one of the lowest range of life-cycle CO2 emissions among renewable energies, and it is promoted and expected to be more developed as a part of Japan’s Strategic Energy Plan that indicate further expansion of renewable energy, considering the stable and high capacity factor as a base-load power source and the potential of abundant geothermal resources untapped in Japan.

Flash-steam technology is a type of geothermal power generation system in which steam pumped from underground directly strikes the turbine to generate energy without heat exchange.

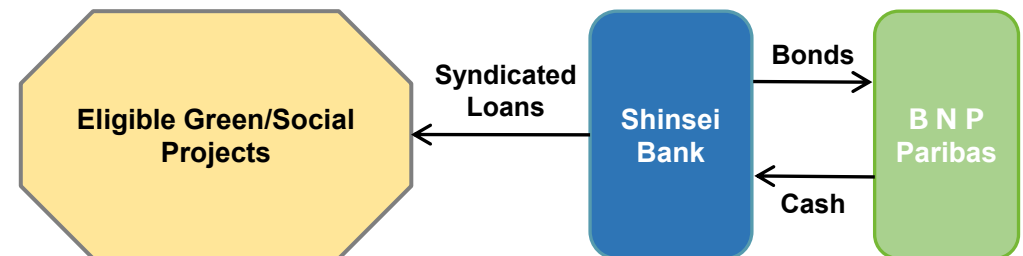


(Flow-tests for this project, September 2020)

## Finance through sustainable repo transaction received “Sustainable Innovation Award”

Shinsei Bank received the “Sustainable Innovation Award” of the 2021 Sustainable Finance Awards selected by Research Institute for Environmental Finance.

Regarding the financing through the Sustainable Repurchase Transaction conducted in December 2021, Shinsei Bank has been awarded the Sustainable Innovation Award for its novelty in applying repo transactions in which financial institutions' bond holdings are exchanged for cash for a certain period of time for sustainable finance.



## ESG + DX : S (Society)

### Providing housing loans to the same gender partners

Shinsei Bank started to accept housing loan applications which enable customers with same-sex partners to create an environment in which all customers can use the housing loan services so that SDGs' goal of "No one will be left behind" can be achieved.

This initiative allows the same-sex partners to be joint income obligors, joint loan borrowers and provision of collateral by submitting the additional documents together with the documents required for housing loan application.

### S (Society)

- 2021.04.30: Formulated "Action Plan Based on the Next-Generation Law"
- 2021.06.08: Business partnership with Shoko Chukin Bank, providing sustainable medical/nursing care/welfare services to realize healthy long-life society
- 2021.06.25: Providing housing loans to the same gender partners
- 2021.07.16: Launch of FinTech driven new auto loan for foreigners who reside in Japan
- 2021.10.01: Shinsei Bank Group subsidiary advised World Kaihatsu Kogyo Co., Ltd. in transferring its shares to AKTIO Corporation

### Launch of FinTech driven new auto loan for foreigners who reside in Japan

APLUS and Global Mobility Service (GMS), a financial inclusion FinTech venture company which provides a variety of finance services to about 1.7 billion substandard classes who cannot own cars by using IoT technologies, deploying a new auto loan for foreign people who work diligently across Japan.

There is a social issue which does not allow many foreign residents in Japan to use auto loan service as they need additional requirements , such as holding a right of permanent residence and a guarantor who can speak Japanese. APLUS and GMS developed and provide a new auto loan to a car which has MCCS, a remote controlling equipment to start car engine safely by using GMS FinTech service.

# ESG + DX :

## G (Governance)



### Signatory to the Principles for Responsible Banking

The Shinsei Bank Group has become a signatory to the Principles for Responsible Banking (PRB) launched by the United Nations Environment Programme Finance Initiative (hereinafter “UNEP”).

The PRB is a framework for establishing strategies and targets that are consistent with social objectives such as the Sustainable Development Goals (SDGs) and the Paris Agreement, for expanding positive impacts through business activities, reducing and avoiding negative impacts, and for transparently disclosing the content of such strategies and targets, based on the recognition that it is the responsibility of financial intermediaries for the sustainable prosperity of societies and people.

### G (Governance)

- 2021.04.01: Declaration of Cyber Security Management of the Shinsei Bank Group
- 2021.04.20: Signatory to the Principles for Responsible Banking
- 2021.07.01: Establishment of Responsible Investment and Lending Policy
- 2021.11.01: Revision and Publication of Group Sustainability Management Policy and Group Human Rights Policy
- 2021.11.29: Signing of the “Japan Impact-driven Financing Initiative”

### Signing of the “Japan Impact-driven Financing Initiative”

“Japan Impact-driven Financing Initiative” is an initiative to promote impact investment through cooperation and collaboration between diverse and multiple financial institutions that believe that the purpose of financial institutions is to actively address social and environmental issues, holistically understanding impact.

# ESG + DX :

## DX (Digital Transformation)

USEN-NEXT  
FINANCIAL  
USEN-NEXT GROUP



### USEN-NEXT Financial begins to provide "USEN-NEXT Data Lending" to USEN-NEXT GROUP's Customers

USEN-NEXT Financial which is a financial services company, jointly invested with Shinsei Bank and USEN-NEXT HOLDINGS begins to provide "USEN-NEXT Data Lending" business loans to customers of USEN NEXT GROUP in collaboration with APLUS. This service is not a credit screening which depends solely on conventional financial statements, such as financial result reports and tax return documents, it also utilizes data from POS register system, accounting software and bank account transaction information. This is a transaction data lending service based on the sales information of customers especially using the tablet-type POS register system, "U Regi", which is provided by USEN-NEXT GROUP.

### Launch of Credit Guarantee Service to Famima Digital One Co., Ltd. as a part of its Loan Service, "FamiPay Loan"

Shinsei Financial began providing credit guarantee service in relation to "FamiPay Loan", a new loan service provided by Famima Digital One.

"FamiPay Loan" is provided as a part of "FamiPay", a smartphone app. It is a new service for "FamiPay Settlement", a smartphone settlement service provided by Famima Digital One. This is a loan service that completes the whole process from loan application to usage within the app.

必要な時に必要な分だけ

ファミペイローン



DX  
(Digital  
Transformation)

- 2021.08.10: Newly launched postpaid function for installment payment in BANKIT®
- 2021.08.31: USEN-NEXT Financial begins to provide "USEN-NEXT Data Lending" to USEN-NEXT GROUP's Customers
- 2021.10.08: Launched retail media development support services in cooperation with Adlnte Co., Ltd.
- 2021.12.10: Provision of MINI APP Functions in the Neobank Platform BANKIT®
- 2021.12.13: Launch of Credit Guarantee Service to Famima Digital One Co., Ltd. as a part of its Loan Service, "FamiPay Loan"



# Disclaimer

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- The preceding description of Shinsei Bank Group's Medium-Term Strategies contains forward-looking statements regarding the intent, belief and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.
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