

Business and Financial Highlights

First Quarter Ended June 30, 2021

July 2021

Agenda

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Highlights

Financial Highlights:

29% progression toward FY21 forecast is tracking well

Net Income¹

11.6bn

YoY **↑ +97%**

EPS

53.88yen

YoY **↑ +110%**

BPS

4,321.33yen

YoY **↑ +10%**

Progress Toward
FY21 Forecast

29%

Profit² Contribution
from Nonbank
Businesses

68%

CET1 Ratio

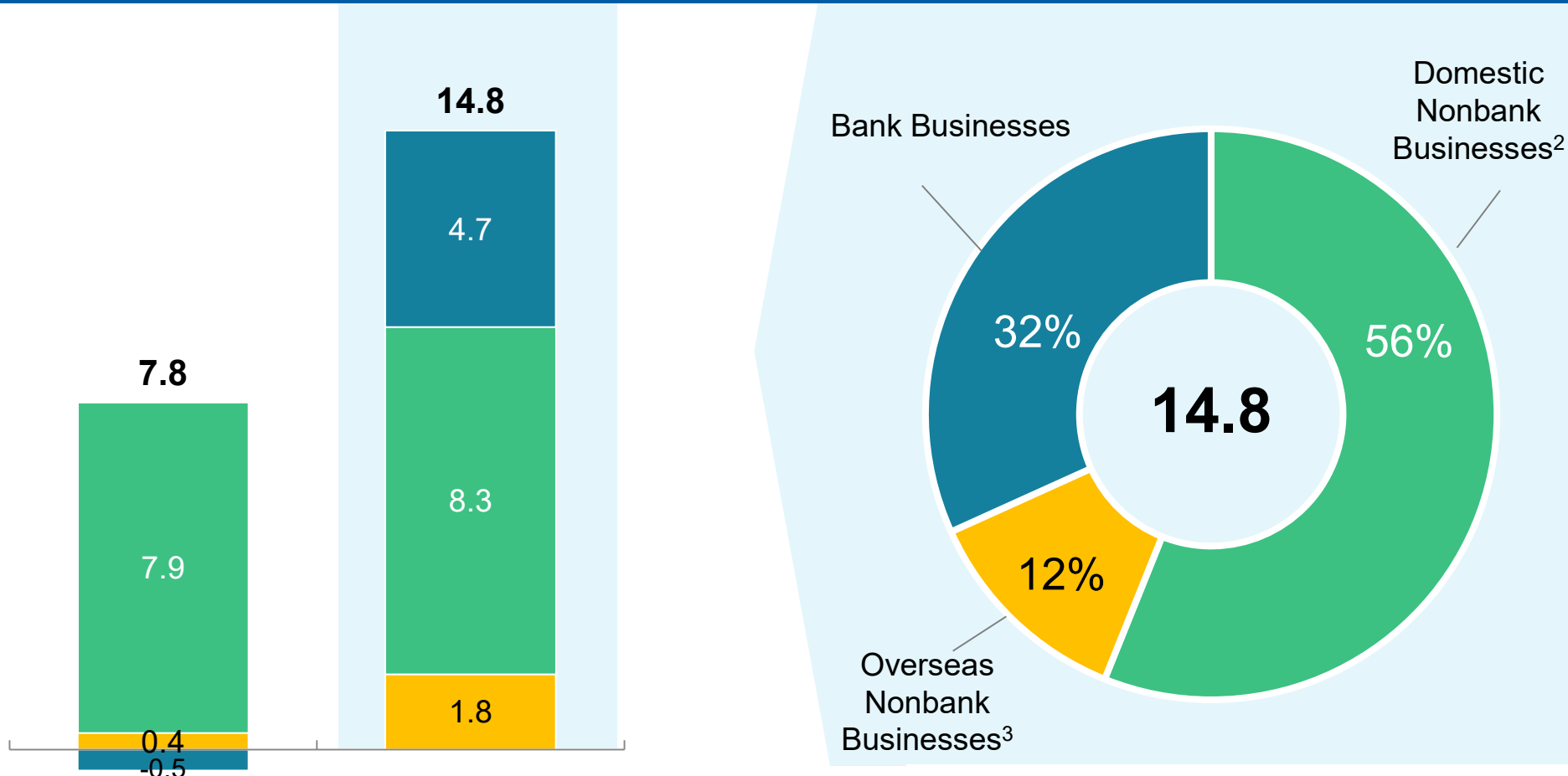
11.7%

Profit¹ contribution from stable nonbank businesses continue to improve

(Unit : JPY billion)

- Bank businesses recovered from the impact of COVID-19 infection last fiscal year
- Overseas nonbank businesses mainly includes UDC Finance profits

OBP after Net Credit Costs



¹ OBP after Net Credit Costs

² Shinsei Financial, APLUS FINANCIAL, Showa Leasing

³ Profit and loss on UDC finance is accounted from 4QFY2020

Total Payout Ratio:

Total payout ratio to stand at maximum 50%

Total Payout Ratio

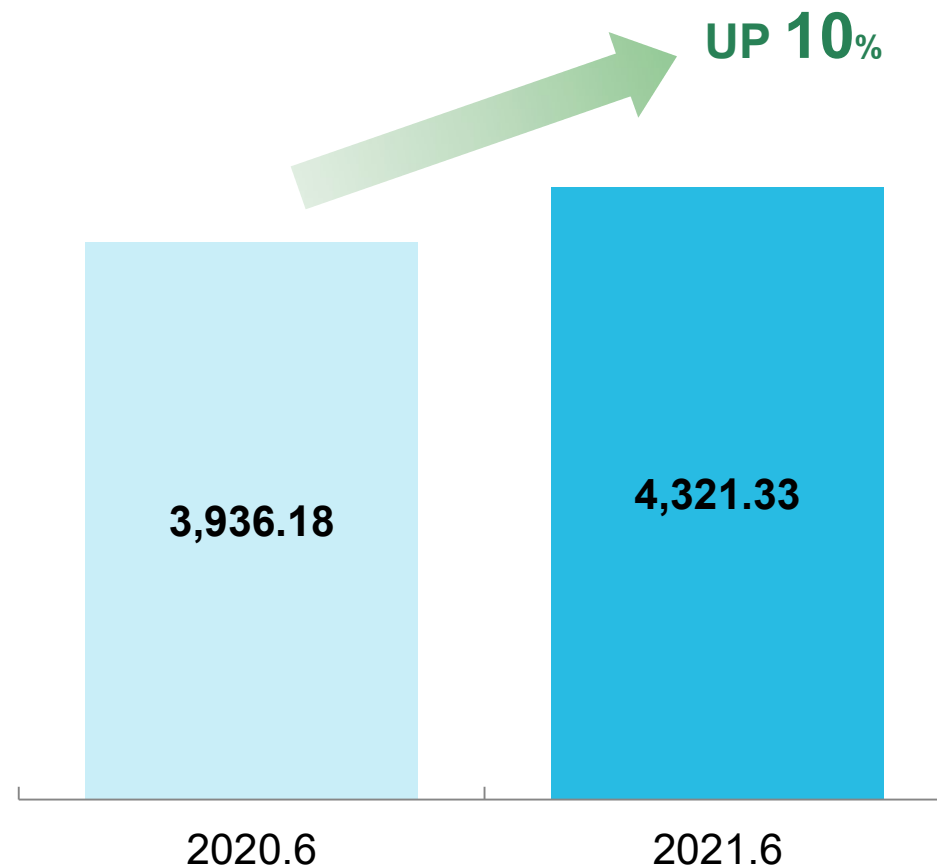
(Unit : JPY billion)



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

Book Value per Share (BPS)

(Unit : JPY)



¹ Based on buyback executed and dividend payments

² Based on buyback planned and dividend payments

Initiatives for business expansion

Project Finance

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

Shinsei Bank

Health Care Finance

Business partnership with Shoko Chukin Bank

Providing sustainable medical/nursing care/welfare services to realize healthy long-life society

Shinsei Bank

Auto Loan

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

APLUS FINANCIAL

Housing Loan

Providing housing loans to the same gender partners

Shinsei Bank

Financial Update

Financial Summary:

1QFY2021 Net Income at JPY 11.6 billion, progression of 29%

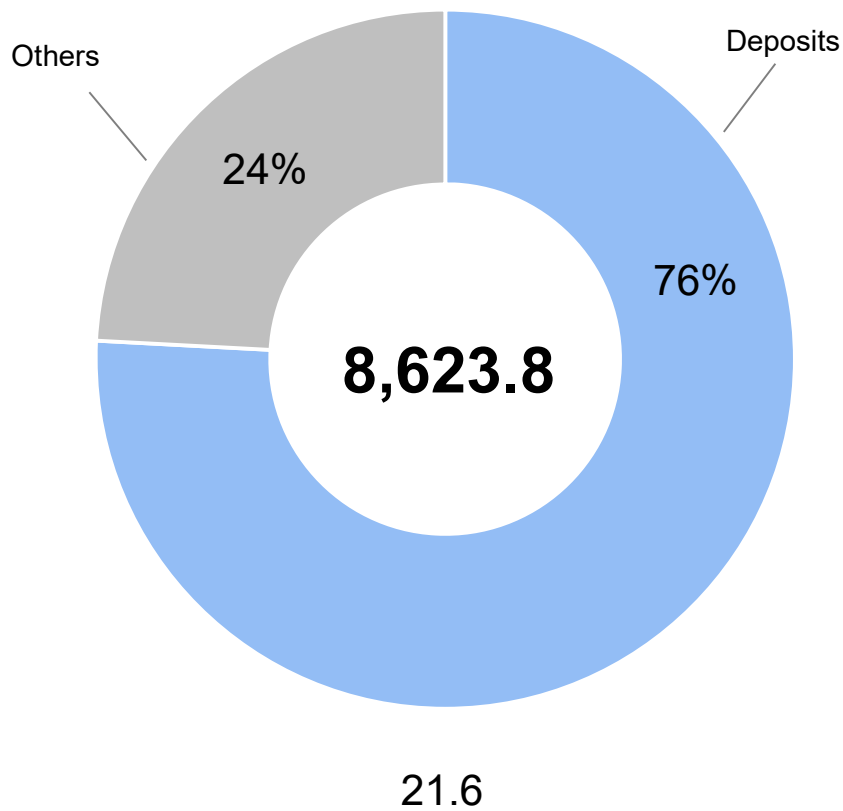
(Unit : JPY billion)

	20.4-6 (Actual)	21.4-6 (Actual)			FY2021 (Plan)	1Q Summary (YoY)
[Consolidated]			YoY	Progress vs Plan		
Total Revenue	54.7	56.0	+2%	23%	244.0	
Net Interest Income	31.5	30.7	-3%			Decrease in unsecured loan balances
Noninterest Income	23.1	25.3	+10%			Increase in income related to derivatives, leased assets, and installment receivables
Expenses	-35.8	-38.1	-6%	24%	-156.5	Resumed business activities and consolidation of UDC
Ordinary Business Profit (OBP)	18.8	17.9	-5%	20%	87.5	
Net Credit Costs	-11.0	-3.1	+72%	9%	-35.0	Absence of credit costs related to COVID-19
OBP after Net Credit Costs	7.8	14.8	+90%	28%	52.5	
Others	-1.8	-3.2	-78%	26%	-12.5	
Income Taxes etc.,	-1.3	-2.8	-115%			
Net Income	5.9	11.6	+97%	29%	40.0	

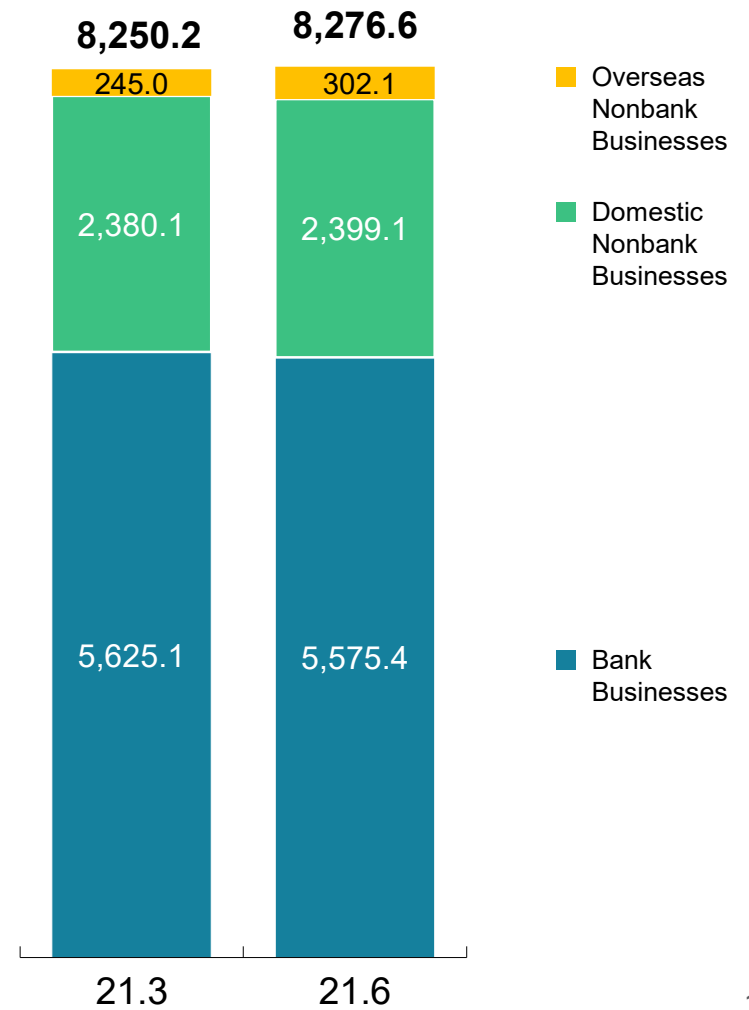
Stable funding through bank deposits

(Unit : JPY billion)

Funding Composition

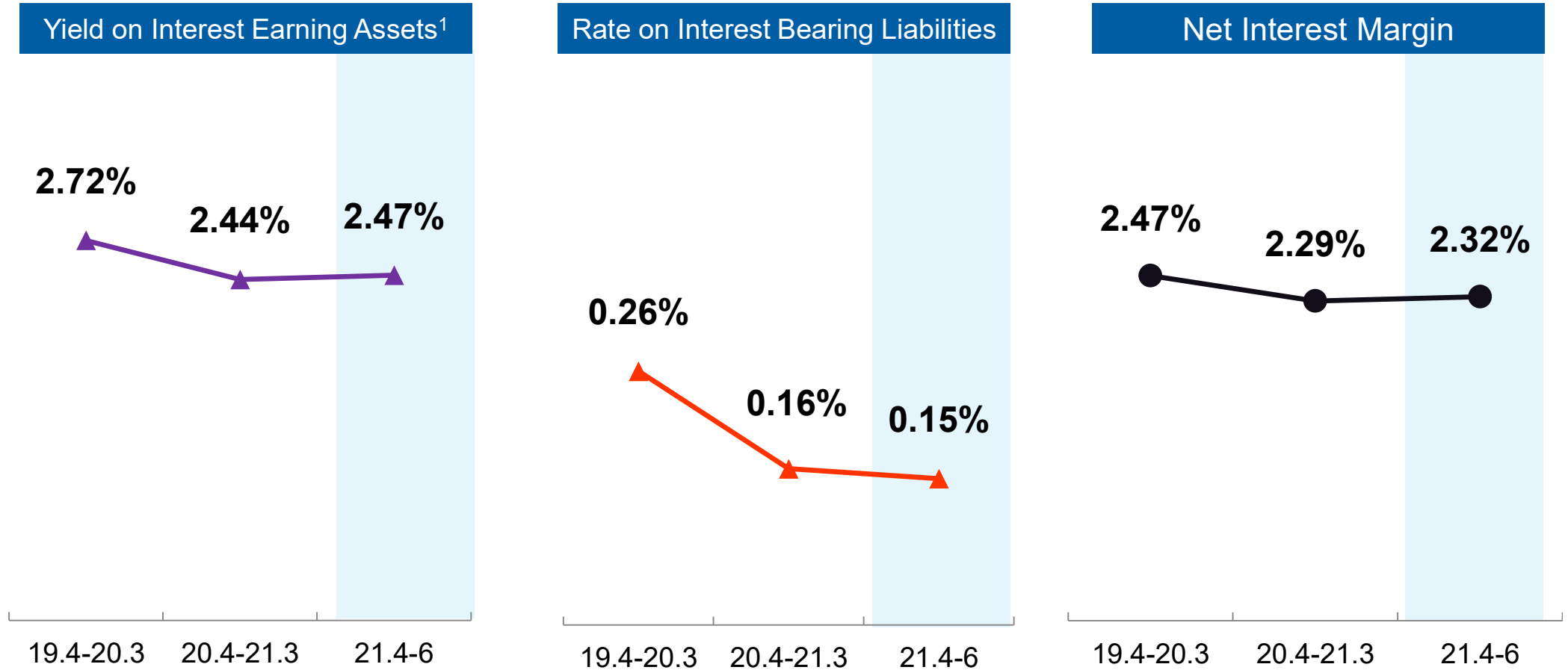


Operating Assets



Net Interest Margin:

NIM improvement reflects higher income on leased assets and installment receivables

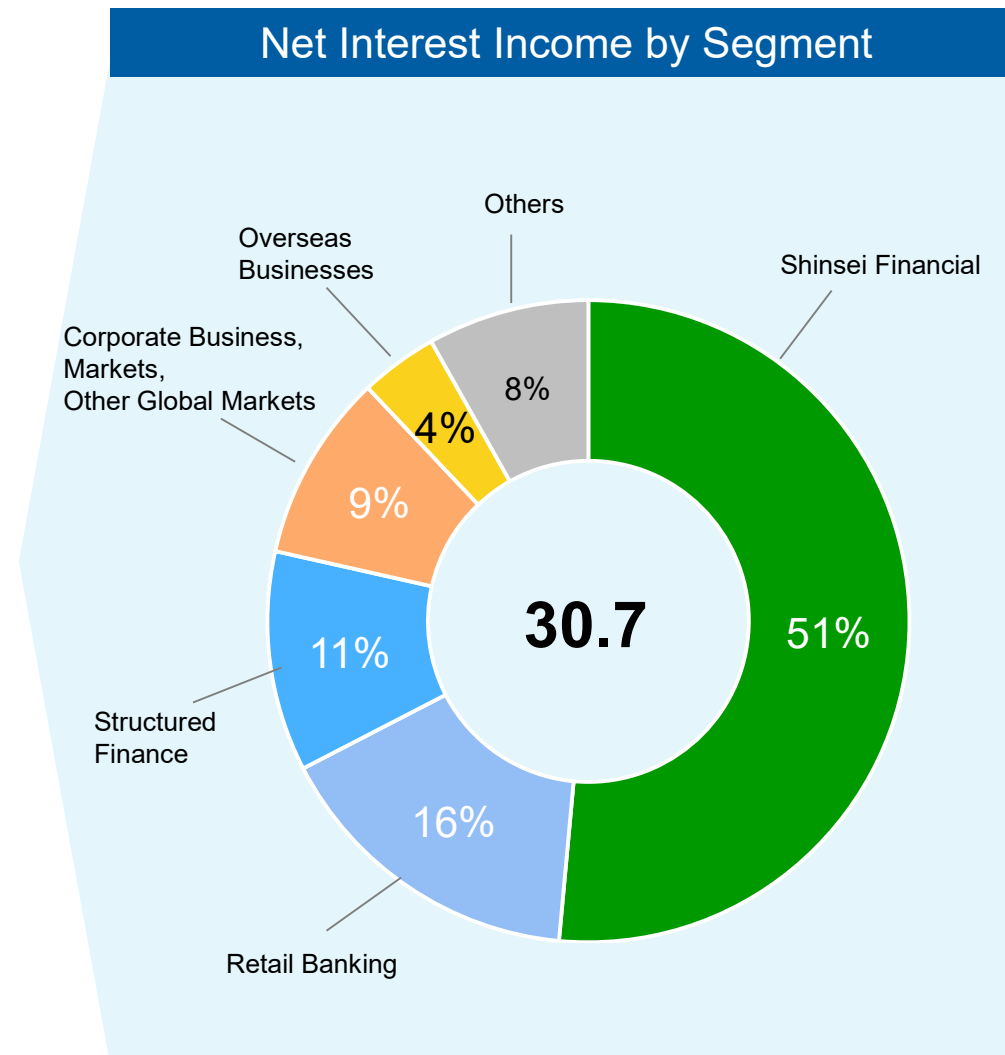
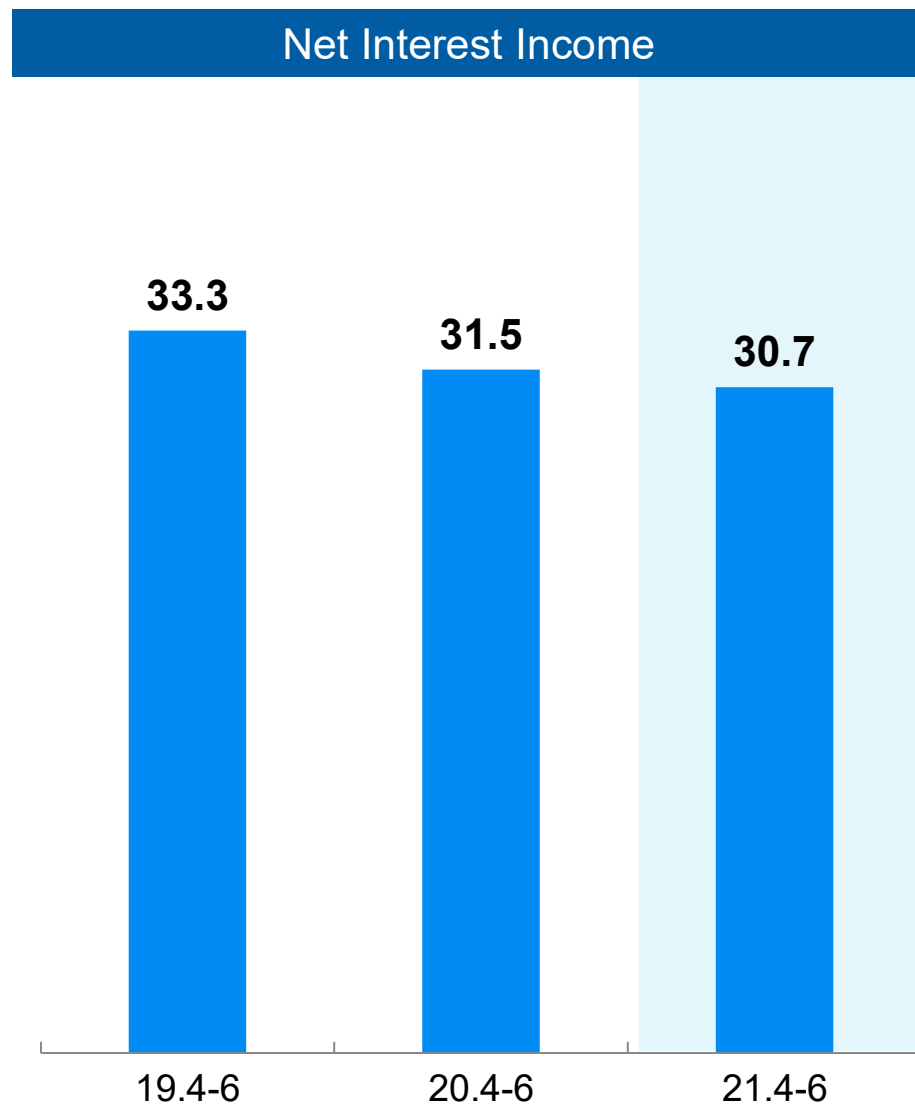


¹ Includes income on leased assets and installment receivables

Net Interest Income:

Decrease is largely due to lower unsecured loan balance

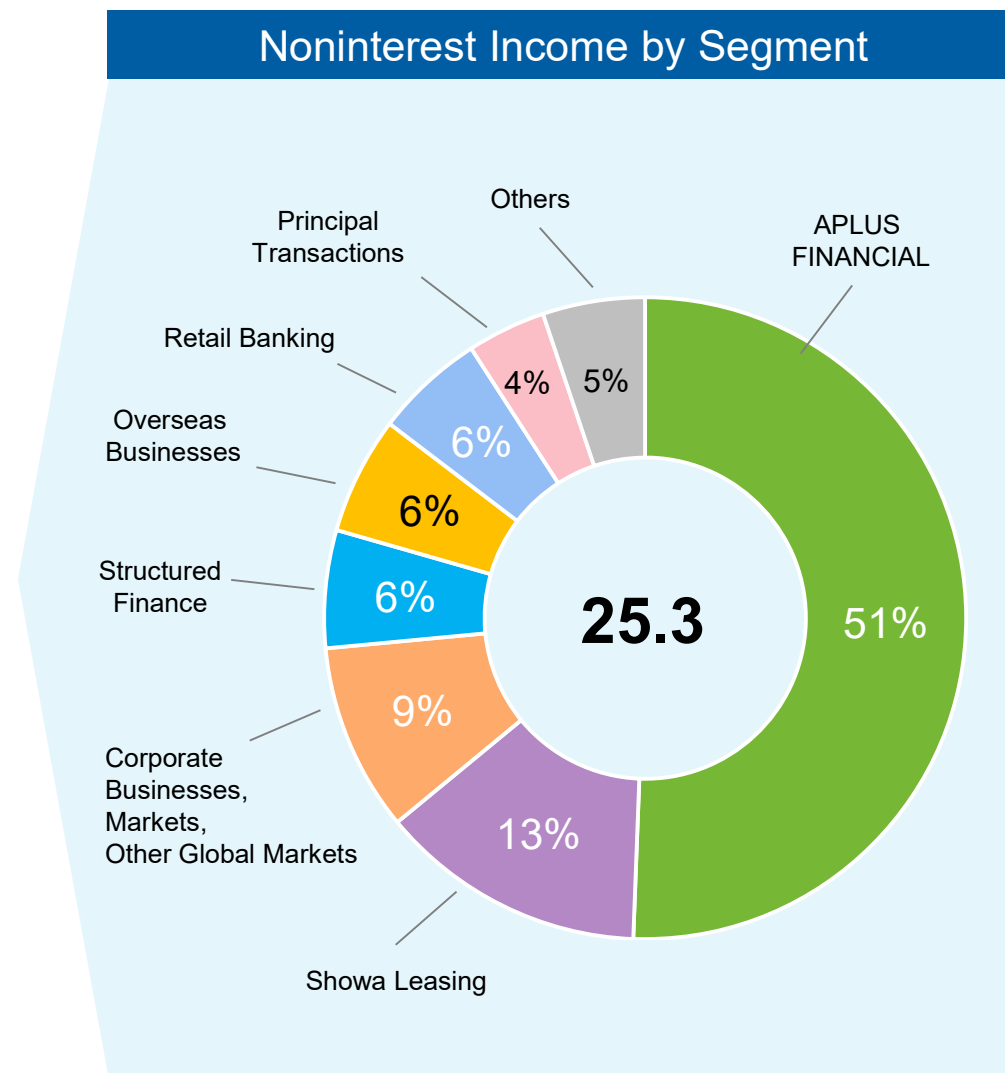
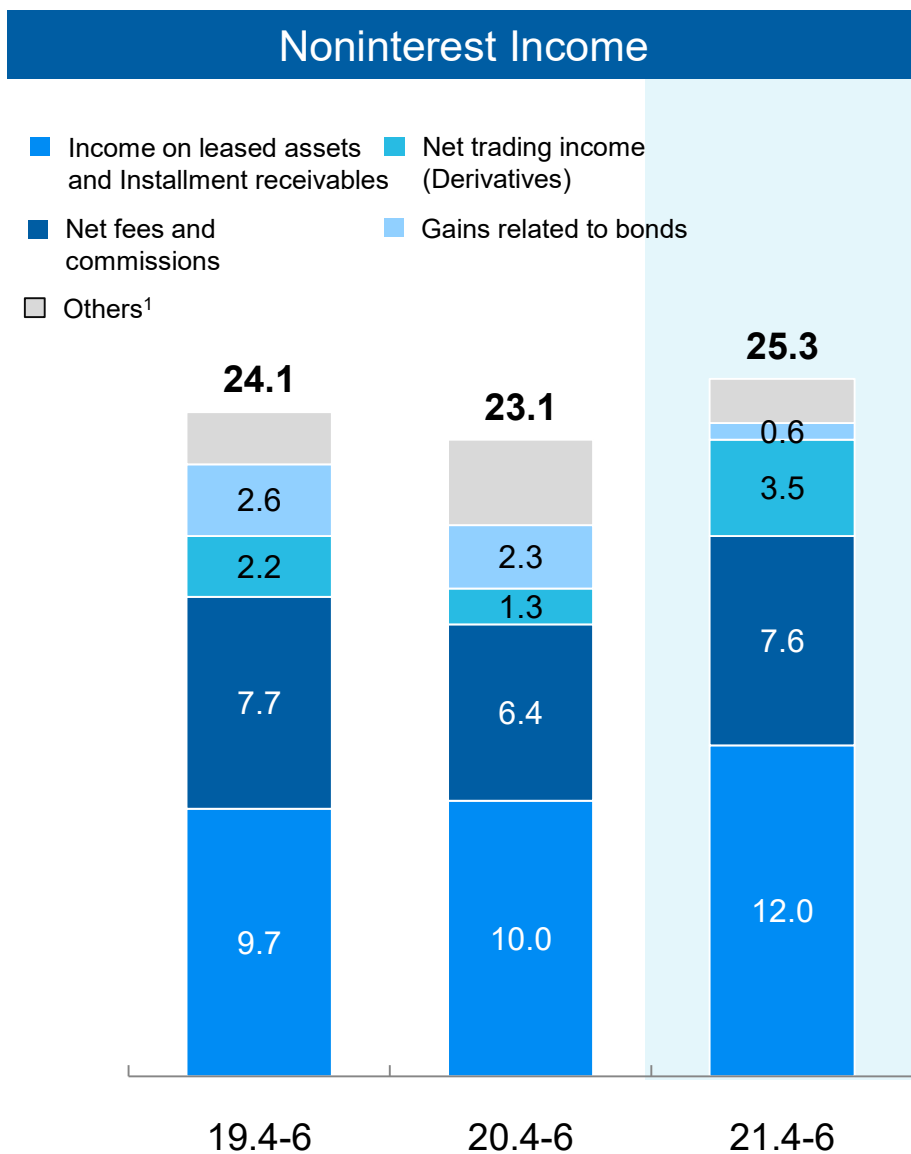
(Unit : JPY billion)



Noninterest Income:

Increase reflects higher income related to leased assets and installment receivables as well as derivatives

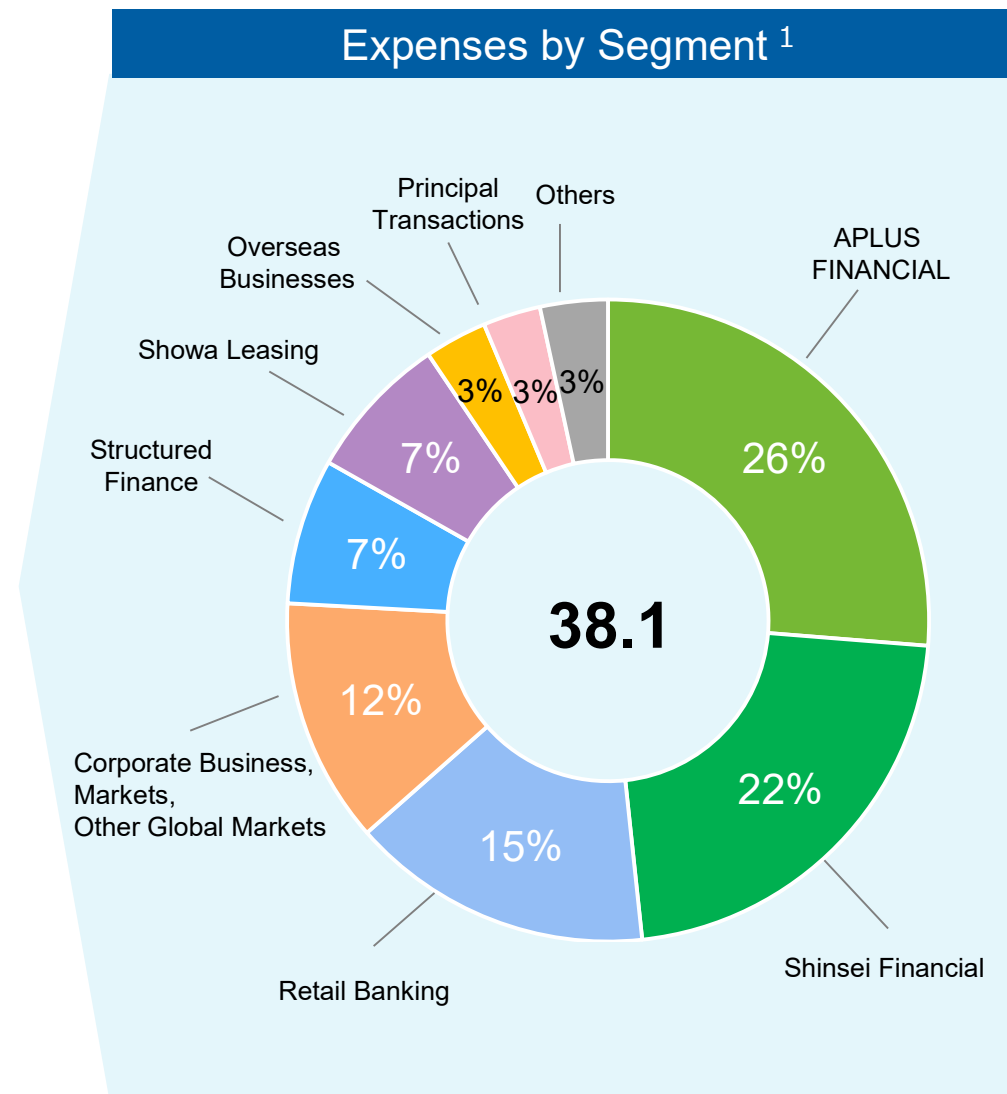
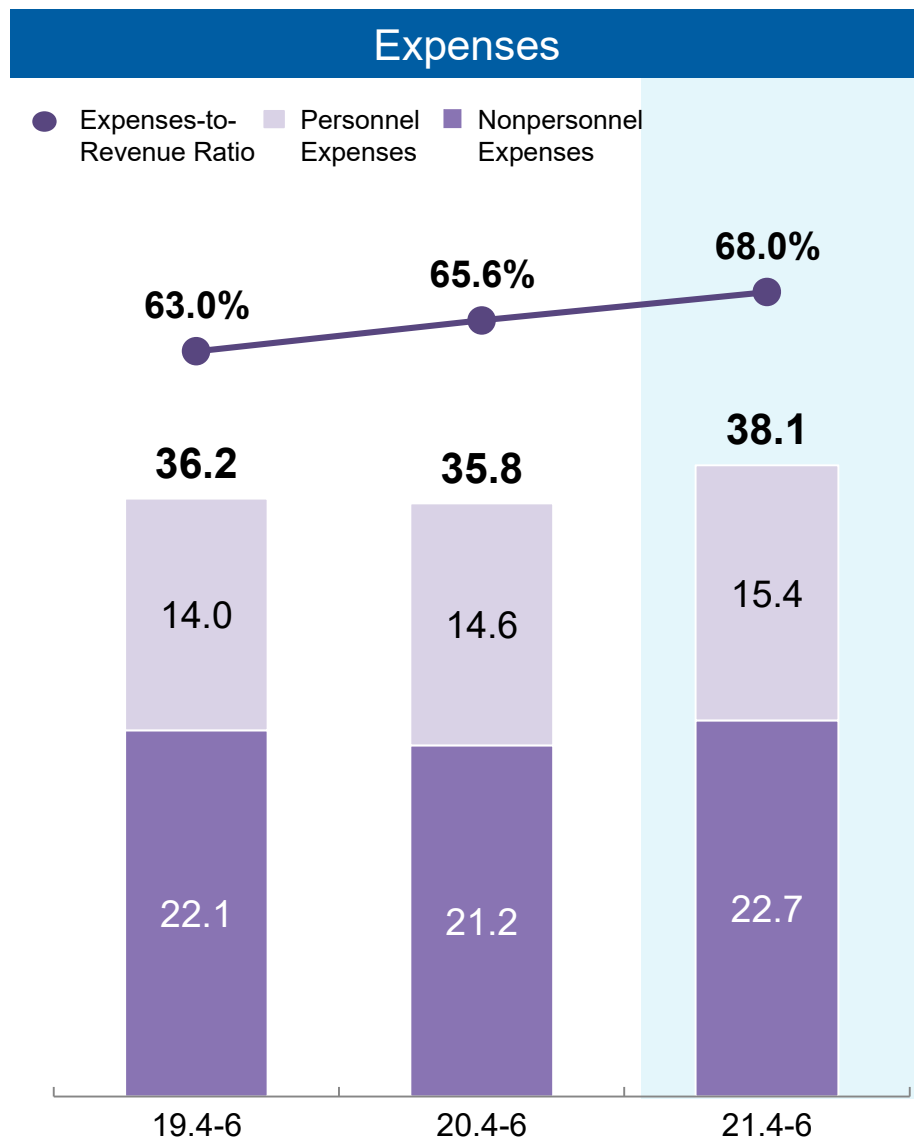
(Unit : JPY billion)



Expenses:

Increase mainly reflects resumed business activities and consolidation of UDC

(Unit : JPY billion)



¹ Retail Banking fund raising related expense allocation methodology has been updated. 20.4-21.3 periods have been adjusted to conform to current period.

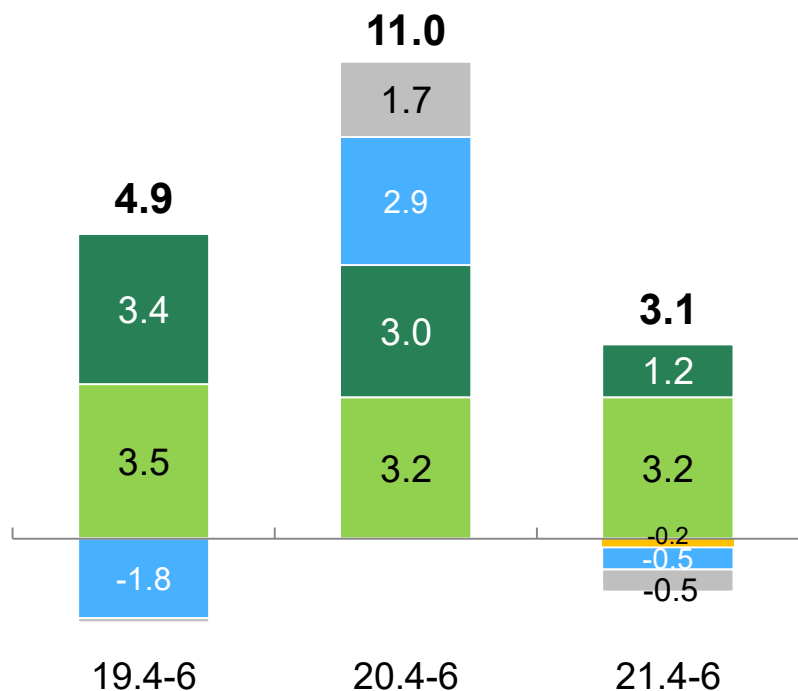
Net Credit Costs:

Decrease reflects an absence of credit costs related to COVID-19 in Institutional Businesses and improved credit quality in unsecured loans

- Net credit costs ratio for unsecured loan declined due to improved credit quality

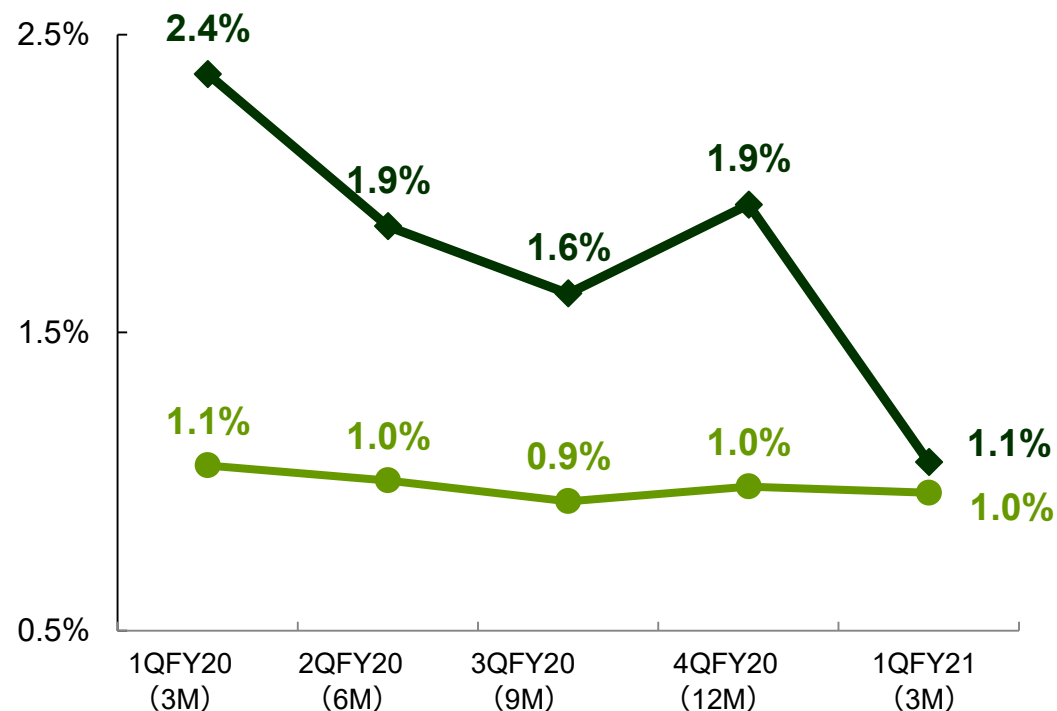
Net Credit Costs

- Shinsei Financial (Unit: JPY billion)
- APLUS FINANCIAL
- Overseas Businesses
- Structured Finance
- Others (Corporate Business, Showa Leasing, Global Markets, Retail Banking etc.)



Net Credit Costs Ratio¹: Consumer Finance

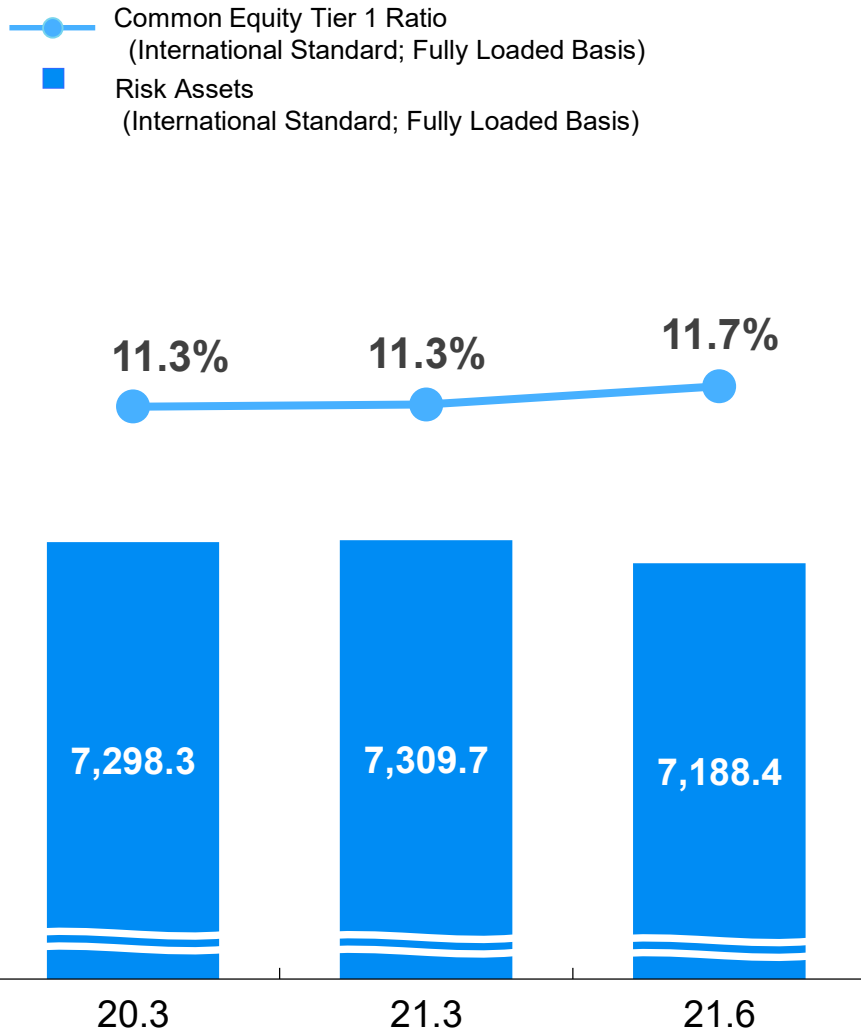
- Shinsei Financial
- APLUS FINANCIAL



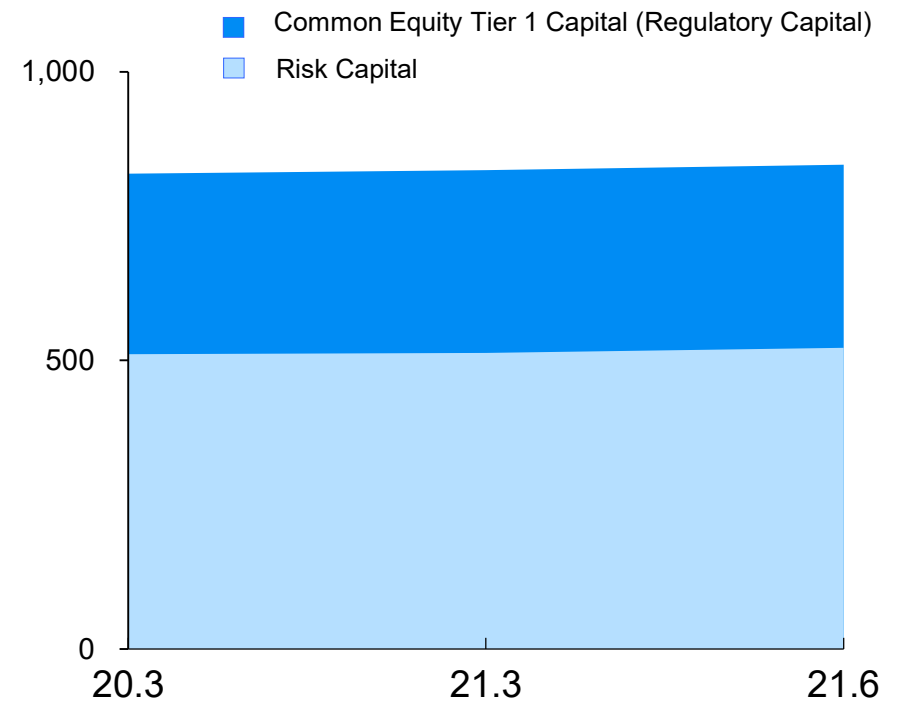
¹ Net Credit Costs Ratio = Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances

CET1 ratio remains stable

(Unit: JPY billion)



	20.3	21.3	21.6
Common Equity Tier 1 Capital (International Standard; Fully Loaded Basis)	823.4	829.3	838.7
Risk Capital	510.2	512.7	522.0



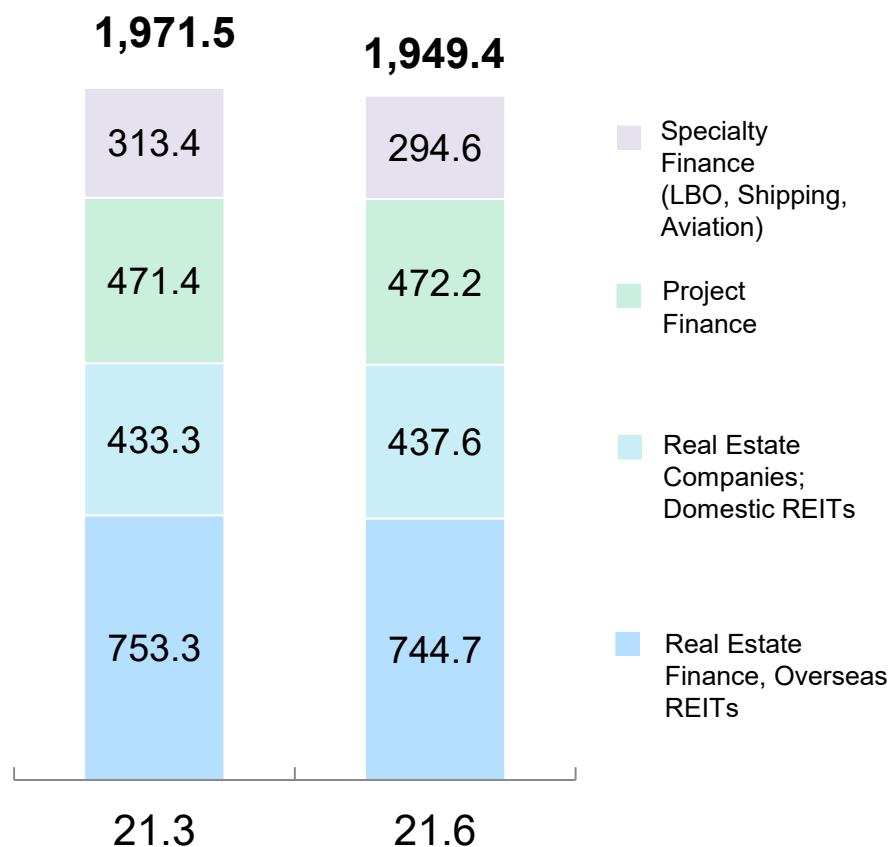
Business Update

Structured Finance: OBP after net credit costs improved due to lower net credit costs

(Unit : JPY billion)

- Operating assets balance for aviation finance was approx. JPY 33.0 billion (June 30, 2021)

Operating Asset Balance



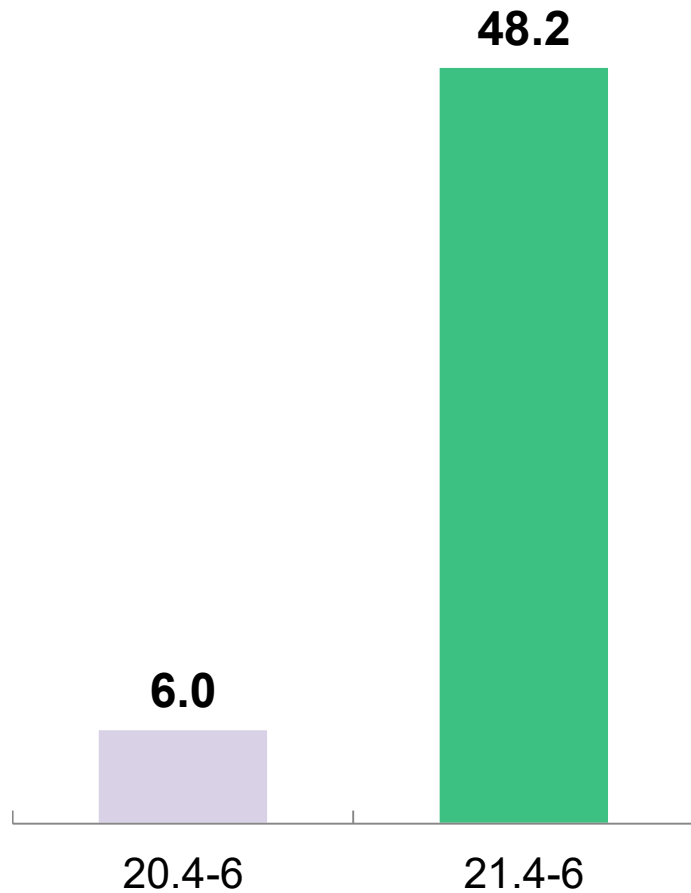
Structured Finance	20.4-6	21.4-6
Net Interest Income	3.1	3.4
Noninterest Income	1.2	1.5
Total Revenue	4.3	4.9
Expenses	-2.6	-2.8
Ordinary Business Profit (OBP)	1.7	2.1
Net Credit Costs	-2.9	0.5
OBP after Net Credit Costs	-1.2	2.6

New commitments continue to improve through diversifying renewable energy projects

Project Finance New Commitments

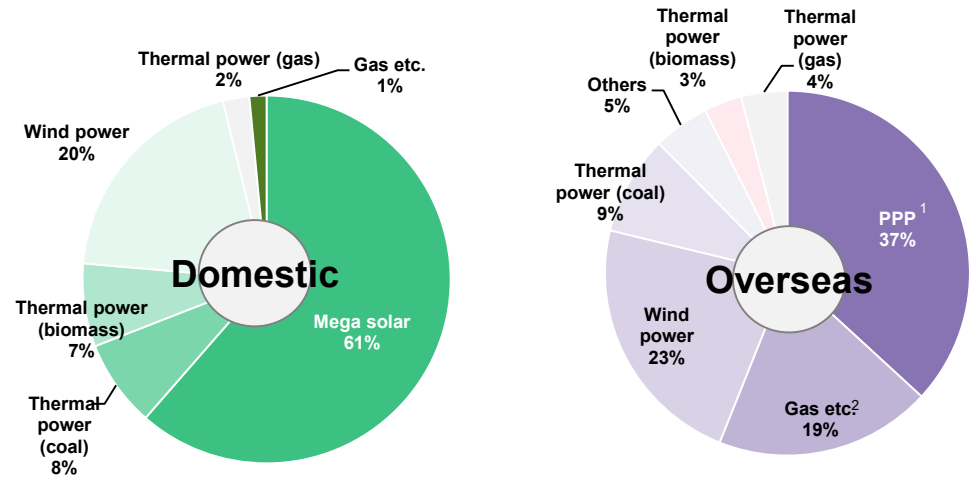
(Unit: JPY billion)

- Overseas
- Domestic



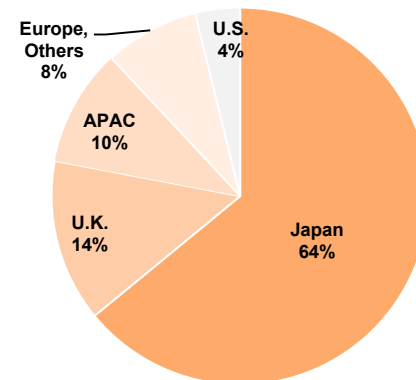
Portfolio (as of June 30, 2021)

【Balance: project type, includes commitment basis】



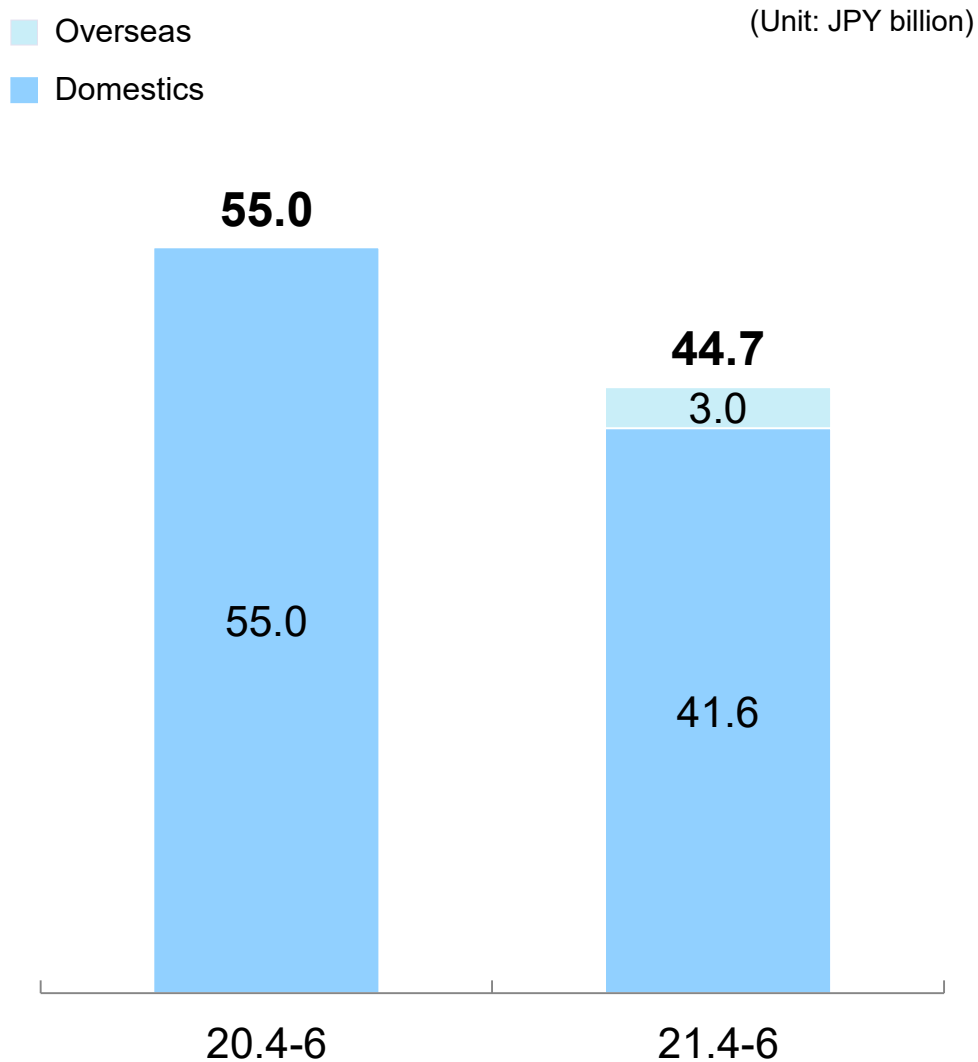
¹ Public Private Partnership
² Finance to LNG related facilities and receiving terminal etc.

【Balance: regions, includes commitment basis】



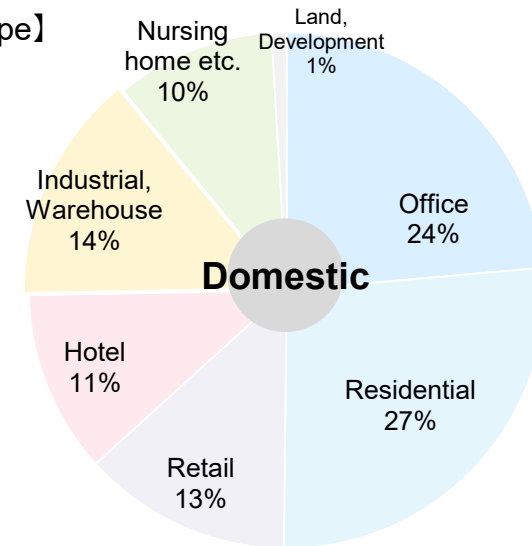
Real Estate Nonrecourse Finance: While new disbursement decreased, business momentum remains stable

Real Estate Nonrecourse Finance New Disbursements

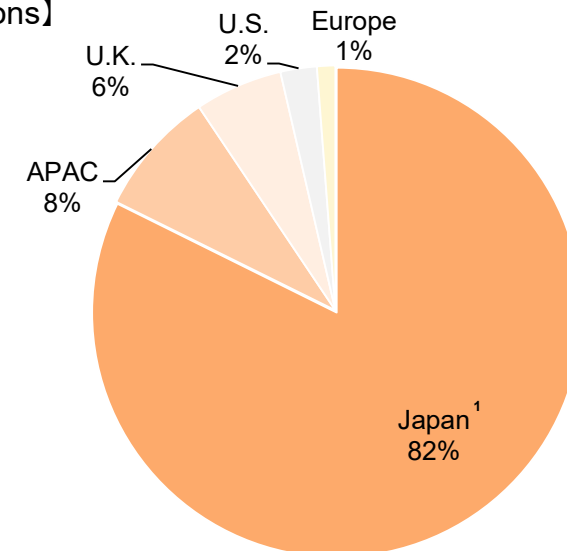


Portfolio (as of June 30, 2021)

【Balance: asset type】



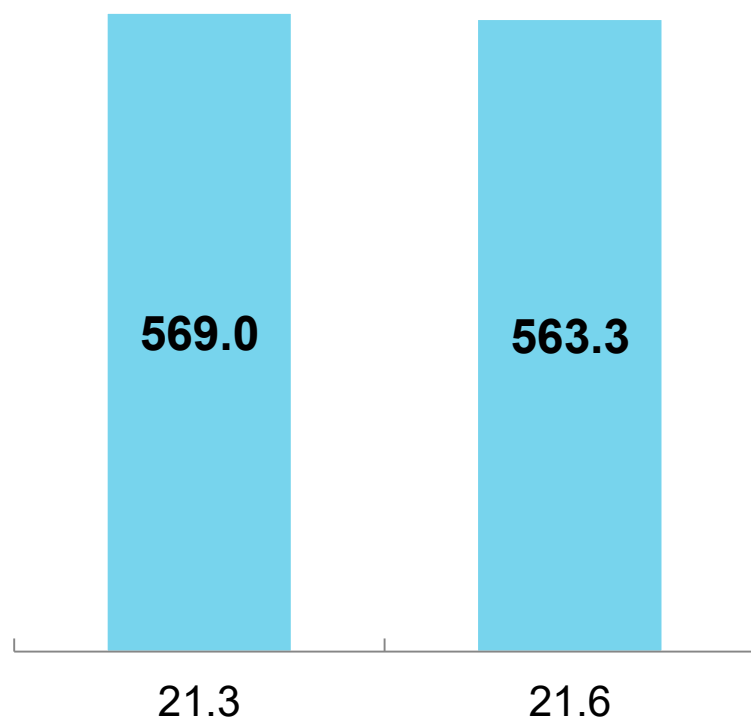
【Balance: regions】



OBP after net credit costs increased due to lower net credit costs

(Unit : JPY billion)

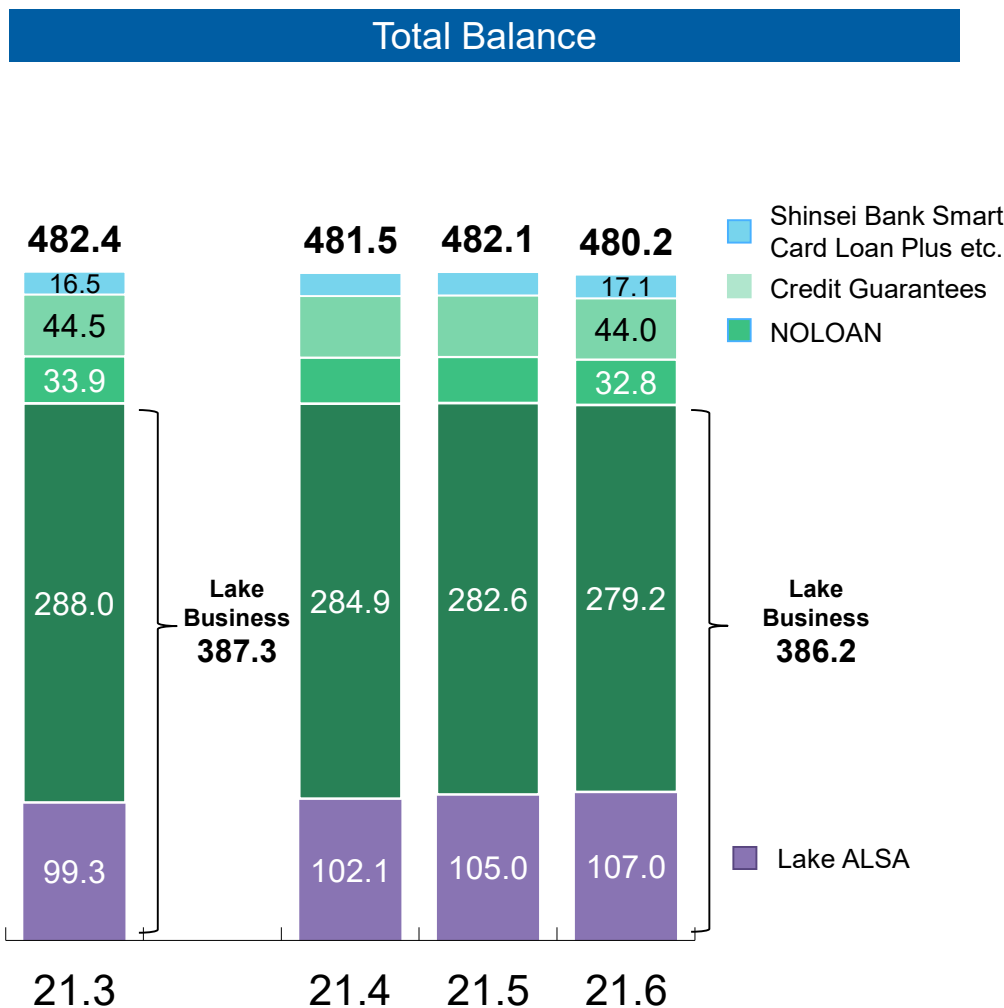
Operating Assets Balance



Showa Leasing	20.4-6	21.4-6
Net Interest Income	0.0	0.0
Noninterest Income	3.8	3.4
Total Revenue	3.8	3.5
Expenses	-2.8	-2.8
Ordinary Business Profit (OBP)	1.0	0.6
Net Credit Costs	-0.6	0.1
OBP after Net Credit Costs	0.3	0.8

Unsecured Loan: Decline in net interest income offset by lower net credit costs

(Unit : JPY billion)

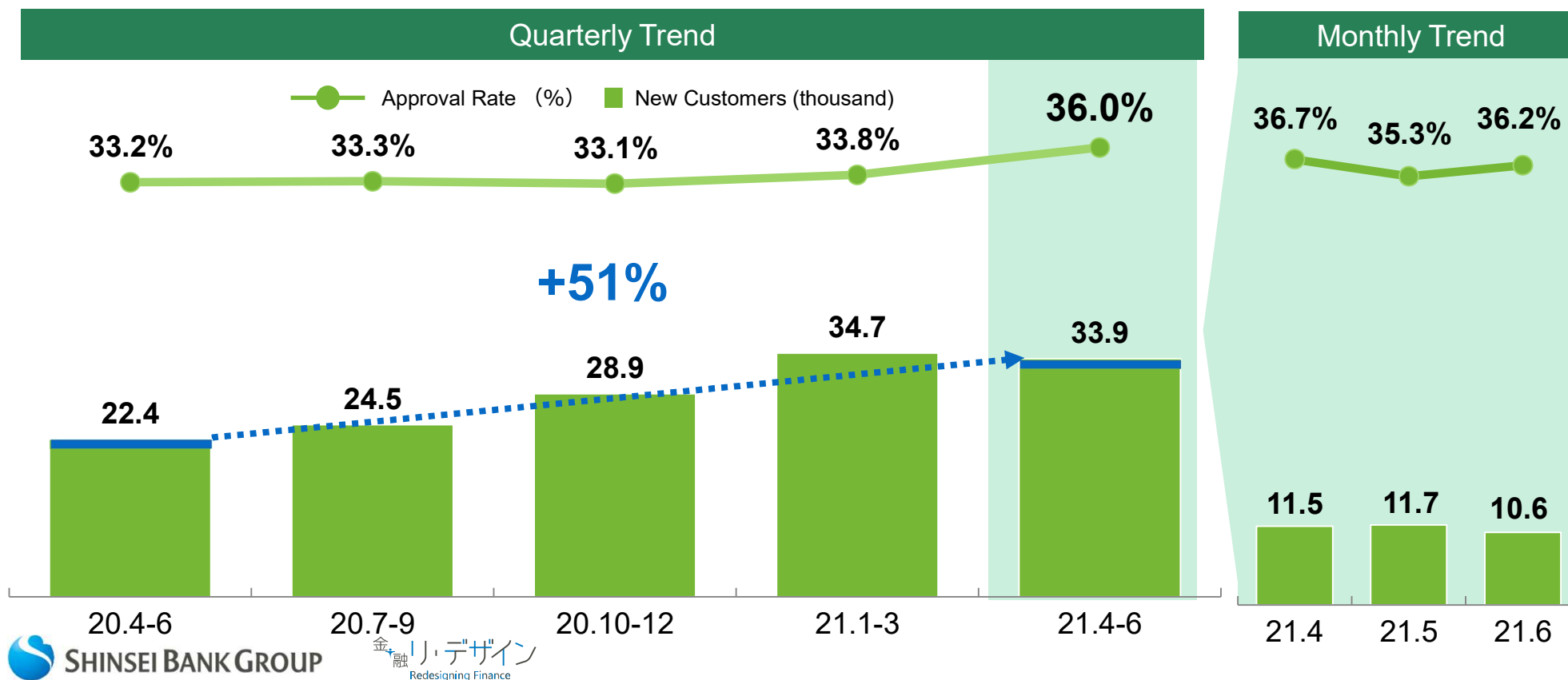


	20.4-6	21.4-6
Shinsei Financial ¹	20.4-6	21.4-6
Net Interest Income	17.1	15.8
of which, Lake Businesses	15.7	14.7
Noninterest Income	0.0	-0.0
Total Revenue	17.1	15.8
Expenses	-8.1	-8.4
Ordinary Business Profit (OBP)	9.0	7.3
Net Credit Costs	-3.0	-1.2
OBP after Net Credit Costs	6.0	6.0

¹ Includes profits and losses of Shinsei Financial, Shinsei Bank Card Loan L, and Shinsei Bank Smart Card Loan Plus etc.

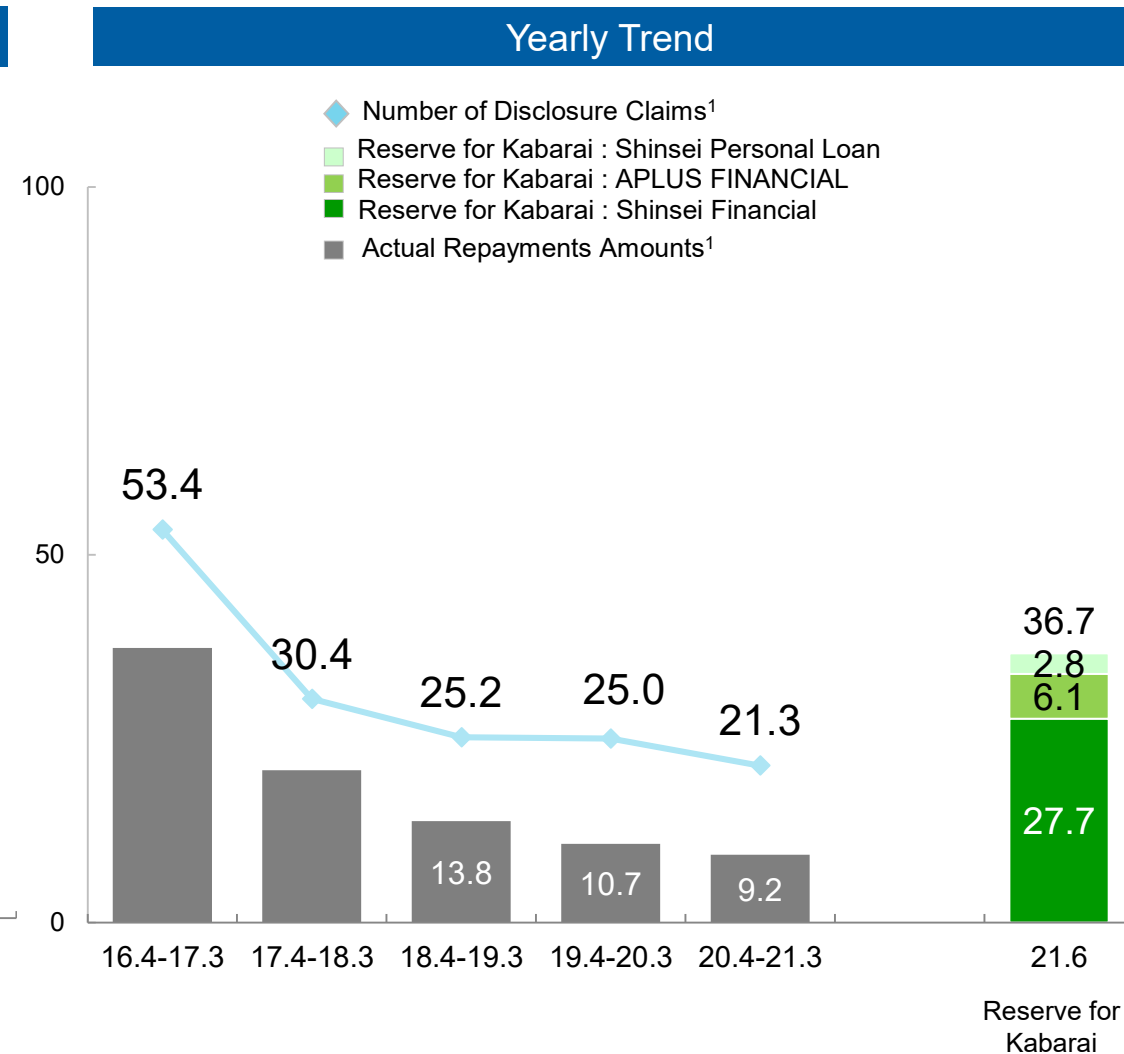
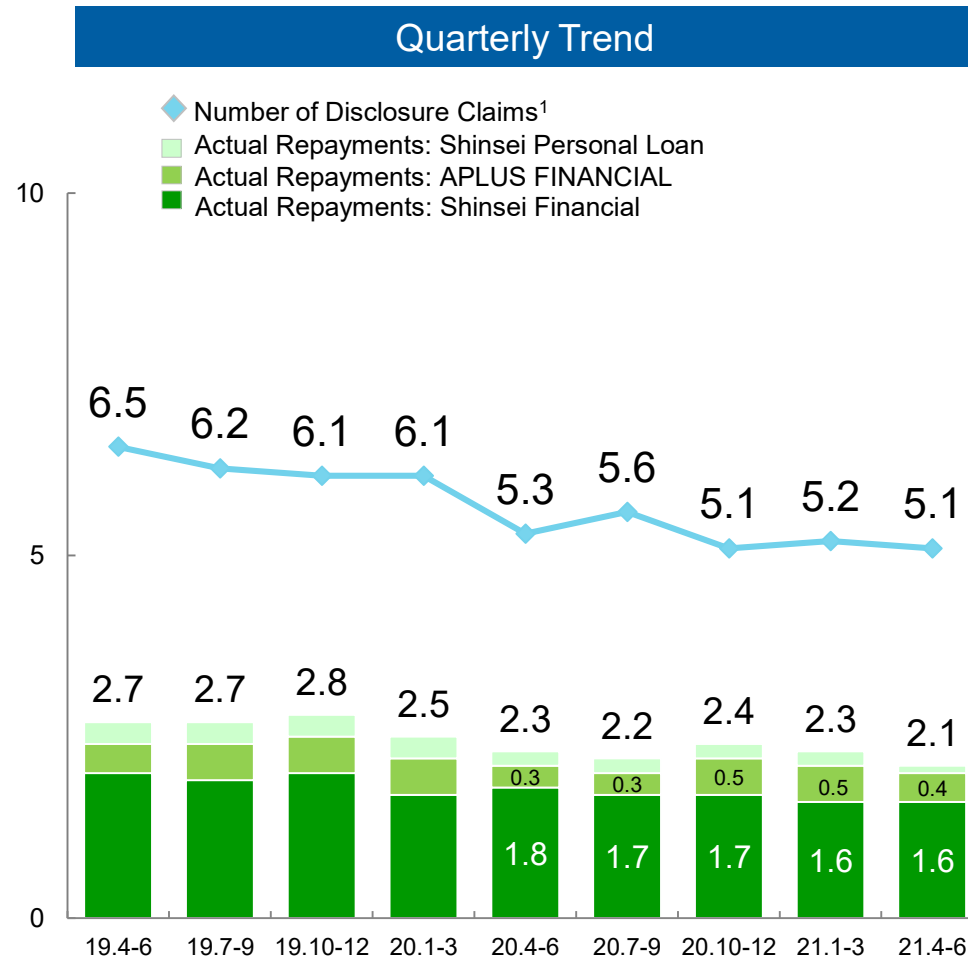
Lake ALSA: Approval rate improved to 36.0% (21.4-6)

- New customer acquisition in 1Q (21.4-6) increased 51% YoY
- ✓ Application: The application volume was 94 thousand (21.4-6) , increased 39% YoY
Application in June decreased reflecting seasonality due to a bonus season
- ✓ Approval rate: Approval rate (21.4-6) improved to 36.0%



Actual repayments and the number of disclosure claims continue to decline

(Unit: JPY billion; thousands)

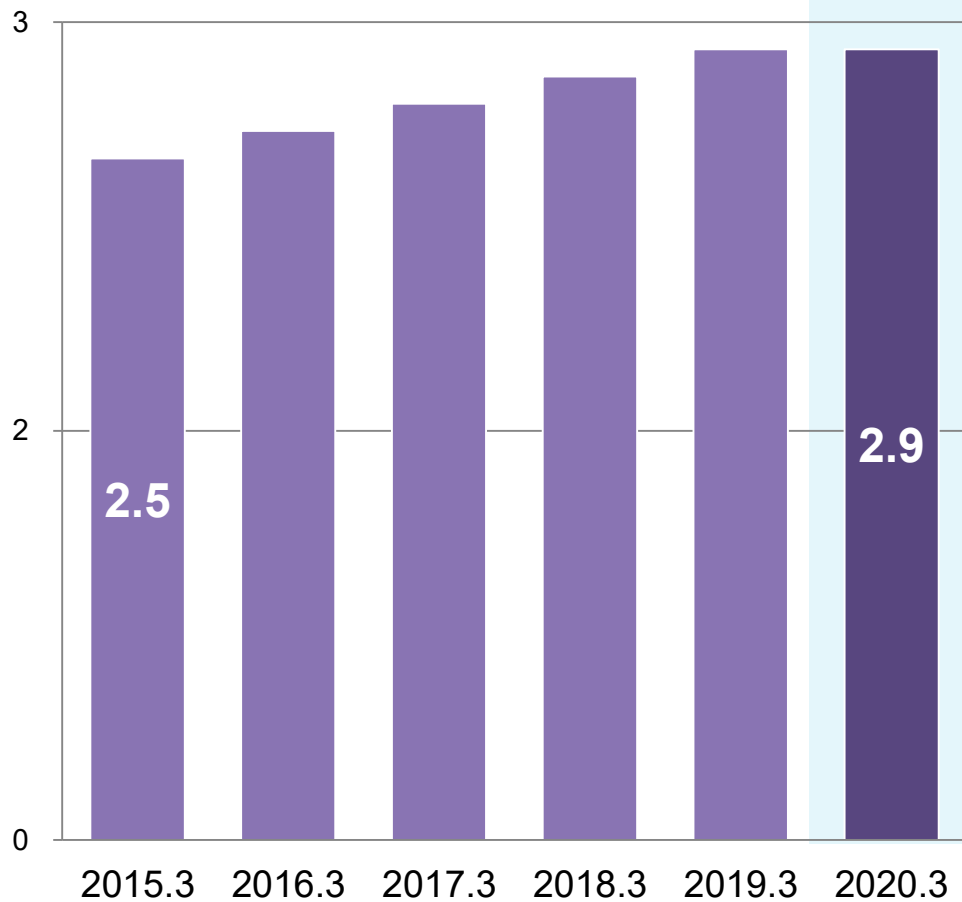


¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

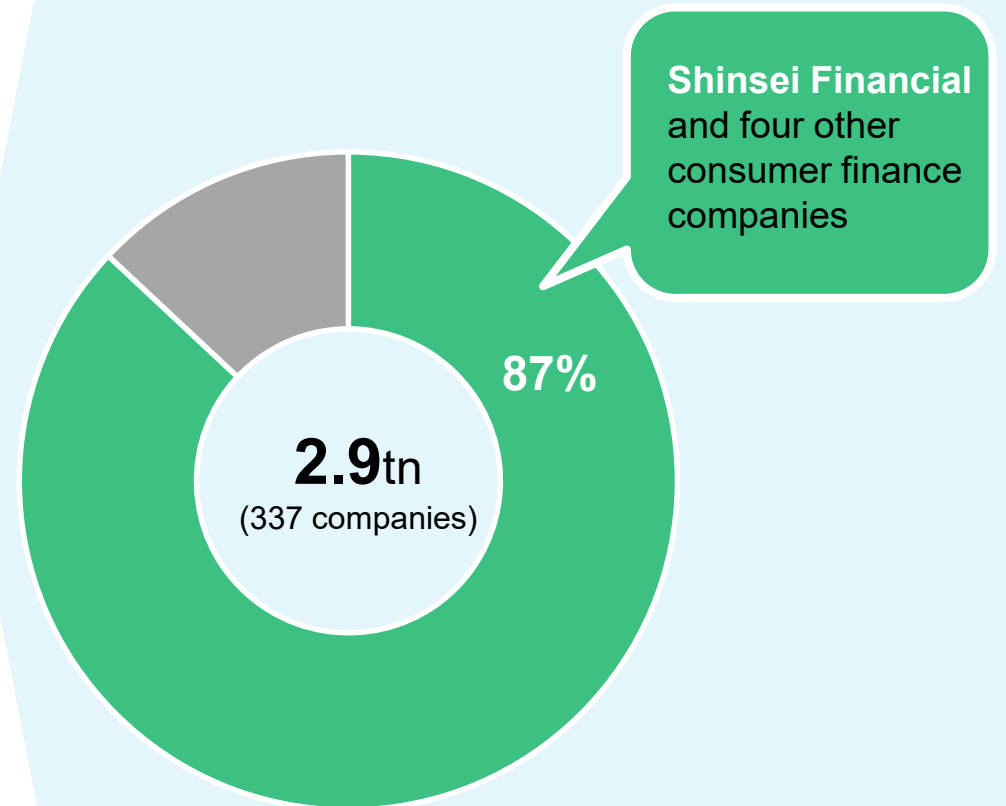
Unsecured loan market

Unsecured Loan Market: Size

(Unit: JPY trillion)



Unsecured Loan Market: Breakdown

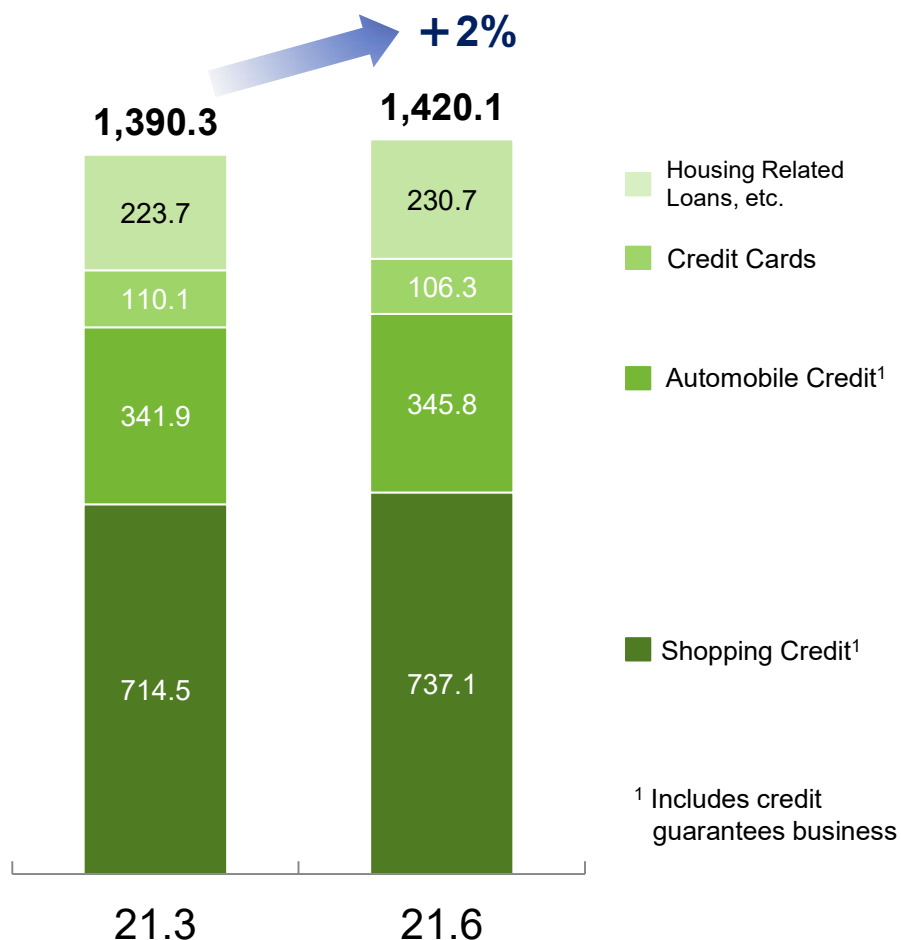


(Data Source) Japan Financial Services Agency

APLUS FINANCIAL: Steady growth in shopping credit balance

(Unit : JPY billion)

Operating Assets Balance



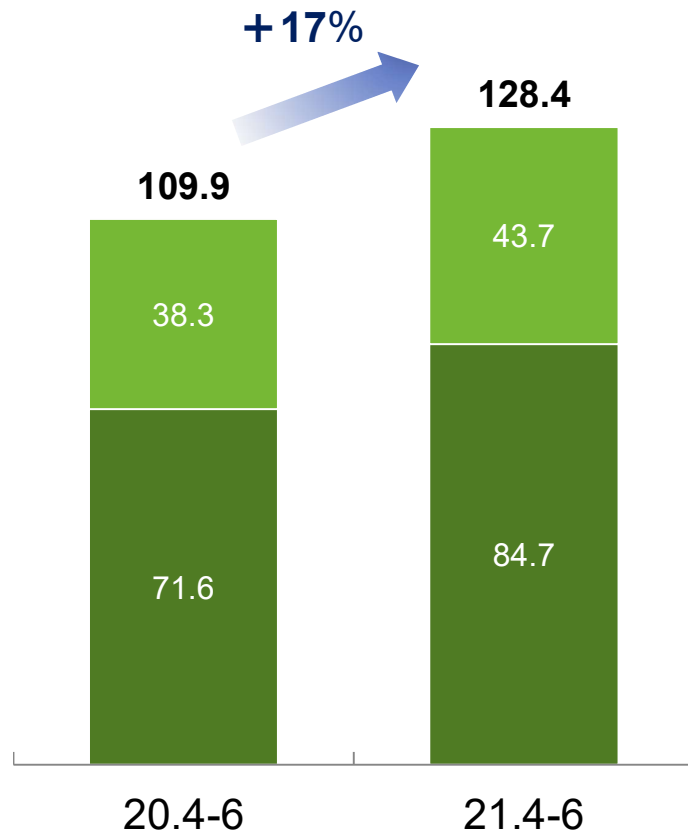
APLUS FINANCIAL	20.4-6	21.4-6
Net Interest Income	2.3	1.9
Noninterest Income	12.1	12.8
Total Revenue	14.5	14.7
Expenses	-9.5	-10.0
Ordinary Business Profit (OBP)	4.9	4.7
Net Credit Costs	-3.2	-3.2
OBP after Net Credit Costs	1.6	1.5

APLUS FINANCIAL: Transaction volume of shopping credit and payment business increased YoY

(Unit : JPY billion)

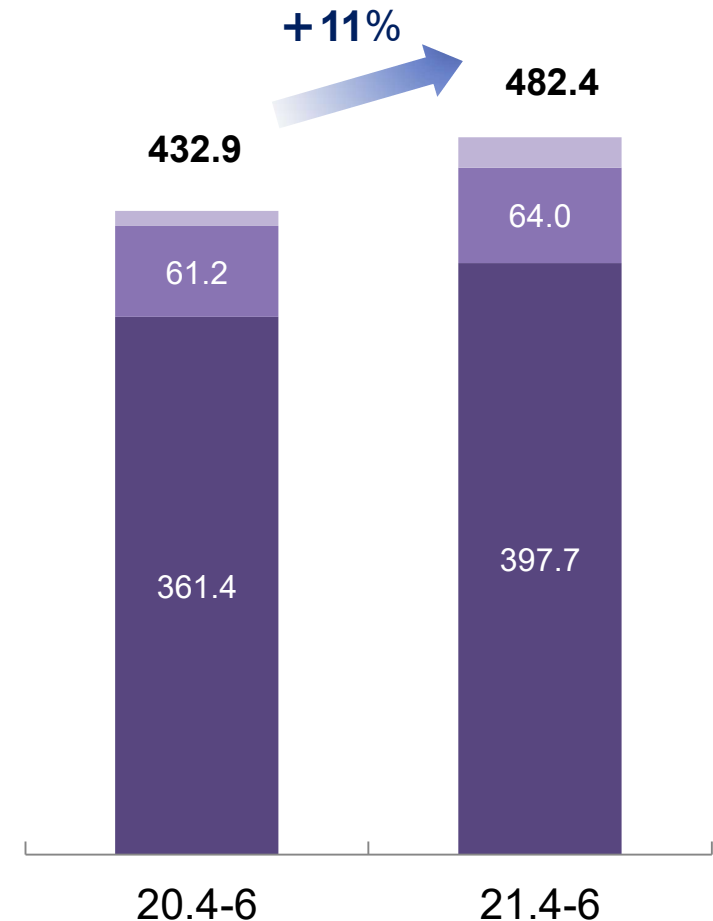
Transaction Volume: Auto Credit, Other Shopping Credit

- Auto Credit¹
- Other Shopping Credit¹
(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.



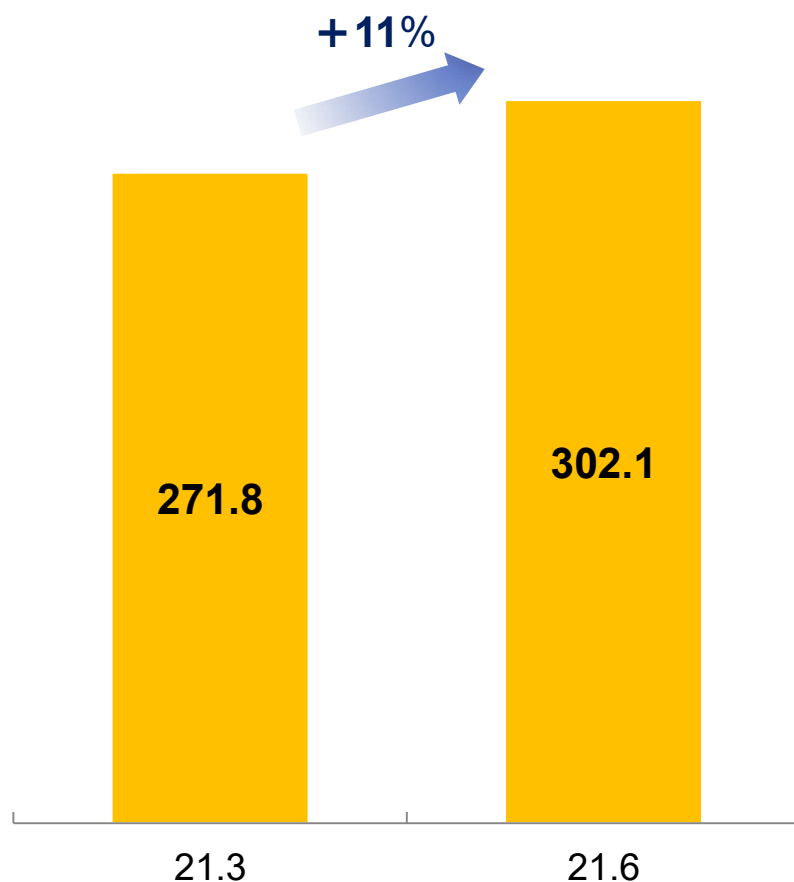
¹ Includes credit guarantees and leasing businesses

UDC Finance business continues to grow

(Unit : JPY billion)

- Operating assets balance increased due to steady growth of UDC Finance business and share acquisition of Latitude

Operating Assets

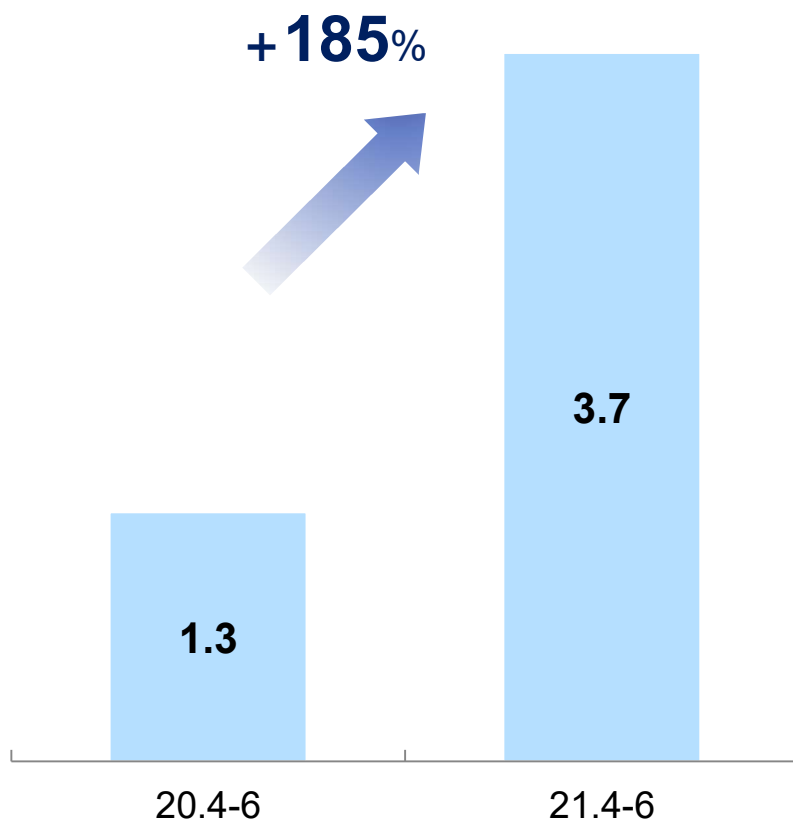


Overseas Businesses ¹	20.4-6	21.4-6
Net Interest Income	0.0	1.2
Noninterest Income	0.5	1.5
Total Revenue	0.5	2.8
Expenses	-0.1	-1.2
Ordinary Business Profit (OBP)	0.4	1.5
Net Credit Costs	-0.0	0.2
OBP after Net Credit Costs	0.4	1.8

Net trading income increase mainly reflects higher income related to interest rate derivatives

(Unit : JPY billion)

Net Trading Income (Corporate Business, Markets, Other Global Markets)

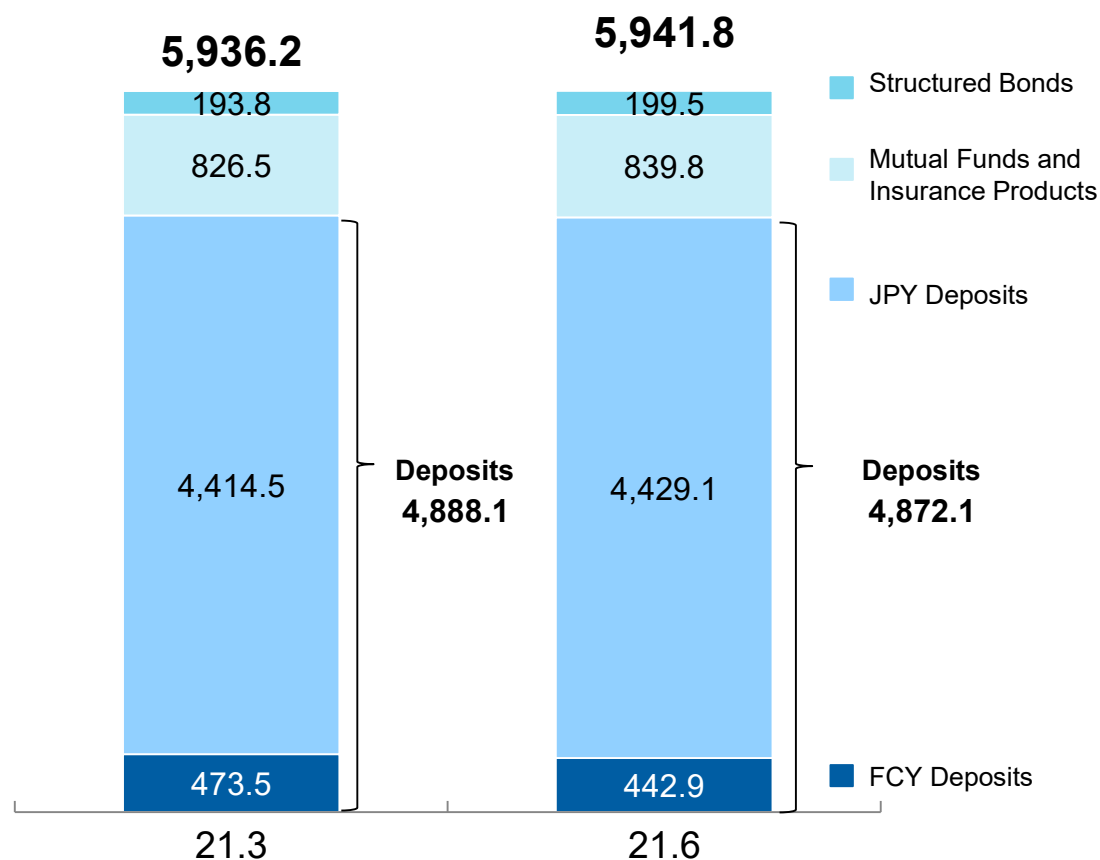


Corporate Business, Markets, Other Global Markets	20.4-6	21.4-6
Net Interest Income	3.4	2.9
Noninterest Income	1.2	2.3
Total Revenue	4.6	5.3
Expenses	-4.7	-4.7
Ordinary Business Profit (OBP)	-0.1	0.5
Net Credit Costs	-0.6	0.2
OBP after Net Credit Costs	-0.7	0.7

Noninterest income from asset management products increased

(Unit : JPY billion)

AUM Balance



Retail Banking	20.4-6	21.4-6
Net Interest Income	6.0	4.9
of which, from Loans	2.3	2.2
of which, from Deposits, etc.	3.7	2.6
Noninterest Income	0.5	1.4
of which, from Asset Management Products	1.2	2.2
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-0.7	-0.8
Total Revenue	6.5	6.3
Expenses	-5.9	-5.8
Ordinary Business Profit (OBP)	0.6	0.5
Net Credit Costs	-0.2	-0.0
OBP after Net Credit Costs	0.3	0.5

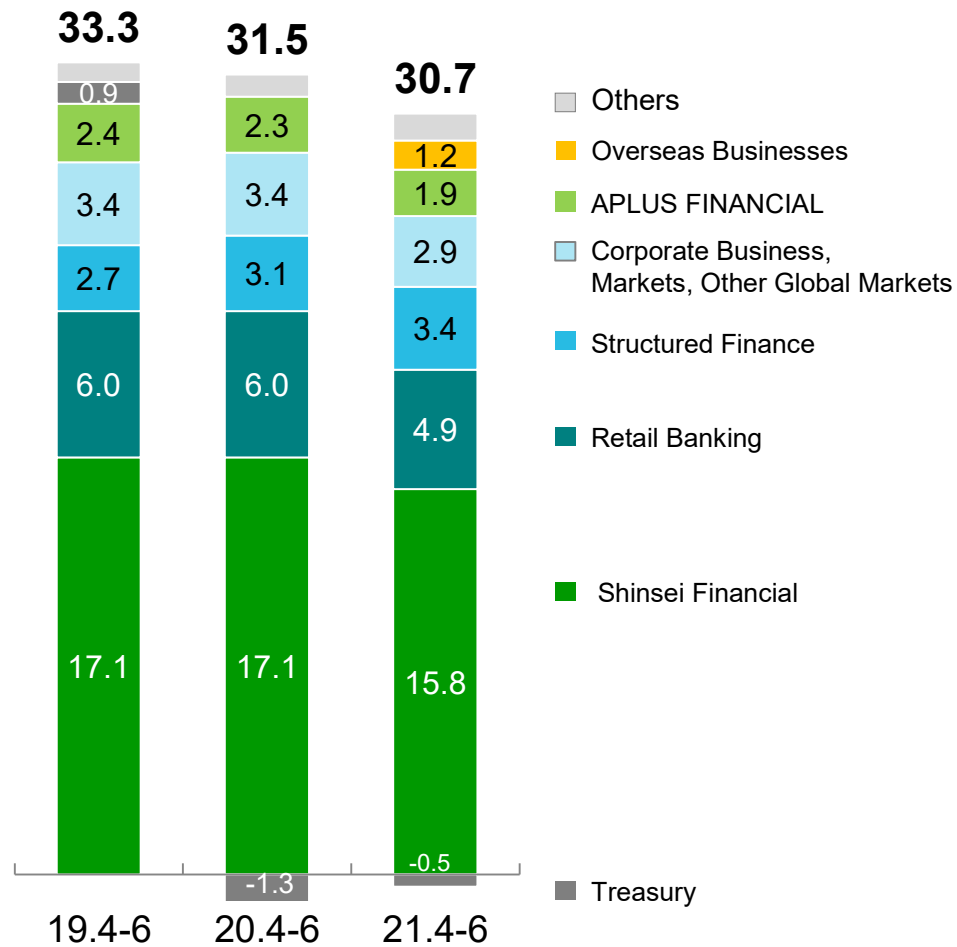
Segment Information

Segment:

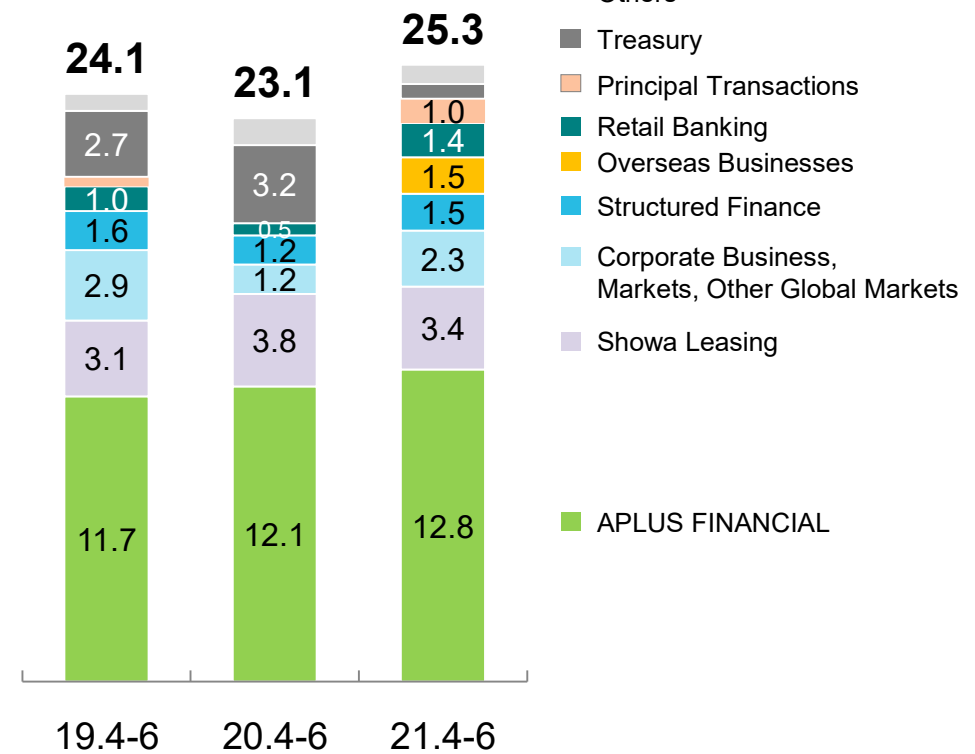
Net Interest Income, Noninterest Income

(Unit : JPY billion)

Net Interest Income by Segment



Noninterest Income by Segment

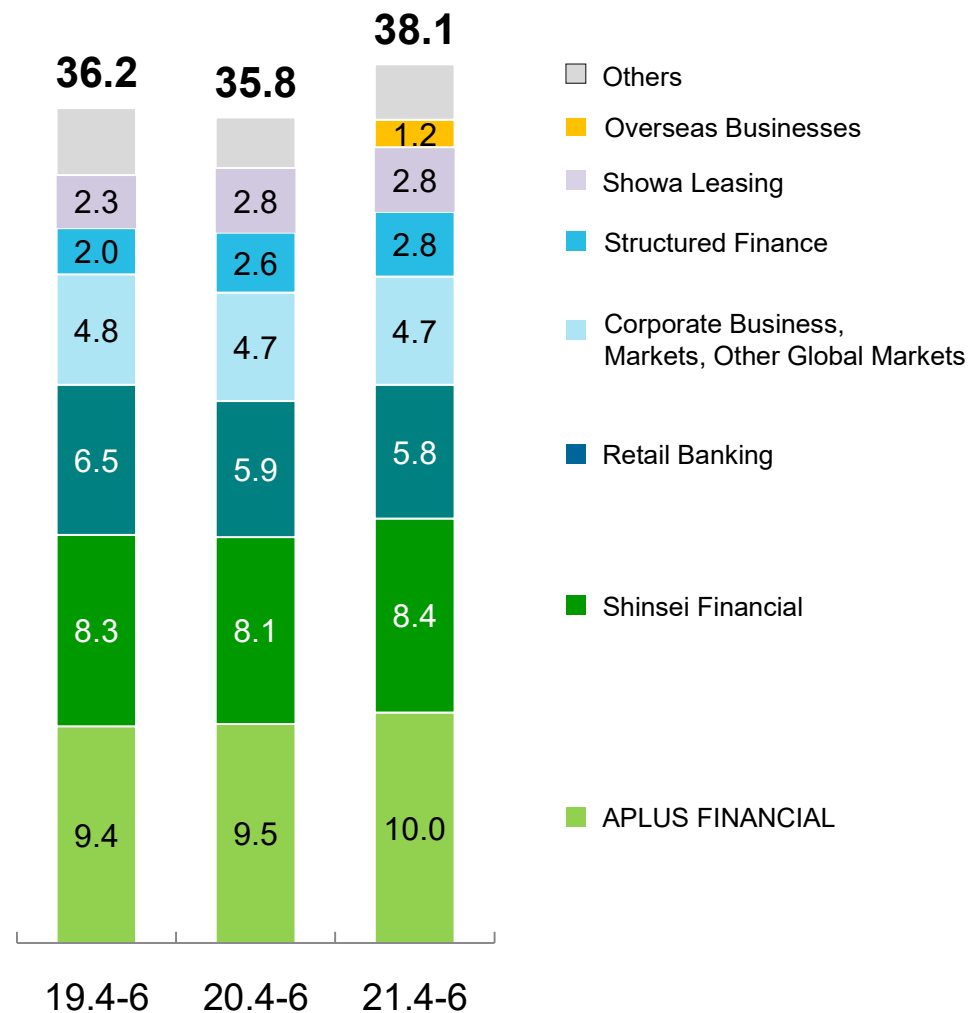


Segment:

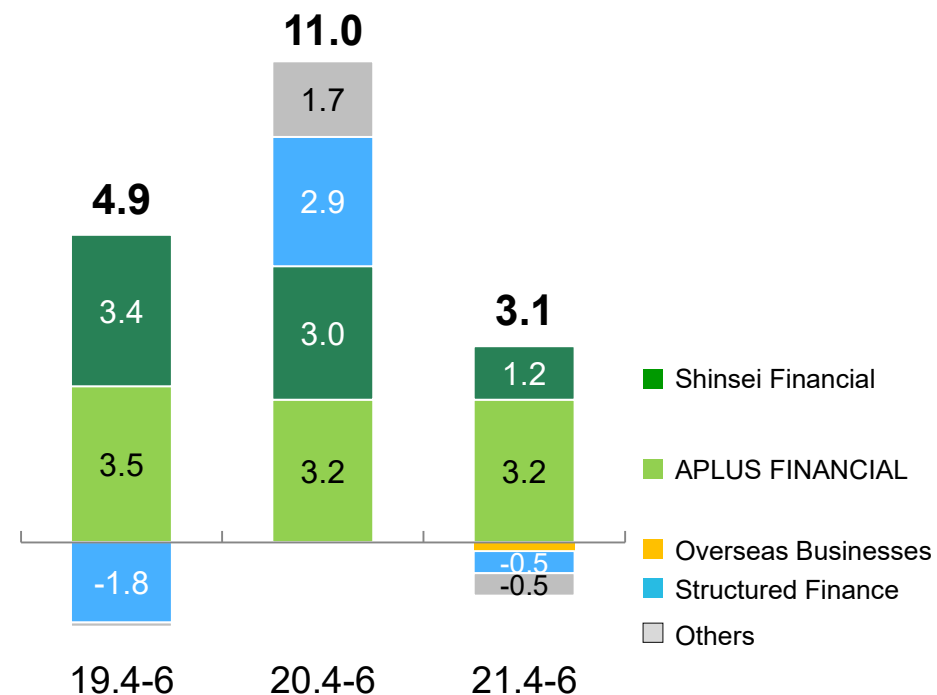
Expenses, Net Credit Costs

(Unit : JPY billion)

Expenses by Segment



Net Credit Costs by Segment



Segment:

P&L and Operating Assets Balance

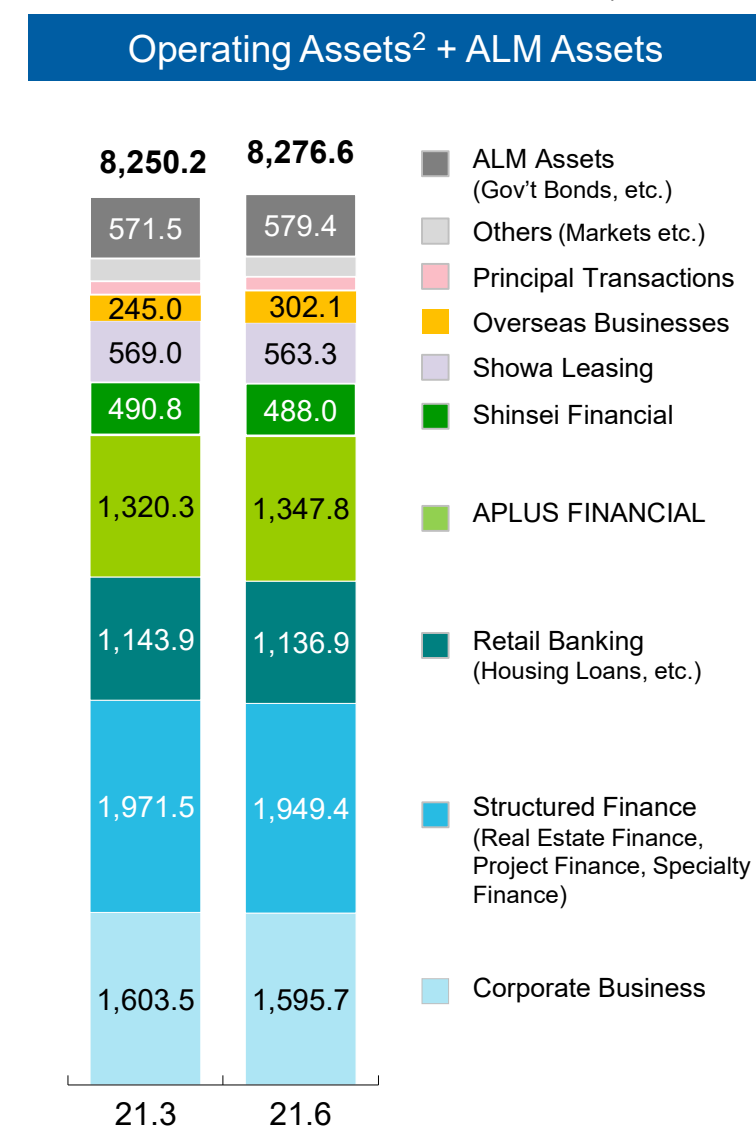
(Unit: JPY billion)

Segment	21.4-6		
	Amounts (OBP after net credit costs)	Weight	ROA ³ (Reference)
Individual Business	8.2	56%	-
Retail Banking	0.5	3%	0.0%
Shinsei Financial ¹	6.0	41%	4.9%
APLUS FINANCIAL	1.5	10%	0.4%
Other Individuals	0.0	0%	n.m.
Institutional Business	4.9	33%	-
Corporate Business	-0.0	-0%	n.m.
Structured Finance	2.6	18%	0.5%
Principal Transactions	0.6	4%	1.9%
Showa Leasing	0.8	5%	0.6%
Markets	0.8	5%	n.m.
Other Global Markets	-0.0	-0%	n.m.
Corporate/Other	1.6	11%	-
Overseas Business	1.8	12%	2.6%
Treasury	-0.2	-1%	0.0%
Corporate/Other (excluding Treasury)	0.0	0%	n.m.
Total (OBP after net credit costs)	14.8	100%	0.2%

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus, etc.

² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ 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
Individual Business	6.4	6.6	8.5	2.2	8.2	9.8	10.0	4.6	8.2
Retail Banking	0.3	0.1	0.1	-0.3	0.3	0.9	0.9	1.3	0.5
Shinsei Financial ¹	5.0	5.2	6.3	2.8	6.0	6.6	6.3	2.7	6.0
APLUS FINANCIAL	1.1	1.3	2.1	-0.4	1.6	1.9	2.6	0.7	1.5
Other Individuals	-0.1	-0.1	-0.1	0.2	0.1	0.3	0.2	-0.2	0.0
Institutional Business	7.1	6.6	10.8	0.0	-2.5	2.9	2.3	7.2	4.9
Corporate Business	0.3	2.9	1.3	-0.6	-0.2	0.1	1.6	1.5	-0.0
Structured Finance	4.1	-0.8	3.2	-1.5	-1.2	0.6	3.0	0.5	2.6
Principal Transactions	-0.0	2.6	2.8	0.3	-0.8	0.7	-3.8	2.9	0.6
Showa Leasing	1.2	0.6	0.8	0.0	0.3	0.9	0.6	0.9	0.8
Markets	1.2	1.1	2.2	1.6	-0.2	0.8	0.8	1.1	0.8
Other Global Markets	0.0	0.1	0.4	0.2	-0.2	-0.2	-0.0	0.1	-0.0
Corporate/Other	2.7	1.4	-0.8	-0.7	2.0	-0.5	-0.1	-0.4	1.6
Overseas Businesses					0.4	0.5	0.5	2.0	1.8
Treasury	3.2	2.0	-0.5	-0.4	1.5	-1.2	-1.4	-2.6	-0.2
Corporate/Other (excluding Treasury)	-0.5	-0.5	-0.3	-0.2	0.0	0.2	0.7	0.1	0.0
Total	16.3	14.8	18.5	1.5	7.8	12.2	12.3	11.4	14.8

Key Data

Balance Sheet

(Unit: JPY billion)	FY17	FY18	FY19	FY20	2021.6
Loans and bills discounted	4,895.9	4,986.8	5,110.4	5,233.6	5,209.5
Securities	1,123.5	1,130.2	957.0	929.7	957.6
Lease receivables/ leased investment assets	171.4	176.5	193.4	192.1	191.7
Installment receivables	558.8	562.2	670.7	839.5	859.5
Reserve for credit losses	-100.8	-98.0	-107.9	-112.8	-110.2
Deferred Tax Assets	14.7	15.0	16.9	9.9	10.2
Total assets	9,456.6	9,571.1	10,226.5	10,740.1	10,715.8
Deposits including negotiable certificates of deposits	6,067.0	5,922.1	6,305.1	6,571.3	6,540.4
Borrowed money	739.5	684.0	881.9	1,026.6	987.8
Corporate bonds	85.0	92.3	166.5	367.5	373.5
Grey zone reserves	74.6	63.0	49.3	39.0	36.7
Total liabilities	8,600.6	8,674.5	9,316.0	9,809.4	9,777.5
Shareholders' equity	862.5	899.5	919.2	935.3	944.5
Total net assets	856.0	896.6	910.4	930.7	938.3

Financial Ratios

(Unit: %)	FY17	FY18	FY19	FY20	21.4-6
Expenses-to-revenue ratio	61.5	63.0	62.3	67.4	68.0
Loan-to-deposit ratio	80.7	84.2	81.1	79.6	79.6
ROA	0.5	0.5	0.5	0.4	0.4
ROE	6.1	6.0	5.1	4.9	5.0
NPL Ratio ¹	0.17	0.20	0.34	0.64	0.61

Per Share Data

(Unit: JPY)	FY17	FY18	FY19	FY20	21.4-6
BPS	3,376.39	3,636.92	3,913.40	4,283.92	4,321.33
EPS	199.01	211.24	190.59	202.16	53.88

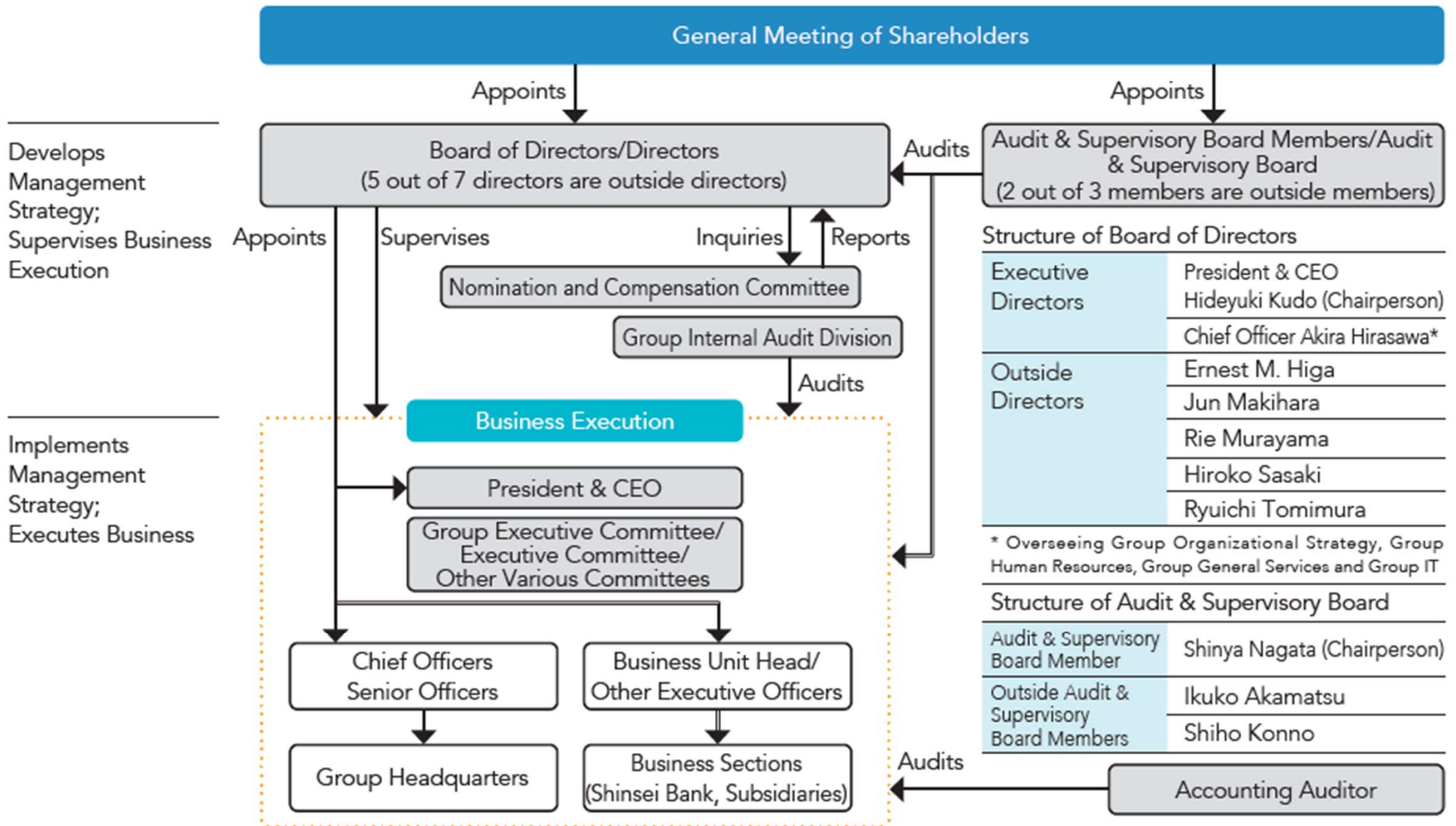
Credit Ratings

	18.3	19.3	20.3	21.3	21.6
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

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

Reference

Corporate Governance Structure Chart (as of June 23, 2021)



Board of Directors, Audit & Supervisory Board Members

Directors

Outside Directors



Hideyuki Kudo
President and
Chief Executive Officer
Chairman of the Board

Reappointed

Akira Hirasawa
Director

Newly Appointed

Ernest M. Higa
Outside Director
Nomination and
Compensation
Committee Member

Reappointed

Outside
Independent

Jun Makihara
Outside Director
Chairperson,
Nomination and
Compensation Committee

Reappointed

Outside
Independent

Rie Murayama
Outside Director
Nomination and
Compensation
Committee Member

Reappointed

Outside
Independent

Outside Directors

Audit & Supervisory Board Members

Outside Audit & Supervisory Board Members



Hiroko Sasaki
Outside Director
Nomination and
Compensation
Committee Member

Newly Appointed

Outside
Independent

Ryuichi Tomimura
Outside Director
Nomination and
Compensation
Committee Member

Reappointed

Outside
Independent

Shinya Nagata
Audit & Supervisory
Board Member

Reappointed

Ikuko Akamatsu
Outside Audit &
Supervisory Board
Member

Reappointed

Outside
Independent

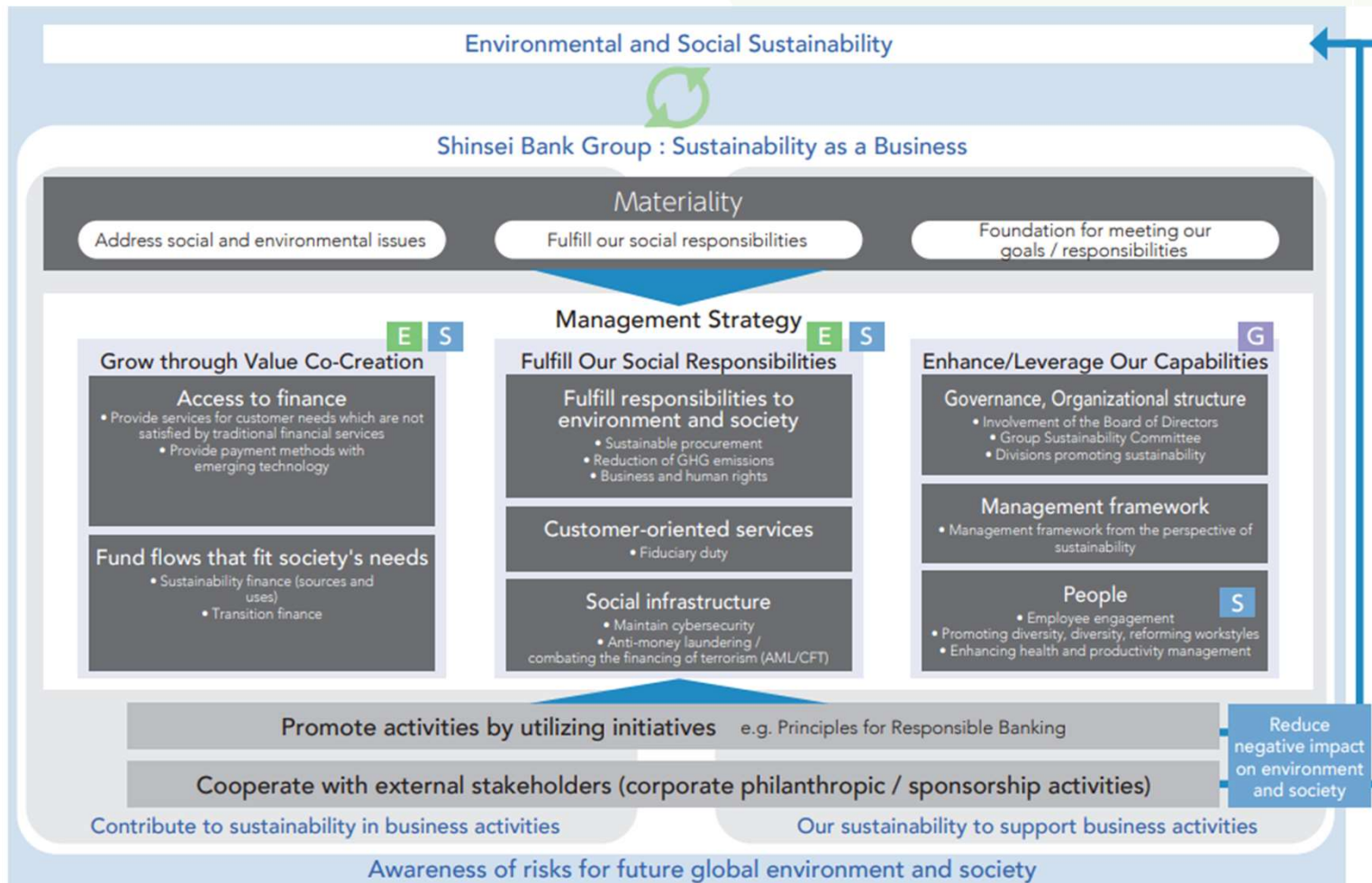
Shiho Konno
Outside Audit &
Supervisory Board
Member

Reappointed

Outside
Independent

Signatory to the Principles for Responsible Banking, Establishment of Responsible Investment and Lending Policy

The Shinsei Bank Group redefines the Group's sustainability management as the way that the Group should manage itself. The Shinsei Bank Group will contribute to the sustainability of society and aims to achieve sustainable growth through value-added initiatives. We separated the investment and lending policy from the Group Sustainability Policy and established the Responsible Investment and Lending Policy, effective July 1, 2021



Disclaimer

- 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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